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Gindalbie mulls magnetic possibilities

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TWO zones of iron mineralisation have been defined at Gindalbie Metals' Terapod West prospect within its Karara iron ore joint venture, with drilling intersecting significant widths and laying down the possibility of providing feed to supplement the proposed magnetite concentrate project.

Reverse circulation drilling at Terapod West or MR7 – which lies within the Mungada area – has delineated two zones of mineralisation, "each between 10-30m in width and extending over 300m of strike, reducing to a single zone of less continuous mineralisation over a further 350m of strike".

According to Gindalbie, the hematite enrichment within the banded iron formation (BIF) indicated two distinct zones, which included an upper area to around 75m depth with high-grade iron over 63% and low levels of contaminants.

The lower area below the 75m mark contained "fresh enriched" BIF containing "intensely magnetic, moderate-to-low grade iron (55-60%)".

"This material can be mined as part of a hematite openpit operation but can also be used as feed to supplement the magnetic concentrate project proposed for Karara," Gindalbie said of the lower zone.

"Metallurgical and concentrating test work will be undertaken to confirm the magnetic concentration effects on this type of ore."

Better results from the completed RC program include 42m at 64.4% iron from 13m, 42m at 62.5% iron from 14m, 35m at 61.8% iron from 37m and 26m at 34.6% iron from 34m.

Silica levels peaked at 7.8%, aluminium oxide at 3.9%, phosphorous reached a high of 0.18% and sulphur touched 0.58%.

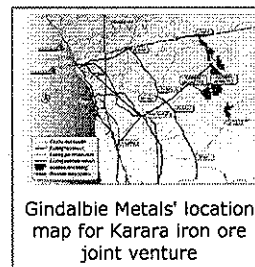
"The initial resource of 14.1 million tonnes is being used in our current feasibility studies and will underpin an initial start-up DSO [direct shipping ore] operation commencing at 1.5 million tonnes per annum in 2008 and subsequently expand to 3Mtpa," Gindalbie managing director Garret Dixon said.

"However, our exploration activities are continuing to test numerous other hematite prospects in the area with a view to enhancing the longer term future of this project."

Karara is a 50:50 JV with Chinese partner AnSteel.

Earlier this year, Gindalbie released Karara's initial hematite resource, which currently stands at 14.1Mt at 60.6% iron, 7.8% silica, 1.2% aluminium and 0.11% phosphorous.

Shares in Gindalbie climbed 2c to 59c in trading this morning.



Gindalbie Metals' location map for Karara Iron ore joint venture

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