



Karara and Beyond

Conference Presentation

October 2012



Disclaimer

Presentation of General Background

This document contains general background information about the activities of Gindalbie Metals Ltd ("**Gindalbie**", "**Gindalbie Metals**" or the "**Company**") current as at the date of this presentation. It is information in a summary form only and does not contain all the information necessary to fully evaluate any transaction or investment. It should be read in conjunction with Gindalbie's other periodic and continuous disclosure announcements to the ASX available at www.asx.com.au.

General Disclaimer

This presentation may include forward-looking statements. These forward-looking statements are based on management's expectations and beliefs concerning future events. Forward-looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of Gindalbie Metals that could cause actual results to differ materially from such statements. Gindalbie Metals makes no undertaking to subsequently update or revise the forward-looking statements made in this release to reflect events or circumstances after the date of this release.

There are a number of risks, both specific to Gindalbie Metals and of a general nature which may affect the future operating and financial performance of Gindalbie Metals and the value of an investment in Gindalbie Metals including and not limited to economic conditions, stock market fluctuations, iron ore demand and price movements, timing of access to infrastructure, timing of environmental approvals, regulatory risks, operational risks, reliance on key personnel, reserve and resource estimations, native title and title risks, foreign currency fluctuations, and mining development, construction and commissioning risk.

All dollar amounts shown in this presentation are in Australian dollars unless otherwise stated.



Video

- **To view the latest aerial video of the Karara project development, filmed on September 26, 2012 and to see a selection of project pictures, please visit www.gindalbie.com.au**

145km Water Pipeline - **DELIVERED**

- Pipeline, bore field and pumping station operational

180km High Voltage Powerline - **DELIVERED**

- 330kV power line supports +30Mtpa production capacity
- 15-year government power contract for 120MW/year



80km Karara Rail Spur - DELIVERED

- Regular haulage underway
- QR Haulage Agreement in place
- Brookfield rail line upgrade ahead of schedule
- Brookfield Rail Access Agreement in place

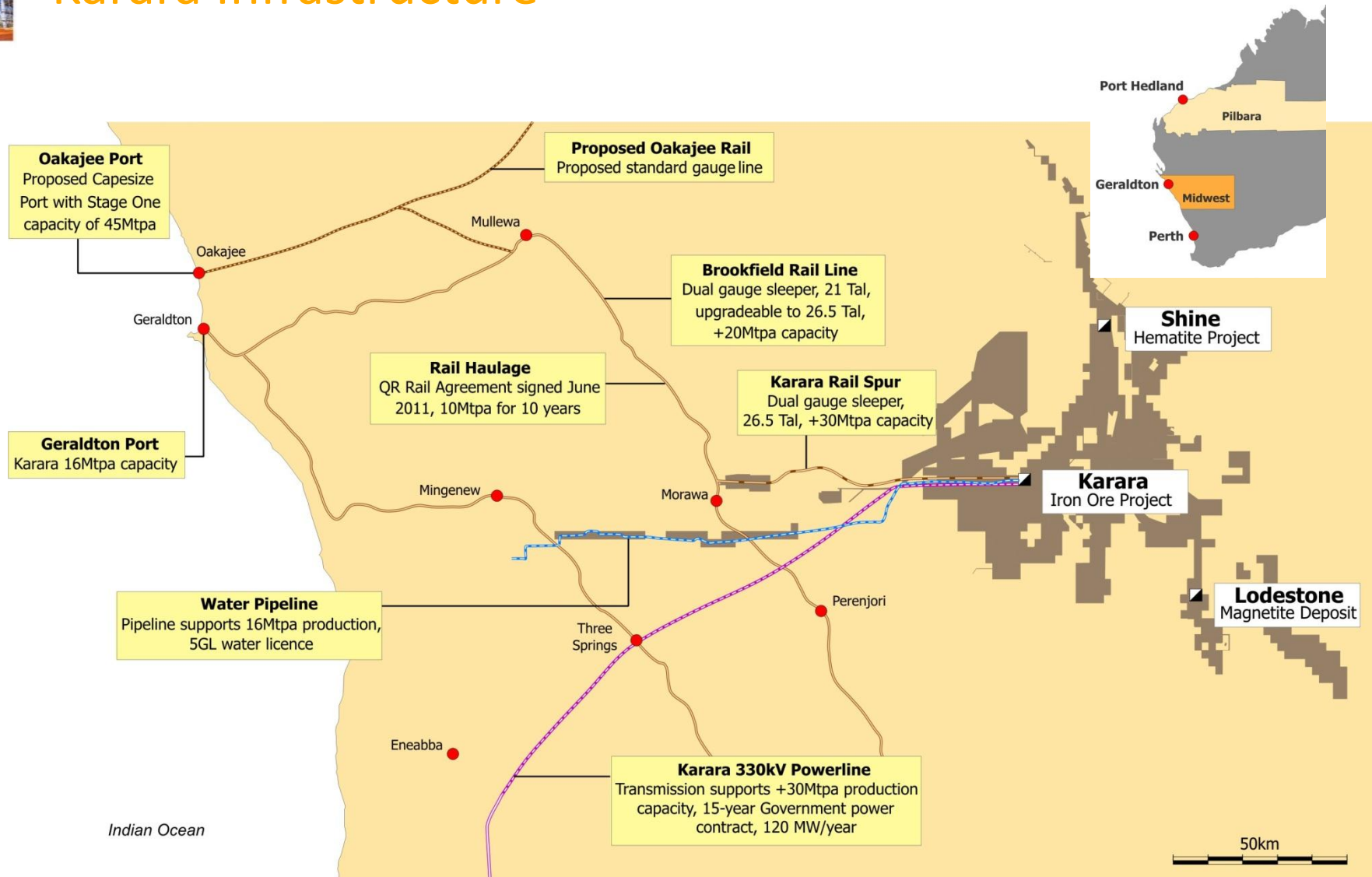


Karara Export Terminal - DELIVERED



- Officially opened September 18, 2012
- First DSO shipment Oct 17, 2012
- Karara facilities support 16Mtpa (Karara Stage 1 and 2)
- Facilities dedicated to Karara operations

Karara Infrastructure



2Mtpa DSO Mining Operation - **DELIVERED**



- Blue Hills North mining underway
- ~1.8Mt production stockpiled, awaiting transport
- Pipeline of DSO deposits to sustain ~2Mtpa



Karara Magnetite Processing Plant **DELIVERED and COMMISSIONING UNDERWAY**

- First magnetite concentrate scheduled for late Oct or early Nov, 2012
- Final construction and commissioning underway
- Ramp-up to nameplate capacity 8Mtpa expected by April, 2013

Karara Magnetite Processing Plant **DELIVERED and COMMISSIONING UNDERWAY**





Superior Margin Product

Magnetite Contract – Signed with Ansteel March 2010

- Life-of-mine contract for Karara magnetite concentrate
- Pricing based on 62% fines benchmark
- With adjustments for iron content and quality

Karara – A Premium Product

	Karara Concentrate	Hamersley Pilbara Blend
Fe% (Iron)	68.2%	62.2%
SiO ₂ % (Silica)	4.75%	3.6%
Al ₂ O ₃ % (Alumina)	0.10%	2.1%
P% (Phosphorus)	0.01%	0.1%

High iron content, low impurities





Delivery and Growth

Building on the Karara Strengths

- World-class resource
 - Quality
 - Quantity
- Ansteel partnership
- Prime location

We have delivered

- Infrastructure
- Hematite Mining

We will shortly deliver magnetite production

We will complete the Stage 2 Feasibility Study





For more information contact **Michael Weir**
Corporate Affairs &
Investor Relations Manager

T: +618 9480 8700

F: +618 9480 8799

M: +61 402 347 032

michael.weir@gindalbie.com.au

Level 9, London House
216 St Georges Tce, Perth WA 6000
www.gindalbie.com.au

