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30 April 2009

Ms Elizabeth Harris
Australian Securities Exchange Ltd
Level 8, Exchange Plaza
2 The Esplanade
PERTH WA 6000

By email

Dear Elizabeth

Thank you for your letter dated 29 April 2009.

In response to your number paragraphs:

1. No.
2. The Company does not consider the EPA Recommendation price sensitive. The EPA Recommendation is only one stage of an incomplete process in the assessment of approvals. The EPA Recommendation itself is subject to appeals and final decision by the Minister for the Environment. The EPA Recommendation is also consistent with what Gindalbie has previously updated to the market regarding its confidence in securing approvals for the Karara Iron Ore Project (please refer to quarterly announced on 21 April 2009 and Open Briefing on 23 April 2009). As an observation we also note there has been minimal movement in the share price since the release of the EPA Recommendation.
3. Not applicable.
4. Not applicable.
5. The EPA Recommendation was made available by the EPA to the Company and the general public from approximately 8.30 am on 28 April 2009. The EPA Recommendation was extensive in detail and comprised two reports totalling 150 pages. The Company and its consultants undertook a review of the comprehensive documents. Once it had completed a thorough review of the EPA Recommendation, and considered it was in a position to provide a project

update to the market, a decision to do so was made. This was done as expeditiously as possible taking approximately 5 hours. Prior to this time the Company was not in a position to make the Announcement.

6. The Company is in compliance with listing rule 3.1.

Yours faithfully
GINDALBIE METALS LTD

A handwritten signature in black ink, appearing to read 'D. Stokes', with a horizontal line extending from the end of the signature.

DAVID STOKES
Company Secretary



ASX
AUSTRALIAN SECURITIES EXCHANGE

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FAXED
30 April 2009

Mr David Stokes
Company Secretary
Gindalbie Metals Limited
Level 9 London House
216 St Georges Terrace
PERTH WA 6000

URGENT

By Facsimile: (08) 9480 8799

Dear David

Gindalbie Metals Limited (the "Company")

We refer to our letter of 29 April 2009 ("Letter") which is annexed to this letter. You have requested further clarification in relation to the Letter. ASX Limited ("ASX") confirms that the reference in the Letter to the information as set out in questions 1 and 3 is to the EPA Recommendation as defined therein.

A response to the Letter is requested as soon as possible and, in any event, **not later than 7:30am WST tomorrow Friday 1 May 2009.**

If you have any queries regarding any of the above, please let me know.

Yours sincerely

Elizabeth Harris
Senior Adviser, Issuers (Perth)

(08) 9224 0011



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FAXED
29 April 2009

Mr David Stokes
Company Secretary
Gindalbie Metals Limited
Level 9 London House
216 St Georges Terrace
PERTH WA 6000

URGENT

By Facsimile: (08) 9480 8799

Dear David

Gindalbie Metals Limited (the "Company")

ASX Limited ("ASX") refers to the following:-

1. The release on the web-site of the Environmental Protection Authority ("EPA") on 28 April 2009 of the advice and recommendations of the EPA released to the Minister of Environment on proposals by Karara Mining Ltd, a subsidiary of the Company, to mine iron ore in the Blue Hills Range of Western Australia which recommended that development of the Karara Iron Ore Project could be undertaken subject to certain conditions ("EPA Recommendation")
2. The article on the on-line edition of The West Australian newspaper released at 10:45 am (WST) entitled "Gindalbie gets conditional EPA nod for Karara". This article referred to the EPA Recommendation.
3. The announcement made by the Company on 28 April 2009 at 16:15 EST (14:15 WST) entitled "EPA recommends Karara Iron Ore Project for Ministerial Approval" ("Announcement").

We wish to draw your attention to the definition of "aware" in Chapter 19 of the listing rules which states that:

"an entity becomes aware of information if a director or executive director (in the case of a trust, director or executive officer of the responsible entity or management company) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as a director or executive officer of that entity."

Further we wish to draw your attention to listing rule 3.1 which requires an entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. The exceptions to this requirement are set out in listing rule 3.1A.

Furthermore, paragraph 17 of Guidance Note 8 states:

"Once a director or executive officer becomes aware of information, he or she must immediately consider whether that information should be given to ASX. An entity cannot delay giving information to ASX pending formal sign-off or adoption by the board, for example."

Please note that for disclosure not to be required under listing rule 3.1, all of the exceptions under listing rule 3.1A must apply:

- 3.1A.1 *A reasonable person would not expect the information to be disclosed.*
- 3.1A.2 *The information is confidential and ASX has not formed the view that the information has ceased to be confidential.*
- 3.1A.3 *One or more of the following applies.*
- *It would be a breach of a law to disclose the information.*
 - *The information concerns an incomplete proposal or negotiation.*
 - *The information comprises matters of supposition or is insufficiently definite to warrant disclosure.*
 - *The information is generated for the internal management purposes of the entity.*
 - *The information is a trade secret."*

Finally, I would like to draw your attention to ASX's policy position on the concept of "confidentiality" which is detailed in paragraphs 33 to 39 of Guidance Note 8. In particular, paragraphs 34 and 35 of the Guidance Note state that:

"Confidential' in this context has the sense of 'secret'..." and "Loss of confidentiality may be indicated by otherwise unexplained changes to the price of the entity's securities, or by reference to the information in the media or analysts reports".

Having regard to the above definition, listing rule 3.1 and Guidance Note 8 - Continuous Disclosure, we ask that you answer the following questions in relation to the Announcement in a format suitable for release to the market in accordance with listing rule 18.7A.

1. Does the Company believe that the information contained in the Announcement was material to the Company?
2. If the answer to question 1 is "no", please advise the basis on which the Company does not consider the Announcement to be material.
3. If the answer to question 1 is "yes", when did the Company first become aware of the information contained in the Announcement?
4. If this was before the Announcement, please identify any earlier Announcement from the Company relating to the EPA Recommendation.
5. If there was no earlier announcement, and the Company became aware of the EPA Recommendation prior to the Announcement, why was the information not released to the market at an earlier time?

Please comment specifically on the application of listing rule 3.1 and the exceptions to the rule in listing rule 3.1A.

6. Please confirm that the Company is in compliance with listing rule 3.1

Your response should be sent to Elizabeth Harris by email on Elizabeth.Harris@asx.com.au or by facsimile on facsimile number (08) 9221 2020. It should not be sent to the Company Announcements Office.

A response is requested as soon as possible and, in any event, not later than 4.00pm WST tomorrow Thursday 30 April 2009.

If you have any queries regarding any of the above, please let me know.

Yours sincerely



Elizabeth Harris
Senior Adviser, Issuers (Perth)

(08) 9224 0011