

ASX GRANTS LISTING RULE WAIVER

Gindalbie Metals (ASX: GBG – “Gindalbie”) advises that at the Annual General Meeting held on 26th November 2015, the independent shareholders of Gindalbie voted against the grant of a share mortgage to Ansteel with unlimited recourse over the assets of Gindalbie.

Following the vote against the Amended Share Mortgage supported by an unlimited recourse guarantee by the independent shareholders of Gindalbie, the guarantee provided to Ansteel remains limited to the shares held by Gindalbie in Karara Mining Limited (“KML”) and any surplus received after the sale of Gindalbie’s shares in KML.

The Amended Share Mortgage was entered into as part of the security arrangements for the refinancing of KML in which Gindalbie has a 47.84% shareholding. As part of the security arrangements for the refinanced debt, Gindalbie provided guarantees and mortgages of Gindalbie’s KML shares to lenders and to Anshan Iron and Steel Group Corporation.

The refinancing facility of USD 1,481,320,000 was provided to KML and used in 2015 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 continues until 2030. Gindalbie will seek to discharge the Amended Share Mortgage if and when the refinancing facility gets discharged or seek further shareholder approval should further extensions or delays be required which materially change the circumstances.

The ASX has granted Gindalbie a waiver to Listing Rule 10.1 which allows the Amended Share Mortgage, with a limited recourse guarantee to be provided in favour of Ansteel without seeking additional shareholder approval based on the following conditions:

- 1) That Ansteel may not acquire any legal or beneficial interest in Gindalbie or any of its assets in full or part satisfaction of the Company’s obligations under the Amended Share Mortgage or otherwise deal with the assets of the Company, other than in exercising its power of sale under the Amended Share Mortgage, without first complying with applicable listing rules including Listing Rule 10.1.
- 2) A summary of material terms of the Amended Share Mortgage must be made in each annual report of Company whilst the Amended Share Mortgage is held over Gindalbie’s shares in KML.
- 3) Any material future changes made to the Amended Share Mortgage must be subject to shareholder approval.
- 4) Gindalbie must seek to discharge the Amended Share Mortgage when the funds advanced to KML have been repaid or seek further shareholder approval for the continuation of the facility or any further loan facility amount.

Gindalbie’s Chairman, Mr Keith Jones said, “The waiver granted by the ASX resolves the outstanding compliance issues relating to the grant of the Amended Share Mortgage provided as part of financing negotiations to extend and smooth KML’s debt profile.”

ENDS

On behalf of:

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Chairman

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