



GEORGE JONES STEPS DOWN AS GINDALBIE CHAIRMAN

MR JONES TO REMAIN A NON-EXECUTIVE DIRECTOR

TRANSITION FOLLOWS COMPLETION OF \$162M SHARE PLACEMENT TO ANSTEEL

Gindalbie Metals Limited (ASX: GBG – “Gindalbie”) today announces that Mr George Jones will step down as the Company’s non-executive Chairman, effective from 31 August, 2009.

Mr Jones will remain a non-executive director of Gindalbie, but intends to take a six-month leave of absence, to enable him to focus on completing his rehabilitation from a previous medical operation.

The Board of Gindalbie has announced the appointment of Mr Geoff Wedlock, who has been a non-executive Director since February 2008, as the Company’s non-executive Chairman. Mr Wedlock is a highly experienced mining executive with more than 40 years experience who has had a long association with Mr Jones and with Ansteel.

Mr Wedlock was previously Managing Director of the successful Australian iron ore producer Portman Limited and Executive Vice President and CEO of BHP Iron Ore Pty Ltd, where he was directly involved in the development of four mines, upgrades of two ports and two railways, major infrastructure and the development of iron ore processing plants.

Mr Jones said that while he was sad to relinquish the role of Chairman, it was with a sense of great satisfaction that Gindalbie was now firmly established on a path to build a leading Australian iron ore company with a very strong growth future particularly following the completion this week of the \$162 million share placement to Ansteel.

“Our strategy is firmly in place, we have a world-class asset in the Karara Project, we have a strong partnership with Ansteel, we have funding solutions in place, and we have recently secured key approvals which should see us commence construction later this year,” Mr Jones said. “I am particularly optimistic about the future of the junior iron ore sector subsequent to the merger of the BHP and Rio Tinto iron ore interests.”

“The Company will be extremely well served by Geoff Wedlock as Chairman, who is one of the most experienced and capable mining executives in Australia with many decades of experience in managing major iron ore projects and dealing with financiers, international partners and customers, external parties and governments.”

Gindalbie’s Managing Director, Mr Garret Dixon, said: “On behalf of the Board, management and staff of Gindalbie and the Karara Joint Venture, I would like to take this opportunity to pay tribute to George for his vision, strength, foresight, commitment and hard work while Chairman of Gindalbie over the past four years.”

Mr Wedlock said: “George has put Gindalbie in a formidable position and I look forward to continuing with the firm strategy Gindalbie has in place. I look forward to driving Gindalbie through the construction phase of Karara and the many opportunities beyond that for us to grow into a strong and sizeable company.”

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About Gindalbie Metals Ltd (ASX: GBG)

Gindalbie is well advanced towards achieving its vision of becoming a leading independent Australian iron ore company with a diversified portfolio of magnetite and hematite production assets, located in the Mid West region of Western Australia.

The initial focus of Gindalbie's growth strategy is the Karara Iron Ore Project, located 225km east of Geraldton, where it will deliver initial production of Direct Shipping Ore (DSO) hematite in 2010 to be followed by production of high grade magnetite concentrate and blast furnace quality pellets in 2011. Karara is being developed through a 50:50 Joint Venture with Ansteel, one of China's leading steel and iron ore producers.

Gindalbie's longer term growth will be propelled by the exploration and development of its extensive 1,900 sq km tenement portfolio, which includes numerous prospective magnetite and hematite exploration targets expected to deliver a long-term pipeline of growth opportunities.

About Ansteel

Ansteel is currently China's second-largest steel producer and the biggest iron ore miner. It is the major producer in the north-east region of China, with crude steel production of 35 million tonnes and plans to increase output to approximately 50Mtpa. Ansteel is considered to be one of the country's key growth companies and has strong government support in securing new sources of long-term iron ore supply through international investment.

Ansteel has developed a new integrated iron and steel making facility at Bayuquan, adjacent to the Port of Yingkou, approximately 100km south-west of its current steel making facilities in the city of Anshan. The new facility has the capacity to produce 6.5Mtpa of finished steel products. Once the Karara Project is in production, its products will be the key feed source for Bayuquan. *For further information, visit www.ansteelgroup.com*