

GINDALBIE REACHES AGREEMENT WITH ROYAL RESOURCES TO CONSOLIDATE 100% OF WARRIEDAR HEMATITE PROJECT

ACQUIRES ROYAL'S 40% JOINT VENTURE INTEREST FOR \$8M

Gindalbie Metals Limited (ASX: **GBG** – “Gindalbie”) is pleased to announce that it has reached agreement with Royal Resources Limited (ASX: **ROY**) to acquire Royal's 40% interest in the **Warriedar Iron Ore Joint Venture**, which consists of a number of tenements adjacent to Gindalbie's flagship **Karara Project** in Western Australia's Mid West region.

The transaction will enable Gindalbie to consolidate 100% ownership of the Warriedar Iron Ore Joint Venture and further strengthen its extensive 1,900km² Mid West tenement portfolio outside of the Karara Project, where it has identified several prospects for direct shipping quality hematite iron ore (DSO).

This exploration portfolio provides Gindalbie with a strong pipeline of future growth opportunities outside of the Karara Project, where construction of a world-scale magnetite project is well advanced under its joint venture with the leading Chinese iron ore and steel group, Ansteel.

The consideration for the acquisition of Royal's 40% interest in the Warriedar Iron Ore Joint Venture is for \$8M cash and also includes Royal's 40% interest in the Warriedar Gold Joint Venture. The acquisition of the Iron Ore JV remains subject to State and Commonwealth regulatory approvals only. The acquisition of the Gold JV interest remains subject to regulatory approvals, as well as completion of satisfactory due diligence and waiver of the third party pre-emptive right held by the existing Gold JV joint venture party.

Gindalbie's Managing Director, Mr Tim Netscher, said the acquisition would further strengthen the Company's strategic exploration portfolio in the Mid West region and consolidate ownership of a highly prospective exploration project with well-established potential for high-quality direct shipping ore.

“As construction progresses at Karara, our Business Development team is working to build a strong pipeline of complementary development opportunities for Gindalbie in the Mid West region,” Mr Netscher said.

“This includes tenements held through our existing joint venture with Ansteel and other iron ore exploration projects like Warriedar, which we will now own 100% in respect of iron ore rights” Mr Netscher said. “Our total tenement position in the Mid West covers approximately 1,900 square kilometres and includes several advanced iron ore exploration prospects.

“We see the potential to identify and ultimately develop numerous small deposits which could complement our existing and DSO production profile from the main Karara Project,” he added. “Given the significant investment we are making in infrastructure and the development of the region, we will be ideally placed to unlock the potential of these deposits once the Karara Project is up and running next year and generating substantial cash flows.”

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