

LONG TERM FINANCING FOR KARARA MINING LIMITED

Gindalbie Metals Ltd (ASX: GBG) ('Gindalbie') announces that Karara Mining Limited ('KML') (in which Gindalbie owns a 47.84% equity investment interest) has refinanced its syndicated bank debt facilities.

The refinancing facility of USD 1,481,320,000 has been used to repay all outstanding amounts of syndicated facilities which were due to be fully repaid by 2020. The refinancing facility has a longer term than the previous syndicated facilities and will be repaid in accordance with a fixed schedule which has commenced and continues until 2030.

Under new and varied guarantee and share mortgage securities given to the lenders and to Anshan Iron and Steel Group Corporation for the refinancing facility, Gindalbie's liability is limited to a claim for ownership of Gindalbie's KML shares by exercise of the mortgagee's rights under its share mortgage. However, subject (if required) to shareholder approval, Gindalbie may have a contingent liability under the refinancing facility by reason of an indemnity given to Anshan Iron and Steel Group Corporation so that if there is a loss after exercise of the security, Anshan Iron and Steel Group Corporation could seek to recover that loss from Gindalbie.

Gindalbie's Chairman, Mr Keith Jones said, "We are pleased with the outcome of the refinancing process which is a prudent initiative to extend and smooth KML's debt maturity profile".

ENDS

On behalf of:

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