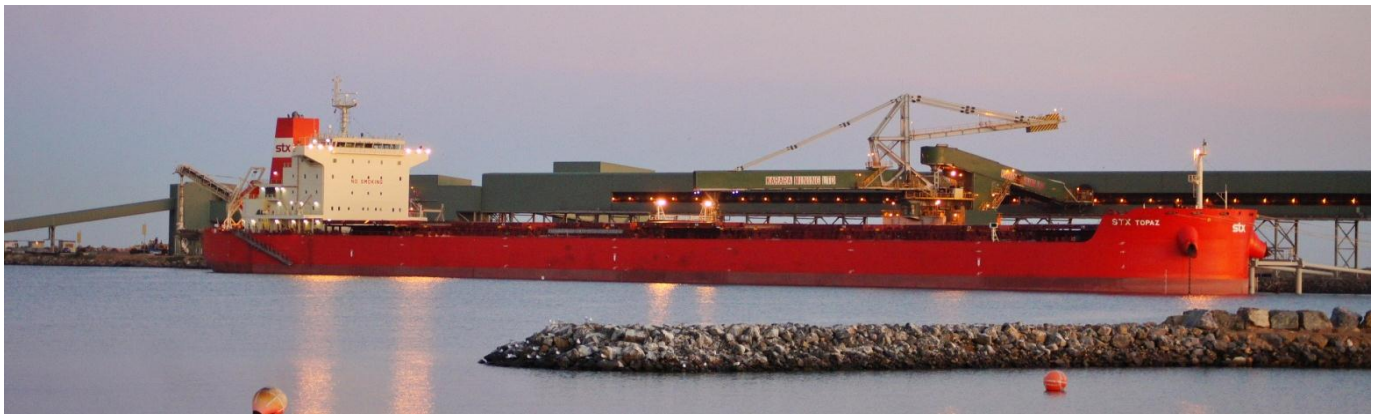
Key Points

- A total of 35 shipments were completed by Karara Mining Ltd (KML) through the Karara Export Terminal in Geraldton for the Quarter.
- On a dry tonne basis, the magnetite concentrate grade averaged 65.4% Fe for the Quarter.
- A US$300M Fixed Term Loan Facility was provided to KML by China Merchants Bank.
- Previously advised crusher and concentrator limitations have continued to place constraints on production at the Karara Project ("Karara" or "Project").
- Engineering design is underway to determine the future short and long term production rate and capital cost to overcome these current limitations at the Project.
- In light of the current iron ore price, Australian dollar exchange rate and current capacity restrictions at Karara, Gindalbie Metals Ltd (the Company) has commissioned an independent review of the value of its shareholding in KML.



Executive Summary

- A total of 35 shipments were completed during the June Quarter, comprising 15 magnetite concentrate shipments totaling 894,627 wet metric tonnes (wmt) and 20 shipments of hematite direct shipping ore (DSO) totalling 1.1 million wmt.
- Environmental approvals were received subsequent to Quarter-end to proceed with development of the Hinge Iron Ore Project, located 23km north-east of Karara. Hinge is forecast to produce ~3.5 million wmt of hematite ore over 18 months, with first ore expected to be exported in the December Quarter 2014.
- KML executed a binding Facility Agreement with China Merchants Bank (CMB) – Hong Kong Branch for a new US$300 million Fixed Term Loan Facility ("Facility) (see ASX Release – 13 May 2014) to meet the previously outlined funding shortfall for the Karara Project.
- In recognition of the change of ownership structure at KML, Mr Xie Qichun was appointed to the KML Board on 20 May 2014. Mr Xie is a Vice President of Pangang Group Vanadium & Titanium Resources Co. Ltd.
- Mr Dale Harris has resigned as Managing Director of the Company and has been appointed permanent CEO of KML and his secondment from the Company has ceased. Mr Michael O'Neill, who has been a non-executive Director with the Company since 2006, will continue as Acting Managing Director.
- On 19 May 2014, the Company's share register was transferred to Link Market Services Ltd.
- At 30 June 2014, the Company had total cash reserves of A$43 million comprising cash of A$18.5 million and term deposits of A$24.5 million.

KARARA PROJECT (Ansteel 52.16%: Gindalbie 47.84%)

Overview

The Karara Project, located 200km east of Geraldton, is a joint venture with Ansteel, one of China's largest steel-makers and the country's biggest iron ore producer. The project consists of a long-life, magnetite concentrate operation with a smaller-scale supporting hematite operation.

Production

A total of 35 shipments were completed during the June Quarter totalling approximately 2 million wmt of combined magnetite concentrate and hematite DSO. Magnetite production quality averaged 65.4% Fe and 6.3% silica during the Quarter.

As previously advised, shipments included purchases of third party ore to maximise the use of installed rail and port capacity. During the Quarter, third party DSO purchases amounted to approximately 1.2 million wmt.

Karara Magnetite					
Unit '000 wmt	**Sep-13 Qtr**	**Dec-13 Qtr**	**Mar-14 Qtr**	**Jun-14 Qtr**	**YTD Total**
Ore mined	1,815	2,265	1,773	2,742	8,595
Concentrate Produced	657	829	901	930	3,317
Concentrate Shipped	685	897	911	895	3,388

Karara Hematite DSO					
Unit '000 wmt	**Sep-13 Qtr**	**Dec-13 Qtr**	**Mar-14 Qtr**	**Jun-14 Qtr**	**YTD total**
Ore Mined:					
High Grade	786	593	137	0	1,516
Medium Grade	49	87	167	0	303
Low Grade	203	76	63	0	342
Total	1,038	756	367	0	2,161
DSO Shipped	1,042	1,495	1,276	1,149	4,962

Given the ongoing work to assess and improve the production capacity and performance of the Karara operation, the Gindalbie Board is not in a position to provide accurate production guidance or forecast when the Project will achieve positive cash flow. Actual production will be reported on a quarterly basis.

Technical Review

As outlined in the March 2014 Quarterly Report (see *ASX Announcement "March 2014 Quarterly"* 28 April 2014), certain zones of the magnetite ore body are significantly harder and more abrasive than originally anticipated and this has impacted production rates through the crusher. Remedial actions to address this have progressed positively including feed blending strategies, increased blasting to improve fragmentation and wear liner trials.

The comprehensive technical review of the Project (Technical Review) has continued to assess the design and operation of the magnetite process plant to maximise plant production. This has included investigation of options to 'de-bottleneck' the concentrator. The Technical Review, which has included dynamic modelling, has confirmed that the Project's output is limited by current capacity restrictions in both the crusher and the concentrator. Engineering design is underway to determine the short and long term production rates and the capital costs to achieve optimum output. The upgrade work reported in the March 2014 Quarterly Report is continuing.

Hinge Project

On 4 July 2014, KML received environmental approval from the WA Environment Minister to proceed with development of the Hinge Iron Ore Project (HIOP), located approximately 10km north of the Terapod mine site and 23km north-east of the Karara Project. The HIOP is forecast to produce approximately 3.5 million wmt of hematite ore and is projected to operate for around 18 months.

Ore produced will be crushed and screened at the HIOP, with material trucked to the existing rail load-out facility located at Karara. The HIOP is currently under construction, with first ore expected to be exported in the December Quarter 2014.

Subsequent to Quarter-end, Karara executed a contract with MACA Limited for civil, mining and drill & blast services with respect to the HIOP. MACA has commenced initial civil and infrastructure works on site.

Funding

During the Quarter, KML executed a binding Facility Agreement (arranged by Ansteel) with the Hong Kong branch of the China Merchants Bank for a new US$300 million Facility to meet the previously outlined funding shortfall for the Project. The first draw-down of the Facility was made on 13 May.

KML also obtained a waiver from its senior secured lenders for breach of a financial debt service cover ratio under the terms of its senior debt facility as at 30 June 2014.

The KML Board is assessing funding options to progress the capacity increases. Ansteel, the majority shareholder of Karara Mining Ltd has continued to provide ongoing technical and financial support to the Project.

As advised in the March 2014 Quarterly Report, Ansteel has the right to subscribe for new equity in KML to provide KML, if required, with sufficient funds to repay additional bank debt and concentrate presales agreements totalling US$230 million. This debt-to-equity conversion, if exercised, would increase Ansteel's stake in KML to approximately 62% with the Company retaining approximately 38%.

KML Board and Management

In recognition of the change of ownership structure at KML, and the agreement between Ansteel and Company that an additional Director could be appointed by Ansteel, Mr Xie Qichun was appointed to the KML Board on 20 May 2014. Mr Xie is a Vice President of Pangang Group Vanadium & Titanium Resources Co. Ltd. The KML Board now has a total of five Directors.

Following the appointment of Mr Dale Harris as CEO of KML and his resignation as a Director of KML, Mr Andrew (Robin) Marshall has been appointed a Director of KML. Mr Marshall has been a Director of the Company since December 2010.

Mr Paul Smith commenced with KML as Chief Financial Officer on 9 June 2014. Mr Smith has extensive resource sector experience including over 20 years with BHP Billiton.

Karara Project Exploration

During the Quarter, KML undertook planning for drilling programs to test several near-mine targets during the December 2014 Quarter.

GINDALBIE REGIONAL EXPLORATION

Drilling programs to test a series of exploration targets were completed during the March Quarter. Assay results have now been received for all of these programs, with encouraging results returned from the Lister Prospect, located around 6km to the south of the Shine DSO Project (see GBG ASX Announcement – 9 December 2013).

At the Lister Prospect, 12 Reverse Circulation (RC) holes were completed for 882m over a 700m strike length of Banded Iron Formation (BIF). Drilling was undertaken to test the continuity of mineralisation intersected in programs undertaken between 2007 and 2008. Significant intercepts (≥3m at 55% Fe) were recorded in 11 of 12 holes drilled during the current program on six individual sections spaced variably between 25m and 50m apart with holes at a nominal spacing of 50m along sections.

Mineralisation occurs in shallow-moderate east dipping pods (≥3m at 55% Fe) hosted by zones of lower grade material (≥3m at 50% Fe) along the entire 700m in strike length. Significant intersections occur over approximately 100m strike length in the southern portion of the prospect corresponding with a mapped zone of goethite-hematite enrichment between 6802250mN and 6802350mN.

Based on drilling to date, the mineralisation in this southern zone is interpreted to have a variable true-width of around 10m to 20m. Enrichment extends to a vertical depth below surface of up to 90m, and is open at depth and laterally to the east. Best intersections from the current program in this area included:

- 22m @ 53.8% Fe from 28m in hole LRC050;
- 24m @ 58.9% Fe from 38m in hole LRC051; and
- 19m @ 59.4% Fe from 58m in hole LRC052.

Mineralisation in the central and northern zones of the prospect is interpreted to have a variable true-width of around 5m to 15m, to extend to a vertical depth below surface of up to 90m, and is semi-continuous along strike. Best intersections from the current program in this area included:

- 8m @ 54.0% Fe from 16m in LRC047;
- 10m @ 55.9% Fe from 17m in hole LRC049;
- 4m @ 58.7% Fe from 12m in LRC054;
- 5m @ 57.2% Fe from 59m in hole LRC058;
- 5m @ 57.2% Fe from 45m in LRC048;
- 11m @ 61.1% Fe from 18m in LRC053; and
- 9m @ 55.7% Fe from 8m in LRC056.

The Lister Prospect has a DSO (Hematite) Exploration Target of 0.4 million to 0.7 million tonnes with an iron grade of between 52% Fe and 57% Fe. The Exploration Target size and grade range is conceptual in nature and there has been insufficient exploration to estimate a Mineral Resource. It is uncertain if further exploration will result in the estimation of a Mineral Resource. It is proposed to undertake additional in-fill drilling, subject to receipt of regulatory approvals, during the second half of 2014. A detailed explanation of the material information relating to these exploration results is included in Appendix A-B.

CORPORATE

Acting Managing Director

As advised in the March 2014 Quarterly Report, Mr Dale Harris was seconded from his role as Managing Director of the Company to the CEO position at KML. Mr Harris resigned as Managing Director of the Company and KML appointed Mr Harris permanently in the role of CEO effective from 1 June 2014. Mr Michael O'Neill was appointed Acting Managing Director of the Company.

Mr Andrew (Robin) Marshall has been appointed a Director of Karara to replace Mr Harris. Mr Marshall has been a Director of the Company since December 2010 and was previously a Director of KML.

Share Registry

Maintenance of the Company Share Register was transferred to Link Market Services with effect from 19 May 2014. Contact details for Link can be found on the Company's website (www.gindalbie.com.au).

Management Changes

Ms Rebecca Moylan has been appointed Chief Financial Officer of the Company following the expiration of Mr Wayne Zekulich's contract on 30 June 2014. Ms Moylan is a Certified Practising Accountant and is an experienced Corporate and Finance Manager. Ms Moylan has over 12 years' experience in the areas of corporate advisory and financial management and has been with the Company for 3 years.

Mr Michael Weir, Manager Investor Relations & Corporate Affairs, left the Company on 14 May 2014. On 20 May 2014, the Company appointed Ms Jan Horsman as Joint Company Secretary and Manager Investor Relations & Administration.

Rationalisation and Cost Reduction Program

As the Company's highest priority remains the support of its investment in KML and the continued ramp-up of the Karara Project, the Company completed the rationalisation of staffing levels during the Quarter. An ongoing cost reduction program has been implemented to ensure that the Company conserves its cash reserves.

Sale of Shine

The previously announced sale of the Shine Hematite DSO Deposit to Mount Gibson Iron Limited (ASX: MGX) was completed during the March Quarter. The milestone payment of $3 million, which is due for payment by MGX on the first commercial sale of iron ore, has not yet occurred. The Company will also receive a royalty of an additional A$0.20 per tonne sold from MGX for every A$1 the Platt's 62% price is above A$115 per tonne (on a month average).

Review of Carrying Value of Investment in Karara Mining Ltd

In light of recent developments including: lower than forecast iron ore price; higher than anticipated Australian dollar exchange rate; and the abovementioned current capacity restrictions at Karara, the Company has commissioned an independent review of the value of its shareholding in KML.

The Company will provide an update in a further announcement to the market once the results of this review have been considered by Directors.

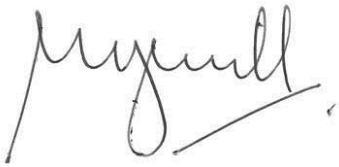
Cash Reserves

At 30 June 2014, Gindalbie Metals Ltd had cash reserves of A$18.5 million and term deposits of A$24.5 million.

Shareholder Information

As at 30 June 2014, the Company had 1,494,007,381 shares on issue and 16,945 shareholders. The Top 20 shareholders held 51.21% of the Company.

GINDALBIE METALS LTD



MICHAEL O'NEILL
Acting Managing Director

Competent Person Compliance Statements

The information in this report that relates to Exploration Results is based on information compiled by Mr Ian Shackleton who is a Member of the Australasian Institute of Geoscientists. Mr Shackleton is a full-time employee of Gindalbie Metals Limited and has sufficient experience which is relevant to the style of mineralisation and type of deposit and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Shackleton consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Appendix A – Additional Information

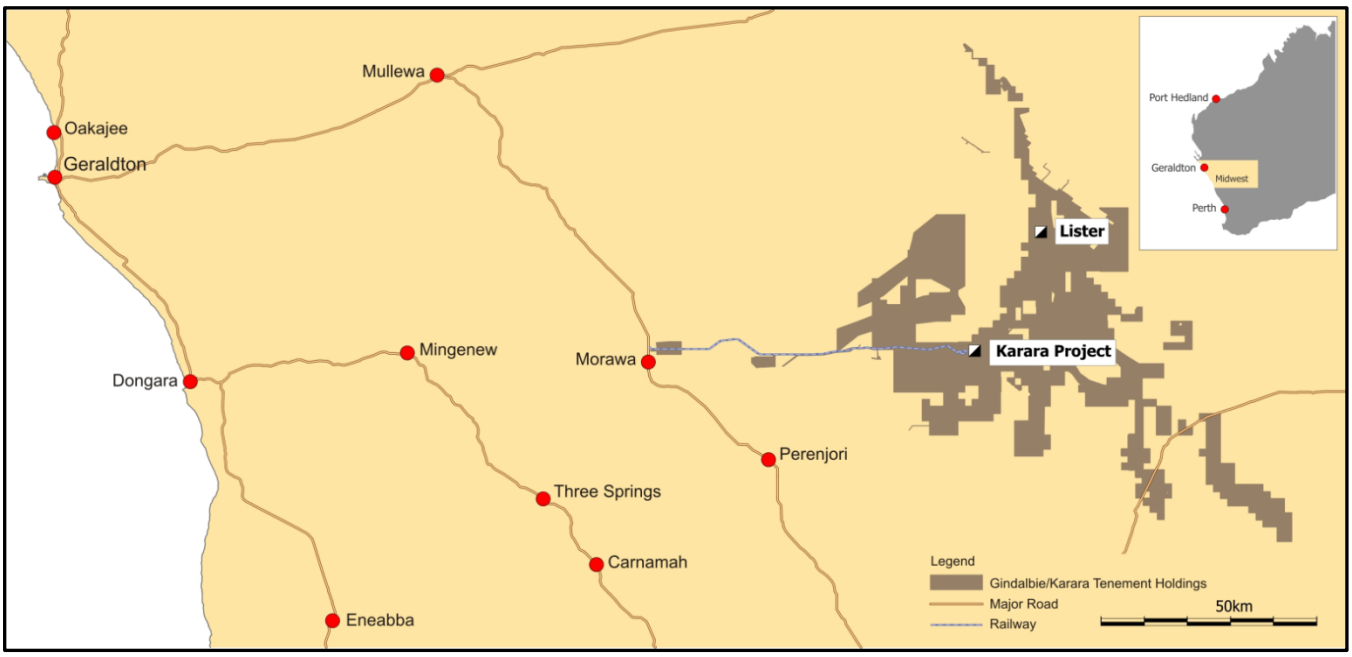


Figure 1: Regional location of the Lister Prospect relative to Gindalbie Metals Limited (GBG) and Karara Mining Limited (KML) tenements and Karara Project.

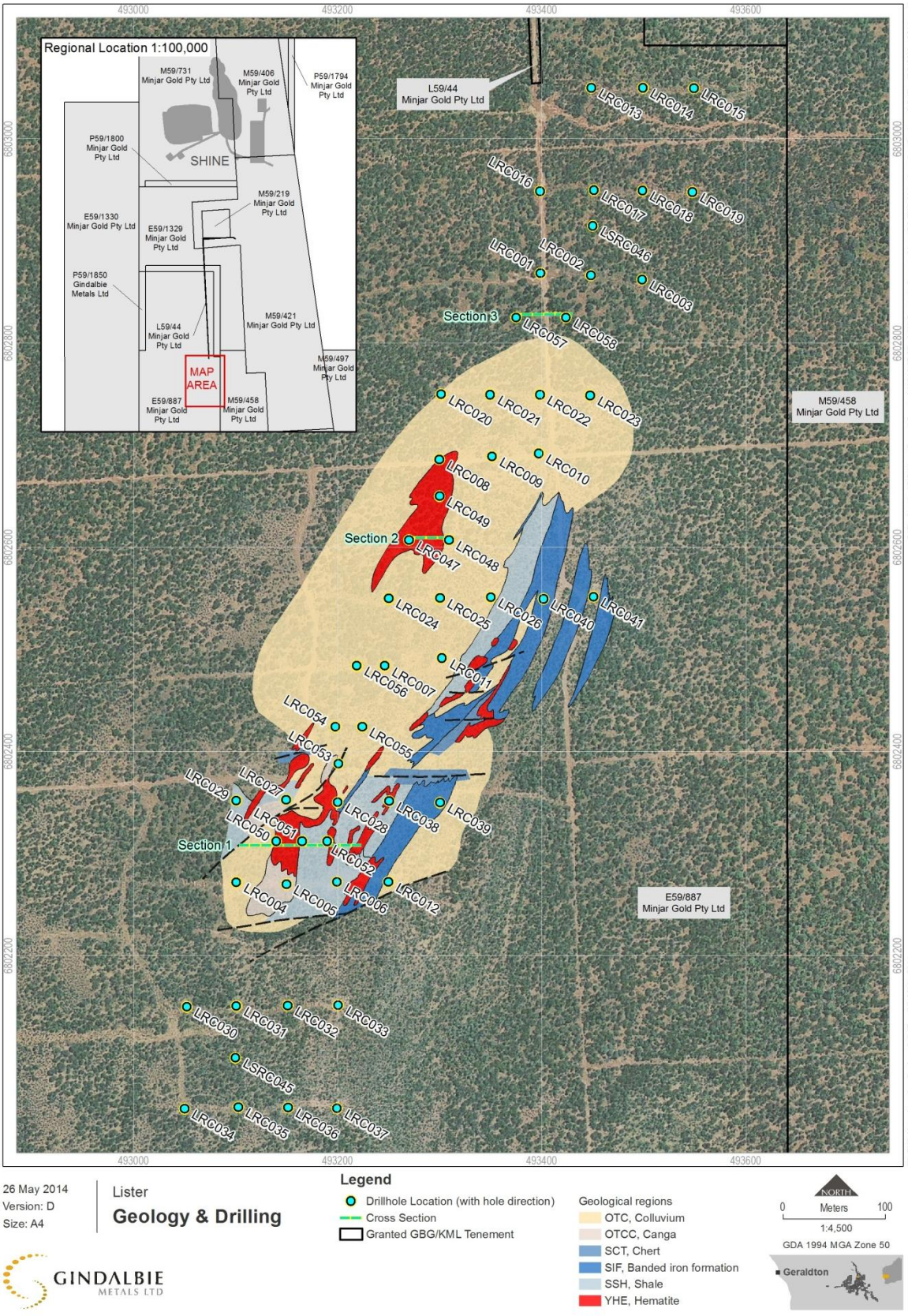


Figure 2: Location of drilling at the Lister Prospect in relation interpreted geology, the Shine Project and tenements (managed by Minjar Gold Pty Ltd).

The cross sections included below as Figures 3-5 are schematic interpretations of the geology and mineralisation based on RC drilling and surface geological mapping, and should not be used directly to make estimates of any potential Mineral Resource.

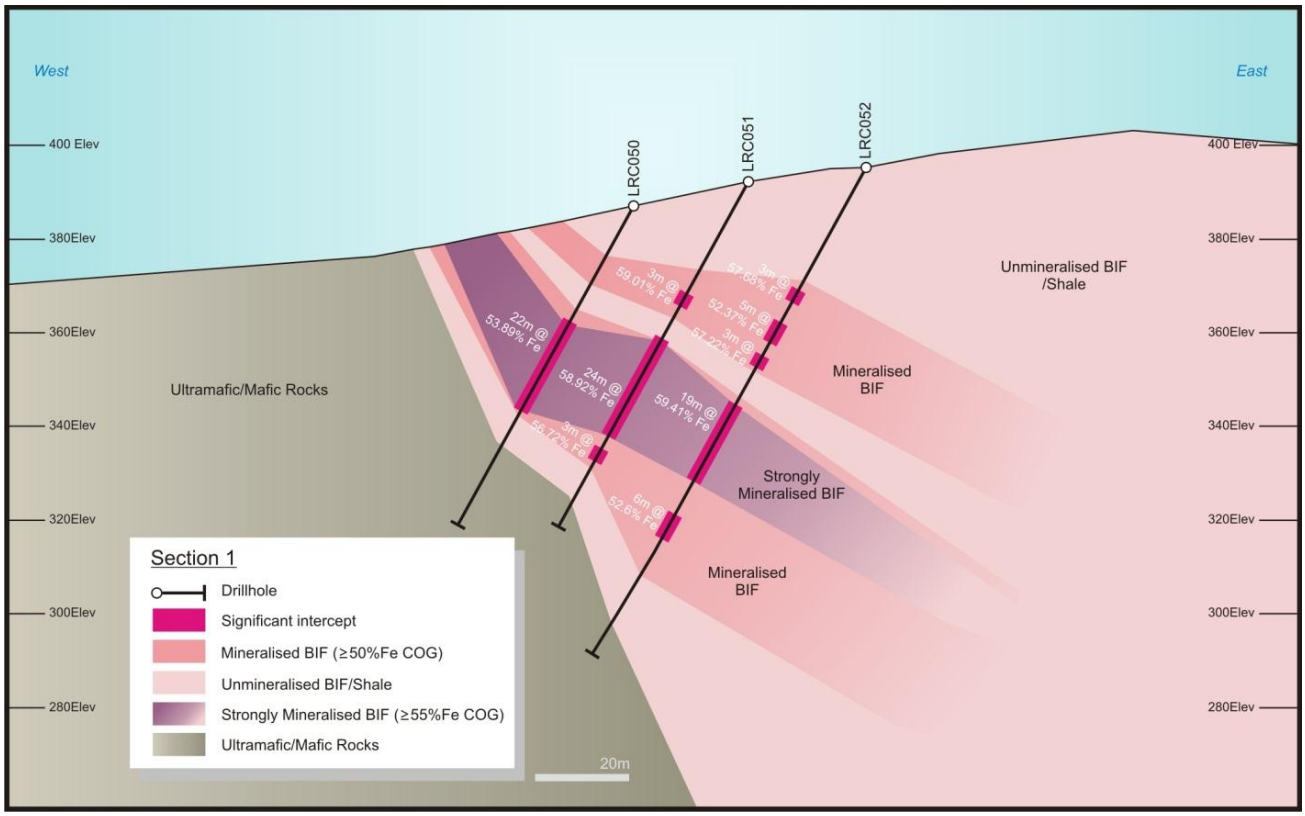


Figure 3: Cross section 1 (refer Figure 2) showing significant intercepts and interpreted stratigraphy at the Lister Prospect.

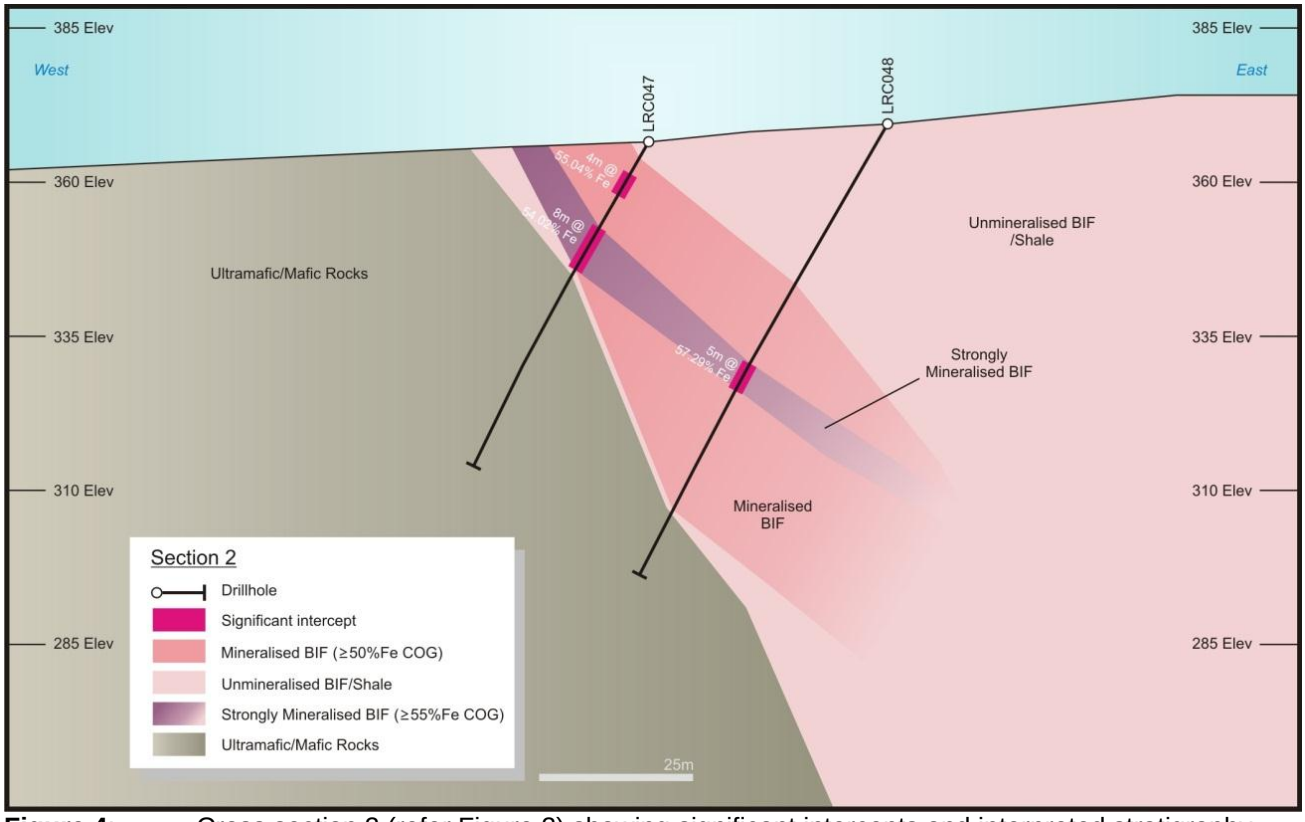


Figure 4: Cross section 2 (refer Figure 2) showing significant intercepts and interpreted stratigraphy at the Lister Prospect.

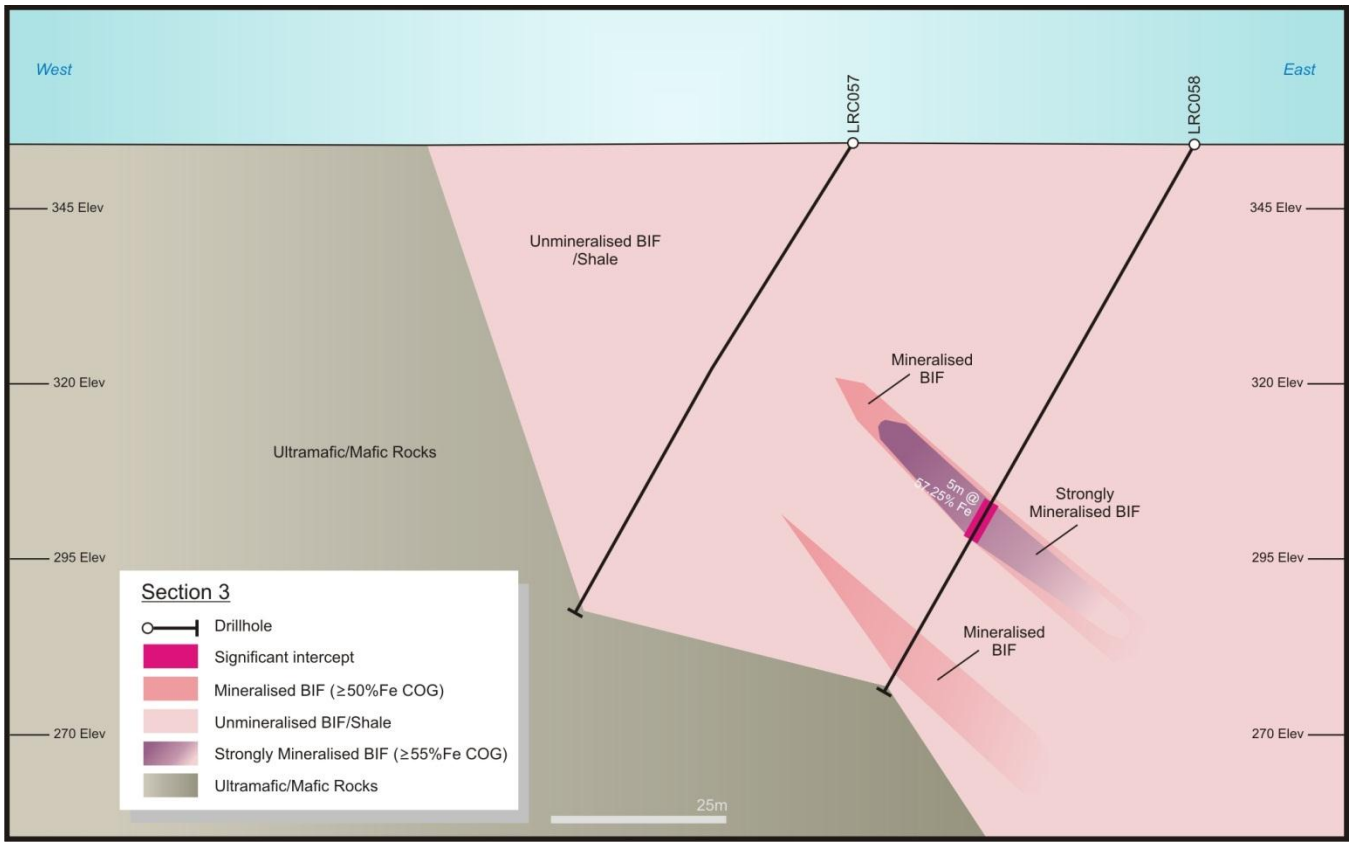


Figure 5: Cross section 3 (refer Figure 2) showing significant intercepts and interpreted stratigraphy at the Lister Prospect.

Lister Hematite Project – Overview

The Lister Prospect is situated on Badja Station around 6 km to the south of the Shine DSO Project (GBG ASX Announcement 9 December 2013). The prospect is located on Exploration Licence E59/887 held by Minjar Gold Pty Ltd (Gindalbie retain 100% rights to Fe) within the Widi Mob Native Title Claim (NNTT# WC 97/92) refer Figure 1.

At the Lister Prospect hematite and goethite iron-mineralisation is interpreted to be supergene enrichment of primary magnetite mineralisation to hematite and goethite within a moderately-steeply east dipping, north-east trending, interbedded Banded Iron Formation unit (BIF) and shale. The higher grade zones (≥3m at 55% Fe) within these lenses form semi-continuous pods along strike, surrounded by zones of low grade enrichment (≥3m at 50% Fe).

A total of 12 Reverse Circulation (RC) holes were completed for 882m with depths ranging between 48m and 120m (refer Table 1). Drilling was completed on 6 sections over a 700m strike length of the BIF. Pre 2014 section spacing was variable ranging between 50, 80 and 150m (northing), with drill holes nominally spaced at 50m (easting) centres along each of the sections. For the 2014 program section spacing ranged from 40m in the south (LRC050-052 & LRC053) to around 60-80m in the central and northern parts of the prospect (LRC054-055, LRC047-48 & LRC057-58). Drill holes were nominally spaced at 25m (easting) along each of the sections (refer Figure 2).

The aim of the program was to test the extent and continuity of hematite and goethite mineralisation identified from geological mapping and drilling undertaken between 2007 and 2008. Significant intercepts (≥3m at 55% Fe) were recorded in 11 of 12 holes drilled during 2014 (refer Table 2). These drill holes correspond with areas of mapped iron-enrichment and the extrapolated strike extension of mineralisation under surficial sediments.

A continuous zone of mineralisation occurs at the southern portion of the prospect over a strike length of approximately 100m corresponding with an area of mapped goethite-hematite enrichment between 6802250mN and 6802350mN (refer Figure 2).

This zone is open to the north for another 500m, although at a lower grade and less continuous nature, as suggested by drilling results (refer Figures 4 and 5). To the south, mineralisation is open for 50m, and has been closed off by drill line LRC030-LRC033 (refer Figure 2). Mineralisation in this southern zone is interpreted, based on drilling to date, to have a variable true-width of around 10m to 20m. Enrichment extends to a vertical depth below surface of up to 90m, and is open at depth and laterally to the east.

The prospect has a DSO (Hematite) Exploration Target of 0.4 million to 0.7 million tonnes with an iron grade between 52% Fe and 57% Fe. The Exploration Target size and grade range is conceptual in nature and there has been insufficient exploration to estimate a Mineral Resource. It is uncertain if further exploration will result in the estimation of a Mineral Resource.

It is proposed to undertake additional drilling, dependant on receipt of regulatory approvals and preliminary assessment, to support resource estimation. The additional drilling is planned to be undertaken during the first half of 2015.

Table 1: Drill Hole Information for Lister Prospect

Hole ID	Date Drilled	Hole Type	Hole Depth (m)	Easting	Northing	RL	Dip	Dip Direction
LRC001	18-Oct-07	RC	96	493399	6802868	354	-60	300
LRC002	18-Oct-07	RC	108	493448	6802866	354	-60	300
LRC003	19-Oct-07	RC	151	493498	6802862	354	-60	300
LRC004	20-Oct-07	RC	66	493101	6802272	380	-60	300
LRC005	20-Oct-07	RC	84	493150	6802270	390	-60	300
LRC006	21-Oct-07	RC	144	493199	6802272	398	-60	300
LRC007	21-Oct-07	RC	78	493246	6802484	373	-60	300
LRC008	21-Oct-07	RC	60	493300	6802686	360	-60	300
LRC009	22-Oct-07	RC	90	493352	6802689	361	-60	300
LRC010	22-Oct-07	RC	132	493397	6802692	361	-60	300
LRC011	24-Oct-07	RC	132	493302	6802491	382	-60	300
LRC012	25-Oct-07	RC	180	493250	6802272	401	-60	300
LRC013	24-Jul-08	RC	80	493449	6803050	353	-60	300
LRC014	25-Jul-08	RC	108	493499	6803050	353	-60	300
LRC015	25-Jul-08	RC	126	493549	6803050	354	-60	300
LRC016	26-Jul-08	RC	84	493398	6802949	353	-60	300
LRC017	27-Jul-08	RC	120	493451	6802950	353	-60	300
LRC018	27-Jul-08	RC	150	493499	6802949	354	-60	300
LRC019	29-Jul-08	RC	144	493548	6802948	354	-60	300
LRC020	30-Jul-08	RC	40	493302	6802750	356	-60	300
LRC021	31-Jul-08	RC	90	493350	6802749	357	-60	300
LRC022	31-Jul-08	RC	120	493398	6802749	357	-60	300
LRC023	01-Aug-08	RC	120	493447	6802749	357	-60	300
LRC024	01-Aug-08	RC	48	493250	6802550	368	-60	300

Hole ID	Date Drilled	Hole Type	Hole Depth (m)	Easting	Northing	RL	Dip	Dip Direction
LRC025	01-Aug-08	RC	84	493300	6802550	375	-60	300
LRC026	02-Aug-08	RC	120	493350	6802551	382	-60	300
LRC027	02-Aug-08	RC	48	493149	6802352	385	-60	300
LRC028	02-Aug-08	RC	84	493200	6802350	391	-60	300
LRC029	03-Aug-08	RC	30	493101	6802352	375	-60	300
LRC030	03-Aug-08	RC	20	493052	6802150	377	-60	300
LRC031	03-Aug-08	RC	84	493101	6802151	382	-60	300
LRC032	05-Aug-08	RC	102	493151	6802151	388	-60	300
LRC033	05-Aug-08	RC	102	493201	6802151	396	-60	300
LRC034	05-Aug-08	RC	30	493050	6802050	380	-60	300
LRC035	06-Aug-08	RC	78	493103	6802051	386	-60	300
LRC036	07-Aug-08	RC	120	493151	6802051	391	-60	300
LRC037	08-Aug-08	RC	126	493200	6802050	393	-60	300
LRC038	09-Aug-08	RC	120	493250	6802351	399	-60	300
LRC039	10-Aug-08	RC	132	493300	6802350	395	-60	300
LSRC045	06-May-13	RC	96	493100	6802100	399	-60	300
LRC040	10-Aug-08	RC	132	493402	6802550	381	-60	300
LRC041	11-Aug-08	RC	90	493451	6802551	375	-60	300
LRC047	26-Mar-14	RC	60	493270	6802607	366	-60	300
LRC048	27-Mar-14	RC	84	493309	6802607	369	-60	300
LRC049	27-Mar-14	RC	54	493300	6802650	364	-60	300
LRC050	27-Mar-14	RC	78	493140	6802312	387	-60	300
LRC051	27-Mar-14	RC	84	493165	6802312	391	-60	300
LRC052	28-Mar-14	RC	120	493190	6802312	395	-60	300
LRC053	28-Mar-14	RC	78	493201	6802388	384	-60	300
LRC054	28-Mar-14	RC	48	493198	6802424	377	-60	300
LRC055	28-Mar-14	RC	60	493224	6802424	380	-60	300
LRC056	29-Mar-14	RC	48	493219	6802484	371	-60	300
LRC057	29-Mar-14	RC	78	493375	6802825	354	-60	300
LRC058	29-Mar-14	RC	90	493424	6802825	354	-60	300

All collar locations are recorded in GDA 1994 MGA Zone 50 derived from a Differential GPS

Table 2: Significant assay results from RC drilling at Lister Prospect

Hole ID	From (m)	To (m)	Width	Fe %	SiO_2%	Al_2O_3 %	P %	S %	LOI %
LRC002	38	44	6	60.06	5.05	3.38	0.09	0.01	4.71
LRC002	52	71	19	60.05	5.63	3.53	0.07	0.01	3.99
LRC002	74	77	3	55.84	8.46	4.19	0.04	0.02	5.16
LRC005	26	29	3	57.42	9.26	4.09	0.01	0.01	3.92
LRC005	38	42	4	56.66	8.39	5.74	0.03	0.02	4.14
LRC005	48	63	15	57.06	7.38	3.92	0.07	0.04	5.32
LRC007	26	38	12	55.33	10.7	4.4	0.04	0.01	3.12
LRC012	99	102	3	56.01	10.05	2.83	0.02	0.14	4.29
LRC012	163	166	3	55.36	5.09	1.62	0.06	0.52	4.51
LRC014	72	75	3	56.93	8.31	3.59	0.1	0.01	5.61
LRC018	71	75	4	57.45	8.95	2.99	0.05	0.02	4.05
LRC022	54	59	5	56.96	8.56	3.38	0.11	0.01	4.33
LRC024	10	14	4	58.06	6.92	5.07	0.07	0.01	4.58
LRC024	29	32	3	57.94	6.05	4.29	0.1	0.01	6.12
LRC027	6	9	3	56.33	8.91	4.56	0.09	0.02	5.7
LRC027	23	31	8	55.92	8.71	6.88	0.03	0.02	4.2
LRC027	37	40	3	57.01	7.33	6.24	0.04	0.02	4.54
LRC028	9	17	8	54.32	7.85	5.13	0.04	0.13	8.71
LRC028	40	74	34	60.14	5.43	3.36	0.06	0.04	4.12
LRC028	79	82	3	58.97	7.35	3.13	0.1	0.01	2.19
LRC031	44	48	4	62.03	4.47	3.26	0.02	0.01	3.16
LRC032	97	101	4	59.57	6.57	3.06	0.1	0.01	2.69
LSRC045	67	70	3	57.15	11.21	3.83	0.01	0.01	2.88
LRC047	6	10	4	55.04	11.15	6.25	0.02	0.01	3.63
LRC047	16	24	8	54.02	9.22	7.06	0.04	0.01	6.16
LRC048	45	50	5	57.29	8.28	3.05	0.1	0.01	4.4
LRC049	5	12	7	52.46	12.23	4.24	0.01	0.07	7.93
LRC049	17	27	10	55.9	10.95	3.23	0.04	0.01	4.64
LRC050	28	50	22	53.89	9.57	7.53	0.05	0.01	5.35
LRC051	27	30	3	59.01	6.4	4.52	0.01	0.02	4.36
LRC051	38	62	24	58.92	6.91	4.95	0.03	0.01	3.23

Hole ID	From (m)	To (m)	Width	Fe %	SiO_2%	Al_2O_3 %	P %	S %	LOI %
LRC051	65	68	3	56.72	9.52	4.39	0.01	0.01	2.33
LRC051	72	77	5	55.4	9.17	5.25	0.04	0.04	4.56
LRC052	30	33	3	57.68	6.49	4.17	0.01	0.02	6.18
LRC052	38	43	5	52.37	10.39	8.01	0.01	0.01	5.66
LRC052	46	49	3	57.22	8.89	4.55	0.01	0.01	2.97
LRC052	58	77	19	59.41	6.32	2.85	0.07	0.05	3.6
LRC052	85	91	6	52.69	7.04	3.13	0.11	0.95	5.73
LRC052	108	111	3	61.44	5.61	2.77	0.03	0.06	2.61
LRC053	18	29	11	61.12	4.39	3.48	0.05	0.04	4.32
LRC054	12	16	4	58.7	6.77	4	0.04	0.04	5.6
LRC055	22	33	11	54.23	11.94	4.45	0.05	0.01	4.01
LRC055	39	43	4	61.37	6.05	2.3	0.03	0	2.51
LRC056	8	17	9	55.74	10.59	5.12	0.01	0.02	4.05
LRC058	59	64	5	57.25	7.76	3.55	0.11	0.01	5.66

Significant intercepts are reported at a ≥55% Fe cut-off grade, and include a maximum of 2m of consecutive internal dilution (<55% Fe) and a minimum 3m width of intersection. Table 1 includes additional holes and these are not included in Table 2 as they are not considered relevant in that they do not meet the significant intercept criteria.

Appendix B – Table 1 information in accordance with JORC 2012

Lister Prospect

Section 1 Sampling Techniques and Data	
Criteria	*Commentary*
Sampling Technique	• All data collected from the Lister Prospect has been based on four separate Reverse Circulation (RC) drilling programs: 2007 (Phase 1): 7 RC holes for 1,321m (LRC001-007) 2008 (Phase 2): 29 RC holes for 2,732m (LRC013-041) 2013 (Lister Extension): 5 RC holes for 493m (LSRC042-046) 2014 (Lister Infill): 12 RC holes for 882m (LRC047-058) • Consistent sampling, laboratory, QAQC and analysis techniques have been employed across each of these programs. • Samples (wet and dry) were collected at one metre intervals using a drill rig mounted static cone splitter. RC drilling was used to obtain 3-5kg of sample that was subsequently dried, riffle split down to approximately 5g for determination by XRF fusion at the laboratory. • Laboratory accuracy and precision were assessed by the submission of Certified Reference Materials and duplicate samples. • Determination of intervals to be sampled was carried out at the time of drilling using observed mineralisation and geological contacts. Not all drill intervals were sampled.
Drilling Techniques	• A total of 53 RC holes have been completed using a face sampling hammer with a 130 mm diameter bit between 2007 and 2014. • All holes were drilled at -60°/300 orientation.
Drill Sample Recovery	• Sample recovery information for the RC drilling is indicative only but suggests that the majority of samples have achieved a moderate to high sample recovery. • It is not possible to comment on the relationship between grade and recovery due to the subjective nature of the recovery information.
Logging	• Qualitative logging of all drillholes in their entirety was completed. • Logging of drillhole samples included lithology, texture, alteration and mineralisation was done by a qualified geologist and was done with sufficient detail to meet the reporting requirements for exploration results.
Sub-sampling Techniques and Sample Preparation	• RC drill samples (15% of mineralised samples recorded as damp or wet) were collected through a static cone splitter attached to the drill rig. • Samples from all programs were submitted to a NATA certified laboratory where industry standard preparation includes oven drying and crushing to approximately 3mm followed by pulverising to 90% passing 150 micron (Bureau Veritas method XRF202). • Sampling operations on the rig was continually supervised by a qualified geologist in all drill programs. Issues addressed include sample recovery, cyclone/cone splitter cleaning and level operation of the sampling circuit. • A gate sytem was used at the completion of each metre drilled to ensure gravity feed of the sample through the cone splitter. • Sample sizes are considered representative based on the nature of the mineralisation tested and the thickness and consistency of the intersections. • Grain size of the host rock (BIF) and mineralisation are comparable.

Quality of Assay Data and Laboratory Results	• Samples are analysed for a typical iron ore suite of elements and compounds by XRF (Bureau Veritas method XRF202). XRF is an industry standard technique used for determination of total iron content, i.e., oxidised and reduced forms. • For the 2013 and 2014 programs, quality control included the use of Certified Reference Material (standards) submitted in the field at a rate of 1:50 samples, in addition to duplicates of 1:20 samples. • In the 2007 drilling program, quality control included the use of Certified Reference Material (Standards) submitted in the field at a rate of 1:25 samples, in addition to duplicates of 1:20 samples. • In the 2008 drilling program, quality control nominally included the use of Certified Reference Material (Standards) submitted in the field at a rate of 1:90 samples, or at least once per drill hole, in addition to duplicates of 1:40 samples. • Quality control data is analysed and reported at regular intervals based on the submission of field and laboratory standards and duplicates as mentioned above. The laboratory also utilised internal standards 1:25 and repeats 1:20. • Initiation of action for intervention are consistent with industry convention (i.e. 1 result outside 3 Standard Deviations or 2 consecutive samples outside 2 Standard Deviations). If assay results are outside the action limits of accuracy then re-testing of pulps is conducted.
Verification of Sampling and Assaying	• Significant intersections are reviewed in conjunction with geological logging by company geologists with sufficient experience in iron ore. • Data is recorded electronically into a centralised SQL database server located in Perth using Logchief software and standard Gindalbie logging codes. A Database Manager is employed to validate and back-up the database on a regular basis. • Assay data is loaded into the database without any adjustment to the data as received and reported from the laboratory.
Location of Data Points	• Drill hole locations were set out prior to drilling using a Differential GPS. • Drill hole locations have been surveyed post-drilling using an RTK Differential GPS with an accuracy of approximately +/- 0.5m in the horizontal and +/- 0.5m in the vertical. • DGPS set-out of the hole positions was undertaken and reported with reference to GDA94 MGA Zone 50.
Downhole Geophysics	• Down-hole surveys to determine deviation in dip and dip direction have been completed for 48 of the 53 holes, representing the most prospective zones of the target, and immediate areas surrounding these zones. • All down-hole surveys have been returned and validated. All surveys were performed by Surtron Geophysics at the shortest possible time following drilling. • Geophysical measurements collected include; gamma, density, magnetic susceptibility, caliper measurements and resistivity.

Data Spacing and Distribution	• Historic (pre-2014) drill line spacing was highly variable along strike, ranging from between 50, 80 and 150 metre (northing) spacings. Drill holes were nominally spaced at 50m (easting) centers along each of the sections. • For the 2014 infill program drill line spacing was also variable, ranging from 40 m in the south (LRC050-052 & LRC053), to generally between 60-80 m in the central and northern parts of the prospect (LRC054-055 & LRC047-48 & LRC057-58). Drill holes were nominally spaced at 25m (easting) centers along each of the sections, and designed to provide better continuity of information across the deposit for the generation of a block model and initial resource estimation using Surpac Software. • Drill hole spacing for exploration results was based on field mapping of target unit outcrop and interpretation of aeromagnetic data. • Minimum drill hole spacing, both across and along strike, was based on experience gained from resource modelling and mining of similar iron ore deposits in the project area.
Orientation of Data in Relation to Geological Structure	• Exploration drilling tested moderately dipping/tabular mineralisation hosted by vertical to a sub-vertical BIF/Shale unit/s. Drill holes were designed, as closely as practicable, perpendicular to the BIF unit/s and are considered appropriate for the style of mineralisation being tested. • As the drilling was orientated approximately perpendicular to mineralisation, no orientation based bias in intersection has been identified.
Sample Security	• Individually numbered samples were collected by Gindalbie staff within 3 weeks of drilling and stored in bulka bags at a secure location at the Karara Mine prior to despatch to Bureau Veritas for assay. • Sample security was not considered a significant risk to the project. Samples were transported to the laboratory using 'Chain of Custody' procedures by a single courier with sample submission documents outlining sample identification and number of samples.
Audits or Reviews	• Sampling techniques and results were regularly reviewed by experienced Project and Senior Geologists and the Database Manager for consistency and relevance.

Section 2 Reporting of Exploration Results	
Criteria	*Commentary*
Mineral Tenement and Land Tenure Status	• Tenement E59/887 is part of the Minjar JV – managed by Minjar Gold with GBG retaining 100% Fe rights. • E59/887 sits within the Widi Mob Native Title Claim (NNTT# WC 97/92). • E59/887 has an anniversary date of 8/10/2014 and is in good standing with no known encumbrances. A one year Extension of Terms was granted on January 23 2014.
Exploration Done by Other Parties	• Exploration for iron ore at the Lister Prospect has only been conducted by Gindalbie Metals Limited
Geology	• At the Lister Prospect the hematite and goethite iron-mineralisation is interpreted to be supergene enrichment of primary magnetite mineralisation to hematite and goethite. The bedded hematite and goethite occurs as a single tabular body within a vertical to steeply north-west dipping Banded Iron Formation (BIF) unit of the Windaning Formation.

Geology (cont.)	• Mineralisation intersected occurs semi-continuously over 700m in strike length. The strongest and most consistent zone of mineralisation occurs in the south of the prospect and corresponds with a mapped zone of goethite-hematite enrichment within the BIF at a point where two separate BIF layers have been structurally compacted.
Drill hole Information	• Information relating to the drill holes completed and significant intercepts returned is summarised in the body of the text as Table 1 and Table 2.
Data Aggregation Methods	• Exploration results are reported are reported at a ≥55% Fe cut-off grade, and include a maximum of 2m of consecutive internal dilution (<55% Fe) and a minimum 3m width of intersection. • The results of lower grade intercepts are used to illustrate areas of broader enrichment halo's surrounding high grade zones in cross-sections in Figures 3-6. These are based on a ≥50% Fe cut-off grade, and include a maximum of 3m of consecutive internal dilution (<50% Fe) and a minimum 3m width of intersection. • Length weighted averages were used to report the grades with no top cuts applied to the grades. • As iron is the target commodity, no metal equivalents were used for reporting exploration results.
Relationship between Mineralisation Widths and Intercept Lengths	• BIF hosted mineralisation is generally uniform and tabular with drill hole orientation adjusted to allow intersection angles with the mineralised zone to approximate true width. • As drilling is relatively close to, or perpendicular to mineralisation, reported intercepts would be close to true-width. As some variation in dip and strike of the BIF units may occur, reported intercepts are approximate. However, excessive over-estimation of true-widths is not expected.
Diagrams	• Included in body of text as Figure 1-5
Balanced Reporting	• Exploration results reported are based on geological mapping and sampling 3 phases of drilling conducted by Gindalbie Metals Limited.
Other Substantive Exploration Data	• All samples are assayed for a suite of elements including Fe (total), Al_2O_3, SiO_2, MgO, P, S, TiO_2 and LOI. • No potential deleterious substances have been identified.
Further Work	• Further drilling is planned, dependent on regulatory approvals, to infill significant intercepts, particularly in the southern high-grade zone, and provide information for a resource estimate of hematite DSO mineralisation in the second half of 2014.