

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

GINDALBIE METALS LTD

ABN

24 060 857 614

Quarter ended ("current quarter")

31 DECEMBER 2007

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (6 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration and evaluation	(6001)	(12,614)
(b) development	-	-
(c) production	-	-
(d) corporate administration	(2,098)	(3,584)
(e) rehabilitation & site admin	-	-
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	904	1,180
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Management fees received	347	694
Net Operating Cash Flows	(6,848)	(14,324)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a)prospects	-	-
(b)equity investments	-	-
(c) other fixed assets	(1,018)	(1,235)
1.9 Proceeds from sale of: (a)prospects	-	-
(b)equity investments	309	309
(c)Minjar gold assets	-	5,000
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	4,572
1.12 Other (provide details if material)	-	-
Net investing cash flows	(709)	8,646
1.13 Total operating and investing cash flows (carried forward)	(7,557)	(5,678)

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1.13	Total operating and investing cash flows (brought forward)	(7,557)	(5,678)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	38	41,067
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Capital raising costs	-	(42)
	Net financing cash flows	38	41,025
	Net increase (decrease) in cash held	(7,519)	35,347
1.20	Cash at beginning of quarter/year to date	58,965	16,099
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	51,446	51,446

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	432
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Executive Directors Remuneration	310
Non Executive Directors Fees	99
Other Payments to Directors and related entities	23

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

Issue of \$250,000 worth of shares in listed company as consideration for the sale of information on historically held tenements.

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Anshan Iron & Steel Group Corporation – Karara Iron Ore Project	1,507
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Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	1,500
4.2 Development	-
Total	1,500

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	111	77
5.2 Deposits at call	51,335	58,888
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	51,446	58,965

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	L59/75	Withdrawn	100%	0%
6.2 Interests in mining tenements acquired or increased	E59/1442	Application	0%	100%
	P59/1877	Application	0%	100%
	P59/1878	Application	0%	100%
	P59/1879	Application	0%	100%
	P59/1880	Application	0%	100%
	P59/1881	Application	0%	100%
	P59/1882	Application	0%	100%
	P59/1883	Application	0%	100%
	P59/1884	Application	0%	100%

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Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	Preference			
	+ securities			
7.2	Changes during quarter			
7.3	+ Ordinary securities	511,878,850	511,878,850	
7.4	Changes during quarter			
	(a) Increases through issues	250,000	250,000	
	(b) Decreases through returns			
7.5	+ Convertible debt securities			
7.6	Changes during quarter			
7.7	Options <i>(description and conversion factor)</i>	<i>Vested Employee Options</i>	<i>Exercise price</i>	<i>Expiry date</i>
		200,000	20 cents	30 September 2008
		100,000	22 cents	30 September 2008
		50,000	34 cents	31 December 2008
		1,000,000	12 cents	30 September 2010
		1,000,000	16 cents	30 September 2010
		650,000	55 cents	30 September 2010
		500,000	60 cents	6 November 2011
		150,000	65 cents	30 September 2010
		<i>Non Vested Employee Options</i>		
		4,100,000	25 cents (Vest 31/03/08)	30 September 2010
		1,000,000	35 cents (Vest 31/12/08)	30 September 2010
		450,000	55 cents (Vest 31/03/08)	30 September 2010
		500,000	55 cents (Vest 31/03/09)	30 September 2010
		150,000	65 cents (Vest 30/06/08)	30 September 2010
		700,000	\$1.31 (Vest 1/03/08)	1 August 2012
		500,000	\$1.31 (Vest 1/03/09)	1 August 2012
		800,000	\$1.31 (Vest 1/03/10)	1 August 2012
7.8	Issued during quarter	500,000 2,000,000	60 cents \$1.31	6 November 2011 1 August 2012
7.9	Exercised during quarter	250,000	15 cents	30 April 2008
7.10	Lapsed during quarter			

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Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.



Sign here:

Chief Financial Officer

Date: 31 January 2008

Print name:

Darren Gordon

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities.** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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