

SECURITIES EXCHANGE ANNOUNCEMENT & MEDIA RELEASE

4 September 2007

COMPLETION OF \$39M SHARE PLACEMENT TO ANSTEEL

Western Australian iron ore company Gindalbie Metals Limited (**ASX:GBG**) is pleased to advise that it has today completed the allotment of **65 million shares** at an issue price of 60 cents each to Angang Group Hong Kong (Holdings) Limited ("Ansteel") following the receipt of **A\$39 million** in respect of the Share Placement to Ansteel announced on 4 June 2007.

The placement is within the limit set out in the ASX Listing Rules and will be issued immediately under the Company's 15% placement capacity. The placement shares will rank *pari passu* with the Company's existing ordinary shares from the date of allotment.

Following allotment of the shares, Gindalbie will have 508,728,850 shares on issue with Ansteel becoming its second largest shareholder with a 12.78% interest. Ansteel is Gindalbie's 50% Joint Venture Partner in the Karara Magnetite and Mungada Hematite Projects in Western Australia's Mid West region.

The proceeds of the share placement will be used primarily to further develop the Karara and Mungada Projects. Gindalbie and Ansteel yesterday released positive Bankable Feasibility Studies for both Projects.

Commenting on the completion of the share placement, Gindalbie's Managing Director, Mr Garret Dixon said: "This investment by Ansteel represents a very strong endorsement of Gindalbie's assets, management team and business strategies as an emerging international iron ore company, complementing the existing joint venture relationship between our organizations."

"The funds raised will further strengthen our balance sheet and will contribute towards the successful implementation of these significant new iron ore projects," he added. "On behalf of the Board, I would like to welcome Ansteel as a new shareholder in Gindalbie – further enhancing an already strong and very productive working relationship forged over the past 18 months."

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