

## GINDALBIE COMPLETES \$74.5M ANSTEEL PLACEMENT

*BOOSTS GINDALBIE CASH RESOURCES TO ~\$200M -*

Gindalbie Metals Limited (ASX: GBG – “Gindalbie”) is pleased to advise that the **\$74.5 million share placement** to its joint venture partner Ansteel, which formed part of the \$206.4 million capital raising earlier this year, has been completed following receipt of final Chinese regulatory approval.

Gindalbie has allotted 80.107 million shares at \$0.93 per share to Angang Group Hong Kong (Holdings) Limited and the placement funds have been received, increasing the Company’s cash reserves to approximately \$200 million.

The completion of the placement enables Ansteel to maintain its 36.12% interest in Gindalbie following the other elements of the capital raising completed earlier this year – a \$111.8 million institutional share placement and a strongly supported Share Purchase Plan (SPP) to existing shareholders.

The funds raised are predominantly being used to fund Gindalbie’s equity share of the construction cost of the Karara Project, as well as its equity share of the estimated \$430 million working capital requirements for the Project. Any surplus funds will strengthen the Company’s working capital position and its ability to target new growth opportunities.

Gindalbie’s Managing Director, Mr Garret Dixon, said the completion of the share placement to Ansteel marked the final stage of the \$206.4 million capital raising undertaken earlier in the year.

“I would like to take this opportunity once again to acknowledge Ansteel for their long-standing support of Gindalbie and the Karara Project,” said Gindalbie’s Managing Director. “Karara is the biggest and most advanced iron ore development underway in the Mid West. Construction of the minesite and all associated infrastructure required for our start-up, including Geraldton Port, is progressing well and we remain on track for first production in the first half of 2011.”

**ENDS**

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