

# 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
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ABN

24 060 857 614
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Quarter ended ("current quarter")

31 DECEMBER 2006
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### Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (6 months) \$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration and evaluation	(4,071)	(8,294)
(b) development	-	-
(c) production	-	-
(d) corporate administration	(2,065)	(3,504)
(e) rehabilitation & site admin	-	(19)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	816	1,376
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other	-	-
<b>Net Operating Cash Flows</b>	<b>(5,320)</b>	<b>(10,441)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a)prospects	-	-
(b)equity investments	-	(6,440)
(c) other fixed assets	(912)	(1,570)
1.9 Proceeds from sale of: (a)prospects	-	-
(b)equity investments	6,676	6,676
(c)other fixed assets	12	2,513
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (provide details if material)	-	-
<b>Net investing cash flows</b>	<b>5,776</b>	<b>1,179</b>
1.13 Total operating and investing cash flows (carried forward)	456	(9,262)

+ See chapter 19 for defined terms.

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1.13	Total operating and investing cash flows (brought forward)	456	(9,262)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	1,287	1,311
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	-	(3)
	<b>Net financing cash flows</b>	1,287	1,308
	<b>Net increase (decrease) in cash held</b>	1,743	(7,954)
1.20	Cash at beginning of quarter/year to date	26,468	36,165
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	28,211	28,211

**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	996
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 Salaries and termination payments	953
Non Executive Directors Fees	36
Other Payments to Directors and related entities	7

**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

Nil

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

3,400

+ See chapter 19 for defined terms.

### 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	4,000
4.2 Development	-
<b>Total</b>	<b>4,000</b>

### 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	101	93
5.2 Deposits at call	28,110	26,375
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter</b> (item 1.22)	<b>28,211</b>	<b>26,468</b>

### 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	Nil			
6.2 Interests in mining tenements acquired or increased	L70/99	Application	0%	100%
	M59/721	Application	0%	100%
	G59/37	Application	0%	100%
	G59/38	Application	0%	100%
	P59/1763	Application	0%	100%

+ See chapter 19 for defined terms.

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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	<b>Preference</b>			
	<b>+ securities</b>			
7.2	Changes during quarter			
7.3	<b>+ Ordinary securities</b>	436,044,406	436,044,406	
7.4	Changes during quarter			
	(a) Increases through issues	5,090,000	5,090,000	
	(b) Decreases through returns			
7.5	<b>+ Convertible debt securities</b>			
7.6	Changes during quarter			
7.7	<b>Options</b> <i>(description and conversion factor)</i>	<i>Vested Employee Options</i>	<i>Exercise price</i>	<i>Expiry date</i>
		250,000	15 cents	30 April 2008
		200,000	14 cents	30 September 2008
		100,000	22 cents	30 September 2008
		300,000	45 cents	30 September 2008
		2,050,000	12 cents	30 September 2010
		500,000	35 cents	30 September 2010
		200,000	63 cents	30 September 2010
		<i>Non Vested Employee Options</i>		
		200,000	20 cents (Vest 31/03/07)	30 September 2008
		3,050,000	16 cents (Vest 31/03/07)	30 September 2010
		4,100,000	25 cents (Vest 31/03/08)	30 September 2010
		500,000	35 cents (Vest 30/06/07)	30 September 2010
		1,000,000	35 cents (Vest 31/12/08)	30 September 2010
		200,000	63 cents (Vest 01/02/07)	30 September 2010
		200,000	63 cents (Vest 01/02/08)	30 September 2010
		<i>Other Options</i>		
		2,000,000	50 cents	30 September 2010
7.8	Issued during quarter			
7.9	Exercised during quarter	50,000	12 cents	30 November 2006
		150,000	12 cents	30 September 2010
		200,000	14 cents	30 September 2008
		2,150,000	15 cents	31 December 2006
		150,000	18 cents	30 November 2006
		50,000	20 cents	30 November 2006
		300,000	25 cents	30 November 2006
		200,000	32 cents	30 November 2006
		820,000	35 cents	30 November 2006
		200,000	40 cents	30 November 2006
		820,000	45 cents	30 November 2006
7.10	Lapsed during quarter	200,000	20 cents	30 September 2008
		2,000,000	25 cents	30 September 2010
		820,000	55 cents	30 November 2006

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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:

Company Secretary

Date: 30 January 2007

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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