

## GINDALBIE SETTLES WARRIEDAR HEMATITE PURCHASE

Gindalbie Metals Limited (ASX: **GBG** – “Gindalbie”) is pleased to announce that it has completed the full acquisition of the **Warriedar Iron Ore Joint Venture** from Royal Resources Limited (ASX: **ROY**) (see ASX announcement 14 July 2011).

The purchase of Royal’s 40% interest allows Gindalbie to consolidate 100% ownership of the Warriedar Iron Ore Joint Venture, which consists of a number of tenements adjacent to Gindalbie’s flagship **Karara Iron Ore Project** in Western Australia’s Mid West region.

The original consideration for the acquisition of Royal’s 40% interest in the Warriedar Iron Ore Joint Venture was for \$8M cash, including Royal’s 40% interest in the Warriedar Gold Joint Venture. However, Minjar Gold Pty Ltd exercised its pre-emptive right over Royal’s 40% interest in the Warriedar Gold Joint Venture for \$1 million and as such, the consideration paid by Gindalbie to Royal reduced to \$7 million.

The settlement of this transaction had previously been delayed pending assessment by Gindalbie and Royal of a claim by Minjar Gold Pty Ltd that it had a pre-emptive right over this 40% interest. Gindalbie and Royal have each considered the claim and consider it to be without merit.

Gindalbie’s Managing Director, Mr Tim Netscher, said the acquisition further strengthens the Company’s strategic exploration portfolio in the Mid West region and the ability to leverage off the significant investment in infrastructure for the Karara Project. “Our stated objective is to use any spare capacity in our port and rail infrastructure to ship direct shipping ore to market,” he said. “And this acquisition will enable us to do so for some years to come.”

A significant exploration program is already underway at Warriedar with results expected to be announced during the December Quarter 2011.

### ENDS

**Released by :**

Nicholas Read  
Read Corporate  
Telephone: (+61-8) 9388 1474  
Mobile: (+61) 419 929 046

**On behalf of:**

Mr Tim Netscher  
Managing Director & CEO

Mr Michael Weir  
Investor Relations Manager  
Telephone: (+61-8) 9480 8700  
[www.gindalbie.com.au](http://www.gindalbie.com.au)