

GINDALBIE APPOINTS BUSINESS DEVELOPMENT MANAGER

FORMER AUSTRALASIAN RESOURCES AND RIO TINTO EXECUTIVE JOINS THE GINDALBIE TEAM

Gindalbie Metals Limited (ASX: **GBG** – “Gindalbie”) is pleased to announce the appointment of experienced iron ore executive **Mr Stephen Abbott** as General Manager Business Development to assist in identifying and securing new project opportunities outside of its flagship Karara Iron Ore Project in Western Australia’s Mid West region.

Mr Abbott spent the past two years in the position of General Manager at the Pilbara-focused iron ore company Australasian Resources Limited, which he joined following a lengthy and distinguished career at Rio Tinto and Western Mining Corporation.

At Rio Tinto Iron Ore, he held the positions of Manager – Expansion Studies, heading up the Pre-Feasibility studies into a new +100Mtpa iron ore port estimated at over \$4 billion, and Manager – Business Improvement. Prior to that, he held the positions of Manager – Strategy and Manager – Processing at Energy Resources of Australia.

Before joining Rio Tinto, Mr Abbott held a number of positions at WMC’s world-class Olympic Dam Operation in South Australia between 1992 and 1998.

He holds a Bachelor of Mechanical Engineering and Post Graduate Diploma in Extractive Metallurgy from Curtin University, as well as an MBA in Technology Management from La Trobe University.

Gindalbie’s Managing Director, Mr Garret Dixon, said Mr Abbott was a high-calibre individual with extensive experience in the Australian and international iron ore industry who would help drive Gindalbie’s three-pronged growth strategy - the development and potential expansion of the Karara Project, the development of projects within Gindalbie’s 1900sqkm Mid West landholding but outside the Karara joint venture, and external project and corporate opportunities.

“While our core focus remains on the very important task of delivering the Karara Project, we are also turning our attention to other opportunities outside of Karara and outside of our large Mid West tenement position,” Mr Dixon said.

“Mr Abbott brings an outstanding depth of experience in the broader iron ore industry and his contact network and skills will be invaluable in identifying and securing new project opportunities with the potential to complement and add substantial value to Gindalbie in the years ahead.

“The strong cash flows that Karara will generate will give us the financial strength and capability to acquire and develop other projects, both through our strategic alliance with Ansteel, and in our own right.

The assets we will be targeting will primarily be in the carbon steel materials sector, namely iron ore, metallurgical coal, manganese, chromite and nickel.”

ENDS

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About Gindalbie Metals Ltd (ASX: GBG)

Gindalbie is well advanced towards achieving its vision of becoming a leading independent Australian iron ore company with a diversified portfolio of magnetite and hematite production assets, located in the Mid West region of Western Australia.

The initial focus of Gindalbie's growth strategy is the Karara Iron Ore Project, located 225km east of Geraldton, where it will deliver initial production of Direct Shipping Ore (DSO) hematite in mid-2011 to be followed by production of high grade magnetite concentrate in the second half of 2011. Karara is being developed through a 50:50 Joint Venture with Ansteel, one of China's leading steel and iron ore producers.

Gindalbie's longer term growth will be propelled by the exploration and development of its extensive 1,900 sq km tenement portfolio, which includes numerous prospective magnetite and hematite exploration targets expected to deliver a long-term pipeline of growth opportunities.

About Ansteel

Ansteel is currently China's second-largest steel producer and the biggest iron ore miner. It is the major producer in the north-east region of China, with crude steel production of 35 million tonnes and plans to increase output to approximately 50Mtpa. Ansteel is considered to be one of the country's key growth companies and has strong government support in securing new sources of long-term iron ore supply through international investment.

Ansteel has developed a new integrated iron and steel making facility at Bayuquan, adjacent to the Port of Yingkou, approximately 100km south-west of its current steel making facilities in the city of Anshan. The new facility has the capacity to produce 6.5Mtpa of finished steel products. Once the Karara Project is in production, its products will be the key feed source for Bayuquan. *For further information, visit www.ansteelgroup.com*

About Karara

With a multi-billion-dollar capital investment, the Karara Project will deliver major economic benefits for the Mid West region and the State of Western Australia, generating some 1,500 construction jobs and 600 direct and indirect long-term jobs.

The Project will initially produce 10Mtpa of iron products commencing in 2011, comprising 8Mtpa of high-grade magnetite concentrate, a value-added product, and 2Mtpa of Direct Shipping Ore (DSO). Karara has the potential to produce more than 30Mtpa over a mine life estimated at more than 30 years.

Karara will initially generate around A\$1 billion in annual export revenues, building to A\$3 billion annually as the project grows, equating to \$40 million in Government revenues rising to \$120 million annually.

Iron products will initially be exported through Geraldton Port, with Karara also able to commit foundation tonnages to underpin the development of the new multi-billion dollar Oakajee Port.