

US\$250 MILLION KARARA PROJECT DEBT FACILITY CLEARED FOR DRAWDOWN

Gindalbie Metals Limited (ASX: **GBG** – "Gindalbie") is pleased to advise that it has satisfied all conditions precedent under the Tranche 3, US\$250 million project debt facility for the Karara Project, clearing the way for the drawdown of funds to commence.

The Mandate Letter and Term Sheet for the Tranche 3 facility was signed with the China Development Bank ("CDB") in August 2012, with the facility providing a debt solution to the anticipated funding shortfall which arose because of the exchange rate assumptions made in respect of the original Karara Project Loan Facility and subsequent Working Capital Facility (both of which were denominated in US Dollars).

As advised in the September Quarterly Report, the Tranche 1 Karara Project Loan Facility is now fully drawn down to US\$1.2 billion and the Tranche 2 Working Capital Facility is fully drawn to US\$336 million.

The Tranche 3 facility represents the final component of the overall bank debt funding package for Stage 1 of the Karara Project. The new facility has been provided on similar competitive commercial terms to the Tranche 1 and 2 facilities.

Gindalbie's Managing Director, Mr Tim Netscher, said the completion and draw-down of the Tranche 3 facility marked the final stage of the debt funding process for the Stage 1 Karara Project.

"I would like to take this opportunity to once again acknowledge our Chinese banking syndicated, led by China Development Bank, for their unwavering support, which has been instrumental in enabling us to get to this point and in underwriting the success of the Karara Project," he said.

ENDS

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