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STOCK EXCHANGE ANNOUNCEMENT

20 March 2006

JOINT VENTURE NEGOTIATIONS

Gindalbie Metals Ltd (ASX Code: GBG) wishes to advise that further to the article in the *Weekend Australian* newspaper on Saturday 18 March 2006 under the heading, "The Bear Necessities" that suggests that China's Premier, Wen Jiabao will witness a signing ceremony between Gindalbie and China's second largest steel mill, Ansteel, Gindalbie confirms that it is in discussions with Ansteel regarding its Karara Iron Ore Project but that negotiations are incomplete and no agreement has yet been concluded with Ansteel. Consequently, discussion of the Chinese Premier witnessing a signing ceremony is premature.

When and if negotiations in connection with the Karara Iron Ore Project are concluded with Ansteel, Gindalbie will make the necessary disclosures to the market.

Yours faithfully

GINDALBIE METALS LTD

DAVID McSWEENEY

Managing Director