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7 May 2009

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

By Email

Dear Elizabeth

Gindalbie Metals Limited - Appendices 3X and 3Y

Thank you for your letter dated 5 May 2009.

We respond to your numbered questions below.

Question 1 – Please explain why the Appendices 3X and 3Y were lodged late?

The Appendices 3X and 3Y were lodged late due to an inadvertent oversight on the part of Mr Yan Dong informing the Company of his initial holding of shares in the Company at the time of his appointment as an alternate Director on 27 March 2009 and the subsequent trades on 16, 21 and 22 April 2009. Mr Yan Dong was unfamiliar with ASX Listing Rule 3.19A and/or 3.19B and was unaware of the Company's internal share trading disclosure processes at the relevant time. Once this information was provided to the Company on Saturday, 2 May 2009, the Company lodged the relevant Appendices 3X and 3Y with the ASX prior to the market opening on Monday, 4 May 2009.

Question 2 – What arrangements does the company have in place with its Directors to ensure that it is able to meet its disclosure obligations under listing rule 3.19A?

The Company is committed to compliance with the ASX Listing Rules, including Rules 3.19A and 3.19B. Under letters of appointment each Director is obligated to provide information to the Company regarding securities they hold and/or control and any changes to those holdings and/or control. In addition, the Company's share

trading policy requires Directors to first notify the Chairman and Company Secretary prior to dealing in the Company's securities so as to obtain clearance that there are no trading restrictions.

These arrangements are re-enforced at the commencement of each Board Meeting where the Chairman requests Directors disclose any share trading activity and conflicts of interest since the last Board Meeting. This is a standard Agenda item.

Question 3 – If the current arrangements are inadequate or not being enforced what additional steps does the company intend to take to ensure compliance with listing rule 3.19B?

To the best of the Company's knowledge, all previous notices relating to Directors' interests have been lodged within the required timeframe and the Company believes that this was an isolated incident.

The Company has taken immediate steps to advise Mr Yan Dong of the requirements of ASX Listing Rule 3.19A and 3.19B, the Company's internal share trading disclosure processes, and to understand the philosophy behind Guidance Note 22 regarding transparency and the need to ensure investor confidence in the integrity of the market place. These matters have been specifically addressed by the Chairman.

The Company does not view its current arrangements as inadequate. However, the Company has undertaken a review of its Director appointment protocols as a consequence of these events. The Company will now ensure that on the appointment of any new Director, the letter of appointment will also include a separate acknowledgement by the Director confirming they have reviewed, understand, and will comply with, the Company's internal corporate governance processes, including the Company's share trading policy. We believe this will prevent any further non compliance.

Yours faithfully
GINDALBIE METALS LTD



DAVID STOKES
Company Secretary



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5 May 2009

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

By Facsimile: 08 9480 8799

Dear David,

Gindalbie Metals Limited (the "Company") Appendix 3X – Initial Director's Interest Notice and Appendices 3Y – Change in Director's Interest Notice – Mr Yan Dong.

We refer to the following;

1. The Appendix 3X lodged by the Company with ASX Limited ("ASX") on 4 May 2009 for Mr Yan Dong;
2. The Appendices 3Y lodged by the Company with ASX Limited ("ASX") on 4 May 2009 for Mr Yan Dong with respect to trades by Mr Dong in the Company's shares on 16, 21 and 22 April 2009,
3. Listing rule 3.19A which requires an entity to tell ASX the following:

3.19A.1 The notifiable interests of a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) at the following times.

- On the date that the entity is admitted to the official list.
- On the date that a director is appointed.

The entity must complete Appendix 3X and give it to ASX no more than 5 business days after the entity's admission or a director's appointment.

4. Listing rule 3.19B which states as follows.

An entity must make such arrangements as are necessary with a director of the entity (or in the case of a trust, a director of the responsible entity of the trust) to ensure that the director discloses to the entity all the information required by the entity to give ASX completed Appendices 3X, 3Y and 3Z within the time period allowed by listing rule 3.19.A. The entity must enforce the arrangements with the director.

5. The Companies Update dated 27 June 2008, reminding listed entities of their obligation to notify ASX within 5 business days of the notifiable interests in securities held by each director and outlining the action that ASX would take in relation to breaches of listings rules 3.19A and 3.19B.

As the Appendix 3X indicated that the director was appointed on 27 March 2009, it appears that the Appendix 3X should have been lodged with the ASX by 3 April 2009. As the Appendix 3X was lodged on 4 May 2009 it appears that the Company may be in breach of listing rules 3.19A and/or 3.19B.

As the Appendices 3Y were with respect to trades in the Company's shares by Mr Dong on 16, 21 and 22 April 2009 the Appendices 3Y should have been lodged with the ASX by 23 April, 2009, 28 April 2009 and 29 April 2009 respectively. As the Appendices 3Y was lodged on 4 May 2009 it appears that the Company may be in breach of listing rules 3.19A and/or 3.19B.

Please note that ASX is required to record details of breaches of the listing rules by listed companies for its reporting requirements.

ASX reminds the Company of its contract with ASX to comply with the listing rules. In the circumstances ASX considers that it is appropriate that the Company make necessary arrangements to ensure there is not a reoccurrence of a breach of the listing rules.

Having regard to listing rules 3.19A and 3.19B and Guidance Note 22: "Director Disclosure of Interests and Transactions in Securities - Obligations of Listed Entities", we ask that you answer each of the following questions:

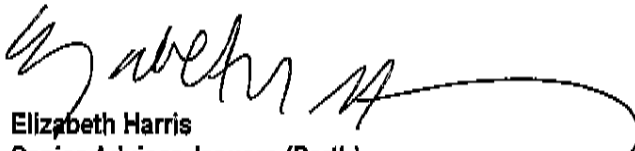
1. Please explain why the Appendices 3X and 3Y were lodged late.
2. What arrangements does the Company have in place with its directors to ensure that it is able to meet its disclosure obligations under listing rule 3.19A?
3. If the current arrangements are inadequate or not being enforced, what additional steps does the Company intend to take to ensure compliance with listing rule 3.19B?

Your response should be sent to me email at 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 on Friday 8 May 2009**.

Under listing rule 18.7A, a copy of this query and your response will be released to the market, so your response should be in a form suitable for release and should separately address each of the questions asked. If you have any queries or concerns, please contact me immediately

Yours sincerely,



Elizabeth Harris
Senior Adviser, Issuers (Perth)