

STOCK EXCHANGE ANNOUNCEMENT

9 March 2006

\$17.4 MILLION RAISED FOLLOWING ALLOTMENT OF FIRST PLACEMENT TRANCHE

Gindalbie Metals Limited (**ASX:GBG**) is pleased to announce that it has allotted 47 million shares at 37 cents per share to Australian and International institutional clients of Southern Cross Equities Ltd to raise \$17.39 million, representing the first tranche of the \$33 million share placement announced on 28 February 2006..

Following the allotment of these Tranche 1 shares, the Company has 385,284,406 shares on issue with the Top 20 shareholders holding 50.7% of the total issued capital. A new schedule of the Top 20 shareholders is set out below.

	Shareholding Name	Number of Shares	% Holding
1	Melewar Steel Ventures Ltd	74,087,009	19.2
2	Westpac Custodian Nominees Ltd	16,977,000	4.4
3	ANZ Nominees Limited	16,454,852	4.3
4	National Nominees Limited	15,014,772	3.9
5	Osson Pty ltd	11,111,111	2.9
6	Connemara Investments Pty Ltd	11,111,111	2.9
7	Mr J Janowski	8,047,689	2.1
8	Mr D McSweeney	7,222,494	1.9
9	Merrill Lynch (Australia) Nominees Ltd	7,104,048	1.8
10	Colorado Conversions Pty Ltd	3,542,222	0.9
11	Mr D Gordon	3,200,000	0.8
12	Allundy Pty Ltd	3,030,500	0.8
13	Pegmont Mines NL	3,000,000	0.8
14	Baracus Pty Ltd	2,850,000	0.7
15	HSBC Custody Nominees (Australia) Ltd	2,710,800	0.7
16	Piranha Nominees Pty Ltd	2,433,555	0.6
17	Mr B Bolin	2,000,000	0.5
18	Fitel Nominees Limited	1,900,000	0.5
19	Mr W Hernstadt	1,900,000	0.5
20	Mr RB and Mrs E Woodland	1,815,000	0.5
	TOTAL	195,512,163	50.7
	TOTAL ISSUED CAPITAL	385,284,406	100.0

The second tranche of the share placement, comprising 43 million shares at 37 cents, requires shareholder approval and, to this end, a Shareholders Meeting is scheduled to be held in the week commencing 10 April 2006.

As previously announced, the funds raised from the share placement will be used for the ongoing development of the Company's Karara Iron Ore Project in Western Australia's Mid West region.

In relation to the placement of securities, the Company confirms that for the purposes of section 708A of the Act, the Company has allotted shares without disclosure to investors under Part 6D.2 of the Act, and provides this notice in accordance with section 708A(5)(e). Further at the date of this notice, the Company has complied with the provisions of Chapter 2M of the Act as they apply to the Company, and section 674 of the Act. In addition, at the date of this notice there is no 'excluded information' (as defined in section 708A (7) and (8) of the Act), required to be disclosed by the Company.

For further information please contact:

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