MARCH 2007 QUARTERLY REPORT

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HIGHLIGHTS FOR THE MARCH 2007 QUARTER

KARARA IRON ORE PROJECT (ANSTEEL EARNING A 50% INTEREST)

Karara Magnetite Project

- Pilot scale testwork confirms concentrate grading 68.5% Fe, 4.0% SiO_2, 0.08% Al_2O_3, 0.012% P and 0.05% S at a weight recovery of 39% can be produced at the proposed grind size of 25 micron in the concentrator circuit.
- The Ansteel Mining Design Institute (AMDI) has completed independent metallurgical testing of a second representative ore sample, which has confirmed the results of testwork carried out in Australia.
- Further assay results from infill drilling confirm consistent nature of the ore body and Davis Tube Recovery estimates.
- Water bore drilling at Mingenew confirms water quality and supply for the concentrator at Karara.
- An interim project status report was delivered to the Joint Venture participants. AMDI appointed to move to detailed design of flowsheet and concentrator.
- Infrastructure required for transport, power and water supply has been defined. The period of concentrator design refinement will be used to optimise and confirm the optimal solutions.

Karara Hematite Project

- 7,316 metres of RC drilling and diamond drilling completed with significant results from all prospects received.

  Better intersections included:

  47m @ 62.8% Fe and 0.06%P in Hole MKD 157

  42m @ 64.4% Fe and 0.03%P in Hole MGC 271

  26m @ 64.6% Fe and 0.02% P in Hole MGC 293
- Initial metallurgical testwork on diamond cores from a range of prospects confirms a ratio of 65% lump and 35% fines on the current hematite resources.
- A number of new hematite prospects discovered.
- Public Environmental Review Report submitted to the regulators.
- Engineering group Arccon Mining Services engaged to complete BFS on infrastructure from the Mine to the Geraldton Port.

REGIONAL IRON ORE EXPLORATION

- New hematite prospects discovered on the Warriedar Joint Venture ground (GBG earning 60%).
- Planning underway for drilling at the Lodestone Prospect, 50km south east of Karara, targeting magnetite and hematite mineralization. Drilling scheduled for the June 2007 Quarter, subject to obtaining relevant approvals.

CORPORATE

- Cash reserves at 31 March 2007 of A$22 million.

KARARA IRON ORE PROJECT (AnSteel Earning a 50% Interest)

The Karara Iron Ore Project, including the Karara Magnetite and Hematite Projects, is located 90 kilometres east of Morawa in Western Australia's Mid West Region, 220 kilometres inland from the Port of Geraldton (Figure 1). The Project is the focus of Gindalbie's two-stage strategy to become a diversified iron ore company.

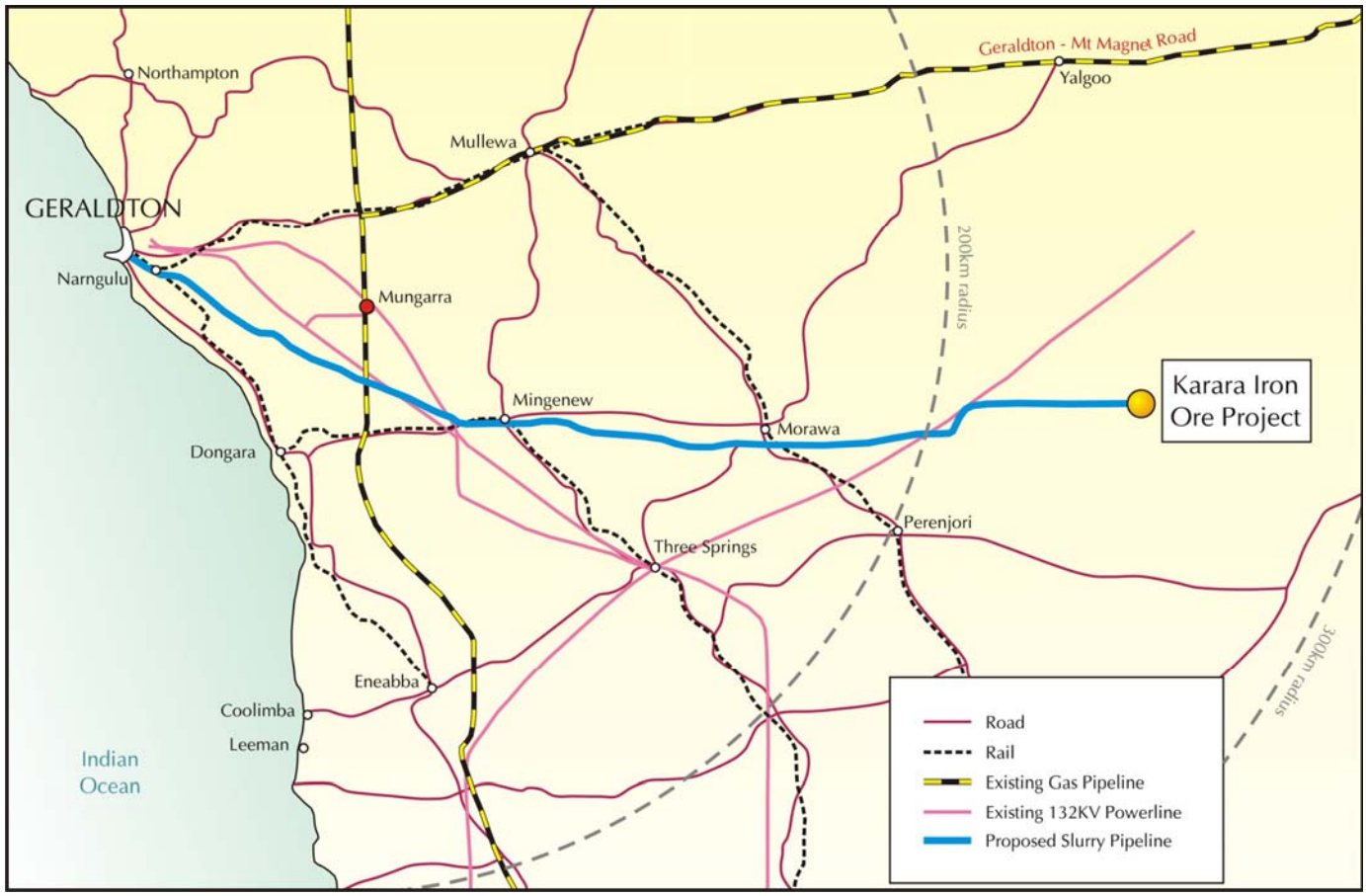

Figure 1: Karara Iron Ore Project Location Plan

KARARA JOINT VENTURE AGREEMENT - ANSTEEL

The Karara Iron Ore Joint Venture is a 50:50 joint venture between Gindalbie and one of China's largest steel producers, Anshan Iron and Steel Group Corporation ("AnSteel"). The Joint Venture partners are funding feasibility studies focussed on the integrated development of the Karara Iron Ore Project located in Western Australia's Mid West region. The manager of the joint venture is Karara Management Services Pty Ltd ("KMS"), a wholly owned subsidiary of Gindalbie.

Background - AnSteel

AnSteel is currently one of China's largest integrated iron and steel producers. It is the major producer in the north-east region of China, with steel production of 15.2 million tonnes, annual sales revenues in excess of A$9 billion and a net profit of approximately A$1.2 billion in 2006.

AnSteel is developing a new integrated iron and steel making facility in northern China with the capacity to produce 5mtpa of finished steel products. This facility will be constructed adjacent to the Port of Yingkou, approximately 100km south west of its current steel making facility in the city of Anshan (see Figure 2). The Karara Iron Ore Project will supply most of the raw material input requirements of this new facility once production commences from Karara.

Figure 2: Map of Liaoning Province, China featuring the Port of Yingkou

KARARA MAGNETITE PROJECT

Project Overview

During the Quarter, further drilling results confirmed the magnitude of the Karara Magnetite resource. Pilot scale testwork on samples provided to Ammtec and AnSteel produced similar results and confirmed that high grade concentrate averaging 68.5% Fe and 4% SiO_2 can be produced from the proposed concentrator circuit.

A preliminary report on the Project was received from the Thiess/Promet/Gindalbie Alliance team and the AnSteel Design Institute (AMDI) was appointed to complete the concentrator circuit design. This completed the work designated under the Thiess/Promet/Gindalbie Alliance.

The initial water production bore was drilled at Mingenew, confirming the water quality and quantity available from this location to service the Karara Magnetite Project.

The project is progressing the Bankable Feasibility Study for completion by August 2007.

Magnetite Resource Upgrade Program

The 18,000 metre infill program of RC and diamond drilling over the southern portion of the Karara Magnetite resource was completed during the Quarter.

The assay results from this drilling have been received and demonstrate continuity of grade and materials handling over the area of the 1.29 billion tonne resource. The upgraded technical data has been delivered to RSG Global to commence the final phase of resource calculation required to upgrade the resource classification to Measured and Indicated for the Bankable Feasibility Study by August 2007.

During the Quarter, the Magnetite resource drilling totalled 3,594 metres in 17 diamond drill holes. The location of the drill holes completed is shown in Figure 3.

Intersections of 200 to 400 metres continue to be encountered in keeping with the geological understanding of the ore body. Assay results received during the Quarter are summarised in Table 1 .

Hole_ID	From (m)	To (m)	Interval (m)	Fe %	SiO_2%	Al_2O_3%	P%	S%	LOI%
MKD053	4	262	258	36.4	42.5	0.8	0.08	0.05	0.0
MKD055	0	328	328	37.0	42.0	0.9	0.09	0.07	-0.3
MKD180	0	374	374	36.0	43.6	0.8	0.09	0.11	-0.1
MKD236	60	506	446	34.7	44.1	1.3	0.08	0.07	-1.0
MKD239	0	312	312	36.1	43.2	1.1	0.08	0.08	-0.1
MKC293	8	214	206	35.7	43.7	0.9	0.08	0.09	0.2
MKC299	0	252	252	37.0	36.9	1.8	0.09	0.30	1.4
MKC326	0	186	186	36.2	42.7	1.3	0.07	0.08	0.0
MKC355	0	246	246	35.4	42.8	1.2	0.08	0.04	0.1

Table 1: Magnetite Drilling Results – Karara

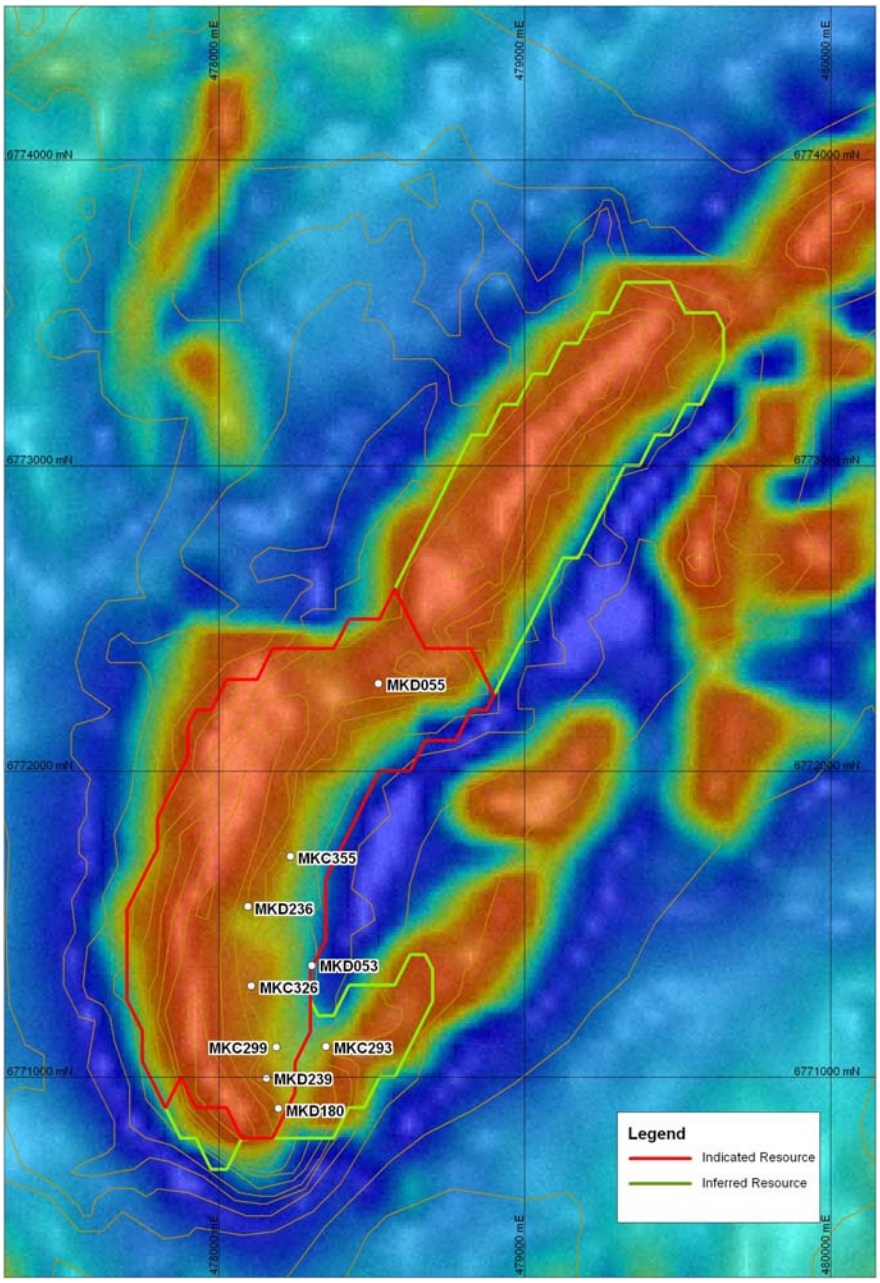

Figure 3: Magnetite Drillhole Locations for the March 2007 Quarter

A full list of magnetite drilling intersections for the Quarter is set out in Appendix B.

Metallurgical Results

In November 2006, the Company received an updated resource model from RSG Global which estimated the metallurgical performance of the resource from a combination of Davis Tube Recovery (DTR) tests and combined head assays. In total, over 20,000 head assays and 1,650 DTRs were used in estimating the resource. The resource estimate is summarised in Table 2.

Resource Classification	Mt	Fe%	SiO_2%	Al_2O_3%	P%	S%	LOI%
Indicated	569	36.6	42.5	0.82	0.091	0.109	-0.71
Inferred	722	36.1	42.8	1.03	0.088	0.127	-0.75
Total	**1,291**	**36.3**	**42.7**	**0.94**	**0.089**	**0.120**	**-0.73**

Table 2: Magnetite Resource Summary

The DTR results available at the time showed consistent performance for the fresh BIF material. Analysis of the DTR tests are summarised in Table 3.

P_{80} µm	Head Grade %	Wt Recovery %	Fe%	SiO_2%	Al_2O_3%	P%	S%	LOI%
25	36.6	41.2	68.8	4.22	0.05	0.011	0.075	-2.66

Table 3: Magnetite Resource DTR Results

Further metallurgical testwork, both at the laboratory scale and at the pilot plant scale, has now been received. The latest DTR results is now the subject of upgraded resource estimate work by RSG Global. A total of 3,485 DTR results are now available. In general, the latest results are in keeping with the previous estimate by RSG Global.

In late 2006, representative samples of diamond core and RC chips were despatched to Ammtec in Australia and AnSteel in China for confirmatory metallurgical tests at the pilot plant scale. Results of the testwork are tabulated in Table 4.

	P_{80} um	Head Grade %	Recovery %	Fe%	SiO_2%	Al_2O_3%	P%	S%	LOI%
Initial Pellet Sample	25	36.8	39.2	68.3	4.18	0.09	0.013	0.030	-2.3
Pilot Plant – KMS	28	36.2	38.7	68.5	4.00	0.08	0.012	0.062	-2.5
Pilot Plant - AnSteel	30	36.2	38.3	68.6	3.75	0.15	0.012	0.045	-2.8

Table 4: Pilot Plant Scale Tests

The pilot scale testwork programs demonstrated that high grade concentrate suitable for the blast furnace and pellet plant located at Ba Yu Quan can be produced at a range of grind sizes with a variety of silica grades and weight recoveries achievable with modification to the proposed concentration circuit. In industrial scale plants, it is expected that slightly improved weight recovery and slightly increased silica grade in concentrate will be achieved.

Feasibility Study Work

A preliminary report to the Joint Venture participants was completed by the Karara Alliance team at the end of February 2007. Metallurgical pilot plant testing, completed concurrently with the preliminary report, has highlighted opportunities for further refinement of the previously assumed flow sheet and the Ansteel Mining Design Institute, AMDI has been engaged to work with KMS and Promet to incorporate potential refinements and to complete the Feasibility Study.

During the Quarter, an independent pilot metallurgical test program of a parallel representative ore sample obtained from the resource definition drilling program was provided to Ansteel for analysis. The results of this testwork program confirm the results achieved in the project pilot plant tests in Australia.

Process and Equipment Engineering Studies

The design, equipment sizing, general arrangements drawings for the concentrator, slurry pipeline, filtration plant and storage area are being completed as part of the ongoing feasibility study work. Similarly, completion of pricing and the estimate of capital and operating costs is in progress.

Karara Magnetite Infrastructure

During the Quarter, the Company progressed detailed planning for project infrastructure, including power and water supplies, concentrate transport, port storage and despatch to the JV pellet plant. The power and water demand for the project is being refined as metallurgical testing results are used to fine tune the process flowsheet.

Slurry Pipeline

The 225 kilometre slurry pipeline route has been selected and follows the existing haul road route from Karara to Morawa and then from Morawa to Geraldton (See Figure 1). The Company has commenced discussions with the 85 underlying landholders and detailed ground survey work. The pipeline will be buried in a trench approximately 2 metres below surface.

The pipeline basic hydraulic design has been completed providing the materials and equipment specifications to estimate capital costs. Both the designer and installers, Slurry Systems Pty Ltd and NACAP, have recently completed a similar slurry pipeline project for OneSteel's Project Magnet at Whyalla. The concentrate slurry will consist of 60% solids and 40 % water.

Water supply

In working with water supply Authorities, the Company has been directed to a potential water supply source, located near Mingenew, adjacent to the proposed slurry pipeline route. Test drilling, pump testing and water quality analysis of the initial drill hole is progressing but shows sufficient quantity and quality of water for the concentrator will be available at this location. Applications for extraction licences will be made with the appropriate authorities once all testwork and pumping and recovery tests have been completed.

Power supply

During the December Quarter, announcements by power transmission authority, Western Power Network, have raised the likelihood of a timely upgrade on the State distribution grid in the Mid West region. This is consistent with the Karara long term power strategy to draw power from this grid, providing strong market competition between virtually all fuel types and generators.

Power represents a major cost for the magnetite project with approximately 30% of all operating costs being related to power supply. The final pilot plant test results received during this March Quarter provide an opportunity to refine the design of the concentrator plant with a view to achieving a lower power demand. Approximately 100 MW of power will be required for the project. The large power consumption of the project requires a stable and reliable source of power.

In this regard, the Company has continued to work with all potential power generators, transmission groups and all levels of Government to ensure the necessary supply of power to the project can be achieved in a timely and cost effective manner.

Port

The Port conceptual designs and capital and operating cost estimates were received during the Quarter. The Company signed a MOU with the Geraldton Port Authority to progress its lease negotiations in connection with Berth 7 and are progressing as required with the Geraldton Port Authority concurrently with design optimisation while the concentrator flowsheet and design is revised.

Project Implementation Strategy

During the next several months the project execution strategy will undergo a significant review in conjunction with the Concentrator design refinement. The engagement of AMDI provides an opportunity to incorporate into the design, implementation enhancements which will further optimise capital and operating costs and construction duration.

Karara Magnetite Development Schedule

The development schedule for the Karara Magnetite Project is as per Table 5 below.

Feasibility Study	August 2007
Public Environmental Review (PER)	May 2007 to October 2007
Detailed Design	October 2007 to April 2008
Site Construction	January 2008 – December 2009
Commencement of Exports – Geraldton	1st Quarter 2010

Table 5: Karara Magnetite Project – Key Target Dates

KARARA HEMATITE PROJECT

Overview of the Quarter

Regional exploration identified new targets on the Karara Iron Ore Project and the Warriedar Joint Venture Project making significant progress towards achieving the goal of 40 million tonnes of Resource. Resource drilling continued during the Quarter encountering significant intersections from all prospects, including very encouraging results from the initial phase of RC drilling at MR7.

Metallurgical results from MR1-6 and BH2 are received, indicating an improved lump/fines ratio may be achieved from the project.

Infrastructure design and engineering continued with the appointment of Arccon Mining Services to undertake this work.

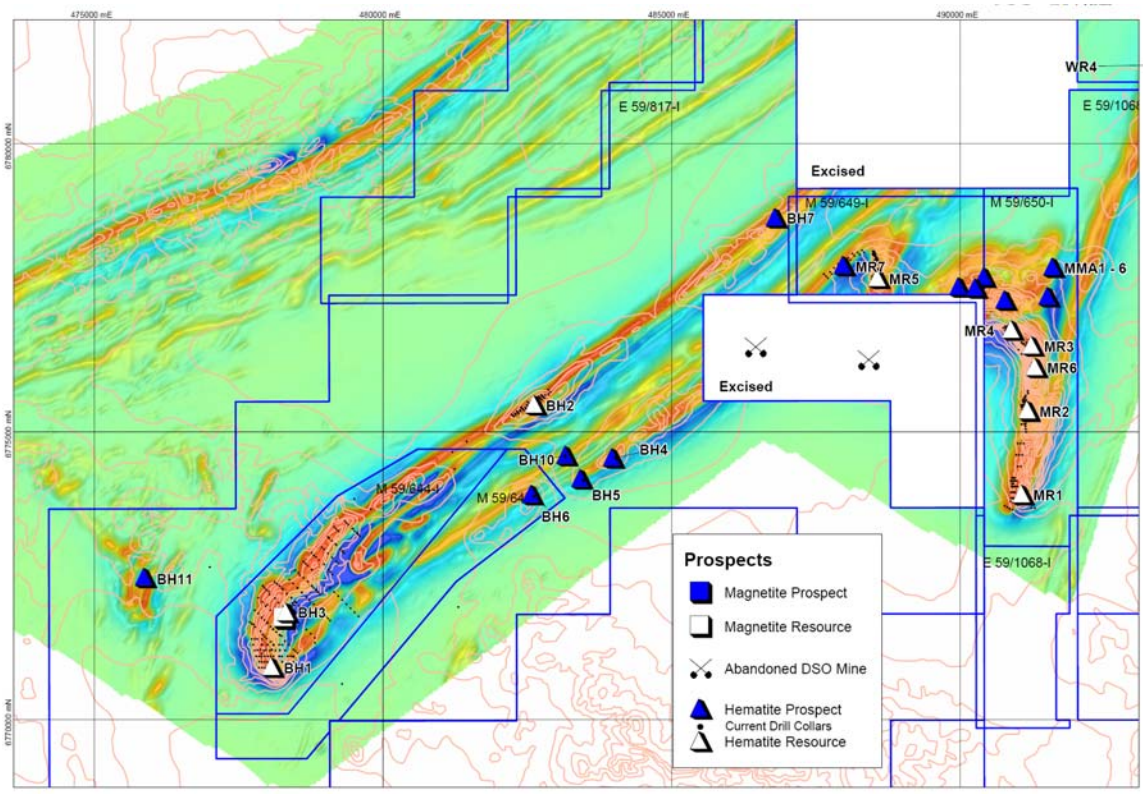

Figure 4: Karara Iron Ore Project Aeromagnetic Image

Karara Resource Drilling Program

The drilling program during the March Quarter covered the MR1-7 and BH1-3 Prospects as shown in Figure 5. Resource drilling consisted of 7,316 metres of infill RC drilling to follow up the successful Stage 1 drilling programs conducted over the September 2005 to December 2006 period. Prospect by prospect drilling results are listed below.

A full list of hematite drill results for the Quarter is set out in Appendix A to this Report.

MR1 Prospect

RC drilling comprising of 14 holes for 1,349 metres followed up extensions of known enrichment at MR 1. Drilling defined a single zone of enrichment over 400 metres of strike. A zone of detrital iron grading approximately 55% Fe up to 13 metres thick was also intersected down dip to the west of the main zone of enrichment. These zones will be followed up by drilling in the June 2007 Quarter. Better results received during the Quarter are set out in Table 6 below.

Hole ID	From(m)	To (m)	Interval (m)	Fe%	SiO_2%	Al_2O_3%	P%	LOI%
MGD197	21	31	10	64.4	2.5	0.7	0.21	4.1
MGC251	90	100	10	64.0	3.8	0.7	0.17	3.4
MGC252	34	45	11	63.9	3.0	0.9	0.17	4.2
MGC255	6	19	13*	57.6	5.8	1.8	0.07	9.4
MGC257	76	84	8	65.5	3.3	1.3	0.06	1.5
MGC289	44	53	9	64.9	1.8	0.9	0.18	3.8
MGC290	65	84	19	64.1	2.8	0.5	0.20	4.4

** Denotes a zone of detrital iron*

Table 6: Drilling results for MR1

MR2 Prospect

RC drilling comprising of 11 holes for 1,270 metres targeted strike extensions of known enrichment at MR 2. Drilling defined a continuous zone of mineralisation over approximately 700 metres in strike length. The hematite enrichment is characterised by a single zone adjacent to shale contacts with multiple zones of enrichment present over 150 metres of strike (see Figure A of Appendix C). Phosphorus grade varies from 0.05% .to 0.15%. Better results received during the Quarter are set out in Table 7 below.

Hole ID	From(m)	To (m)	Interval (m)	Fe%	SiO_2%	Al_2O_3%	P%	LOI%
MGD095	11	19	8	63.7	4.5	0.7	0.08	3.5
MGD095	21	30	9	59.2	8.0	2.8	0.07	4.3
MGD149	39	51	12	66.1	1.9	0.6	0.03	2.8
MGC258	95	113	18	62.4	4.3	0.4	0.13	3.2
MGC259	123	141	18	59.6	8.2	0.4	0.14	2.7
MGC260	79	85	6	66.2	2.6	0.7	0.02	1.1
MGC261	11	20	9	65.3	3.7	1.1	0.04	1.7
MGC262	18	28	10	65.1	3.0	1.4	0.03	2.5
MGC264	80	91	11	64.2	3.1	0.5	0.07	3.9

Table 7: Drilling results for MR2

MR 3 Prospect

Results from four geotechnical holes completed during the December Quarter were received. Previously drilling defined enrichment over 400 metres and mineralisation remained open at depth. The geotechnical hole MGD221 defined additional zones of parallel enrichment requiring further investigation. Better results received during the Quarter are set out in Table 8 below.

Hole ID	From (m)	To (m)	Interval (m)	Fe%	SiO_2%	Al_2O_3%	P%	LOI%
MGD145	11	22	11	65.9	3.1	0.3	0.09	1.7
MGD146	8	22	14	62.2	7.0	0.9	0.08	2.7
MGD146	56	68	12	65.2	4.7	0.3	0.11	1.3
MGD146	78	91	13	62.1	9.2	1.0	0.04	0.8
MGD221	1	9	8**	61.7	8.5	0.8	0.08	2.2
MGD221	22	38	16**	62.4	5.8	1.9	0.07	2.8
MGD221	91	111	20**	60.9	9.4	0.3	0.09	1.8
MGD223	0	29	29**	63.9	4.3	0.7	0.06	2.7

*** Denotes geotechnical hole drilled down-dip.*

Table 8: Drilling results for MR3

Further drilling is planned to expand the mineralisation to the south and to access down-dip, deeper positions in the ore body. Several lodes as illustrated in Figure B of Appendix C have been defined.

MR 4 Prospect

Results from two geotechnical holes completed in the second half of 2006 were received. Assays from this drilling confirmed existing RC drilling that defined wide zones of enrichment with high grades (0.25%) of phosphorus throughout the deposit. No further drilling of MR 4 is currently planned.

Better results received during the Quarter are set out in Table 9 below.

Hole ID	From (m)	To (m)	Interval (m)	Fe%	SiO_2%	Al_2O_3%	P%	LOI%
MGD147	9	63	54	62.8	2.2	1.1	0.18	4.9
MGD148	127	148	21	58.3	4.1	1.4	0.25	6.2
MGD148	154	169	15	57.9	2.5	0.8	0.45	7.4
MGD148	177	182	5	59.6	1.7	0.3	0.32	6.9
MGD148	191	204	13	56.9	3.5	0.7	0.37	7.5

Table 9: Drilling results for MR4

MR5 Prospect

Results from 5 RC holes drilled previously were received during the Quarter. This drilling was designed to test near-surface mineralisation as infill drilling. Drilling at MR5 has encountered multiple broad zones of hematite enrichment (see Figure C in Appendix C) with low phosphorous over 150 metres of strike at the Southern Zone and narrower more complex zones of enrichment at the Northern Zone. Mineralisation at the Southern Zone is open at depth and to the north.

Better results are summarised in Table 10.

Hole ID	From (m)	To (m)	Interval (m)	Fe%	SiO_2%	Al_2O_3%	P%	LOI%
MGC191	0	9	9	60.5	4.9	1.3	0.12	6.7
MGC232	2	7	5	60.0	5.9	2.6	0.09	5.2

Table 10: Drilling results for MR 5

MR6 Prospect

RC drilling comprising of 5 holes for 624 metres targeted the northern strike extensions of known enrichment at MR 6. Previous drilling delineated a 10-35 metre wide zone of high-grade hematite over a strike length of 200 metres. Of particular relevance is the generally low grade of phosphorus encountered at this deposit. Results from the latest phase of drilling extended the strike length to 250 metres, however the zone is narrowing to the north.

The proximity of this deposit to MR3 has raised the possibility of the two deposits being mined concurrently. Further drilling will take place in the June 2007 Quarter to confirm continuity of the mineralisation between MR3 and MR6.

Better results are summarised in Table 11.

Hole ID	From (m)	To (m)	Interval (m)	Fe%	SiO_2%%	Al_2O_3%	P%	LOI%
MGC284	28	35	7	59.9	9.0	2.6	0.07	2.4
MGC286	48	54	6	67.1	2.5	0.5	0.02	0.9
MGC286	71	79	8	60.0	9.2	2.6	0.01	1.9
MGC286	87	94	7	61.1	7.7	2.0	0.09	0.9

Table 11: Drilling result for MR6

BH 1 Prospect

Results from Stage 3 RC drilling designed to define the margin of and infill mineralisation present at BH 1 were received during the Quarter. Drilling has intersected a shallow dipping zone of hematite-goethite enrichment up to 20 metres thick situated over the Karara magnetite resource.

Better results are summarised in Table 12

Hole ID	From (m)	To (m)	Interval (m)	Fe%	SiO_2%	Al_2O_3%	P%	LOI%
MKD193	11	26	15	62.2	2.9	2.0	0.15	5.4
MKC336	5	24	19	61.5	5.8	1.7	0.15	3.7
MKC337	7	15	8	63.3	2.9	1.5	0.16	4.2
MKC346	3	17	14	60.4	7.2	1.7	0.11	4.0

Table 12: Drilling results for BH1

BH 2 Prospect

10 RC holes for 1,709 metres were drilled to follow up Stage 1 drilling at BH 2. Drilling defined multiple zones of enriched hematite extending over 550 metres of strike with individual zones varying from 5 – 15 metres. Better results from this drilling are set out in Table 13 below.

Hole ID	From (m)	To (m)	Interval (m)	Fe%	SiO_2%	Al_2O_3%	P%	LOI%
MKC300	36	49	13	62.4	8.2	1.2	0.03	1.0
MKC304	136	162	26	64.6	2.5	0.1	0.14	0.8
MKC305	135	153	18	63.3	5.3	0.2	0.15	0.2
MKC309	22	32	10	64.4	5.9	0.3	0.09	1.5
MKC330	32	59	27	60.2	12.1	0.2	0.14	1.3
MKC357	126	135	9	62.2	4.9	0.3	0.16	1.2
MKC365	9	21	12	65.2	3.9	0.7	0.08	1.8

Table 13: Drilling results for BH2

BH 3 Prospect

Results from Stage 3 drilling targeting nearer surface supergene mineralisation at BH 3 were received during the Quarter. Previous drilling, as illustrated by Figure D in Appendix C, intersected horizontal blankets of goethitic BIF grading >60% up to 40 metres thick. Results from Stage 3 drilling confirmed the geometry of zones present, however enrichment was restricted to 150 metres of strike.

Better results from drilling at BH 3 are set out in Table 14 below.

Hole ID	From(m)	To (m)	Interval (m)	Fe%	SiO_2%	Al_2O_3%	P%	LOI%
MKD157	10	57	47	62.8	3.9	0.9	0.06	5.1
MKC289	18	40	22	59.1	7.4	0.6	0.05	6.8

Table 14: Drilling results for BH3

Karara Hematite Exploration

The Hematite exploration program completed during the Quarter over the Karara Hematite Project consisted of Stage 1 drilling of MR 7 plus mapping and rock chip sampling over the strike extensions of the Karara BIF, Figure 5. Targets have been prioritised for drill testing in the MMA1 region, Johnnys and Spider Prospects plus new zones of enrichment have been identified at Karara West. Detailed geological mapping has now been completed over these targets with drilling planned for the June and September 2007 Quarters.

The exploration program will continue in this area over the coming quarters with the focus being initial RC drilling programs into the most consistent outcrops of hematite mineralisation discovered to date.

The new discoveries enhance the Company's confidence in the overall prospectivity of the area and highlight the need for an ongoing, systematic exploration program to define suitable product for blending with the initial discoveries.

MR 7 Prospect

Results of the RC drilling at the MR7 Prospect, which was first discovered in 2006 by the surface mapping and rock chip sampling program, have confirmed the presence of significant zones of high-grade hematite mineralisation. 21 Reverse Circulation (RC) drill holes for 2,364 metres were drilled at MR7 (see Figure 1) on a 100 metre by 50 metre pattern which defined high-grade hematite mineralisation over 650 metres of strike.

The drilling program defined two zones of mineralisation, each between 10-30 metres in width and extending over 300 metres of strike, reducing to a single zone of less continuous mineralisation over a further 350 metres of strike. Hematite enrichment within the BIF profile shows two distinct zones consisting of:

- an upper zone to approximately 75 metres depth characterised by high grade Fe (+63%) with low levels of contaminants (eg. <0.05% P and <0.1%S); and
- a lower zone below 75 metres depth consisting of fresh enriched BIF characterised by intensely magnetic, moderate to low grade Fe (55-60%) with low silica (1-5%), but moderate to high P%, S% and LOI%.

The second zone at MR7 highlights, for the first time, the potential of the deeper style of mineralisation in the region to host highly magnetic, moderate grade (+50% Fe) BIF. This material can be mined as part of a hematite open pit operation but can also be used as feed to supplement the magnetite concentrate project proposed for Karara. Metallurgical and concentrating testwork will be undertaken to confirm the magnetic concentration effects on this type of ore.

Phase 2 resource definition drilling is planned for the June/September Quarters. Better results from drilling are summarised in Table 15 below.

Hole ID	From (m)	To (m)	Interval (m)	Fe%	SiO_2%	Al_2O_3%	P%	LOI%
MGC269	14	56	42	62.5	4.5	1.3	0.04	4.3
MGC271	13	55	42	64.4	2.5	1.9	0.03	2.8
MGC272	53	78	25	63.5	3.5	1.8	0.04	3.4
MGC292	37	72	35	61.8	5.2	0.7	0.03	4.8
MGC293	34	60	26	64.6	1.9	0.8	0.02	4.2
MGC295	38	71	33	62.4	4.7	1.4	0.06	4.1

Table 15: Drilling results for MR 7

Metallurgical Testwork

Results from the initial phase of testwork on prospects at Karara show encouraging results from a number of prospects. The testwork was conducted by Ammtec in a series of standard crushing and drop tests. Unconfined Compressive Strength ('UCS') and abrasion testing was also undertaken.

Results of the initial metallurgical test work program are summarised in Table 16:

Prospect	Hole ID	From (m)	To (m)	Ore Type	%	Fe %	SiO_2 %	Al_2O_3 %	P %	LOI %
MR1	MGD197	23	30	Lump	68.3	66.1	0.8	0.4	0.20	3.6
				Fines	31.7	65.2	2.3	0.7	0.14	3.3
MR2	MGD095	12	18	Lump	75.6	63.1	4.7	0.5	0.08	3.7
				Fines	24.4	62.8	4.9	0.9	0.08	3.9
MR2	MGD149	42	50	Lump	65.2	66.1	1.7	0.5	0.04	3.0
				Fines	34.8	64.3	3.5	1.3	0.03	2.6
MR3	MGD146	11	21	Lump	66.1	64.1	5.8	0.1	0.08	2.0
				Fines	33.9	64.5	5.5	0.2	0.06	1.6
MR3	MGD146	60	65	Lump	60.2	67.0	2.5	0.3	0.10	1.0
				Fines	39.8	66.9	2.2	0.4	0.10	1.1
MR6	MGD199	55	63	Lump	70.8	61.2	9.7	0.3	0.05	1.9
				Fines	29.2	60.4	10.0	0.7	0.05	2.0
MR6	MGD199	80	87	Lump	72.9	66.2	3.2	0.6	0.02	1.1
				Fines	27.1	64.7	4.2	1.5	0.02	1.4
MR6	MGD199	92	98	Lump	71.1	64.7	5.1	0.4	0.04	1.6
				Fines	28.9	64.0	5.4	0.6	0.04	1.5
BH3	MKD201	62	67	Lump	38.2	56.8	15.4	0.9	0.05	1.8
				Fines	61.8	64.9	4.3	1.3	0.04	1.2
BH3	MKD201	67	76	Lump	68.5	66.3	2.3	0.2	0.10	1.9
				Fines	31.5	66.4	2.4	0.4	0.10	1.5
Average Total				**Lump**	**65.7**	**64.5**	**4.7**	**0.4**	**0.08**	**2.2**
				Fines	**34.3**	**64.6**	**4.3**	**0.8**	**0.06**	**1.9**

Table 16: Metallurgical Testwork Results

The results indicate a lump/fines ratio in plant operations of 60:40 would be expected and that a slight increase in Fe% and slight decrease in SiO_2 and Al_2O_3% for the lump product can be expected relative to the fine product.

Public Environmental Review

The PER document was submitted to the EPA and other government bodies (DoIR, CAE) on 26 February 2007 for consideration. The approval process allows for questions-debate-review by the regulators prior to release to the general public. Comments and queries have been received from the regulators which are currently being considered and minor alterations to the PER document will be made prior to release to the general public in May 2007.

The project remains on schedule for presentation to the Minister by August 2007.

Infrastructure and Engineering

Arccon Mining Services, a specialist engineering and Construction Company, have been engaged to complete the engineering and prepare the project for construction.

Further design and constructability of the road to Tilley Siding, the rail siding itself, and the ore storage shed at Geraldton have progressed during the Quarter.

The engineering is scheduled for completion in the September 2007 Quarter.

REGIONAL IRON ORE EXPLORATION

Warriedar Joint Venture (GBG earning a 60% interest in iron ore rights)

Gindalbie has a joint venture agreement with Royal Resources Limited whereby Gindalbie can earn a 60% interest in the Warriedar JV iron ore rights by expenditure of $1,000,000 on iron ore exploration over 3 years. Gindalbie must also spend $300,000 in the first year and this must include 1,500 metres of drilling.

Regional mapping and surface sampling over prospective Windanning Formation BIF units identified a number of significant targets called the Lister, Gap and Shine Prospects situated where the Windanning Formation comes into close proximity to the Mougooderra Shear Zone. A fourth target at the Hippo Prospect identified high-grade iron with low-contaminants associated with scattered subcrop of goethite-rich BIF outcrops. Detailed mapping of these zones is underway with drilling planned for the June/September Quarters.

Better results from rockchip sampling collected during mapping are listed in Table 17 below.

Sample	North MGA Z50	East MGA Z50	Fe%	SiO_2%	Al_2O_3%	P%	LOI%
			Lister Prospect				
GR1729	6,802,308	493,197	57.7	8.1	4.4	0.01	4.4
GR1728	6,802,319	493,143	57.8	3.9	3.1	0.15	8.8
GR1738	6,802,337	493,154	58.5	5.4	1.8	0.09	8.6
GR1734	6,802,361	493,190	58.3	3.7	1.8	0.09	10.2
GR1733	6,802,386	493,235	64.0	3.5	1.0	0.11	3.8
GR1740	6,802,665	493,310	58.8	2.8	1.5	0.03	10.8
			Gap Prospect				
GR1743	6,807,218	493,910	63.5	2.5	1.0	0.14	5.1
GR1744	6,807,222	493,937	62.0	2.6	2.0	0.08	6.2
GR1747	6,807,228	493,973	61.6	3.5	2.1	0.07	5.7
GR1745	6,807,267	493,897	62.2	3.3	0.7	0.02	6.5
GR1746	6,807,388	493,965	64.0	1.5	1.2	0.09	5.7
			Shine Prospect				
GR1750	6,808,037	493,852	62.1	4.9	2.3	0.02	3.5
GR1749	6,808,120	493,909	63.0	1.6	0.6	0.07	7.2
GR1751	6,808,164	493,881	64.2	1.3	0.9	0.05	5.7
GR1752	6,808,399	493,843	59.9	4.0	2.1	0.07	7.0
GR1753	6,808,710	493,759	61.6	3.1	2.1	0.12	6.3
GR1755	6,808,804	493,739	66.7	1.7	0.6	0.13	2.1
GR1754	6,808,915	493,669	62.7	2.5	1.3	0.12	5.9
			Hippo Prospect				
GR1961	6,781,212	493,518	64.7	0.5	0.2	0.02	6.8
GR1959	6,781,518	493,625	63.5	0.7	0.3	0.06	8.1
			Regional Rockchips				
GR1723	6,798,079	492,049	56.4	4.4	2.2	0.19	11.6
GR1721	6,799,178	492,760	55.9	4.9	6.4	0.04	6.6
GR1724	6,799,852	492,785	55.9	3.0	5.5	0.03	10.2
GR1965	6,800,307	492,885	57.3	5.3	2.8	0.08	9.3
GR1726	6,801,671	493,272	57.6	5.6	4.0	0.10	6.4

Table 17: Rockchip results for Warriedar Joint Venture

Lodestone Prospect

Geological mapping of the Lodestone Prospect located 50 kilometres southeast of the Karara Project commenced during the Period. The Lodestone Prospect consists of a Banded Iron Formation (BIF) that is about 6 kilometres long, with a similar magnetic intensity to the Karara magnetite deposit. Mapping confirmed that the aeromagnetic anomaly is associated with multiple BIF units interbedded with shale across 500 metres of strike.

A first-pass phase of drilling has been planned at this Prospect in the June 2007 Quarter to investigate the potential of the deposit to host a Karara-style magnetite deposit, and also to determine the prospectivity of the area for hematite mineralisation. The drilling will also generate samples for preliminary metallurgical test work. The prospectivity of Lodestone is encouraging given the geological association and close proximity to the Mount Gibson Extension Hill and Iron Hill Prospects that are about 10 kilometres to the south.

Regional mapping and rockchip sampling commenced over additional aeromagnetic targets to investigate magnetite and hematite potential over the rest of the exploration licence. The location of the Lodestone Prospect is shown below in Figure 6.

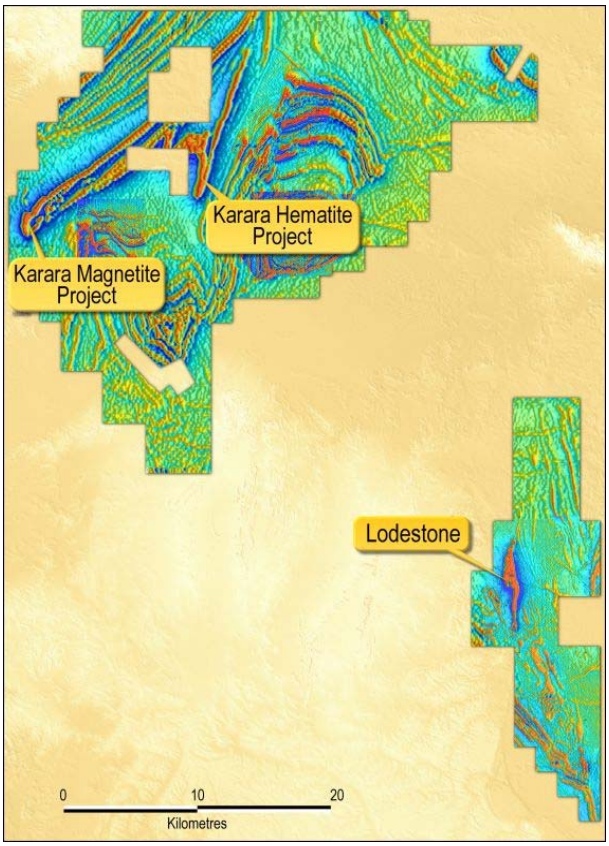

Figure 5: Location of Lodestone Prospect on Regional Magnetic Image

Project Generation

During the Quarter, work continued on the regional exploration program aimed at defining 100 million tonnes of direct shipping ore (DSO) on the 100% owned Gindalbie iron ore rights tenement ground.

The work completed consisted of commencing a phase of data review, consolidation of all datasets and reconnaissance mapping. This work is to be followed by the generation of new exploration data through 3D geological modelling, ground-truthing and drilling. The program is to be a sustained activity through 2007.

MT MULGINE TUNGSTEN PROJECT (Vital Metals Ltd Earning up to 70%)

The Company has a Joint Venture agreement with Vital Metals Ltd ("Vital") whereby Vital can earn up to 70% in the tungsten mineralisation on the Company's Mt Mulgine Project by spending $750,000 over three years.

In the Quarter, the work at the large Mt Mulgine tungsten/molybdenum project has comprised a major compilation of the extensive information gleaned from previous work (including over 300 drill holes from previous explorers) along with quite extensive airborne geophysical surveys into a uniform and usable database.

The results of this work have defined several new target areas for tungsten and/or molybdenum mineralisation which are quite separate from the known Hill and Trench deposits.

A program of 16 RC drill holes will test a number of these new targets once a series of approvals are obtained from two conflicting Native Title Applicants and from the EPA's botanical division which will enable the modest drill program to proceed in the June 2007 Quarter.

CORPORATE

Cash Reserves

At 31 March 2007, the Company had cash reserves of A$22 million.

Shareholder Information

At 31 March 2007, the Company had 5,923 shareholders and 436,294,406 shares on issue with the Top 20 Shareholders holding 57.9% of the total issued capital.

Yours faithfully
GINDALBIE METALS LTD

GARRET DIXON
Managing Director

Competent Person Compliance Statements

The information in this report that relates to Exploration Results is based on information compiled by Mr Andrew Munckton who is a Member of the Australasian Institute of Mining and Metallurgy.

Mr Munckton is a full-time employee of the Company and has sufficient experience which is relevant to the style of mineralisation and type of deposit and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Munckton consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in the report that relates to the Magnetite Mineral Resource is based on information compiled by Alex Virisheff, who is a Member of The Australasian Institute of Mining and Metallurgy. Alex Virisheff is employed by RSG Global.

Alex Virisheff has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Mineral Resources and Reserves". Alex Virisheff consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.

The information in the report to that relates to the Hematite Mineral Resource is based on information compiled by Felicity Hughes and Andrew Munckton who are Members of the Australasian Institute of Mining and Metallurgy. Andrew Munckton is employed by Gindalbie Metals Ltd. Felicity Hughes is an independent Geological Consultant.

Felicity Hughes and Andrew Munckton have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the "Australasian Code for Reporting of Mineral Resources and Reserves". Felicity Hughes and Andrew Munckton consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

APPENDIX A
March Quarter Hematite Drill Results
(Cutoff >55% Fe, minimum intersection of 4 metres and maximum internal waste of 2 metres)

Hole_ID	North	East	Dip/Azimuth	From	To	Interval	Fe	SiO_2	Al_2O_2	P	S	LOI
				(m)	(m)	(m)	%	%	%	%	%	%
BH1												
MKD193	6770876	478100	-60/275	11	26.1	15.1	62.2	2.9	2.0	0.15	0.02	5.4
MKC299	6771099	478188	-60/269	244	252	8	58.1	8.1	1.4	0.23	2.66	2.0
MKC336	6770850	478089	-90/90	5	24	19	61.5	5.8	1.7	0.15	0.03	3.7
MKC337	6770850	478105	-90/90	7	15	8	63.3	2.9	1.5	0.16	0.03	4.2
MKC346	6770899	478110	-90/90	3	17	14	60.4	7.2	1.7	0.11	0.05	4.0
MKC351	6770950	478096	-90/90	19	24	5	59.5	8.8	2.0	0.23	0.25	0.5
MKC351				29	34	5	57.9	8.5	1.8	0.25	0.58	2.3
MKC351				47	51	4	57.3	7.6	1.0	0.22	0.15	4.6
BH2												
MKC300	6775347	482387	-61/136	36	49	13	62.4	8.2	1.2	0.03	0.00	1.0
MKC302	6775381	482493	-60/136	1	7	6	61.9	9.3	0.6	0.03	0.01	1.3
MKC303	6775400	482476	-61/136	63	69	6	65.3	3.7	0.3	0.08	0.00	2.1
MKC304	6775417	482458	-61/137	123	131	8	57.6	9.2	0.2	0.26	0.01	2.2
MKC304				136	162	26	64.6	2.5	0.1	0.14	0.00	0.8
MKC305	6775459	482486	-51/135	135	153	18	63.3	5.3	0.2	0.15	0.02	0.2
MKC306	6775442	482574	-50/135	2	18	16	60.2	10.8	0.3	0.10	0.02	2.4
MKC307	6775480	482537	-51/135	54	62	8	61.2	6.5	3.2	0.07	0.01	2.6
MKC307				97	102	5	59.0	13.8	0.5	0.17	0.01	-0.7
MKC307				107	113	6	58.6	14.5	0.3	0.19	0.07	-1.0
MKC307				115	124	9	58.5	12.4	0.3	0.18	0.00	0.0
MKC308	6775488	482670	-50/135	3	11	8	60.2	11.7	0.3	0.09	0.01	1.8
MKC309	6775499	482659	-51/136	22	32	10	64.4	5.9	0.3	0.09	0.01	1.5
MKC330	6775527	482631	-51/137	32	59	27	60.2	12.1	0.2	0.14	0.00	1.3
MKC330				81	86	5	58.4	13.3	0.4	0.15	0.00	1.7
MKC330				99	109	10	62.6	6.8	0.2	0.15	0.00	0.9
MKC356	6775515	482502	-51/137	131	138	7	59.9	7.6	0.3	0.18	0.01	1.3
MKC356				140	150	10	57.7	5.1	0.2	0.20	0.01	4.2
MKC356				181	191	10	58.2	14.9	0.4	0.16	0.03	-1.2
MKC356				208	212	4	58.1	12.1	0.2	0.15	0.00	0.6
MKC357	6775528	482562	-51/135	96	100	4	59.7	11.5	1.0	0.16	0.08	-0.5
MKC357				126	135	9	62.2	4.9	0.3	0.16	0.01	1.2
MKC358	6775556	482599	-50/135	140	156	16	58.6	10.3	0.5	0.21	0.02	0.6
MKC358				157	162	5	56.0	10.7	0.3	0.25	0.00	2.4
MKC358				165	174	9	58.4	8.3	0.3	0.17	0.00	1.4
MKC359	6775594	482637	-51/137	183	200	17	58.3	9.3	0.5	0.11	0.00	0.9
MKC365	6775339	482397	-60/135	9	21	12	65.2	3.9	0.7	0.08	0.01	1.8
BH3												
MKD157	6771869	478373	-60/90	10	57	47	62.8	3.9	0.9	0.06	0.05	5.1
MKC289	6771812	478356	-60/135	18	40	22	59.1	7.4	0.6	0.05	0.06	6.8
MR1												
MGD197	6774055	490956	-60/103	21	31	10	64.4	2.5	0.7	0.21	0.01	4.1
MGC251	6774150	490875	-60/90	90	100	10	64.0	3.8	0.7	0.17	0.02	3.4
MGC252	6774050	490937	-60/90	34	45	11	63.9	3.0	0.9	0.17	0.01	4.2
MGC253	6774050	490890	-60/90	69	76	7	60.3	6.9	0.6	0.23	0.01	5.5

APPENDIX A - CONTINUED
March Quarter Hematite Drill Results
(Cutoff >55% Fe, minimum intersection of 4 metres and maximum internal waste of 2 metres)

Hole_ID	North	East	Dip/Azimuth	From	To	Interval	Fe	SiO_2	Al_2O_3	P	S	LOI
				(m)	(m)	(m)	%	%	%	%	%	%
MGC255	6773850	490925	-60/90	6	19	13	57.6	5.8	1.8	0.07	0.04	9.4
MGC255				35	39	4	65.4	4.2	0.5	0.07	0.00	1.6
MGC256	6773949	490929	-60/90	32	40	8	63.3	3.8	0.8	0.20	0.01	4.4
MGC257	6773950	490879	-60/90	76	84	8	65.5	3.3	1.3	0.06	0.08	1.5
MGC289	6774100	490923	-60/90	44	53	9	64.9	1.8	0.9	0.18	0.01	3.8
MGC290	6774100	490901	-60/90	65	84	19	64.1	2.8	0.5	0.20	0.00	4.4
MR2												
MGD095	6775428	491130	-51/93	11.15	19.3	8.15	63.7	4.5	0.7	0.08	0.02	3.5
MGD095				21.4	30	8.6	59.2	8.0	2.8	0.07	0.02	4.3
MGD149	6775577	491125	-50/90	39.5	51.1	11.6	66.1	1.9	0.6	0.03	0.02	2.8
MGD229	6775423	491172	-60/282	48	101	53	64.0	4.3	1.0	0.06	0.02	2.7
MGD229				104	110	6	63.0	5.0	0.2	0.07	0.01	3.9
MGC258	6775460	491075	-60/90	95	113	18	62.4	4.3	0.4	0.13	0.08	3.2
MGC259	6775460	491050	-60/90	123	141	18	59.6	8.2	0.4	0.14	0.42	2.7
MGC260	6775540	491090	-60/90	79	85	6	66.2	2.6	0.7	0.02	0.04	1.1
MGC261	6775539	491141	-50/90	0	8	8	59.8	8.7	2.0	0.03	0.02	3.5
MGC261				11	20	9	65.3	3.7	1.1	0.04	0.01	1.7
MGC262	6775539	491140	-65/90	0	4	4	64.0	5.1	1.1	0.04	0.01	2.0
MGC262				18	28	10	65.1	3.0	1.4	0.03	0.02	2.5
MGC263	6775425	491060	-60/90	110	114	4	60.5	9.8	0.5	0.13	0.33	1.0
MGC264	6775426	491083	-60/90	80	91	11	64.2	3.1	0.5	0.07	0.02	3.9
MGC264				96	100	4	57.0	12.8	0.2	0.07	0.02	3.7
MGC266	6775380	491075	-60/90	114	121	7	57.0	14.0	0.2	0.12	0.26	1.6
MR3												
MGD145	6776519	491198	-76/93	10.6	21.55	10.95	65.9	3.1	0.3	0.09	0.01	1.7
MGD145				86	91.45	5.45	61.4	9.3	0.3	0.12	0.01	2.2
MGD146	6776443	491187	-60/108	0.3	6.5	6.2	61.0	8.6	1.3	0.07	0.01	2.4
MGD146				8	22.1	14.1	62.2	7.0	0.9	0.08	0.02	2.7
MGD146				55.55	68	12.45	65.2	4.7	0.3	0.11	0.00	1.3
MGD146				77.95	91.45	13.5	62.1	9.2	1.0	0.04	0.01	0.8
MGD221	6776446	491181	-60/279	1	9	8	61.7	8.5	0.8	0.08	0.01	2.2
MGD221				22	38	16	62.4	5.8	1.9	0.07	0.01	2.8
MGD221				48	53	5	59.4	11.5	0.1	0.08	0.01	3.1
MGD221				66	72	6	62.8	6.6	0.5	0.10	0.02	2.6
MGD221				91	111	20	60.9	9.4	0.3	0.09	0.00	1.8
MGD223	6776511	491196	-61/269	0	29	29	63.9	4.3	0.7	0.06	0.01	2.7
MGD223				37	42	5	59.1	12.5	0.5	0.10	0.01	2.0
MGD223				46	50	4	57.7	15.9	0.2	0.06	0.00	1.1
MR4												
MGD147	6776774	490817	-61/93	9	63	54	62.8	2.2	1.1	0.18	0.03	4.9
MGD147				67.85	72	4.15	60.8	5.9	1.1	0.28	0.01	3.2
MGD148	6776803	490749	-60/90	104	110	6	56.2	2.4	0.3	0.21	1.78	11.5
MGD148				127	148	21	58.3	4.1	1.4	0.25	0.93	6.2
MGD148				154	169	15	57.9	2.5	0.8	0.45	1.26	7.4

APPENDIX A - CONTINUED
March Quarter Hematite Drill Results
(Cutoff >55% Fe, minimum intersection of 4 metres and maximum internal waste of 2 metres)

Hole_ID	North	East	Dip/Azimuth	From	To	Interval	Fe	SiO_2	Al_2O_3	P	S	LOI
				(m)	(m)	(m)	%	%	%	%	%	%
MGD148				177	182	5	59.6	1.7	0.3	0.32	0.12	6.9
MGD148				191	204	13	56.9	3.5	0.7	0.37	0.93	7.5
MR5												
MGC189	6778129	488489	-60/272	2	6	4	58.1	6.5	1.7	0.14	0.03	8.3
MGC190	6778130	488513	-61/267	39	47	8	55.9	12.4	0.7	0.11	0.06	6.6
MGC190				50	54	4	58.4	7.3	1.0	0.10	0.07	7.5
MGC191	6778081	488483	-60/276	0	9	9	60.5	4.9	1.3	0.12	0.04	6.7
MGC232	6777652	488512	-60/225	2	7	5	60.0	5.9	2.6	0.09	0.03	5.2
MR6												
MGC284	6776130	491246	-65/90	28	35	7	59.9	9.0	2.6	0.07	0.01	2.4
MGC286	6776130	491220	-75/90	48	54	6	67.1	2.5	0.5	0.02	0.01	0.9
MGC286				71	79	8	60.0	9.2	2.6	0.01	0.01	1.9
MGC286				87	94	7	61.1	7.7	2.0	0.09	0.11	0.9
MGC287	6776180	491249	-50/90	25	29	4	63.5	5.0	1.9	0.10	0.01	2.0
MR7												
MGC269	6777875	487920	-60/135	14	56	42	62.5	4.5	1.3	0.04	0.04	4.3
MGC269				67	73	6	62.3	5.7	0.8	0.04	0.02	3.4
MGC269				76	84	8	62.5	3.9	0.6	0.08	0.03	4.7
MGC269				97	104	7	58.5	3.1	0.9	0.06	0.39	10.7
MGC269				109	113	4	57.4	1.0	0.3	0.02	0.22	15.4
MGC270	6777804	487850	-60/135	44	48	4	61.9	4.7	3.9	0.05	0.05	2.6
MGC271	6777909	488026	-60/135	13	55	42	64.4	2.5	1.9	0.03	0.02	2.8
MGC272	6777981	488097	-60/135	53	78	25	63.5	3.5	1.8	0.04	0.04	3.4
MGC276	6778147	488299	-60/135	75	90	15	59.6	6.4	2.0	0.05	0.35	5.7
MGC277	6778111	488333	-60/135	6	17	11	58.9	6.3	3.3	0.01	0.13	5.7
MGC291	6778087	488133	-60/135	66	70	4	58.6	7.8	0.5	0.04	0.04	7.1
MGC291				85	92	7	61.8	3.6	0.9	0.03	0.07	5.7
MGC292	6778016	488062	-60/135	37	72	35	61.8	5.2	0.7	0.03	0.07	4.8
MGC292				133	142	9	57.1	3.6	0.9	0.18	0.58	7.2
MGC293	6777945	487991	-60/135	34	60	26	64.6	1.9	0.8	0.02	0.05	4.2
MGC294	6777910	487885	-60/135	96	102	6	59.1	5.2	0.9	0.05	0.54	7.9
MGC294				146	157	11	56.3	1.0	0.3	0.18	0.22	10.2
MGC294				160	168	8	56.0	0.7	0.3	0.16	0.24	10.9
MGC295	6777857	487938	-60/135	31	35	4	60.2	6.4	4.1	0.01	0.01	3.1
MGC295				38	71	33	62.4	4.7	1.4	0.06	0.04	4.1

APPENDIX B
March Quarter Magnetite Drill Results
(Cutoff >25% Fe, Minimum intersection of 10 metres and maximum internal waste of 4 metres)

Hole_ID	North	East	Dip/Azimuth	From (m)	To (m)	Interval (m)	Fe %	SiO_2 %	Al_2O_3 %	P %	S %	LOI %
Karara Magnetite Project												
MKD020	6772130	478670	-61/317	60	144	84	33.5	44.9	1.9	0.08	0.12	-0.8
MKD053	6771365	478304	-60/319	4	261.5	257.5	36.4	42.5	0.8	0.08	0.05	0.0
MKD055	6772287	478521	-59/137	0	328	328	37.0	42.0	0.9	0.09	0.07	-0.3
MKD148	6770991	478352	-59/88	11	160	149	37.1	40.1	0.7	0.14	0.68	1.4
MKD180	6770899	478195	-90/238	0	374	374	36.0	43.6	0.8	0.09	0.11	-0.1
MKD236	6771559	478095	-60/135	60.1	506	445.9	34.7	44.1	1.3	0.08	0.07	-1.0
MKD236	6771559	478095	-60/135	526	544.8	18.8	30.9	46.2	3.4	0.08	0.28	-0.7
MKD239	6770996	478156	-61/96	0	312	311.9	36.1	43.2	1.1	0.08	0.08	-0.1
MKC258	6771403	478269	-60/135	0	102	102	38.0	41.4	0.3	0.06	0.02	3.3
MKC284	6772024	478427	-60/135	0	104	104	39.3	39.4	0.6	0.06	0.04	2.2
MKC285	6771989	478391	-60/135	0	88	88	39.1	38.4	1.1	0.06	0.02	3.6
MKC286	6771953	478356	-60/135	1	146	145	43.3	31.0	0.8	0.10	0.06	1.9
MKC290	6771770	478257	-60/135	0	174	174	35.3	44.0	0.8	0.08	0.05	0.9
MKC291	6771734	478292	-60/135	0	139	139	40.0	38.6	0.5	0.07	0.05	1.6
MKC292	6771792	478302	-60/135	0	140	140	38.9	40.4	0.4	0.07	0.02	1.2
MKC293	6771100	478351	-60/90	8	214	206	35.7	43.7	0.9	0.08	0.09	0.2
MKD294	6771099	478254	-60/90	6	48	42	40.3	37.6	1.2	0.06	0.02	2.8
MKC295	6771526	478151	-60/315	0	60	60	36.3	43.4	1.6	0.06	0.04	0.8
MKC296	6772359	478163	-60/135	82	136	54	34.6	43.8	1.9	0.07	0.49	-1.0
MKC296	6772359	478163	-60/135	142	246	104	35.5	42.4	2.3	0.08	0.13	-0.9
MKC298	6772318	477922	-59/137	164	252	88	31.7	46.1	3.0	0.07	0.35	-0.9
MKC299	6771099	478188	-60/269	0	252	252	37.0	36.9	1.8	0.09	0.30	1.4
MKD324	6771100	478199	-75/90	0	42	42	35.1	45.2	0.8	0.07	0.02	1.8
MKC325	6770797	478302	-60/90	0	40	40	36.3	45.3	0.8	0.06	0.02	1.7
MKC326	6771299	478106	-60/135	0	186	186	36.2	42.7	1.3	0.07	0.08	0.0
MKD341	6771000	478101	-60/270	0	150	150	37.7	37.9	1.1	0.11	0.25	3.5
MKC354	6770902	477850	-60/270	0	62	62	37.9	42.3	1.1	0.06	0.01	2.3
MKC355	6771722	478234	-60/135	0	246	246	35.4	42.8	1.2	0.08	0.04	0.1

APPENDIX C

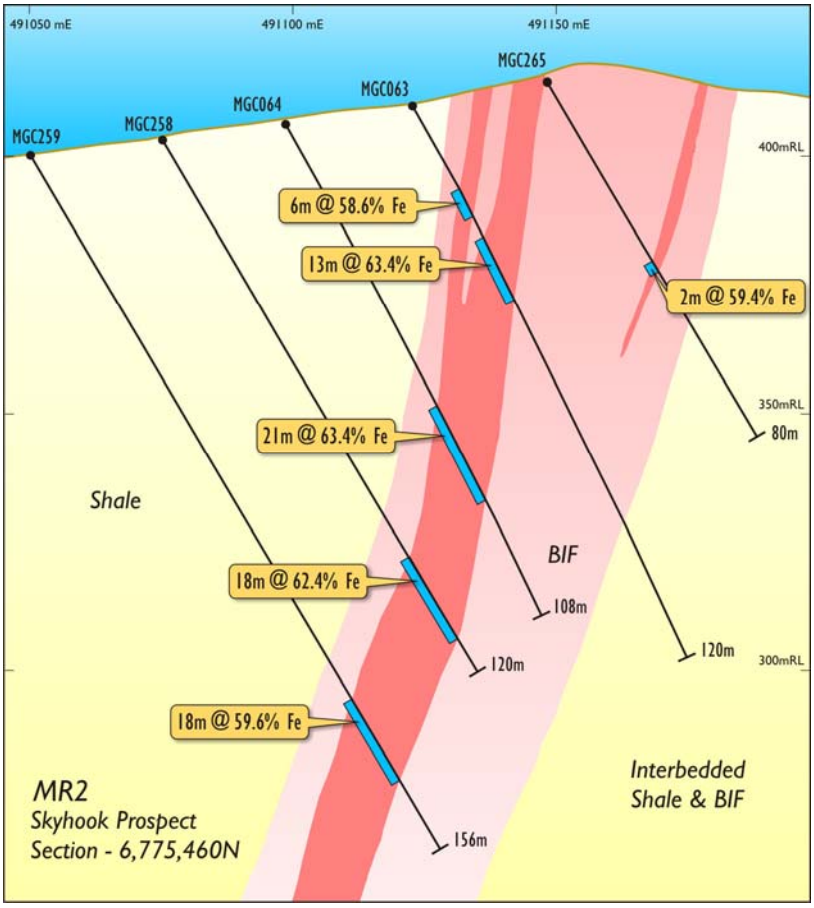

Figure A: Cross section of MR2

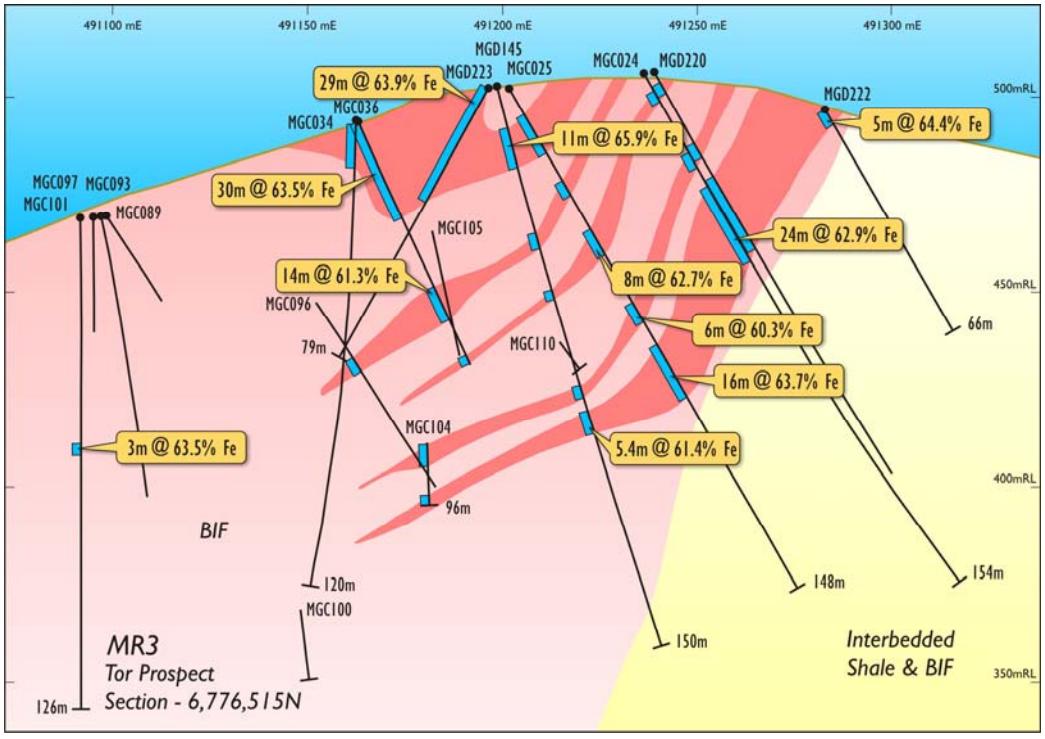

Figure B: Cross Section of MR 3

APPENDIX C – CONTINUED

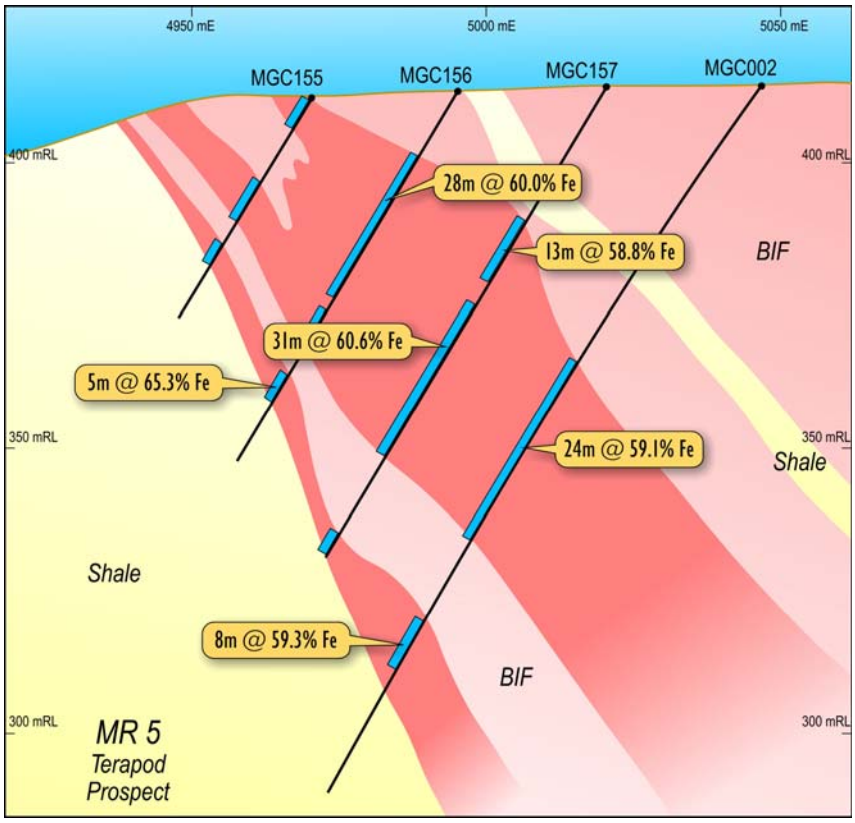

Figure C: Cross section of MR5

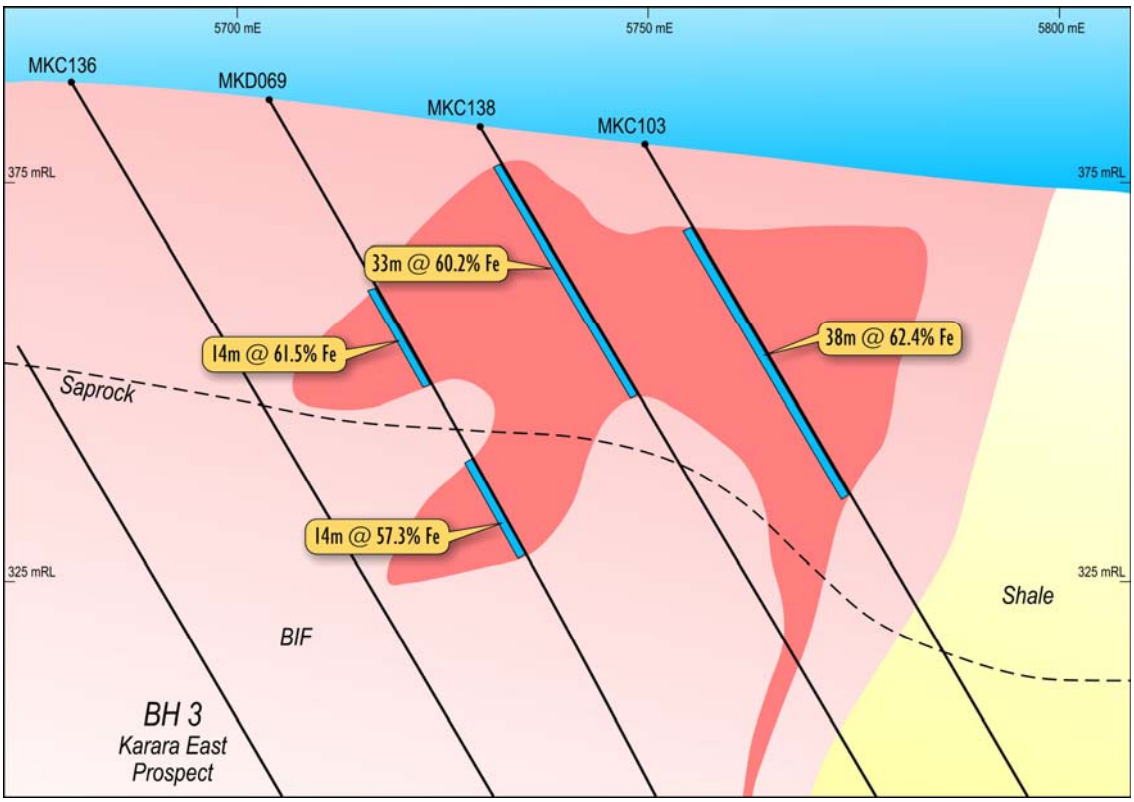

Figure D: Cross section of BH3

APPENDIX C – CONTINUED

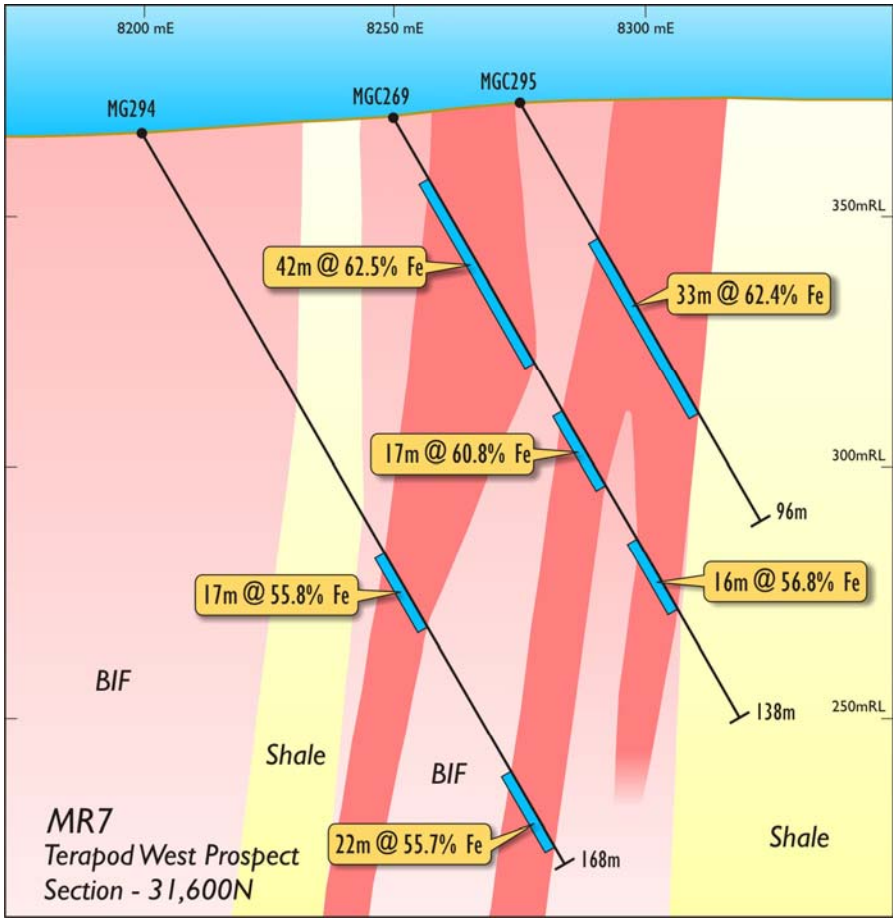

Figure E: Cross section of MR7