

## GINDALBIE APPOINTS NEW MANAGING DIRECTOR AS KARARA PROJECT PREPARES FOR START OF MAGNETITE PRODUCTION

### *Further Board strengthening underway*

Gindalbie Metals (ASX:GBG) is pleased to announce the appointment of experienced international mining executive Mr Tim Netscher as Managing Director and Chief Executive Officer with effect from the end of April, 2011.

Mr Netscher replaces Mr Garret Dixon, who leaves the Company at the end of April 2011 after nearly 5 years as Managing Director. During this time, Mr Dixon has overseen development of the Karara Iron Ore Project in Western Australia to the stage where it is set to ship its first DSO hematite this month and its first magnetite in 2012.

Mr Netscher, who has been a Non-Executive Director of Gindalbie since September 2010, has a long and distinguished record in the resources industry.

He is currently Senior Vice-President for Newmont Mining Corporation's Asia-Pacific region, with responsibility for the operations of six mines in three countries. His employment with Newmont ceases at the end of March, 2011.

Mr Netscher is also a Non-Executive Director of mining products and services company Industrea and a Director of The Minerals Council of Australia.

Mr Netscher's previous positions include Managing Director of Vale Australia (formerly CVRD), Executive Director at QNI Limited when the Company was a publicly-listed subsidiary of BHP Billiton, Executive Director of Jakarta Stock Exchange-listed PT Inco and Executive Director of the Johannesburg-listed Impala Platinum.

Gindalbie Chairman Mr George Jones thanked Mr Dixon for his significant contribution to the development of the Company, which has grown from a WA gold explorer to a world-class iron ore group.

Mr Jones said Mr Netscher's vast experience in major resource projects would be invaluable as Karara entered the final stages of construction and the start of commissioning.

"Tim has worked at the highest levels on some of the most challenging projects in the world, devising and implementing growth and production strategies, installing new technologies and processes and driving efficiency campaigns and marketing initiatives," Mr Jones said.

A summary of Mr Netscher's remuneration is set out in the attached Schedule 1.

Gindalbie is also pleased to announce further strengthening of its Board with the appointment of a new Director and the search for an additional independent non-executive Director well advanced.

Mr Shao An Lin will join as a Non-Executive Director. Mr Shao, whose appointment will take effect from March 15, 2011, has been working for China's Ansteel Group for more than 20 years.

He has a PHD in Mining and has held a host of senior positions in Ansteel's iron ore operation, including Chief Engineer of Dong An Shan Iron Ore Mine, General Manager of Yan Qian Shan Iron Ore Mine and Deputy General Manager of Gong Chang Ling Iron Ore Co.

In 2006, Mr Shao was appointed General Manager of Ansteel Group Mining Company. He is also the President of the Metallurgical Mine Association of China.

Gindalbie Chairman George Jones said the Company was also planning to appoint an additional Independent Non-Executive Director in coming months.

"With these appointments, Gindalbie will have an extremely high-powered Board," Mr Jones said. "The Company and the project will benefit enormously from a wealth of knowledge and experience in constructing and operating major resource projects.

"I am extremely confident that this team will ensure that the final stages of construction and commissioning at Karara will be highly successful, setting up Gindalbie for its next stage of growth."

**ENDS**

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## Schedule 1 Key Terms of Service Contract Mr Tim Netscher

### Remuneration salary and superannuation

\$1,000,000 per annum

### Bonus Payment

Each year the Board has the discretion to pay a bonus to the Managing Director of up to 20% of salary.

### Employee Options

3 million options

	Number of Options	Vesting Date	Exercise Price	Expiry Date
Tranche 1	1,000,000	Agreed Karara project performance hurdles	15% above the 5 business day VWAP prior to shareholder approval	5 years from issue date
Tranche 2	1,000,000	Agreed Karara project performance hurdles	15% above the 5 business day VWAP prior to shareholder approval	5 years from issue date
Tranche 3	1,000,000	Agreed Karara project performance hurdles	15% above the 5 business day VWAP prior to shareholder approval	5 years from issue date

The issue of options is subject to shareholder approval which will be sought as soon as practicable.

Should the Managing Director resign before the achievement of any of the agreed Karara Project performance hurdles, all unvested options will be forfeited.

### Other key terms

- Fixed 2 year contract
- 1 months notice of termination by the Company subject to payment of any outstanding remuneration for the balance of the contract term