

# 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 2009

### 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	(871)	(871)
(b) development	(12,944)	(12,944)
(c) production	-	-
(d) corporate administration	(2,612)	(2,612)
(e) rehabilitation & site admin	-	-
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	815	815
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Management fee and labour recovery income	483	483
<b>Net Operating Cash Flows</b>	<b>(15,129)</b>	<b>(15,129)</b>
<b>Cash flows related to investing activities</b>		
1.8 Payment for purchases of: (a)prospects	-	-
(b)equity investments	-	-
(c)other fixed assets	(12,066)	(12,066)
1.9 Proceeds from sale of: (a)prospects	-	-
(b)equity investments	-	-
(c)other fixed assets	-	-
1.10 Loans to other entities	-	-
1.11 Payment of joint venture subscription	(71,840)	(71,840)
1.12 Proceeds on dilution of investment	-	-
<b>Net investing cash flows</b>	<b>(83,906)</b>	<b>(83,906)</b>
1.13 Total operating and investing cash flows (carried forward)	<b>(99,035)</b>	<b>(99,035)</b>

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1.13	Total operating and investing cash flows (brought forward)	(99,035)	(99,035)
<b>Cash flows related to financing activities</b>			
1.14	Proceeds from issues of shares, options, etc.	162,960	162,960
1.15	Proceeds from borrowings	-	-
1.16	Repayment of borrowings	-	-
1.17	Dividends paid	-	-
1.18	Capital raising costs	(65)	(65)
1.19	Payments for cash backing of performance bonds	(1,463)	(1,463)
	<b>Net financing cash flows</b>	161,432	161,432
	<b>Net increase (decrease) in cash held</b>	62,397	62,397
1.20	Cash at beginning of quarter/year to date	127,122	127,122
1.21	Exchange rate adjustments to item 1.20	(164)	(164)
1.22	<b>Cash at end of quarter</b>	189,355	189,355

**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	336
1.24	Aggregate amount of loans to the parties included in item 1.10	-
1.25	Explanation necessary for an understanding of the transactions	
	Directors Remuneration	298
	Other Payments to Directors and related entities	38

**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

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### 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	1,251
4.2 Development	31,549
Total	32,800

### 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	9,148	151
5.2 Deposits at call	180,207	126,971
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	189,355	127,122

### 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			
6.2	P59/1911	Granted	0%	100%
	P59/1912	Granted	0%	100%

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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>	707,187,674	707,187,674	
7.4	Changes during quarter (a) Increases through issues	192,658,824	192,658,824	
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>
		2,300,000	Nil	25 cents
		1,000,000	Nil	12 cents
		1,000,000	Nil	16 cents
		600,000	Nil	55 cents
		1,000,000	Nil	35 cents
		1,000,000	Nil	60 cents
		300,000	Nil	65 cents
		600,000	Nil	\$1.31
		400,000	Nil	90 cents
		300,000	Nil	94 cents
		300,000	Nil	94 cents
		500,000	Nil	95 cents
		100,000	Nil	\$1.84
		<i>Non Vested Employee Options</i>		
		1,500,000	Nil	60 cents (Vest 4/12/09)
		400,000	Nil	\$1.31 (Vest 1/03/10)
		400,000	Nil	90 cents (Vest 1/5/10)
		400,000	Nil	90 cents (Vest 1/5/11)
		200,000	Nil	94 cents (Vest 1/3/10)
		350,000	Nil	94 cents (Vest 1/12/09)
		350,000	Nil	94 cents (Vest 1/12/10)
		500,000	Nil	95 cents (Vest 18/5/10)
		500,000	Nil	95 cents (Vest 18/5/11)
		100,000	Nil	\$1.84 (Vest 21/7/10)
		100,000	Nil	\$1.84 (Vest 21/7/11)
7.8	Issued during quarter			
7.9	Exercised during quarter	1,000,000	Nil	55 cents
7.10	Lapsed during quarter	1,000,000	Nil	\$1.31

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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: 20 October 2009



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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