

Client:

Gindalbie Metals Ltd

Project:

Mungada Hematite Project

Project Location:

225 km SE of Geraldton

Project Value:

AUD 115M (2006)

Services:

- Preparation of scoping studies
- Development of PFS

1. Project Overview

Gindalbie Metals Ltd ("Gindalbie") is the owner of the Mt Karara Iron Ore Project located approximately 225 km south east of the Port of Geraldton and 90 km east of the existing rail head at Morowa in the mid-west region of Western Australia.

Gindalbie is looking at developing the Hematite Iron Ore Project at Mungada Ridge. High grade hematite occurs throughout the tenements, which has the potential to be suitable for Direct Shipped Ore ("DSO"). Based on a Scoping Study completed by ProMet, it was established that the Mungada Hematite Project could administer the production of 3 Mt/a of DSO material.

ProMet, in consultation with Gindalbie Metals Ltd and its Alliance partner Thiess, was required to examine various production scenarios which would allow for the economic transport of the ore through the Port of Geraldton commencing in 2008.

2. Scope of Work

The scope of work included the following main areas and facilities:

- Mining
- Metallurgical/Process design and testwork
- Engineering design and documentation
- Rail transportation, including siding, truck unloading, storage and bin loading
- Project infrastructure
- Financial modelling

The plant was designed to produce 3 Mt/a of Lump and Fines ore.

The process plant includes the following:

- Ore blending
- ROM pad
- Primary crushing
- Screening
- Stockpiling
- Associated infrastructure
- Road loading
- Transportation to rail head
- Rail stockpile and loading
- Rail rolling stock
- Port storage, handling and loading

3. Process Schedule

- Scoping Study completed Nov 2005
- Pre-Feasibility Study completed Jul 2006

