

SECURITIES EXCHANGE ANNOUNCEMENT

28 March 2018



CONTINGENT LIABILITY UPDATE

Gindalbie Metals Limited (ASX: GBG – “Gindalbie”) has received an update on the Karara Project (Ansteel: 52.16%; Gindalbie: 47.84%) from Karara Mining Limited (“KML”) that KML has entered into a new US\$300 million Foreign Currency Loan Contract with China Guangfa Bank (“Facility”).

The Facility is due for repayment 12 months from the date of first utilisation which is anticipated to be on or around 27 March 2018.

Gindalbie does not have an unlimited recourse guarantee for the Facility, however, if required, it will provide a limited recourse guarantee to Ansteel, limited to the extent of Gindalbie's shareholding in KML in accordance with the Gindalbie shareholder vote in November 2015.

The bank guarantees provided to suppliers of KML currently equate to a maximum of A\$219 million (subject to exchange rate fluctuations). These bank guarantees will reduce over time in alignment with utilisation and reduction schedules as provided for in each related contract. Gindalbie continues to actively work towards the reduction of the remaining contingent liabilities relating to KML.

ENDS

On behalf of:

Mr Keith Jones

Chairman

Ms Rebecca Moylan

Company Secretary

Telephone: +61 8 9480 8700

www.gindalbie.com.au