HIGHLIGHTS FOR THE DECEMBER 2007 QUARTER

Premium Grade concentrate produced from Mungada and Karara Project areas

EXPLORATION

- Premium grade concentrate produced from DTR tests on holes beneath the Blue Hills North and Gully Hematite deposits. Better results include the following:

  Blue Hills North
  120 metres @ 71.0% Fe and 1.9% S_iO_2 in concentrate from 96 metres
  212 metres @ 71.0% Fe and 2.1% S_iO_2 in concentrate from 34 metres

  Gully
  82 metres @ 71.2% Fe and 1.3% S_iO_2 in concentrate from 98 metres
  132 metres @ 70.8% Fe and 1.5% S_iO_2 in concentrate from 84 metres

Shine Prospect delivers substantial Direct Shipping Ore (DSO) grade drilling intersections

- Substantial DSO grade drilling intersections recorded from the Shine Prospect, part of the Warriedar Joint Venture with Royal Resources. Better results include the following:

  60 metres @ 62.6% Fe from 59 metres
  26 metres @ 63.3% Fe from 55 metres
  32 metres @ 62.6% Fe from 92 metres

KARARA IRON ORE PROJECT APPROVALS

- Mungada Hematite Project PER advertised for public review. EPA assessment recommendation and Ministerial decision remains on schedule to be completed by June 2008.

- Karara Magnetite Project PER final draft in preparation.

Environmental Approvals Process underway for Karara Iron Ore Project

- The Mid West Strategic Review handed down by the Western Australian Government indicating a predisposition to approve the Karara Magnetite Project.

KARARA IRON ORE PROJECT DEVELOPMENT

- EPCM providers have been short listed and final selection is due in February 2008.

- Concentrator design awarded to Ansteel Mining Design Institute (AMDI) in China.

- 15-year power supply contract signed with Verve Energy.

CORPORATE

- Cash reserves at 31 December 2007 of $51.5m.

EPCM contract expected to be awarded in February 2008

- Ansteel's Mr Wang Heng appointed to the Gindalbie Board.

OVERVIEW

The Company holds 1,900 square kilometres of tenure in the Mid West Region of Western Australia both wholly owned and in Joint Venture prospective for iron ore.

The Company's aim is to be a substantial iron ore producer within the next 2 years. This will be achieved through the development of the Karara Iron Ore Project.

During this time the Company will also undertake extensive exploration over its prospective iron ore tenure to extend its current resource base and future production opportunities.

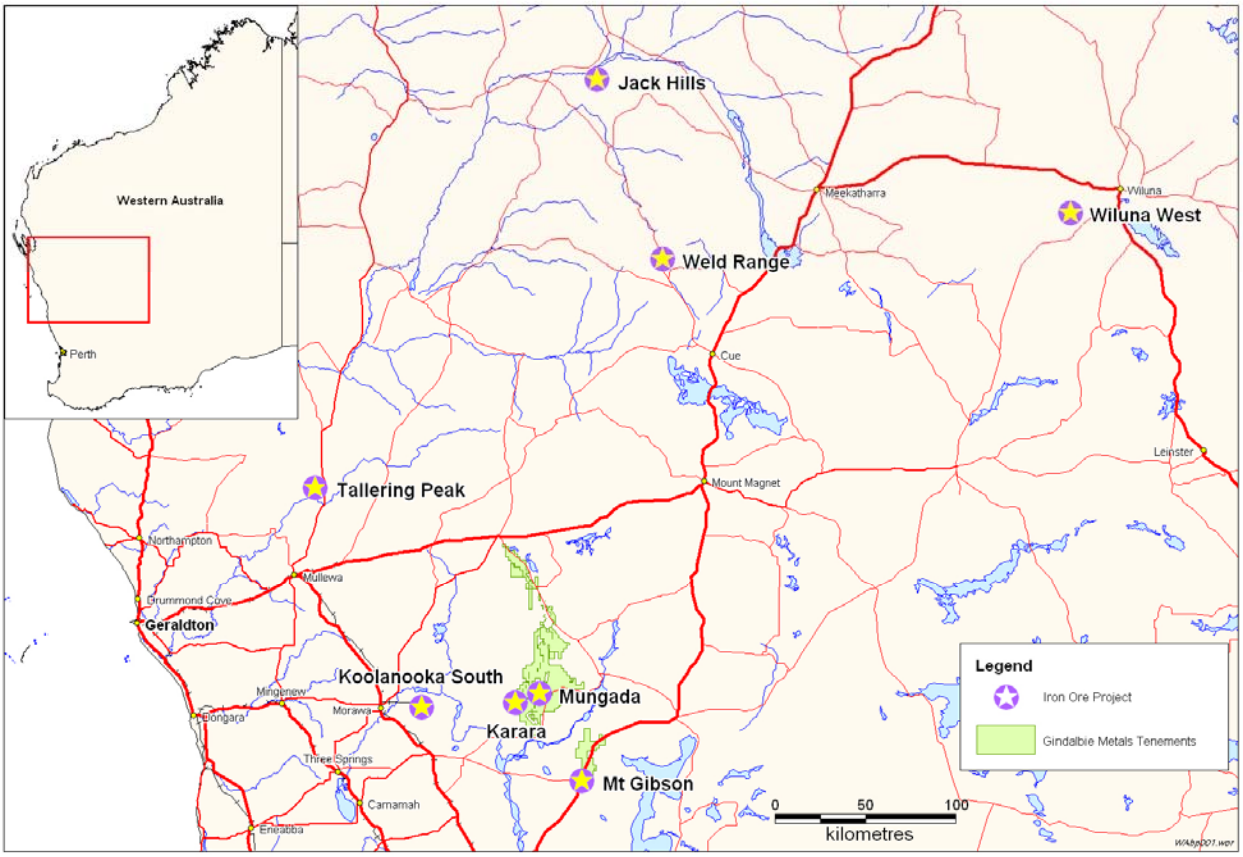

Figure 1: Regional Map of the Mid-West Region of Western Australia

EXPLORATION

Karara Iron Ore Project (Ansteel earning 50%)

Exploration work on the Karara Iron Ore Project during the December 2007 Quarter focussed on a series of Davis Tube Recovery (DTR) sampling programs.

These programs were undertaken following strong indications of enrichment of magnetite at depth under both the Blue Hills North and Gully Prospects in hematite drilling programs in 2007. The focus of the programs were to determine the quality of magnetite rich ores within hematite pit designs and at depth below the pits.

Both programs of DTR sampling produced outstanding results with wide intersections of high grade magnetite in DTR tests confirmed. Indicative intersections at both Blue Hills North and Gully are summarised in Table 1 and Table 2.

At Blue Hills North a substantial body of magnetite rich BIF exists below and along strike from the previously defined hematite DSO resource. The extent of this style of mineralisation remains open along strike and at depth. In the March 2008 Quarter resource estimates and optimisation of the combined hematite and magnetite mineralisation will occur with the aim of providing new pit designs to provide ore to both the proposed Mungada Hematite Project and Karara Magnetite Project.

Blue Hills North DTR Results - December 2007 Quarter											
Hole ID	From (m)	To (m)	Interval (m)	Recovery (%)	Concentrate Grades				Head Grades		
					Fe%	SiO_2%	P%	S%	Fe%	SiO_2%	P%
MKC116	86	150	64	53.3	71.2	1.6	0.013	0.000	49.5	26.0	0.129
MKC268	68	124	56	43.7	71.1	1.9	0.008	0.014	43.1	35.1	0.116
MKC301	56	168	112	42.1	70.5	2.6	0.006	0.006	39.2	40.2	0.078
MKC305	76	156	80	54.6	71.2	2.0	0.012	0.000	47.3	29.2	0.103
MKC359	96	216	120	52.2	71.0	1.9	0.006	0.007	45.2	28.9	0.089
MKC363	34	246	212	42.5	71.0	2.1	0.006	0.004	40.0	39.3	0.080

Table 1 – DTR results for Blue Hills North, December 2007 Quarter

At Gully, magnetite rich areas exist beneath the existing pit design which was based on the hematite ore defined at this prospect. Importantly for the Karara Magnetite Project, while the silica grades in concentrate at Gully are typically very low at less than 2%, the phosphorous and sulphur in concentrate are significantly reduced compared to the head grades.

This material appears capable of producing a Direct Reduction (DR) quality concentrate when treated through the proposed Karara Magnetite Processing plant. Test work programs to further characterise this ore type are continuing. DTR results for the deposit are highlighted in Table 2.

Gully DTR Results - December 2007 Quarter												
Hole ID	From (m)	To (m)	Interval (m)	Recovery (%)	Concentrate Grades				Head Grades			
					Fe%	SiO_2%	P%	S%	Fe%	SiO_2%	P%	S%
MGC033	168	200	32	38.2	69.4	2.4	0.020	0.081	40.9	24.9	0.203	2.238
MGC037	84	216	132	56.1	70.8	1.5	0.020	0.077	51.6	14.3	0.249	0.880
MGC038	60	80	20	28.8	68.5	1.0	0.075	0.007	59.9	3.9	0.480	0.025
MGC038	98	180	82	57.6	71.2	1.3	0.017	0.017	49.8	20.0	0.273	0.249
MGC047	84	140	56	55.7	71.2	1.2	0.019	0.005	51.3	20.2	0.251	0.060

Table 2 – DTR results for Gully, December 2007 Quarter

A full list of the DTR results for the Blue Hills North and Gully Prospects are listed in Appendix 1 and 2.

Gindalbie Metals Ltd 100% Owned Tenure

Exploration during the December 2007 Quarter focussed on the completion of the preliminary metallurgical test work on the Lodestone prospect and continuation of the regional mapping program.

At Lodestone all DTR results were returned which indicated that the Lodestone Magnetite drilling and test work produces concentrate on average grading 67% Fe and 6% S_iO_2 with variable levels of Sulphur (S) in DTR tests. These results were in response to the generally lower iron grade observed for the BIF. Deeper levels of oxidation were also observed at the Prospect. The results indicate a large body of mineralisation is present, however, it contains internal shale bands which result in generally narrower intersections of high iron recovery material as compared to that seen at Karara.

Intersections typical of the deposit are listed in Table 3. The complete results are listed in Appendix 2.

Follow up test work is targeted at reducing sulphur grade and silica in concentrate and reducing the drill spacing below the current 800 metre by 200 metre pattern. Preliminary optimisation work by Coffey of the geological and concentrate models will proceed during the March 2008 Quarter. Further drilling will be undertaken following the completion of this initial work.

Lodestone DTR Results - December 2007 Quarter												
Hole ID	From	To	Interval	Recovery	Concentrate Grades				Head Grades			
	(m)	(m)	(m)	(%)	Fe%	SiO_2%	P%	S%	Fe%	SiO_2%	P%	S%
LSC001	202	214	12	20.2	67.9	5.4	0.019	1.113	27.2	48.1	0.052	0.405
LSC002	54	70	16	36.1	69.6	3.6	0.011	0.018	34.7	42.3	0.068	0.193
LSD003	44	92	48	16.9	67.4	5.6	0.022	0.063	27.0	47.3	0.046	0.190
LSD004	80	112	32	30.3	66.3	6.2	0.016	0.061	35.6	37.0	0.046	0.285
LSD005	84	353	269	36.9	66.7	6.7	0.015	0.058	33.9	43.9	0.063	0.286
LSD007	72	180	108	41.3	64.0	9.6	0.029	0.101	36.1	41.3	0.080	0.040
LSC009	36	68	32	14.1	68.2	3.4	0.020	0.010	31.5	44.2	0.045	0.029
LSC009	68	96	28	33.0	68.5	4.5	0.020	0.083	32.1	45.8	0.049	0.170
LSC010	52	88	36	23.5	66.5	6.5	0.024	0.227	29.5	46.5	0.065	0.328
LSC011	98	146	48	34.3	67.9	4.9	0.013	0.238	31.8	44.3	0.069	0.206
LSC012	104	248	144	32.9	70.1	3.0	0.015	0.095	32.5	44.7	0.060	0.308
LSC013	160	240	80	25.0	68.2	4.5	0.019	0.950	29.5	46.6	0.053	0.367
LSC014	94	166	72	14.0	68.0	4.7	0.013	1.048	24.1	49.0	0.032	0.223
LSC016	116	147	31	31.4	66.4	7.5	0.008	0.015	33.9	46.2	0.016	0.083
LSC018	96	248	152	41.9	65.9	8.2	0.017	0.062	35.2	42.7	0.073	0.067

Table 3 –Lodestone Magnetite Deposit – DTR Results, December 2007 Quarter

Warriedar Joint Venture (GBG 60%, Royal Resources 40%)

During the December Quarter encouraging drilling results were returned from the Shine, Gap and Lister prospects (see Figure 3) previously identified from the regional mapping and rock chip sampling program.

Selected drilling intersections from the prospects are listed in Table 4 and indicate steeply dipping zones of enrichment between 5 and 30 metres wide exist at depth under surface outcrops of high grade hematite as illustrated in Figure 2. All intersections from the Warriedar JV drilling are listed in Appendix 4.

The surface outcrop of hematite mineralisation on the Warriedar JV ground is extensive and straddles the boundary between this tenure and tenure owned 100% by Gindalbie.

Further drilling programs are planned for the March and June 2008 Quarters as Program of Work (PoW) approvals and drilling rigs become available.

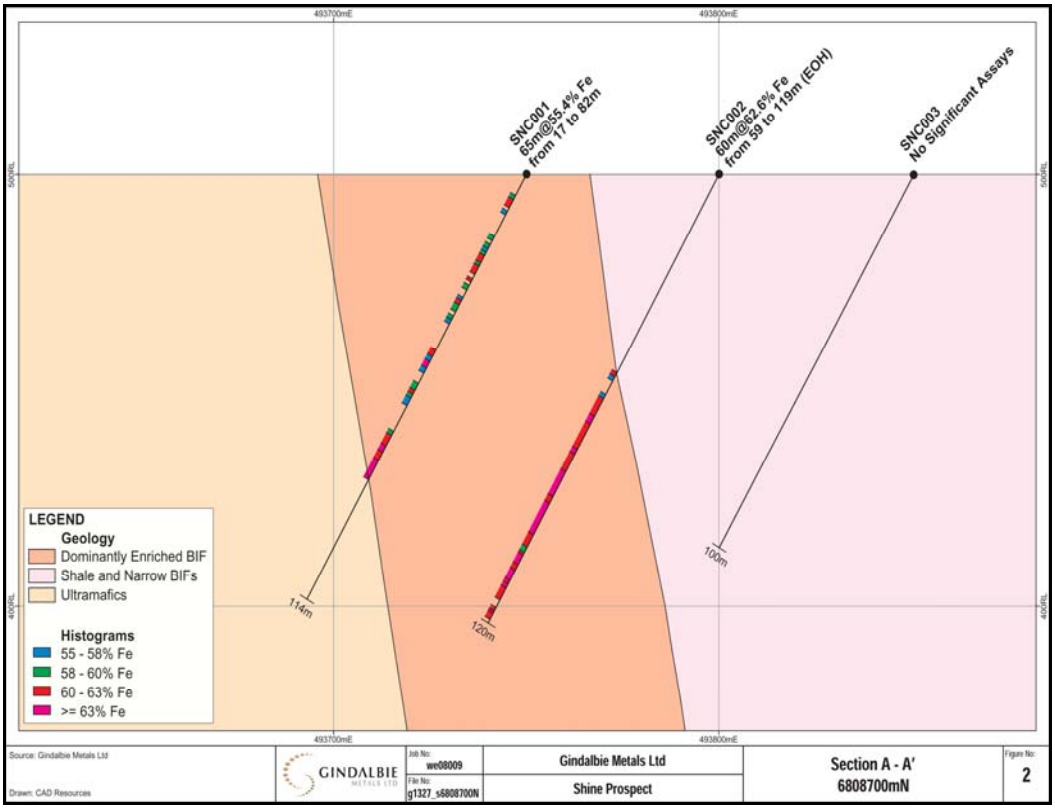

Figure 2 – Cross section at Shine Prospect showing high grade hematite intersections

Prospect Name - Shine									
Hole ID	From (m)	To (m)	Interval (m)	Head Grades Fe%	SiO_2%	Al_2O_3%	P%	S%	LOI%
SNC001	19	29	10	59.1	6.6	3.4	0.075	0.009	4.9
SNC001	69	82	13	62.1	5.9	0.9	0.084	0.008	4.0
SNC002	59	119	60	62.6	4.4	1.4	0.123	0.011	4.2
SNC004	19	28	9	59.7	6.5	1.9	0.068	0.021	5.7
SNC005	55	81	26	63.3	3.3	1.1	0.115	0.004	4.4
SNC007	84	88	4	60.1	2.3	0.9	0.348	0.010	9.5
SNC008	44	69	25	61.6	6.2	1.5	0.054	0.024	3.8
SNC009	73	79	6	60.0	8.8	0.7	0.058	0.024	3.7
SNC010	92	124	32	62.6	6.3	0.5	0.062	0.010	2.7

Prospect Name - Lister									
Hole ID	From (m)	To (m)	Interval (m)	Head Grades Fe%	SiO_2%	Al_2O_3%	P%	S%	LOI%
LRC002	53	70	17	60.4	5.3	3.4	0.068	0.008	3.9

Prospect Name - Gap									
Hole ID	From (m)	To (m)	Interval (m)	Head Grades Fe%	SiO_2%	Al_2O_3%	P%	S%	LOI%
GPC004	9	16	7	57.3	9.4	4.0	0.055	0.018	4.3

Table 4 – Warriedar JV prospects drilling intersections, December 2007 Quarter

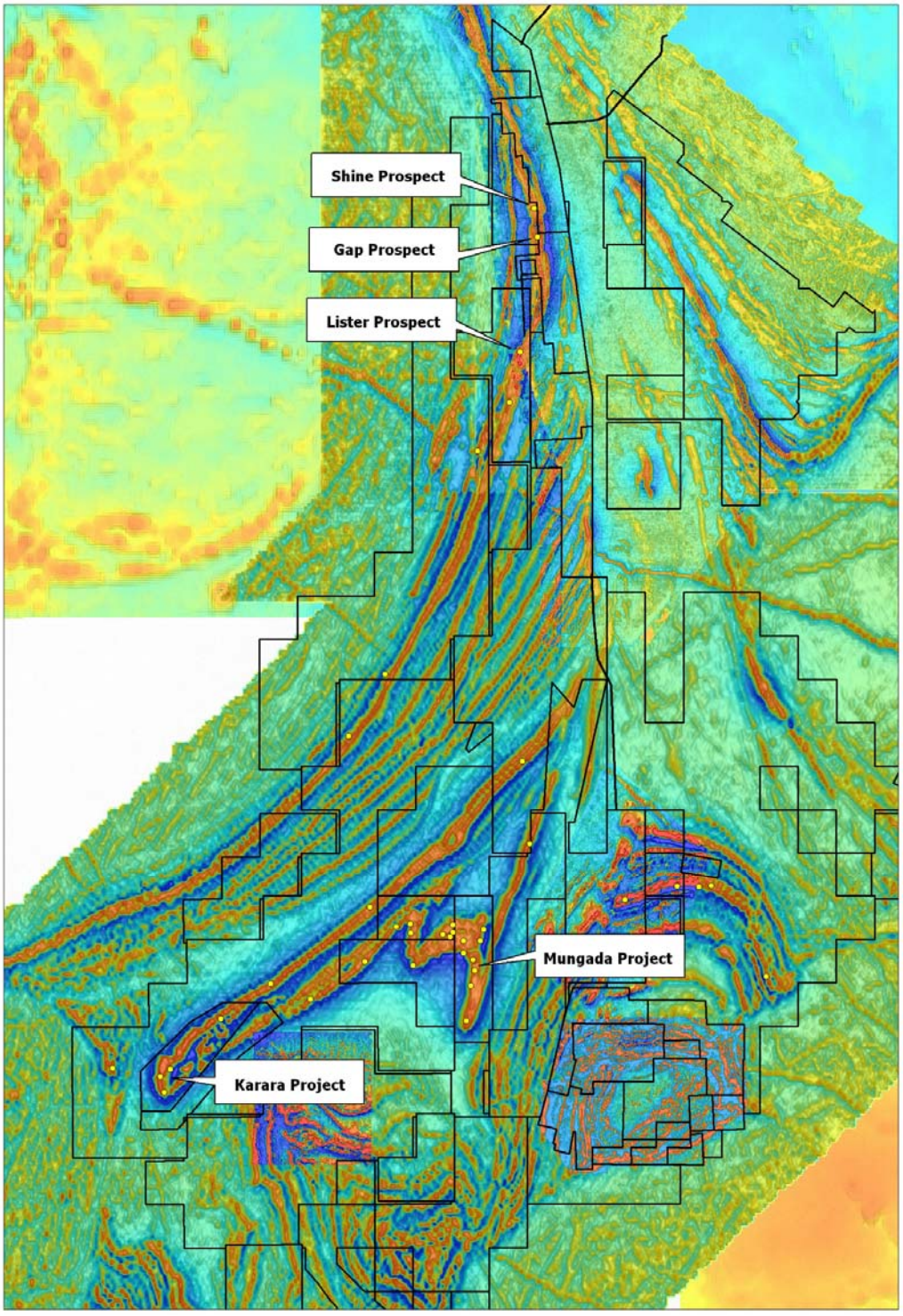

Figure 3 – Warriedar Joint Venture Prospect Location Map

APPROVALS

Two project approvals are currently being sought from government regulators with respect to the Mungada DSO project and Karara Magnetite project both in Joint Venture with Ansteel (50%).

Mungada DSO

The final Public Environment Review (PER) document was submitted to the regulator and advertised for public comment during the Quarter. All public submissions were received subsequent to the end of the Quarter and the Company is currently responding to the points raised by the public submissions.

The Environmental Protection Authority (EPA) is scheduled to complete its recommendations to the Minister in the June 2008 Quarter.

Karara Magnetite

Draft PER documents were submitted to the EPA during the Quarter. Responses have been received from the EPA and other statutory authorities.

The Company is currently preparing the final documents for advertisement to the public and is scheduled to complete these in the March 2008 Quarter.

Strategic Review of the Mid West Banded Iron Formation

During the Quarter the Government handed down its Midwest Strategic Framework review of the mining and biodiversity conservation issues in the Midwest region of Western Australia. The review outlines areas where the Government favours mining development and preferred sites for conservation in the region as well as highlighting further areas for investigation. It also highlights the Karara/Mungada/Blue Hills ranges as having significant biodiversity value as well as significant economic potential.

Gindalbie is working closely with the Government to clarify the implications of the review for the Projects. The Company believes that the PER assessments currently underway are a sound basis for determining the balanced view of environmental conservation, social and economic impacts of the Projects to the State of Western Australia.

The Company continues to seek project development whilst maintaining the areas conservation value by minimising the environmental impact of development, and maximising recovery and rehabilitation of the areas of disturbance associated with the proposed mining projects.

KARARA IRON ORE PROJECT DEVELOPMENT

Numerous planning and implementation activities occurred during the Quarter following completion of Bankable Feasibility Studies (BFS) and acceptance of these BFS documents by both the Gindalbie and Ansteel Boards. The BFS results were reported in the September 2007 Quarterly Report.

Mining

The mining contract tenders were forwarded to prospective bidders in December 2007. Responses and award of the tender is scheduled for the March and June 2008 Quarters.

Water Supply

The second production bore testing at the Mingenew bore field (140km from Karara) was completed which confirmed the suitability of the field to supply the Project's water supply.

Submissions to the Department of Water for extraction licenses are currently in preparation.

Concentrator Design

Conceptional design has been passed to AMDI (Design Institute associated with Ansteel in China) with transfer of all relevant Australian Standards in preparation for conversion of the concept design to detailed design.

All long lead items including Crushers, HPGR's and grinding mills have been bid by prospective suppliers with selection and award due in the March 2008 Quarter.

EPCM Contractor

All tender submissions from prospective EPCM Contractors have been received. Contract award is expected during February 2008. At this time a new Project Office will be established to facilitate the development of the Project.

Rail

The Project's transport study continues.

Heads of Agreement with Westnet were signed on 20 December 2007. Under the Agreement, Westnet and Gindalbie have established a group that will determine the optimal rail transport solution for the Karara Iron Ore Project from Karara to the Geraldton Port.

Port

Negotiations for leases for stock pile sheds to be located behind Berths 5 and 6 at Geraldton Port are well advanced. It is anticipated that the leases will take effect from 1 July 2008. This will allow construction of stockpile storage sheds and conveyors to commence upon the receipt of project environmental approval.

It is also anticipated that the design and location for the transhipment loading facility will be completed in the same period.

Power

Gindalbie (through Karara Energy a 100% owned subsidiary) has secured a long-term power purchase contract with Western Australian electricity utility, Verve Energy, which will underpin the supply of power to the Karara Iron Ore Project. The contract provides for price certainty for the consumption of up to one million megawatt-hours (MWh) of base load power per annum over an initial 15 year period, which is sufficient to meet the power requirements of the Karara Iron Ore Project.

Karara Energy has also registered with Western Australia's Independent Market Operator to operate as a retailer in the WA power market.

In addition, Karara Energy has entered into an Early Undertakings Contract with Western Power to expedite the delivery of planned upgrades of the transmission network between Eneabba and Karara and the new work required to achieve transmission connection at the Project from the South West Interconnected System.

MT MULGINE TUNGSTEN PROJECT (VITAL METALS LTD EARNING UP TO 70%)

Following lengthy delays involving completion of Aboriginal Heritage and Botanical Surveys, with associated Government permitting, drilling has commenced using one drill rig on a 14-hole RC drill program at the Mt Mulgine Project. One of these targets is located within the current limits of the 'Trench' tungsten/molybdenum deposit, with the rest designed to test new prospective areas.

CORPORATE

Cash Reserves

At 31 December 2007, the Company had cash reserves of $51.5 million.

Appointment of Non-Executive Director

During the Quarter the Company appointed Mr Wang Heng to the Board of Gindalbie as a Non-Executive Director. Mr Wang is the General Manager of Ansteel Group International Trade Company and has more than 20 years experience in the steel-making industry in China. He has extensive experience in international trade and logistics and was responsible for planning and managing Ansteel's overseas development and logistic strategies, including establishing its alliance with COSCO China. Mr Wang is also representing Ansteel in the long term contract negotiations with CVRD, Rio Tinto and BHP Billiton.

Proposed Merger with Sundance Resources

In September 2007 Gindalbie announced a proposed merger with Sundance Resources. During the Quarter the Boards of both companies decided not to proceed with the proposed merger. The decisions followed due diligence undertaken by the companies and consideration of feedback received from shareholders of both companies.

Shareholder Information

At 31 December 2007, the Company had 10,695 shareholders and 511,878,850 shares on issue with the Top 20 Shareholders holding 58.0% of the total issued capital.

Yours faithfully
GINDALBIE METALS LTD

GARRET DIXON
Managing Director

Competent Person Compliance Statements

The information in this report that relates to Exploration Results 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.

Appendix 1 – Blue Hills North DTR Results, December 2007 Quarter

Blue Hills North DTR Results – December 2007 Quarter												
Hole ID	From	To	Interval	Recovery	Concentrate Grades				Head Grades			
	(m)	(m)	(m)	(%)	Fe%	SiO_2%	P%	S%	Fe%	SiO_2%	P%	S%
MKC114	74	86	12	25.3	69.6	2.2	0.016	0.006	39.9	37.7	0.082	0.040
MKC115	78	86	8	46.5	69.9	1.3	0.024	0.008	55.7	15.5	0.170	0.066
MKC116	86	150	64	53.3	71.2	1.6	0.013	0.000	49.5	26.0	0.129	0.041
MKC119	72	92	20	18.1	69.0	2.3	0.030	-0.001	49.2	27.3	0.150	0.004
MKC119	92	128	36	53.1	71.0	1.9	0.013	0.004	49.0	25.6	0.123	0.043
MKC120	60	68	8	21.7	69.1	1.0	0.022	0.005	62.5	6.8	0.057	0.010
MKC121	66	94	28	15.0	68.3	3.0	0.031	-0.001	45.4	33.4	0.094	0.008
MKC121	94	138	44	50.1	70.6	2.1	0.008	-0.001	45.5	32.1	0.056	0.018
MKC122	48	80	32	19.0	68.8	3.3	0.014	-0.001	39.4	41.4	0.092	0.015
MKC122	80	92	12	22.3	67.0	5.1	0.015	-0.001	38.9	41.6	0.060	0.025
MKC122	92	120	28	30.0	68.9	3.8	0.012	0.008	35.7	41.4	0.087	0.073
MKC262	30	78	48	36.7	70.1	2.1	0.008	0.008	36.7	42.0	0.086	0.078
MKC263	10	18	8	16.0	65.5	7.7	0.016	0.005	36.2	43.5	0.050	0.009
MKC263	26	42	16	16.1	68.1	4.3	0.012	0.004	38.2	42.1	0.085	0.017
MKC263	42	130	88	42.4	70.9	1.9	0.007	0.003	39.1	38.7	0.095	0.043
MKC264	20	28	8	24.9	68.6	1.7	0.011	0.006	58.1	11.0	0.022	0.007
MKC265	48	64	16	14.4	68.8	2.4	0.026	0.005	46.8	30.0	0.116	0.008
MKC265	64	84	20	52.8	70.9	0.9	0.011	0.004	55.9	13.9	0.189	0.072
MKC266	48	174	126	43.9	70.5	2.2	0.006	0.005	41.8	36.4	0.086	0.022
MKC268	68	124	56	43.7	71.1	1.9	0.008	0.014	43.1	35.1	0.116	0.039
MKC269	60	174	114	46.3	70.7	2.5	0.007	0.005	42.3	36.7	0.086	0.020
MKC273	80	132	52	60.6	70.9	1.1	0.010	0.001	54.7	16.6	0.167	0.017
MKC276	88	120	32	53.0	70.9	1.2	0.005	0.002	50.8	23.6	0.046	0.023
MKC278	60	72	12	54.4	70.0	0.9	0.008	0.004	60.3	9.0	0.143	0.006
MKC278	76	84	8	21.8	70.1	3.3	0.009	0.020	24.9	47.1	0.065	0.135
MKC279	68	174	106	37.0	70.3	2.7	0.007	0.005	39.2	40.4	0.087	0.030
MKC280	32	100	68	37.1	70.4	2.5	0.007	0.004	39.2	40.5	0.090	0.025
MKC281	16	92	76	32.6	70.0	2.7	0.008	0.014	36.8	42.7	0.088	0.046
MKC300	60	68	8	13.5	70.6	2.0	0.016	0.013	35.6	33.2	0.089	0.140
MKC301	56	168	112	42.1	70.5	2.6	0.006	0.006	39.2	40.2	0.078	0.034
MKC303	72	88	16	30.8	69.4	3.2	0.012	0.039	32.3	42.5	0.086	0.137
MKC304	60	164	104	53.6	70.8	2.2	0.010	0.005	48.2	26.9	0.116	0.024
MKC304	164	174	10	19.0	66.9	5.9	0.012	0.060	27.4	40.5	0.070	0.394
MKC305	76	156	80	54.6	71.2	2.0	0.012	0.000	47.3	29.2	0.103	0.028
MKC305	156	168	12	16.5	65.9	6.9	0.012	0.052	25.6	47.4	0.047	0.237
MKC307	84	140	56	60.3	71.1	1.3	0.011	0.001	51.9	20.7	0.145	0.045
MKC330	68	84	16	14.7	69.6	1.5	0.034	-0.001	48.8	27.3	0.136	0.004
MKC330	84	112	28	56.5	71.1	1.1	0.011	-0.001	51.3	23.2	0.132	0.008
MKC330	112	120	8	11.5	68.4	4.0	0.013	0.011	32.0	41.6	0.086	0.160
MKC331	36	56	20	14.4	67.4	5.0	0.013	0.008	40.1	39.4	0.097	0.020
MKC331	56	164	108	39.0	70.4	2.5	0.008	0.003	39.1	40.3	0.083	0.023
MKC331	164	172	8	14.8	68.7	4.2	0.011	0.450	22.1	51.7	0.046	0.290
MKC333	36	112	76	32.8	70.2	2.6	0.007	0.007	38.6	41.1	0.085	0.036
MKC334	20	104	84	37.0	70.6	2.6	0.006	0.018	37.6	41.1	0.091	0.043
MKC356	118	234	116	61.1	70.6	1.7	0.016	0.013	50.8	21.0	0.138	0.062
MKC357	88	168	80	59.4	70.8	1.6	0.011	0.002	50.1	22.9	0.129	0.028
MKC358	92	176	84	59.9	71.1	1.3	0.010	0.003	49.3	23.4	0.155	0.019
MKC359	96	216	120	52.2	71.0	1.9	0.006	0.007	45.2	28.9	0.089	0.039
MKC360	44	56	12	14.6	68.6	2.8	0.021	0.009	36.6	41.4	0.054	0.016
MKC360	56	266	210	40.0	71.1	2.1	0.006	0.003	39.8	39.7	0.080	0.021
MKC361	32	44	12	18.9	69.1	2.9	0.007	0.005	39.3	40.7	0.076	0.014
MKC361	44	60	16	36.7	70.1	2.5	0.008	0.005	37.9	41.8	0.088	0.021
MKC363	34	246	212	42.5	71.0	2.1	0.006	0.004	40.0	39.3	0.080	0.028
MKC364	60	231	171	40.5	70.9	2.4	0.006	0.004	39.3	39.6	0.083	0.040

Appendix 2 –Gully DTR Results, December 2007 Quarter

Prospect Name - Gully												
Hole ID	From (m)	To (m)	Interval (m)	Recovery (%)	Concentrate Grades				Head Grades			
					Fe%	SiO_2%	P%	S%	Fe%	SiO_2%	P%	S%
MGC033	168	200	32	38.2	69.4	2.4	0.020	0.081	40.9	24.9	0.203	2.238
MGC037	84	216	132	56.1	70.8	1.5	0.020	0.077	51.6	14.3	0.249	0.880
MGC038	60	80	20	28.8	68.5	1.0	0.075	0.007	59.9	3.9	0.480	0.025
MGC038	98	180	82	57.6	71.2	1.3	0.017	0.017	49.8	20.0	0.273	0.249

Appendix 3 –Lodestone DTR Results, December 2007 Quarter

Prospect Name - Lodestone												
Hole ID	From	To	Interval	Recovery	Concentrate Grades				Head Grades			
	(m)	(m)	(m)	(%)	Fe%	SiO_2%	P%	S%	Fe%	SiO_2%	P%	S%
LSC001	202	214	12	20.2	67.9	5.4	0.019	1.113	27.2	48.1	0.052	0.405
LSC002	54	70	16	36.1	69.6	3.6	0.011	0.018	34.7	42.3	0.068	0.193
LSC002	70	82	12	13.4	66.5	6.5	0.016	0.125	28.2	45.4	0.068	0.607
LSC002	82	90	8	20.1	68.0	5.4	0.016	0.088	28.7	47.3	0.060	0.410
LSD003	44	92	48	16.9	67.4	5.6	0.022	0.063	27.0	47.3	0.046	0.190
LSD003	116	124	8	14.8	66.0	7.6	0.012	0.383	22.1	51.3	0.050	0.315
LSD003	124	156	32	27.1	64.3	9.7	0.011	0.073	26.7	48.1	0.048	0.239
LSD003	164	172	8	27.5	65.8	7.6	0.010	0.142	27.6	47.4	0.047	0.245
LSD004	52	80	28	14.5	67.5	4.3	0.015	0.010	36.9	41.5	0.038	0.012
LSD004	80	112	32	30.3	66.3	6.2	0.016	0.061	35.6	37.0	0.046	0.285
LSD004	120	172	52	29.3	64.6	8.5	0.023	0.122	32.4	42.1	0.069	0.434
LSD005	84	353	269	36.9	66.7	6.7	0.015	0.058	33.9	43.9	0.063	0.286
LSD007	72	180	108	41.3	64.0	9.6	0.029	0.101	36.1	41.3	0.080	0.040
LSC009	36	68	32	14.1	68.2	3.4	0.020	0.010	31.5	44.2	0.045	0.029
LSC009	68	96	28	33.0	68.5	4.5	0.020	0.083	32.1	45.8	0.049	0.170
LSC009	144	164	20	23.5	66.1	7.0	0.033	0.646	29.1	47.6	0.043	0.242
LSC009	164	188	24	13.4	63.8	9.2	0.046	1.362	25.1	49.0	0.039	0.317
LSC009	188	204	16	31.8	68.4	4.3	0.024	0.398	32.2	44.8	0.050	0.175
LSC009	204	250	46	12.3	63.6	9.9	0.047	1.398	25.5	48.8	0.039	0.296
LSC010	28	40	12	19.8	67.8	5.4	0.011	0.060	28.9	47.7	0.048	0.225
LSC010	52	88	36	23.5	66.5	6.5	0.024	0.227	29.5	46.5	0.065	0.328
LSC010	88	100	12	13.3	63.5	9.0	0.020	2.007	24.9	48.7	0.056	0.523
LSC010	100	112	12	24.6	66.0	6.8	0.021	0.877	28.4	48.1	0.060	0.390
LSC011	98	146	48	34.3	67.9	4.9	0.013	0.238	31.8	44.3	0.069	0.206
LSC012	48	68	20	24.2	69.0	4.1	0.014	0.048	27.7	48.4	0.054	0.256
LSC012	104	248	144	32.9	70.1	3.0	0.015	0.095	32.5	44.7	0.060	0.308
LSC013	28	64	36	22.0	66.0	6.9	0.014	0.054	25.6	48.1	0.034	0.125
LSC013	160	240	80	25.0	68.2	4.5	0.019	0.950	29.5	46.6	0.053	0.367
LSC014	86	94	8	24.4	69.0	4.7	0.011	0.038	26.4	48.8	0.034	0.160
LSC014	94	166	72	14.0	68.0	4.7	0.013	1.048	24.1	49.0	0.032	0.223
LSC016	116	147	31	31.4	66.4	7.5	0.008	0.015	33.9	46.2	0.016	0.083
LSC018	96	248	152	41.9	65.9	8.2	0.017	0.062	35.2	42.7	0.073	0.067

Appendix 4 – Warriedar Joint Venture Drilling Assays

Shine Prospect									
Hole ID	From (m)	To (m)	Interval (m)	Head Grades					
				Fe%	SiO_2%	Al_2O_3%	P%	S%	LOI%
SNC001	6	11	5	58.0	6.3	2.6	0.132	0.026	7.4
SNC001	19	29	10	59.1	6.6	3.4	0.075	0.009	4.9
SNC001	33	40	7	58.3	8.5	1.5	0.072	0.011	6.1
SNC001	47	53	6	61.7	7.2	0.5	0.063	0.006	3.8
SNC001	56	60	4	59.6	8.8	0.4	0.094	0.012	5.2
SNC001	69	82	13	62.1	5.9	0.9	0.084	0.008	4.0
SNC002	59	119	60	62.6	4.4	1.4	0.123	0.011	4.2
SNC004	19	28	9	59.7	6.5	1.9	0.068	0.021	5.7
SNC004	69	75	6	59.8	6.1	0.7	0.174	0.006	6.8
SNC005	55	81	26	63.3	3.3	1.1	0.115	0.004	4.4
SNC007	84	88	4	60.1	2.3	0.9	0.348	0.010	9.5
SNC008	44	69	25	61.6	6.2	1.5	0.054	0.024	3.8
SNC009	68	71	3	63.4	4.8	0.4	0.022	0.026	3.6
SNC009	73	79	6	60.0	8.8	0.7	0.058	0.024	3.7
SNC009	87	91	4	59.1	8.4	0.9	0.069	0.053	5.2
SNC010	92	124	32	62.6	6.3	0.5	0.062	0.010	2.7

Shine Drilling Assays, December 2007 Quarter

Lister Prospect									
Hole ID	From (m)	To (m)	Interval (m)	Head Grades					
				Fe%	SiO_2%	Al_2O_3%	P%	S%	LOI%
LRC002	38	44	6	60.1	5.0	3.4	0.085	0.014	4.7
LRC002	53	70	17	60.4	5.3	3.4	0.068	0.008	3.9
LRC005	51	58	7	60.3	4.7	2.8	0.078	0.055	5.2
LRC008	9	13	4	55.7	9.8	4.5	0.018	0.017	5.6

Lister Drilling Assays, December 2007 Quarter

Gap Prospect									
Hole ID	From (m)	To (m)	Interval (m)	Head Grades					
				Fe%	SiO_2%	Al_2O_3%	P%	S%	LOI%
GPC004	9	16	7	57.3	9.4	4.0	0.055	0.018	4.3

Gap Drilling Assays, December 2007 Quarter