

Key Points

- During the Quarter Mr Shao An Lin was appointed as a non-executive director of Gindalbie Metals Ltd (“Gindalbie”) and elected as Chairman of Karara Mining Ltd (“KML”). Mr Li Ge was appointed as a non-executive director of Gindalbie.
- At 31 March 2015, Gindalbie Metals Ltd had term deposits of A\$39 million and cash reserves of A\$2 million.
- Production of magnetite concentrate from the Karara Project (Gindalbie 47.84%, Ansteel 52.16%) increased 5.7% compared to the December 2014 Quarter.
- KML made a total of 38 shipments in the March Quarter.



CORPORATE

On 5 March 2015 Mr Shao An Lin and Mr Li Ge were appointed as non-executive directors of Gindalbie following the resignations of Mr Tang Fuping and Mr Yu Wanyuan.

On 16 March 2015, Mr Shao An Lin was also elected as the Chairman of KML following the resignation of former Chairman Mr Chen Ping as a director of KML. Mr Shao has been a director of KML since 12 April 2013.

- Mr Shao has worked for the Ansteel Group for more than 30 years and is currently the General Manager of Pangang Group Vanadium Titanium & Resources Co Ltd and the President of the Metallurgical Mine Association of China. Mr Shao was previously a director of Gindalbie from 15 March 2011 to 22 May 2013.
- Mr Li is currently the Deputy Director of the financial operations department at Ansteel and a member of the supervisory boards for Finance Company Ltd, Ansteel Group and Ansteel Capital Holding Company.

Gindalbie is continuing to review its portfolio of exploration tenements and divesting those it believes have little prospectivity.

Shareholder Information

As at 31 March 2015, Gindalbie had 1,495,448,025 shares on issue and 15,871 shareholders. The Top 20 shareholders held 51.05% of the issued share capital of Gindalbie.

Cash Reserves

At 31 March 2015, Gindalbie had term deposits of A\$39 million and cash reserves of A\$2 million.

KARARA PROJECT

Overview

The Karara Project ("Karara"), located 200km east of Geraldton, is a joint venture with Ansteel, one of China's largest steel-makers. Karara consists of a long-life, magnetite concentrate operation with a smaller-scale supporting hematite Direct Shipping Ore ("DSO") operation.

KML Board

On 16 March 2015, Mr Chen Ping resigned as Chairman and non-executive director of KML. Mr Zhang Zhaoyuan was appointed as a non-executive director. Mr Shao An Lin was appointed Chairman (see 'Corporate' above).

Shipping

KML undertook a trial shipment on a post-Panamax vessel ('Hebei Xingtai') which sailed from Geraldton Port on 25 March 2015. This shipment of magnetite concentrate broke the record for the largest vessel DWT (93,697 tonnes) and the largest cargo (70,656 tonnes) to sail from Geraldton Port. KML has received approval from the Mid West Port Authority to continue trialling post-Panamax vessels.

Production

KML produced 1.49 million wmt of magnetite concentrate at Karara during the March 2015 Quarter which is an increase of 5.7% when compared to the December 2014 Quarter production of 1.41 million wmt.

A total of 38 shipments were completed during the March 2015 Quarter totalling approximately 2.37 million wmt of combined magnetite concentrate and hematite DSO. Magnetite production quality averaged 65.8% Fe during the Quarter.

Karara Magnetite			
<i>Unit '000 wmt</i>	Sep-14 Qtr	Dec-14 Qtr	Mar-15 Qtr
Ore mined	2,885	3,208	2,947
Concentrate Produced	1,260	1,411	1,490
Concentrate Shipped	1,142	1,524	1,450

Karara Hematite DSO			
<i>Unit '000 wmt</i>	Sep-14 Qtr	Dec-14 Qtr	Mar-15 Qtr
Ore Mined:			
High Grade	56	261	391
Medium Grade	0	0	0
Low Grade	51	151	113
Total Mined	107	412	504
Hematite DSO Shipped	1,040	993	922

KML continues to work to optimise operations to increase production. A main focus continues to be ongoing cost-cutting measures.

Royalty Relief

KML qualified for the WA Government's magnetite royalty rebate scheme in the December 2014 Quarter and KML received its first rebate under the scheme during the March 2014 Quarter. The magnetite royalty rebate scheme was announced by the Premier of WA at the opening of the Karara Project in 2013.

GINDALBIE REGIONAL EXPLORATION

Exploration during the March Quarter comprised:

- Interpretation and assessment of assay results received from the Windine Well target confirmed visual estimates of narrow zones of enrichment. Due to the discontinuous and narrow nature of the zones of enrichment no further drilling is planned.
- Rehabilitation work of access tracks and drill sites were completed at Windine Well during the Quarter.