

KARARA PROJECT FUNDING UPDATE

Gindalbie Metals Limited (ASX: **GBG** – “Gindalbie”) provides the following update on funding arrangements for Karara Mining Limited (‘KML’) (Ansteel: 52.16%; Gindalbie: 47.84%).

New Bank Loan Facility

KML has executed documentation with China Development Bank (‘CDB’) and Bank of China (‘BOC’) to provide a loan facility for an additional US\$400 million on terms consistent with KML’s existing bilateral loan facilities for a period of three years (maturing in August 2017).

The new loan facility provides KML with additional working capital support. Final steps for satisfaction of conditions precedent were completed today along with an initial drawdown of US\$100 million.

The new loan facility affirms the strong ongoing support KML has received from existing relationship banks, together with the continued commitment of its shareholders Ansteel and Gindalbie.

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