

## SECURITIES EXCHANGE ANNOUNCEMENT & MEDIA RELEASE

22 February 2008

# APPOINTMENT OF GEOFF WEDLOCK AS NON-EXECUTIVE DIRECTOR

Gindalbie Metals Limited (ASX: **GBG** – “Gindalbie”) is pleased to announce the appointment of experienced Australian mining executive, **Mr Geoff Wedlock**, to the Board as Non-Executive Director.

The appointment of Mr Wedlock serves to further strengthen the Gindalbie Board at a pivotal period in the Company’s development as it sets about bringing its flagship **\$1.8 billion Karara Iron Ore Project** into production with initial hematite production in 2009, followed by magnetite production in 2010.

Mr Wedlock – who has over 40 years experience in the resource industry - brings a depth of expertise in the international mining and resources industry, including experience in the development of bulk commodity projects, particularly in the iron ore industry. He also has significant commercial experience in dealings with financiers, international partners and customers, external parties and governments.

Mr Wedlock was previously the Managing Director of Grange Resources Limited, where he worked for over two years to progress the development of the Southdown Magnetite/Kemaman Pellet Project from inception to the completion of Feasibility Studies.

Prior to joining Grange Resources, Mr Wedlock held the position of Managing Director on a number of publicly-listed resource company boards including successful iron ore producer Portman Limited. Before this, he spent over 30 years in a variety of roles with BHP, including Executive Vice President and CEO of BHP Iron Ore Pty Ltd where he was directly involved in the development of four mines, upgrades of two Ports and two railways, major infrastructure programs and the development of iron ore processing plants.

Commenting on the appointment, Gindalbie Chairman, Mr George Jones said: “We are very fortunate to secure Geoff at such a crucial stage in the development of our Karara Project. His vast experience in bulk commodity project development, and his well-established business and regulatory networks will be a great asset to the Company as we look to make the transition into production.”

“With his experience at Portman in the development of iron ore assets and his vast knowledge of transport and infrastructure development, I have no doubt that Geoff will be a valuable contributor to Gindalbie and look forward to his input in helping us to develop a successful Mid West iron ore business in the very near future,” he added.

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## **BACKGROUND INFORMATION – Karara Iron Ore Project**

The Karara Iron Ore Project is a substantial new integrated iron ore project in the Mid West region of Australia, which will produce some 11Mtpa of iron products from 2010, including an initial 8Mtpa of high-grade magnetite concentrate and blast furnace quality pellets and an initial 3.0Mtpa of direct shipping hematite ore from 2009.

The development of the Karara Project – which was granted Major Project Facilitation (MPF) status by the Australian Federal Government last year - is expected to generate significant short and long-term economic benefits in the Mid West region of Western Australia.

The Karara BFS concluded that, based on an initial JORC compliant Ore Resource of 1.43 billion tonnes at 36.3% Fe and an initial Ore Reserve defined as part of the study of 497 million tonnes at 36.3% Fe, the Project would generate an initial after tax free cash flow of A\$9.3 billion and an indicative annual cash surplus after tax of A\$360 million. The Project has a Net Present Value (NPV) using a 9% discount rate of A\$2.3 billion and an Internal Rate of Return (IRR) of 24.6%.

The BFS is based on a 20Mtpa mining operation producing on average 8Mtpa of magnetite concentrate grading 68.2% Fe, 4.7% SiO<sub>2</sub> and 0.01% P, with the initial Ore Reserve sufficient to underpin 25 years of production at the proposed 'start up' production rate of 8Mtpa.

Magnetite concentrate from Karara will be shipped to China via a process involving transportation on barges to a location off Geraldton for loading to a trans-shipper and ultimately onto Capesize vessels which will freight the high-grade iron ore concentrate to the port of Yingkou in China, for use in the joint venture pellet and directly in Ansteel's new steel mill.

The BFS for the Mungada Hematite Project concluded that, based on an initial Product Inventory of 14.3 million tonnes at 61.5% Fe (resource of 27.1 million tonnes at 61.7% Fe), the Project would generate an initial after tax free cash flow of A\$184 million.

The Project has a Net Present Value using a 10% discount rate of A\$79.6 million and IRR of 27.5%. Direct Shipping Ore from Mungada will be exported at an initial rate of 3Mtpa through the Port of Geraldton directly to China.

## **Background – Gindalbie Metals Ltd**

Listed on the Australian Stock Exchange since 1994, Gindalbie Metals Ltd is an emerging Australian iron ore company based in Perth, Western Australia. Gindalbie is developing a strategic portfolio of high-quality production and exploration assets located some 225km east of the port of Geraldton which will underpin its vision to become a leading independent supplier of iron ore products to world markets over the next decade.

The initial focus of Gindalbie's growth strategy is the Mungada Hematite and Karara Magnetite Projects, however its longer term growth will be propelled by the exploration and development of its extensive 1,900 sq km tenement portfolio in the Mid West region, which includes numerous prospective magnetite and hematite exploration targets expected to deliver a long-term pipeline of growth opportunities.

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