

STOCK EXCHANGE ANNOUNCEMENT

20 November 2006

GINDALBIE SIGNS TWO MOU'S WITH GERALDTON PORT AUTHORITY FOR KARARA IRON ORE PROJECT

The Board of Gindalbie Metals Ltd (ASX Code: GBG) is pleased to announce that it has signed two Memoranda of Understanding (MOU) with the Geraldton Port Authority ("GPA") on behalf of the Karara Iron Ore joint venture participants for access to suitable storage and loading facilities at Berth 5 and Berth 7 at the Geraldton Port for the export of iron products from its Karara Iron Ore Project in Western Australia.

The MOU's were signed in the presence of representatives of Gindalbie's Joint Venture Partner, Anshan Iron & Steel Group Corporation (Ansteel), China's second largest steel producer.

Under the MOU's, Gindalbie and the GPA have agreed to work together to complete formal documentation for the lease of space at Berth 5 for the storage and shipment of up to 4mtpa of hematite ore and at Berth 7 for the storage and shipment of up to 8mtpa of magnetite ore. The parties will also complete documentation in respect to provision of Port Services by the GPA.

The MOU in respect to Berth 5 also envisages Gindalbie providing a throughput guarantee of 1.5 million tonnes per year for a period of 10 years commencing from the time first delivery of hematite to the Port occurs. Any shortfall on the throughput guarantee will require a payment of \$2 per tonne of ore by Gindalbie to the GPA. No throughput guarantees are required in relation to Berth 7.

Formal documentation of the Lease and Port Services Agreements will be completed as soon as possible.

For further information please contact

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