

# Appendix 5B

## Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

GINDALBIE METALS LTD

ABN

24 060 857 614

Quarter ended ("current quarter")

30 SEPTEMBER 2008

### Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (3 months) \$A'000
<b>Cash flows related to operating activities</b>		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration and evaluation	(3,701)	(3,701)
(b) development	(8,385)	(8,385)
(c) production	-	-
(d) corporate administration	(1,303)	(1,303)
(e) rehabilitation & site admin	-	-
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	1,956	1,956
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Management fee and labour recovery income	1,080	1,080
<b>Net Operating Cash Flows</b>	<b>(10,353)</b>	<b>(10,353)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a)prospects	-	-
(b)equity investments	-	-
(c) other fixed assets	(3,161)	(3,161)
1.9 Proceeds from sale of: (a)prospects	-	-
(b)equity investments	-	-
(c)Minjar gold assets	-	-
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Proceeds on dilution of investment	40,767	40,767
<b>Net investing cash flows</b>	<b>37,606</b>	<b>37,606</b>
1.13 Total operating and investing cash flows (carried forward)	27,253	27,253

+ See chapter 19 for defined terms.

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1.13	Total operating and investing cash flows (brought forward)	27,253	27,253
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	250	250
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Capital raising costs	(2)	(2)
1.20	Payments for cash backing of performance bonds	(269)	(269)
	<b>Net financing cash flows</b>	(21)	(21)
	<b>Net increase (decrease) in cash held</b>	27,232	27,232
1.20	Cash at beginning of quarter/year to date	102,650	102,650
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	<b>Cash at end of quarter</b>	129,882	129,882

**Payments to directors of the entity and associates of the directors**

**Payments to related entities of the entity and associates of the related entities**

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	327
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Executive Directors Remuneration	150
Non Executive Directors Fees	142
Other Payments to Directors and related entities	35

**Non-cash financing and investing activities**

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

Anshan Iron & Steel Group Corporation – Karara Iron Ore Project Joint Venture	49,956
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+ See chapter 19 for defined terms.

### Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

### Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	6,381
4.2 Development	42,261
Total	48,642

### Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	177	88
5.2 Deposits at call	129,705	102,562
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	129,882	102,650

### Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1 Interests in mining tenements relinquished, reduced or lapsed	E59/1407	Withdrawn	100%	0%
	E59/1358	Withdrawn	100%	0%
6.2 Interests in mining tenements acquired or increased	E59/1406	Application	0%	100%
	P59/1845-	Applications	0%	100%
	P59/1850			
	E59/1533-	Applications	0%	100%
E59/1535				

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**Issued and quoted securities at end of current quarter**

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1	<b>Preference + securities</b>			
7.2	Changes during quarter			
7.3	<b>+ Ordinary securities</b>	513,978,850	513,978,850	
7.4	Changes during quarter (a) Increases through issues	1,000,000	1,000,000	
7.5	<b>+ Convertible debt securities</b>			
7.6	Changes during quarter			
7.7	<b>Options</b> (description and conversion factor)			
	<i>Vested Employee Options</i>		<i>Exercise price</i>	<i>Expiry date</i>
	2,800,000	Nil	25 cents	30 September 2010
	50,000	Nil	34 cents	31 December 2008
	1,000,000	Nil	12 cents	30 September 2010
	1,000,000	Nil	16 cents	30 September 2010
	1,100,000	Nil	55 cents	30 September 2010
	300,000	Nil	65 cents	30 September 2010
	700,000	Nil	\$1.31	1 August 2012
	100,000	Nil	94 cents	1 August 2012
	300,000	Nil	94 cents	1 August 2012
	<i>Non Vested Employee Options</i>			
	1,000,000	Nil	35 cents (Vest 31/12/08)	30 September 2010
	500,000	Nil	55 cents (Vest 31/03/09)	30 September 2010
	1,000,000	Nil	60 cents (Vest 4/12/08)	6 November 2011
	1,500,000	Nil	60 cents (Vest 4/12/09)	6 November 2011
	100,000	Nil	\$1.04 (Vest 3/2/09)	1 August 2012
	100,000	Nil	\$1.04 (Vest 3/2/10)	1 August 2012
	500,000	Nil	\$1.31 (Vest 1/03/09)	1 August 2012
	800,000	Nil	\$1.31 (Vest 1/03/10)	1 August 2012
	400,000	Nil	90 cents (Vest 1/5/09)	1 August 2012
	400,000	Nil	90 cents (Vest 1/5/10)	1 August 2012
	400,000	Nil	90 cents (Vest 1/5/11)	1 August 2012
	200,000	Nil	94 cents (Vest 1/3/09)	1 August 2012
	200,000	Nil	94 cents (Vest 1/3/10)	1 August 2012
	350,000	Nil	94 cents (Vest 1/12/09)	1 August 2012
	350,000	Nil	94 cents (Vest 1/12/10)	1 August 2012
	500,000	Nil	95 cents (Vest 18/5/09)	30 September 2012
	500,000	Nil	95 cents (Vest 18/5/10)	30 September 2012
	500,000	Nil	95 cents (Vest 18/5/11)	30 September 2012
	100,000	Nil	\$1.84 (Vest 21/7/09)	30 September 2013
	100,000	Nil	\$1.84 (Vest 21/7/10)	30 September 2013
	100,000	Nil	\$1.84 (Vest 21/7/11)	30 September 2013
7.8	Issued during quarter	500,000	95 cents (Vest 18/5/09)	30 September 2012
		500,000	95 cents (Vest 18/5/10)	30 September 2012
		500,000	95 cents (Vest 18/5/11)	30 September 2012
		100,000	\$1.84 (Vest 21/7/09)	30 September 2013
		100,000	\$1.84 (Vest 21/7/10)	30 September 2013
		100,000	\$1.84 (Vest 21/7/11)	30 September 2013
7.9	Exercised during quarter	1,000,000	25 cents	30 September 2010
7.10	Lapsed during quarter			

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## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:

Date: 22 October 2008



Print name: David Southam  
Chief Financial Officer

## Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities.** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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