

COMMENCEMENT OF DRILLING – MT GUNSON COPPER-COBALT PROJECT

Gindalbie Metals Ltd (Gindalbie), in conjunction with Terrace Mining Pty Ltd¹, is pleased to announce that following the finalisation of heritage clearances, drilling has commenced at the Mt Gunson Copper-Cobalt Project, approximately 40km south of Woomera and 40km South West of Oz Minerals' Carrapateena Project.

The drilling program is focused on the Windabout and MG14 deposits, where more than 300 drill holes have been completed since the 1970s. A minimum of 29 holes are planned, comprising 1535 metres of rotary mud drilling and 261m of HQ3 diamond drilling. The program will be undertaken on a double shift basis and is expected to be completed by mid-September.

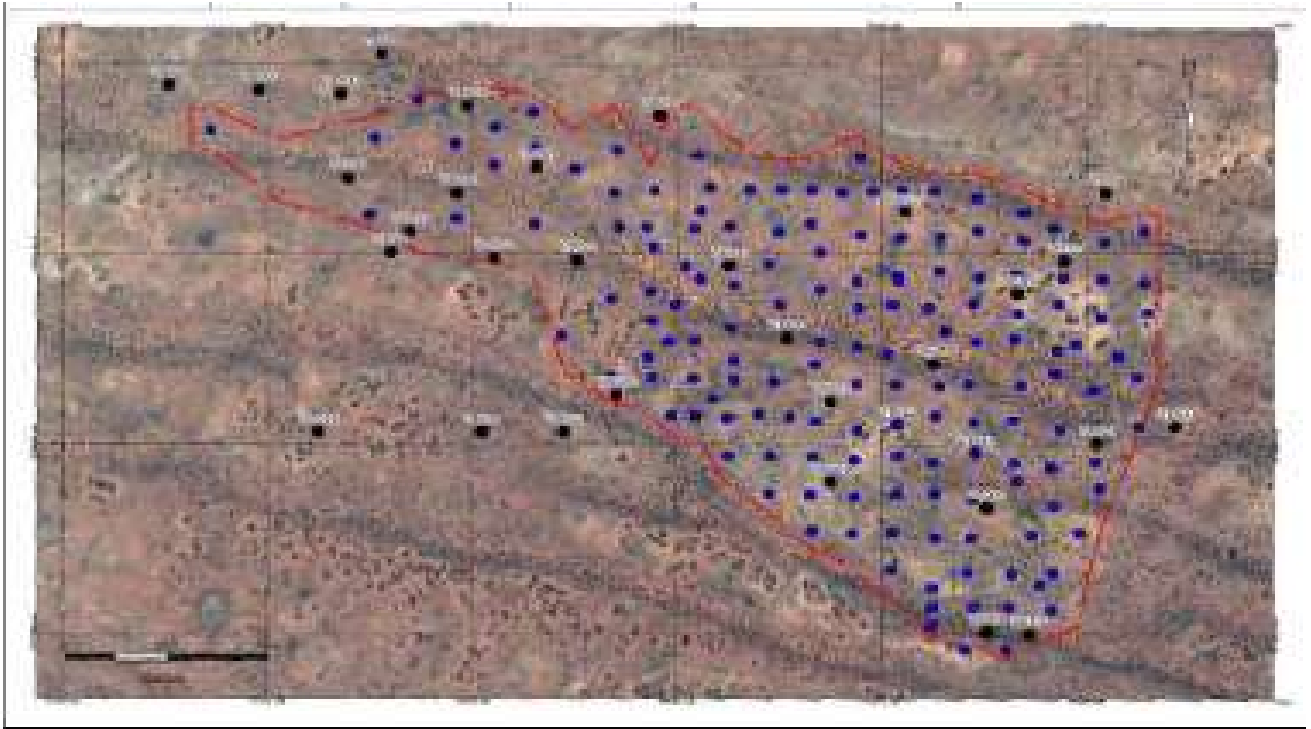
Holes will be drilled vertically to a maximum depth of 100m. The Windabout and MG14 deposits are shallow, flat-lying sediment-hosted shale mineral resources, overlain by the Whyalla Sandstone and unconsolidated sands.

The drilling program is primarily intended to obtain 500kg of metallurgical samples for the next stage of testwork and flowsheet design and to update the JORC Resources for both deposits to JORC 2012 requirements.



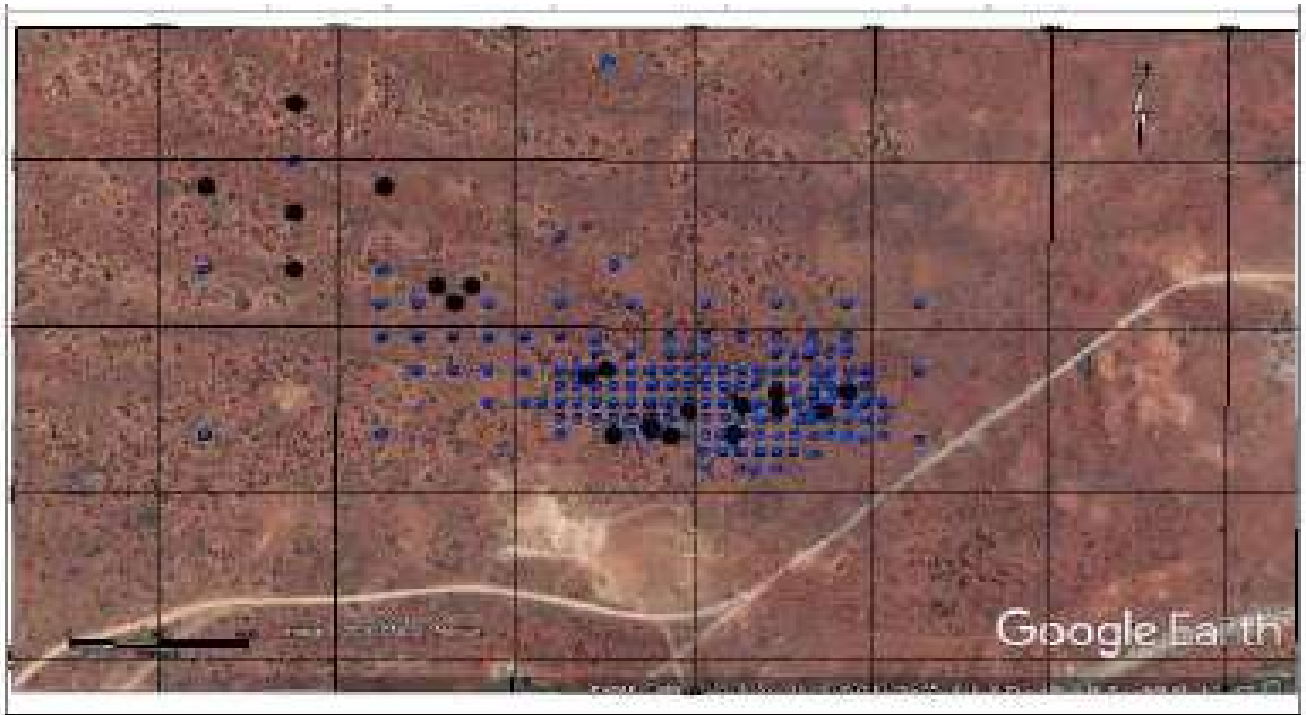
Drilling first hole at Mt Gunson.

Figure 1 – Windabout Deposit



Note: Black dots represent planned drill holes and blue dots historical drill holes.

Figure 2 MG14 Deposit



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SECURITIES EXCHANGE ANNOUNCEMENT

1 September 2017



For further details of the Mount Gunson Farm-in and Joint Venture Agreement and Competent Person's Statement, refer to Gindalbie's ASX announcement dated 17 March 2017.

¹Terrace Mining Pty Ltd is a wholly owned subsidiary of unlisted Torrens Mining Limited (www.torrensmining.com.au)

ENDS

On behalf of:

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