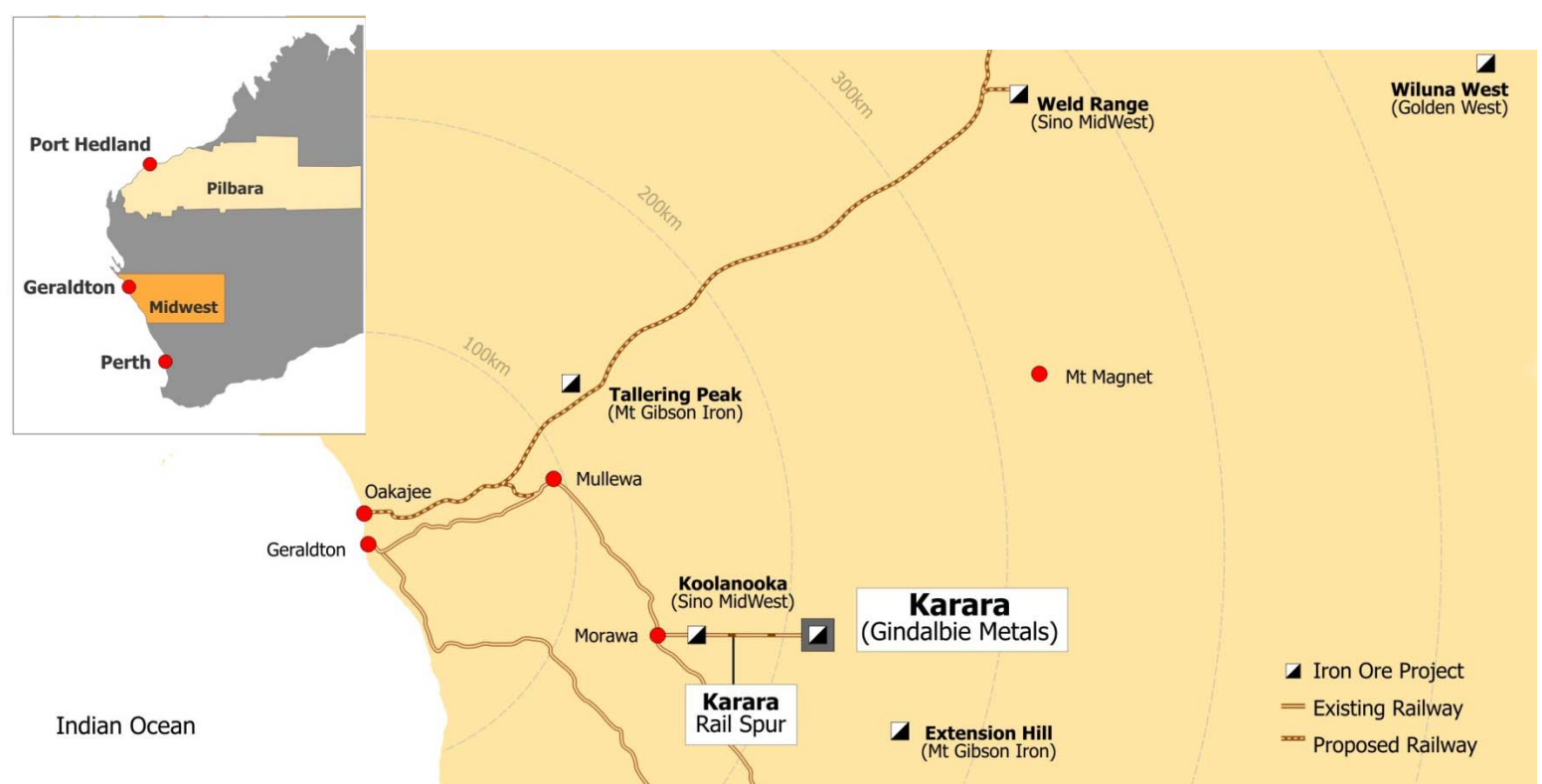




The Karara Project



Location	Approximately 220km east of Geraldton, Western Australia
JORC Resource	2.378 bt @ 35.8% Fe
JORC Reserve	950.8 mt @ 36.2% Fe
Production	<p>Stage 1 - Hematite: first shipment Mar 2011</p> <p>- Magnetite: commissioning September Quarter 2012, first shipment January 2013 , ramping up to 8.8 million wet tonnes per annum.</p>
JV Partner	<p>Gindalbie Metals Ltd (47.84%) and Anshan Iron and Steel Group Corporation (52.16%) Ansteel</p> <ul style="list-style-type: none"> - One of China's largest steel makers and the biggest iron ore miner - offtake arrangement - Access to Chinese project debt funding for Karara
Key Milestones	<p>2006.04 – Heads of Agreement Signed</p> <p>2007.08 - Bankable Feasibility Study Completed</p> <p>2007.09 - Signing of Joint Venture Development Agreement, witnessed by Chinese President Hu Jintao and Prime Minister John Howard</p> <p>2009.10 – Federal Environmental Approval Received</p> <p>2009.11 – Groundbreaking by WA Premier Colin Barnett, start of construction</p> <p>2010.03 – Life of Mine off-take agreements worth more than US\$65b with Ansteel</p> <p>2011.03 – First DSO mined</p>



2012.08 – Official opening of Karara Export Terminal at Geraldton
 2013.01 – First Shipment of Magnetite Concentrate
 2013.04 – Karara Project Officially Opened

Economic Impact

Total Construction Workforce	+1500
Permanent Workforce	~500
Indirect Jobs	Additional 300 in the Mid West with significant business opportunities
Export Revenue	~\$1 billion per annum rising to ~\$3 billion per annum
Royalties	~\$50 million per annum rising to ~\$150million per annum for 30+ years

Infrastructure Investment

Geraldton Port	Karara builds a new train unloader, dedicated storage facility and berth/shiploder to support up to 16Mtpa
Oakajee Port	- Karara supports Oakajee development and can commit foundation tonnages - Oakajee provides significant expansion opportunities for Karara
Rail	- 85km spur line Karara to Morawa, connecting to existing network, +36Mtpa capacity - Rail upgrades Morawa to Geraldton to support +20Mtpa production tonnages
Power	- 330kV power line Karara to Eneabba, supports +36Mtpa - 15-year 120MW/year power supply agreement with State Government (Verve Energy)
Water	140km water pipeline from Karara to Mingenew, supports 16Mtpa production



Our Community Involvement

Karara Community Farm	The Community Farm, developed in 2011 on 600 acres of KML-owned land, is a sustainable resource for community groups to utilise to generate their own profits as an alternative means of fundraising.
Educational Scholarships	Karara offers wide range of educational and career opportunities with Karara's Mid West High School and University Scholarship Program
Karara Community Health Fund	The Fund will be available to provide a co-funding source for the surrounding communities to secure Government funding for health related infrastructure in the local Shires of Mingenew, Morawa and Perenjori.
Partnership with the Royal Flying Doctor Service	The state-of-the-art mobile clinic will operate in a number of Midwest Shires which have been closely involved with, and supportive, of the development of the Karara Project.
Mingenew Housing Project	Provision of two houses for use by the Shire to attract and house key workers to the region.
Morawa General Practitioner (GP) Flights	Karara provides return flights to Perth on the Company's regular fly-in, fly-out charter service to assist in attracting and retaining good quality GP's in the Shires of Morawa, Perenjori and Mingenew.
Geoff Wedlock Innovation Park	This KML-owned ex-farming property was earmarked as an area to be partially rehabilitated and the remaining land available for innovative projects. Innovative projects which are underway include a small scale aquaponics system, made solely with reused materials, and a chicken farm to provide food supplies for the mine site.