

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 JUNE 2008

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (12 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration and evaluation	(1,988)	(20,145)
(b) development	(5,960)	(7,747)
(c) production	-	-
(d) corporate administration	(1,377)	(6,121)
(e) rehabilitation & site admin	-	-
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	2,073	4,283
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Management fees and sundry income received	363	1,092
Net Operating Cash Flows	(6,889)	(28,638)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a)prospects	(1,835)	(1,835)
(b)equity investments	-	-
(c) other fixed assets	(3,248)	(4,760)
1.9 Proceeds from sale of: (a)prospects	-	-
(b)equity investments	-	309
(c)Minjar gold assets	-	5,000
1.10 Loans to other entities	-	(1,367)
1.11 Loans repaid by other entities	-	6,677
1.12 Proceeds on dilution of investment	31,084	71,429
Net investing cash flows	26,001	75,453
1.13 Total operating and investing cash flows (carried forward)	19,112	46,815

+ See chapter 19 for defined terms.

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1.13	Total operating and investing cash flows (brought forward)	19,112	46,815
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	137	41,504
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	-	(47)
1.20	Payments for cash backing of performance bonds	-	(1,721)
	Net financing cash flows	137	39,736
	Net increase (decrease) in cash held	19,249	86,551
1.20	Cash at beginning of quarter/year to date	83,401	16,099
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	102,650	102,650

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	354
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	137
Non Executive Directors Fees	175
Other Payments to Directors and related entities	42

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	31,084
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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	4,100
4.2 Development	9,340
Total	13,440

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	88	66
5.2 Deposits at call	102,562	83,335
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	102,650	83,401

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	E70/3380	Withdrawn	100%	0%
	E70/3397	Withdrawn	100%	0%
	L70/117	Withdrawn	100%	0%
6.2 Interests in mining tenements acquired or increased	E59/1496-	Applications Application	0%	100%
	E59/1500			
	L59/86			

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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	Preference + securities			
7.2	Changes during quarter			
7.3	+Ordinary securities	512,978,850	512,978,850	
7.4	Changes during quarter			
	(a) Increases through issues	600,000	600,000	
	(b) Decreases through returns			
7.5	+Convertible debt securities			
7.6	Changes during quarter			
7.7	Options (description and conversion factor)	<i>Vested Employee Options</i>	<i>Exercise price</i>	<i>Expiry date</i>
		3,800,000	Nil	25 cents
		50,000	Nil	34 cents
		1,000,000	Nil	12 cents
		1,000,000	Nil	16 cents
		1,100,000	Nil	55 cents
		300,000	Nil	65 cents
		700,000	Nil	\$1.31
		100,000	Nil	94 cents
		300,000	Nil	94 cents
		<i>Non Vested Employee Options</i>		
		1,000,000	Nil	35 cents (Vest 31/12/08)
		500,000	Nil	55 cents (Vest 31/03/09)
		1,000,000	Nil	60 cents (Vest 4/12/08)
		1,500,000	Nil	60 cents (Vest 4/12/09)
		100,000	Nil	\$1.04 (Vest 3/2/09)
		100,000	Nil	\$1.04 (Vest 3/2/10)
		500,000	Nil	\$1.31 (Vest 1/03/09)
		800,000	Nil	\$1.31 (Vest 1/03/10)
		400,000	Nil	90 cents (Vest 1/5/09)
		400,000	Nil	90 cents (Vest 1/5/10)
		400,000	Nil	90 cents (Vest 1/5/11)
		200,000	Nil	94 cents (Vest 1/3/09)
		200,000	Nil	94 cents (Vest 1/3/10)
		350,000	Nil	94 cents (Vest 1/12/09)
		350,000	Nil	94 cents (Vest 1/12/10)
7.8	Issued during quarter	400,000	Nil	90 cents (Vest 1/5/09)
		400,000	Nil	90 cents (Vest 1/5/10)
		400,000	Nil	90 cents (Vest 1/5/11)
		100,000	Nil	94 cents
		300,000	Nil	94 cents
		200,000	Nil	94 cents (Vest 1/3/09)
		200,000	Nil	94 cents (Vest 1/3/10)
		350,000	Nil	94 cents (Vest 1/12/09)
		350,000	Nil	94 cents (Vest 1/12/10)
7.9	Exercised during quarter	200,000	Nil	20 cents
		100,000	Nil	22 cents
		300,000	Nil	25 cents
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: 24 July 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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