

KARARA COMPLETES CONSTRUCTION OF 330KV POWERLINE

Gindalbie Metals Limited (ASX: **GBG** – “Gindalbie”) is pleased to advise that construction of the new 330kV power transmission line connecting the Karara Iron Ore Project with the State electricity grid has been completed.

Commissioning of the new line, which consists of 376 towers and stretches 180km from Eneabba through Three Springs to Karara, is underway and energizing took place yesterday. The line has been initially energized to 132kV to provide the first grid power to the mine site and allow for final commissioning to take place. Once the Three Springs Terminal Substation is completed, which is scheduled for August, the line will be energized to 330kV ahead of magnetite concentrate production.

A 15-year energy supply agreement with the State energy utility, Verve Energy, was signed in November 2007 and the necessary agreements were finalised in April with Western Power for transmission and access to the South West Interconnecting Network (SWIN). Western Power also agreed recently that as part of its Mid-West Energy Project (MWEP) Stage One it would purchase the 70km stretch of transmission line running from Eneabba to Three Springs in 2014 and refund Karara Mining Limited’s (KML) contribution to the Three Springs Terminal Substation (see ASX announcement - *Karara Finalises Transmission Access Arrangements*, 30 April, 2012).

The power transmission line is the latest item of infrastructure to be completed as part of the overall integrated Karara Project development. The water pipeline has already been completed, commissioned and is fully operational. The Karara rail spur and the Geraldton Port infrastructure are nearing completion and will be available ahead of requirements for the recommencement of hematite shipments in late July.

In total KML has invested more than \$1 billion in new infrastructure in the Mid-West region – much of which will be available for third-party access.

Gindalbie’s Managing Director, Mr Tim Netscher, said that he was pleased that another component of the Karara Project infrastructure had been safely delivered on time and on budget. He also noted that the connection of the Karara site to the State electricity grid marked a very significant milestone for the Project, securing a reliable long-term source of cost effective energy to underpin operations for many decades into the future.

“This represents another important addition to the region’s infrastructure with the new 330kV power transmission line constructed by KML bringing grid power from the SWIN into the Mid-West region,” Mr Netscher said.

“This is also another excellent example of the flow-on benefits that come from the development of major resource projects like Karara, with the construction of this new 330kV transmission line acting as a key catalyst for the first stage of Western Power’s Mid-West Energy Project, which will see a new 330kV line built from Pinjar to Eneabba. That will ultimately benefit communities across the Mid-West region.”

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