

STOCK EXCHANGE ANNOUNCEMENT & MEDIA RELEASE

10 July 2006

APPOINTMENT OF EXECUTIVE CHAIRMAN

The Board of Gindalbie Metals Ltd is pleased to advise that Non-Executive Chairman, Mr George Jones, was today appointed Executive Chairman of Gindalbie, to take effect immediately.

Mr Jones joined Gindalbie's Board as an independent Non-Executive Director on 9 September 2005 and became Chairman on 30 November 2005.

Mr Jones has been increasingly undertaking Executive Director duties at Gindalbie therefore it was considered appropriate for him to be appointed as Executive Chairman.

Mr Jones will be primarily responsible for overseeing, promoting and facilitating the Group's strategic plans at a corporate level and fostering the strong relationship the Company has with its Joint Venture partner on the Karara Iron Ore Project, Anshan Iron & Steel Group Corporation.

Mr Jones will receive a remuneration package of \$360,000 per annum and will be paid a sign-on bonus of \$200,000 for the contribution he has made to the Company over and above his role as Non-Executive Director since the time of his appointment to the Board.

Gindalbie's Managing Director, Mr David McSweeney said the contribution made by Mr Jones to the development of Gindalbie's iron ore business since joining the Board had been invaluable: "I am very pleased that George has agreed to formalise what has essentially always been an executive role and I look forward to working even more closely with him in the future."

Before joining Gindalbie, Mr Jones was Chairman of Portman Ltd, a position he held for 10 years before the Company was taken over by US based iron ore company Cleveland-Cliffs Inc. He has more than 30 years experience in the mining, banking, finance and property industry.

Mr Jones holds a Bachelor of Business degree and is a fellow of the Chartered Institute of Secretaries and a Fellow of the Australian Institute of Company Directors.

For more information please contact:

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