

SECURITIES EXCHANGE ANNOUNCEMENT

5 May 2008

GINDALBIE - CLARIFICATION

Gindalbie Metals Limited (**ASX: GBG** – “Gindalbie”) released a corporate presentation to the market today which provided statements regarding the current status of reserves and resources in connection with the Karara Iron Ore Project. The ASX has asked Gindalbie to provide clarification of these statements to ensure compliance with the JORC code.

Set out below is the current status of resources and reserves for the Karara Iron Ore Project. This information should be read in place of the information previously detailed in the corporate presentation.

Magnetite

Reserve Classification	Mt	Fe %	SiO ₂ %	Al ₂ O ₃ %	P %	LOI
Probable	497	36.3	42.71	0.89	0.089	-0.74
Resource Classification	Mt	Fe %	SiO ₂ %	Al ₂ O ₃ %	P %	LOI
Indicated	158	36.4	42.65	0.82	0.091	-0.69
Inferred	771	36.2	42.76	0.94	0.087	-0.79
Subtotal	929	36.3	42.71	0.89	0.089	-0.74
Note: 1. The reserve was defined to provide sufficient material from the indicated resource material to support a minimum of 25 year mine life. 2. DTR Mass Recovery > 20% and Sulphur < 0.25%; Excluding Western Mafics/Shale Units 3. Resources are exclusive of Reserves						

Hematite (DSO)

Reserve Classification	Mt	Fe %	SiO ₂ %	Al ₂ O ₃ %	P %	LOI
Probable Reserve	10.9	61.7	6.0	2.2	0.10	3.5
Resource Classification	Mt	Fe %	SiO ₂ %	Al ₂ O ₃ %	P %	LOI
Indicated	6.9	62.5	5.2	1.4	0.13	2.7
Inferred	9.3	61.1	6.3	3.0	0.12	4.3
Subtotal	16.2	62.0	5.6	2.0	0.12	3.3
Note: 1. The reserve was defined to provide sufficient material from the indicated resource material to support a minimum of 6 year mine life. 2. Resources are exclusive of Reserves						

-ENDS-

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Competent Person Compliance Statement

The information in this report that relates to Mineral Exploration and Resources is based on information compiled by Mr Andrew Munckton who is a Member of the Australasian Institute of Mining and Metallurgy.

Mr Munckton is a full-time employee of the Company and has sufficient experience which is relevant to the style of mineralisation and type of deposit and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves . Mr Munckton consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

JORC Statement

This release may include forward-looking statements. These forward-looking statements are based on managements expectations and beliefs concerning future events. Forward-looking statements are necessarily subject to risks, uncertainties and other factors, many of which are outside the control of Gindalbie Metals that could cause actual results to differ materially from such statements. Gindalbie Metals makes no undertaking to subsequently update or revise the forward-looking statements made in this release to reflect events or circumstances after the date of this release. It is common practice for a company to comment on and discuss its exploration in terms of target size and type. The information above relating to the exploration target should not be misunderstood or misconstrued as an estimate of Mineral Resources or Ore Reserves. Hence the terms Resource(s) or Reserve(s) have not been used in this context. The potential quantity and grade is conceptual in nature, since there has been insufficient work completed to define them beyond exploration targets and that it is uncertain if further exploration will result in the determination of a Mineral Resource.