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## STOCK EXCHANGE ANNOUNCEMENT & MEDIA RELEASE

7 November 2006

### APPOINTMENT OF NEW MANAGING DIRECTOR

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The Board of Directors of Gindalbie Metals Ltd (ASX Code: GBG) is pleased to announce the appointment of experienced Australian mining executive, **Mr Garret Dixon**, as Managing Director to lead the development of Gindalbie's world-class Karara Iron Ore Project in Western Australia and continue its growth strategy to become a leading Australian iron ore producer.

By mutual agreement, Mr McSweeney has agreed to step down from his position as Managing Director effective from 18 December 2006.

Mr Dixon is an experienced and accomplished senior executive with extensive experience in the mining, transport and contracting industries, in Australia and overseas. He was most recently Managing Director of integrated road transport company, Mitchell Corp Australia, which specializes in providing value-added bulk logistics solutions in the resources and energy sectors.

Prior to joining Mitchell Corp, Mr Dixon worked with the Henry Walker Eltin Group, one of Australia's largest contract mining companies, for a period of 18 years holding several senior operational and business development positions, culminating in a period of two years as Executive General Manager for HWE Mining.

In this position, Mr Dixon was responsible for all of the Group's surface and underground mining operations in Australia and New Zealand, with annual turnover of more than \$650 million. He played a key role in a Management Buyout proposal for the profitable HWE Mining Australia business, which continued operating throughout the period of HWE's administration from 2005 until its sale to Leighton Contractors in February 2006.

During his career with Henry Walker Eltin, Mr Dixon was also General Manager – Business Development, General Manager – Mining and Construction Manager for the initial development and later expansion of BHP-Billiton's world-class Yandi Iron Ore Mine in the Pilbara region of Western Australia.

Mr Dixon holds a degree in Civil Engineering from Adelaide University and has completed a MBA at the University of Western Australia.

A summary of Mr Dixon's Remuneration is set out in the attached Schedule 1.

In welcoming Mr Dixon's appointment, Gindalbie's Executive Chairman, Mr George Jones, paid tribute to retiring Managing Director, David McSweeney: "David has made a substantial contribution to the Company's development over more than a decade and, over the past two years, has played a key role in initiating the growth strategy to reposition Gindalbie as a diversified Australian iron ore company with a strong growth future."

"On behalf of the Gindalbie Board, I would like to thank David for his efforts and wish him and his family all the best for the future," he added.

Mr Jones said Mr Dixon's appointment coincided with the changing nature of the Company's iron ore business as the Karara Project moved into an intensive development and construction phase.

"Garret's extensive expertise in mining project development and construction, operations management and logistics and supply chain management will be invaluable to the Company as we move into a complex and intensive phase of activity with our partner, Ansteel," Mr Jones commented.

"He will be a strong leader for the corporate, technical and operational team we have assembled to bring the integrated hematite and magnetite stages of the Karara Project into production and realize our growth vision as a leading Australian iron ore company," he added.

For further information regarding the above announcement contact Mr George Jones.

**- ENDS -**

**Released by:**  
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**SCHEDULE 1**  
**KEY TERMS OF SERVICE CONTRACT**  
**MR GARRET DIXON**

***Remuneration Package***

\$500,000 per annum

***Employee Options***

3 million employee options, under the Employee Share Option Plan, on the following terms.

	Number of Options	Vesting Date	Exercise Price	Expiry Date
Tranche 1	500,000	6 July 2007	60 cents	6 November 2011
Tranche 2	1,000,000	6 January 2009	60 cents	6 November 2011
Tranche 3	1,500,000	6 January 2010	60 cents	6 November 2011

The issue of these options is subject to shareholder approval which will be sought as soon as practical after Mr Dixon's appointment.

***Other Key Terms***

3 months notice of termination by the employee

1 months notice of termination by the employer with 12 Months Remuneration Package paid where the termination is a result of redundancy.