

SE News Stories; Other News
HD **Gindalbie produces 4 mil mt magnetite over Jul-Dec**

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Gindalbie Metals said Tuesday it produced 4.08 **million** mt of magnetite concentrate over July-December 2013 at its Karara joint venture project with **China's** Ansteel, in Western Australia, despite continuing to grapple with commissioning issues.

Karara had been expected to achieve its nameplate capacity of 8 **million** mt/year of magnetite last April, but has been struggling with commissioning problems since magnetite production began in January last year. The project is located around 225 kilometers (139 miles) east of Geraldton in Western Australia's midwest region, some distance from the Pilbara region where most of Australia's **iron ore** is produced.

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Gindalbie said Tuesday Karara exported a total 4.12 **million** mt of magnetite and hematite direct shipping **ore** over July-December 2013.

The **company** said it expects to complete a technical review of Karara, which will determine how and when the project can reach its full design output by the end of March. Output over January-June is expected to be in the range of 2.4 **million**-2.7 **million** mt for magnetite and 1.8 **million**-2 **million** mt for hematite, the **company** said.

Delays in the ramp-up of Karara and lower-than-forecast output has impacted Gindalbie's working capital. The **company** said in Tuesday's half-year report it expects it will need a further \$150 **million**-200 **million** in 2014 to address plant bottlenecks and reach full production of 8 **million** mt/year magnetite and 2 **million** mt/year hematite.

Gindalbie posted a net profit of A\$2.9 **million** (\$2.6 **million**) for July-December 2013, swinging from a net loss of A\$18.8 **million** a year earlier.

Separately, Ansteel subsidiary Pangang Group Vanadium Titanium & Resources Co., which manages the **company's** investments in Gindalbie and Karara, said Tuesday it had approved a further \$169 **million** in a one-year term for the project's daily **operations**. This is the second funding tranche from Pangang after a \$113 **million** facility in August 2013.

Pangang officials could not be reached for comment Tuesday, but the **company** in January said it had no intention of reducing its exposure to the Karara project or Gindalbie, which remain part of its long-term strategic investment plans. Pangang holds a 35.89% **stake** in Gindalbie and a 52.16% **stake** in Karara and is the mine's chief offtake customer. Gindalbie owns the rest of Karara.

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