



GINDALBIE
METALS LTD
ABN 24 060 857 614

Level 9, London House
216 St Georges Terrace
PERTH WA 6000

PO Box 7200
CLOISTERS SQUARE WA 6850

Tel: (+61) 8 9480 8700
Fax: (+61) 8 9480 8799

www.gindalbie.com.au

STOCK EXCHANGE ANNOUNCEMENT

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CHAIRMAN'S ADDRESS – GENERAL MEETING

Today's Shareholder Meeting comes at a significant time for Gindalbie, following a series of important project milestones – as well as some very recent corporate developments – in our continued progress towards becoming a substantial new participant in the iron ore sector.

You may be aware that, earlier this week a proposed merger was announced between Gindalbie and fellow Perth-based iron ore company, Sundance Resources Limited.

Sundance is developing a world-class hematite project in the Republic of Cameroon in West Africa which complements our own Karara Magnetite Project in Western Australia's Mid West region in terms of scale, longevity and growth potential.

This transaction will result in the establishment of a significant independent Australian-based iron ore group with a diversified asset base, a very significant production growth profile, and a truly global presence.

The combined Gindalbie/Sundance Group will have a market capitalisation of approximately A\$2.4 billion – placing the merged entity in line to be included in the benchmark S&P ASX 200 index and positioning it to attract a greatly increased range of Australian and international investor interest.

The merged entity expects to become a substantial iron ore developer/producer on a global scale, with a potential combined production level of more than 60Mtpa of hematite, magnetite concentrate and blast furnace quality pellets by the middle of next decade.

This is a very exciting development for Gindalbie and I have expressed my full support for the transaction as a shareholder in both companies. I believe that the proposed merger has the potential to unlock significant synergies and a greatly expanded range of growth opportunities for the new entity, creating a new international mining house with a pipeline of world-class projects.

Based on the current timetable, we are aiming to complete the proposed merger by early 2008, and I look forward to keeping you informed of our progress in this regard.

In the meantime, everyone within the Gindalbie team remains focused on the important business of continuing to advance our core assets, in particular delivering the Karara Magnetite Project and Mungada Hematite Projects on schedule.

In this regard, earlier this month, I signed a landmark Joint Venture Development Agreement in Sydney with our joint venture partner, Ansteel, to proceed with development of both projects.

This agreement was signed by the President of Ansteel, Dr Zhang Xiaogang, in the presence of the President of The Peoples Republic of China, Mr Hu Jintao, and the Australian Prime Minister, Mr John Howard.

The importance of this event can not be overemphasised, as it lays the foundations for the development of these two important projects – involving a total investment of up to A\$1.8 billion – to proceed.

I believe that the timing of the signing ceremony during the recent APEC Leaders Week in Sydney and the attendance of senior political figures highlights the growing profile and importance of our iron ore projects and our joint venture with Ansteel.

At the end of today's meeting, I will ask our Managing Director, Garret Dixon, to give you a comprehensive update on all of Gindalbie's activities.

I would like to take this opportunity to congratulate everyone involved with the Company on the recent completion of the Karara and Mungada Bankable Feasibility Studies, on time and on budget.

These studies confirmed the technical and economic viability of a proposed A\$1.6 billion development of the Karara Magnetite Project and a proposed A\$94 million development of the Mungada Hematite Project.

The Karara Magnetite Project is the cornerstone project for Gindalbie, underpinning our long-term growth ambitions in the iron ore sector. It will also bring a significant investment to the Mid West region and make a substantial contribution both to the region and the State of Western Australia through the development of infrastructure, long-term employment and business opportunities, and the payment of royalties.

We are very pleased that Ansteel will also participate in the development of the smaller, but valuable, Mungada Hematite Project, where we recently announced an upgraded resource of 27.1 million tonnes at 61.7% Fe and positive BFS.

This project will deliver early cash flow for the joint venture with the commencement of shipments of Direct Shipping Ore targeted to commence through the Port of Geraldton in the first quarter of 2009.

The recent completion of the Bankable Feasibility Studies on both projects provides a strong platform for us to pursue corporate opportunities such as the proposed merger with Sundance Resources announced earlier this week.

The last 18 months of feasibility work has laid the foundations not just for a successful and profitable iron ore joint venture; it has also cemented a strong and cooperative relationship between Gindalbie and Ansteel.

We view the signing of the Joint Venture Development Agreement as the beginning of a long-term association based on a shared vision and common goals which will ultimately deliver substantial benefits for both parties.

We were delighted to announce in June this year that we had reached agreement with Ansteel to take up a strategic 12.94% interest in Gindalbie through a placement of 65 million shares at 60 cents. This will make Ansteel our second largest shareholder.

I will now turn to the formal business of the meeting.

George Jones
Chairman