



GINDALBIE
METALS LTD

Share Purchase Plan Offer

This document is dated 24 May 2010.

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This is an important document. Please read it carefully before making an investment decision in relation to the SPP Offer.

This document does not provide financial advice and has been prepared without taking into account your particular objectives, financial situation or needs. You should consider the appropriateness of participating in the SPP Offer having regard to your objectives, financial situation and needs. You are encouraged to obtain independent advice before deciding whether to participate in the SPP Offer.

This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or to any person that is, or is acting for the account or benefit of, a "U.S. person" (as defined in Regulation S under the U.S. Securities Act of 1933 (the "U.S. Securities Act") ("U.S. Person")). This document may not be distributed or released in the United States or to, or for the account or benefit of, any U.S. Person. The securities to be issued in the Equity Raising have not been and will not be registered under the U.S. Securities Act, or under the securities laws of any state or other jurisdiction of the United States. Accordingly, the securities to be issued in the Equity Raising may not be offered, or sold, directly or indirectly, within the United States or to, or for the account or benefit of, U.S. Persons, except in a transaction exempt from, or not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state securities laws.

SPP Offer Document

Eligible Shareholders (as defined below) of Gindalbie Metals Ltd (**Gindalbie**) each have the opportunity to participate in the Share Purchase Plan offer (**SPP Offer**) by subscribing for up to \$10,000 of new fully paid ordinary shares in Gindalbie (**New Shares**) at the SPP Offer price without incurring brokerage or other transaction costs. Details of the SPP Offer and how to participate are set out below.

Gindalbie is seeking to raise up to \$20 million under the SPP Offer. Proceeds from the SPP Offer will be capped at \$20 million and Gindalbie will scale back applications on a pro rata basis if they exceed \$20 million in aggregate.

On 13 May 2010, the Company announced its intention to undertake a capital raising to raise between \$175 million and \$206.4 million, which will comprise:

- a placement to selected eligible sophisticated and professional investors of 120,215,054 Shares at an offer price of \$0.93 per Share to raise \$111.8 million (**Institutional Placement**);
- a placement to Angang Group Hong Kong (Holdings) Limited (**Angang HK**), a wholly owned subsidiary of Anshan Iron and Steel Group Corporation, or its nominee of the number of Shares required for Angang HK to maintain its current 36.12% shareholding in Gindalbie following completion of the Institutional Placement and the SPP at an issue price of \$0.93 per Share, to raise between \$63.2 million and \$74.6 million (**Angang Placement**); and
- the SPP Offer,

(together, the **Equity Raising**).

The Institutional Placement will be managed jointly by Goldman Sachs JBWere Pty Ltd, Southern Cross Equities Limited and UBS AG, Australia Branch (the **Joint Lead Managers**).

The proceeds of the Equity Raising will be utilised as follows:

- \$61 million to fund Gindalbie's 50% share of the construction cost shortfall based on the revised Project Construction Cost Estimate for the Karara Iron Ore Project, further details of which were announced to ASX on 5 and 13 May 2010;
- \$107.5 million to fund Gindalbie's equity share of the \$430 million working capital requirements for the Karara Iron Ore Project, further details of which were announced to ASX on 5 and 13 May 2010; and
- approximately \$6.5 million to cover fees, all legal expenses and other costs associated with the Equity Raising.

Any surplus funds will be used to strengthen Gindalbie's cash resources to underpin future growth opportunities for the Karara Project.

The SPP Offer provides Eligible Shareholders (as defined below) with an opportunity to participate in the Equity Raising by Gindalbie at the same issue price as under the Institutional Placement and Angang Placement.

Conditionality of the SPP Offer

Completion of the SPP Offer and the issue of any New Shares under the SPP Offer is conditional on:

- Gindalbie obtaining a waiver of ASX Listing Rule (**Listing Rule**) 10.13.3 in respect of the Angang Placement (**Waiver**);

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- a resolution of the shareholders of Gindalbie being passed to approve the issue of Shares under the Angang Placement for the purposes of Listing Rule 10.11 (contained in Gindalbie's Notice of Meeting dated 17 May 2010);
- a resolution of the shareholders of Gindalbie being passed to approve the issue of Shares under the Institutional Placement for the purposes of Listing Rule 7.1 (contained in Gindalbie's Notice of Meeting dated 17 May 2010); and
- a resolution of the shareholders of Gindalbie being passed to approve the security arrangements in relation to the Karara Project for the purposes of Listing Rule 10.1 (contained in Gindalbie's Notice of Meeting dated 5 May 2010),

(together, the **Conditions**).

Completion of the allotment and issue of Shares under the SPP Offer is dependent on completion of the allotment and issue of Shares under the Institutional Placement, so that completion of the SPP Offer can not occur unless completion of the Institutional Placement also occurs.

ASX has granted the Waiver. Gindalbie shareholders will be asked to vote on the resolution mentioned above to approve the Karara Project security arrangements at an Extraordinary General Meeting scheduled to be held on Wednesday, 16 June 2010. Gindalbie shareholders will be asked to vote on the resolutions mentioned above to approve the Institutional Placement and the Angang Placement at an Extraordinary General Meeting scheduled to be held on Monday, 28 June 2010.

If Gindalbie shareholders do not pass any of the above resolutions or completion of the Institutional Placement does not occur, the SPP Offer will be terminated and all application monies will be refunded.

The Institutional Placement and Angang Placement are also subject to the above Conditions and, in addition, the Angang Placement is conditional on completion of the Institutional Placement and certain regulatory approvals being obtained. If the Conditions are satisfied, the Institutional Placement and the SPP Offer are expected to complete on 1 July 2010.

SPP Offer key dates

| Event | Date |
|--|---|
| Record date | 5.00pm (Perth time) Monday, 17 May 2010 |
| Offer opens | Wednesday, 26 May 2010 |
| Offer closes | 5.00pm (Perth time) Wednesday, 16 June 2010 |
| Allotment date | Thursday, 1 July 2010 |
| Trading date | Thursday, 1 July 2010 |
| Dispatch of confirmations of allotment | Thursday, 8 July 2010 |

Note: Gindalbie has the discretion to alter these key dates

Who is an Eligible Shareholder?

You are eligible to participate in the SPP Offer (an **Eligible Shareholder**) if you were a registered holder of fully paid ordinary Gindalbie shares (**Shares**) at 5.00pm (Perth time) on Monday, 17 May 2010 (the **Record Date**) with an address on the share register in Australia or New Zealand, provided that you are not in the United States, and are not a U.S. Person (as defined below), and are not acting for the account or benefit of a U.S. Person, subject to the terms and conditions of the SPP Offer. Gindalbie has determined that it is not practical for holders of Shares with addresses on the share register in other jurisdictions to participate in the SPP Offer. See "Foreign securities restrictions" below for more information on restrictions on participation.

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How much can Eligible Shareholders apply for under the SPP Offer?

Each Eligible Shareholder may participate in the SPP Offer by applying for one of the following amounts of New Shares, from a minimum of \$500 worth of New Shares up to the maximum of \$10,000 worth of New Shares (subject to scale back and rounding) (**Share Parcels**):

| | | | | | |
|-------|---------|---------|---------|---------|----------|
| \$500 | \$1,000 | \$2,500 | \$5,000 | \$7,500 | \$10,000 |
|-------|---------|---------|---------|---------|----------|

Participation by Eligible Shareholders

The following rules apply to participation by Eligible Shareholders in the SPP Offer:

Single holders – If you are the registered holder of Shares and you receive more than one offer under the SPP Offer (for example, due to multiple registered holdings, including joint holdings), you may only apply for up to \$10,000 of New Shares in total.

Joint holders – If you are recorded with one or more other persons as the joint holder of Shares, that joint holding is considered to be a single registered holding for the purpose of the SPP Offer and a certification given by any of the joint holders is taken to be a certification given by all of them. A joint holder who receives more than one SPP Offer due to multiple registered holdings (including both sole and joint holdings), may only apply for up to \$10,000 of New Shares in total.

Custodians – The SPP Offer also enables Eligible Shareholders who hold Shares as a "custodian" to participate in the SPP Offer on behalf of each beneficiary on whose behalf the custodian is holding Shares up to a maximum amount of \$10,000 of New Shares for each beneficiary.

Under ASIC Class Order [CO 09/425] (and any relevant applicable ASIC relief) you are a custodian if:

- you hold an Australian financial services licence that:
 - covers the provision of a custodian or depository service; or
 - includes a condition requiring the holder to comply with the requirements of ASIC Class Order [CO 02/294]; or
- you are exempt under:
 - paragraph 7.6.01(1)(k) of the Corporations Regulations 2001; or
 - ASIC Class Order [CO 05/1270] to the extent that it relates to ASIC Class Order [CO 03/184]; or
 - paragraph 911A(2)(h) of the Corporations Act 2001 (Cth) (**Corporations Act**),
from the requirements to hold an Australian financial services licence for the provision of a custodial or depository service; or
- you are a trustee of a:
 - self-managed superannuation fund as defined in section 17A of the Superannuation Industry (Supervision) Act 1993; or
 - superannuation master trust as defined in ASIC Class Order [CO 09/425]; or
- you are a responsible entity of an IDPS-like scheme (as defined in ASIC Class Order [CO 02/296]); or

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- you are the registered holder of Shares and are noted on the register of members of Gindalbie as holding the Shares on account of another person.

If a custodian holds Shares jointly on behalf of 2 or more persons, the \$10,000 limit applies jointly in relation to those persons as if the custodian held the Shares on behalf of a single person, and the custodian is taken to have been instructed to apply for New Shares on behalf of those persons if the custodian has received such an instruction in accordance with the terms on which the Shares are held, or if the terms do not cover the giving of instructions of this kind, the custodian has received such an instruction from any of those persons.

Custodians wishing to participate on behalf of one or more beneficiaries must submit a custodian certificate to Gindalbie. If you are a custodian, please contact Gindalbie's share registry, Advanced Share Registry Ltd (**Share Registry**), to obtain further information on how to apply and the form of certification to be given to Gindalbie (see below for contact details for the Share Registry). **Do not return the enclosed Application Form if you wish to apply as a custodian.**

Eligible Shareholders who hold Shares in the capacity of a trustee or a nominee (or in another capacity) for another person but who are not a custodian (as defined above) cannot participate for beneficiaries in the manner outlined above. In this case, the rules for "Single holders" (above) apply.

Custodians must not distribute any documents relating to the SPP Offer to any person in the United States or to any U.S. Person (as defined below).

See "Foreign securities restrictions" below for more information on restrictions on participation.

How to apply for New Shares under the SPP Offer

The SPP Offer opens on Wednesday, 26 May 2010 and under the SPP Offer you may apply for New Shares from a minimum of \$500 up to the maximum of \$10,000 within the nominated Share Parcels.

If you are an Eligible Shareholder and wish to apply for New Shares under the SPP Offer, you can either:

- complete the enclosed Application Form and return it together with your cheque, bank draft or money order made payable to "Gindalbie Metals Limited - SPP Account" drawn on an Australian bank and in Australian dollars, by post to the Share Registry such that your application and payment are received no later than 5.00pm (Perth time) on Wednesday, 16 June 2010; or
- for Eligible Shareholders with an Australian bank account, make a BPAY^{®1} payment on the internet or by telephone banking by using the personalised customer reference number shown on your Application Form which is required to identify your holding. If you make your payment using BPAY, you do not need to return your Application Form, but are taken to make the certifications and representations described in this booklet and on the Application Form. If applying by BPAY, you need to ensure your payment is received by the Share Registry by no later than 5.00pm (Perth time) on Wednesday, 16 June 2010. Applicants should be aware that their own financial institution may implement early cut off times with regards to electronic payment, and therefore should take this into consideration when making payment. It is the responsibility of the applicant to ensure that funds submitted through BPAY are received by the close of the SPP Offer.

Custodians wishing to apply on behalf of one or more beneficiaries should contact the Share Registry for more details (see below for contact details for the Share Registry). If you wish to apply as a custodian, an alternative form will be provided if requested by you for this purpose.

¹ © registered to BPAY Pty Limited ABN 69 079 137 518.

Applicants should not forward cash. Receipts for payment will not be issued. Applications will not be accepted at the Share Registry's or Gindalbie's offices.

Applications and payments must be received by 5.00pm (Perth time) on Wednesday, 16 June 2010. Applications and payments received after that time will not be accepted.

Applications may only be made for parcels of New Shares in accordance with the nominated Share Parcel amounts up to the maximum of \$10,000. If the amount of the cheque, bank draft or money order tendered with your Application Form or your BPAY payment is:

- less than \$500 – Gindalbie will not allot any New Shares to you and will refund your application money to you;
- greater than \$10,000 – subject to scale back (and satisfaction of the Conditions and completion of the Institutional Placement), Gindalbie will allot \$10,000 of New Shares to you at the SPP Offer price and will refund the excess application money to you; or
- for an amount between \$500 and \$10,000 that is not a nominated Share Parcel amount – subject to scale back (and satisfaction of the Conditions and completion of the Institutional Placement), Gindalbie will allot to you the number of New Shares that would have been allotted had you applied for the nominated Share Parcel that is nearest to but less than the amount of your payment, and will refund the excess application money to you.

If your cheque does not clear, your application will not be accepted and you agree to be responsible for any dishonour fees or other costs incurred. If your cheque is dishonoured, it will not be re-presented.

If your Application Form is incomplete, contains errors or is otherwise invalid or defective, Gindalbie may, in its sole discretion, accept, reject, correct or amend your application, issue such number of New Shares to you as it determines, refund your application money, or take any combination of these actions. Any refund will be paid to you shortly after the allotment of New Shares under the SPP Offer or, in the event the Conditions are not satisfied or the Institutional Placement is not completed, shortly after Gindalbie has confirmed that has occurred. No interest will be paid to applicants on any refunded money.

Any application monies refunded by Gindalbie will be paid by cheque or such other payment method as determined by Gindalbie in its absolute discretion in Australian currency.

Applications and payments under the SPP Offer may not be withdrawn once they have been received by Gindalbie. Application money will not bear interest as against Gindalbie under any circumstances. Please read the enclosed SPP Offer Application Form for further details of how to apply for New Shares under the SPP Offer.

Participation is optional

Participation in the SPP Offer is entirely optional (subject to the eligibility criteria set out in this document). The offer to acquire New Shares is not a recommendation. If you are in any doubt about the SPP Offer, whether you should participate in the SPP Offer or how participation will affect you, you should consider seeking independent financial and taxation advice before making a decision as to whether or not to apply for New Shares under the SPP Offer. Gindalbie also recommends that you monitor Gindalbie's announcements to ASX and the Gindalbie Share price, which can be found on Gindalbie's website at www.gindalbie.com.au or in the financial pages of major Australian metropolitan newspapers, or on the Australian Securities Exchange (**ASX**) website at www.asx.com.au (ASX code: GBG). If you do not wish to participate in the SPP Offer, you do not need to do anything.

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Applications may be scaled back

Gindalbie is seeking to raise up to \$20 million under the SPP Offer. Proceeds from the SPP will be capped at \$20 million and Gindalbie will scale back applications on a pro rata basis if they exceed \$20 million in aggregate.

If there is a scale back you may receive less than the parcel of New Shares for which you have applied. If a scale back produces a fractional number of New Shares when applied to your parcel, the number of New Shares you will be allocated will be rounded up to the nearest whole number of New Shares.

In the event of a scale back, the difference between the application monies received, and the number of New Shares allocated to you multiplied by the SPP Offer price, will be refunded to you.

Offer price

Under the SPP Offer, Eligible Shareholders have an opportunity to subscribe for up to \$10,000 of New Shares at the SPP Offer price, \$0.93, being the issue price under the Institutional Placement and Angang Placement. The price represented a discount of approximately 25% to the volume weighted average price for Gindalbie's Shares on ASX over the 30 days preceding the trading halt on 13 May 2010.

You should note that Gindalbie's Share price may rise or fall between the date of this SPP Offer document and the date when the New Shares are allotted and issued to you under the SPP Offer. This means that the price you pay per New Share pursuant to this SPP Offer document may be either higher or lower than the Gindalbie Share price at the date the New Shares are issued and allotted to you under the SPP Offer. Please refer to the information under "Participation is optional" about how to monitor current trading prices of Gindalbie Shares.

Calculation of the number of New Shares to be issued to you

In the absence of scale back (or any of the circumstances specified on page 5 under "How to apply for New Shares under the SPP Offer"), the number of New Shares to be issued to you will be calculated by dividing the application money that you pay by the SPP Offer price, with any resulting fractions of a New Share being rounded up to the nearest whole number of New Shares.

Allotment and trading dates

Subject to the satisfaction of the Conditions and completion of the Institutional Placement, New Shares are expected to be allotted under the SPP Offer on Thursday, 1 July 2010 and are expected to commence trading on ASX on Thursday, 1 July 2010.

Gindalbie expects to dispatch a confirmation of allotment in respect of any New Shares allotted to you under the SPP Offer on Thursday, 8 July 2010. You should confirm your holding before trading in any New Shares you believe have been allotted to you under the SPP Offer.

Foreign securities restrictions

To the extent that you hold Shares on behalf of another person resident outside Australia or New Zealand, it is your responsibility to ensure that any participation complies with all applicable foreign laws.

In particular, the New Shares to be issued under this SPP Offer have not been, and will not be, registered under the U.S. Securities Act of 1933 (the **U.S. Securities Act**), or the securities laws of any state or other jurisdiction of the United States.

In order to comply with relevant securities laws, the New Shares to be issued under this SPP Offer may not be offered, sold, or otherwise transferred to shareholders located in the "United States" or to shareholders who are, or who are acting for the account or benefit of, "U.S. persons". As used herein, the terms "United States" and "U.S. persons" are as defined in Regulation S under the U.S. Securities Act (**United States** and **U.S. Person**, respectively).

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Because of these legal restrictions, you must not send copies of this document or any other material relating to the SPP Offer to any person in the United States or who is, or is acting for the account or benefit of, a U.S. Person.

Consistent with the warranties contained in this document and the Application Form included with this document, you may not submit any completed Application Forms for or on behalf of any person in the United States or who is, or is acting for the account or benefit of, a U.S. Person. Failure to comply with these restrictions may result in violations of applicable securities laws.

The New Shares are not being offered or sold to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of New Shares is being made in reliance on the Securities Act (Overseas Companies) Exemption Notice 2002 (New Zealand).

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Securities Act 1978 (New Zealand). This document is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

Acknowledgements

By making payment (including through BPAY) or returning an Application Form or custodian application form, you certify, acknowledge, warrant and represent as true, correct and not misleading to Gindalbie that:

- you have read and accepted the terms and conditions in this booklet in full;
- you declare that all details and statements in your application are true and complete and not misleading;
- your application, on the terms and conditions of the SPP Offer set out in this booklet (including the Application Form and custodian application form), will be irrevocable and unconditional (that is, it cannot be withdrawn);
- as at 5.00pm (Perth time) on 17 May 2010, you are recorded on Gindalbie's Share register as being a registered holder of Shares and having an address in Australia or New Zealand and are, therefore, an Eligible Shareholder;
- if you have a registered address in New Zealand, you continue to hold Shares as at opening of the SPP Offer on Wednesday, 26 May 2010;
- you, and each person for whose account or benefit you are acting, are not in the United States and are not a U.S. Person, and are not acting for the account or benefit of a U.S. Person;
- you acknowledge that the New Shares have not, and will not be, registered under the U.S. Securities Act or the securities laws of any state or other jurisdiction of the United States, and accordingly, the New Shares may not be offered, sold or otherwise transferred except in a transaction exempt from, or not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws;
- you represent that you have not, and you agree that you will not, send any materials relating to the SPP Offer to any person in the United States or to any person who is, or is acting for the account or benefit of, a U.S. Person;
- if you are applying on your own behalf (and not as a custodian):
 - the total of the application price for the following does not exceed \$10,000:
 - the New Shares the subject of the application; and

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- any other New Shares applied for by you under the SPP Offer or issued to you under any similar arrangement in the 12 months before the application (Note: Gindalbie has not conducted a similar arrangement in the prior 12 months); and
- any other New Shares which you have instructed a custodian to acquire on your behalf under the SPP Offer; and
- any other Shares issued to a custodian in the 12 months before the application as a result of an instruction given by you to the custodian or another custodian to apply for Shares on their behalf under an arrangement similar to the SPP Offer which resulted in you holding beneficial interests in the Shares (Note: Gindalbie has not conducted a similar arrangement in the prior 12 months);
- if you are a custodian and are applying on behalf of one or more beneficiaries on whose behalf you hold Shares:
 - you are custodian (as that term is defined in ASIC Class Order [CO 09/425]);
 - either or both of the following:
 - you held Shares on behalf of one or more persons that were not custodians (each a **participating beneficiary**) (**Direct Holding**);
 - that another custodian (**downstream custodian**) holds beneficial interests in Shares on behalf of one or more persons (each a **participating beneficiary**), and you hold the Shares to which those beneficial interests relate on behalf of the downstream custodian or another custodian (**Downstream Holding**),at 5.00pm (Perth time) on Monday, 17 May 2010, and that each participating beneficiary has subsequently instructed you (in respect of a Direct Holding) and/or the downstream custodian (in respect of a Downstream Holding) to apply for New Shares on their behalf under the SPP Offer;
- there are no participating beneficiaries in respect of which the total of the application price for the following exceeds \$10,000:
 - the New Shares applied for by you on their behalf under the SPP Offer in accordance with the instructions referred to above; and
 - any other Shares issued to you in the 12 months before the application as a result of an instruction given by them to you or to a downstream custodian to apply for Shares on their behalf under an arrangement similar to the SPP Offer (Note: Gindalbie has not conducted a similar arrangement in the prior 12 months); and
- you certify the additional matters or provide the additional information as might be required under or desirable as a result of any ASIC relief in relation to the SPP Offer as advised to you by Gindalbie or the Share Registry before close of the SPP Offer;
- you may be offered New Shares pursuant to the SPP Offer in accordance with all applicable laws, and any acceptance by you on your own behalf or in respect of any person for which you are acting complies with all applicable laws;
- you accept the risk associated with any refund that may be dispatched to you by cheque or other payment method to your address shown on Gindalbie's register;

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- you are responsible for any dishonour fees or other costs Gindalbie may incur in presenting a cheque for payment which is dishonoured;
- you agree to be bound by the provisions of the constitution of Gindalbie (as amended and as they may be amended from time to time in the future);
- you authorise Gindalbie and their affiliates, officers and representatives to do anything on your behalf necessary for New Shares to be issued to you in accordance with these terms and conditions;
- you authorise Gindalbie (and its officers and agents) to correct minor or easily rectified errors in, or omissions from, your application and to complete the application by the insertion of any missing minor detail; and
- Gindalbie may at any time irrevocably determine that your application is valid in accordance with these terms and conditions, even if the application is incomplete, contains errors or is otherwise defective.

Additional information

The offer to purchase New Shares under the SPP Offer is non-renounceable. This means that you cannot transfer your right to purchase New Shares under the SPP Offer to anyone else.

No brokerage, commission or other transaction costs are payable by you in respect of the issue of New Shares under the SPP Offer.

All New Shares issued under the SPP Offer will rank equally with existing Shares from the date of issue, and therefore will carry the same voting rights, dividend rights and other entitlements as existing Shares.

This offer of New Shares under the SPP Offer is made in accordance with ASIC Class Order [CO 09/425] and, or, any amending or further applicable modifications of the Corporations Act by ASIC. As a consequence, Gindalbie is relieved from the requirement to prepare a prospectus for the offer of New Shares under the SPP Offer.

Once submitted, applications for New Shares under the SPP Offer cannot be withdrawn or altered.

Gindalbie reserves the right to waive strict compliance with any provision of these terms and conditions, to amend or vary these terms and conditions and to suspend or terminate the SPP Offer at any time (including in the event that the Conditions have not been satisfied or the Institutional Placement is not completed). Any such amendment, variation, suspension or termination will be binding on all shareholders even where Gindalbie does not notify you of that event.

Gindalbie reserves the right not to issue New Shares or to issue New Shares to a value less than that applied for under the SPP Offer by an Eligible Shareholder (including a custodian applying on behalf of its beneficiaries) if Gindalbie believes that the issue of those New Shares would contravene any law or the ASX Listing Rules.

If the SPP Offer is terminated before the issue of New Shares (including in the event that the Conditions have not been satisfied or the Institutional Placement is not completed), all application monies will be refunded. No interest will be paid on any money refunded to you.

Gindalbie may make determinations in any manner it thinks fit, including in relation to any difficulties, anomalies or disputes which may arise in connection with or by reason of the operation of the SPP Offer, whether generally or in relation to any participant or application. Any determinations by Gindalbie will be conclusive and binding on all Eligible Shareholders and other persons to whom the determination relates. Gindalbie's rights may be exercised by its board of directors or any delegate of the board.

All amounts are in Australian dollars, unless otherwise stated.

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The SPP Offer is governed by the law in force in Western Australia. By applying for New Shares under the SPP Offer, you submit to the non-exclusive jurisdiction of the courts of Western Australia.

For details regarding Gindalbie's privacy policy and how your personal information is managed, please visit www.gindalbie.com.au and click the "Legal" link.

The SPP Offer will not be underwritten.

Further information

If you have any questions in respect of the SPP Offer, please visit the Company's website at www.gindalbie.com.au or call the Share Registry, Monday to Friday, 8.00am - 5.00pm (Perth time) on +61 8 9389 8033.

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ADDRESS ETC

Securityholder Reference Number:

Sub Register:

Record Date: 5.00pm WST 17 May 2010
 Date of which offer closes: 5.00pm WST 16 June 2010

SHARE PURCHASE PLAN APPLICATION FORM

IMPORTANT:

This is an important document, which requires your immediate attention. If you are in any doubt as to how to deal with this form please consult a professional adviser. Pursuant to the terms and conditions of the Gindalbie Metals Limited (**Gindalbie**) Share Purchase Plan (**SPP**) contained in the offer document released to ASX and dated 24 May 2010 (**SPP Offer Document**), Gindalbie is offering eligible security holders the opportunity to purchase fully paid ordinary shares in Gindalbie (**Shares**) up to a maximum value of A\$10,000 per eligible security holder, subject to a minimum application of A\$500 and the alternatives set out below.

If you do not wish to purchase additional Shares under this offer there is no need to take action.

Custodians should not use this form to apply for multiple parcels of shares on behalf of distinct beneficiaries. To apply for Shares on behalf of distinct beneficiaries, custodians must obtain a separate custodian certificate/form from Gindalbie's share register, Advanced Share Registry Ltd (**ASW**). Custodians must comply with the requirements of ASIC Class Order 09/425 and provide evidence satisfactory to Gindalbie of the distinct holdings when accepting the offer. Each beneficial holder on whose behalf a custodian submits an application, must be named in the custodian certificate/form and must not be in the United States or a "U.S. person" (as defined in Regulation S under the U.S. Securities Act of 1933, as amended (**Securities Act**) (**U.S. Person**) and not acting for the account or benefit of a U.S. Person and you certify that you have not sent any offering materials relating to the SPP to any such person.

Certifications

By making your payment, you agree to be bound by the Constitution of Gindalbie and the terms and conditions of the SPP and that the submission of this payment constitutes an irrevocable offer by you to Gindalbie to subscribe for Shares on the terms of the SPP. In addition, by submitting this Application Form or making your payment via **BPay**, you:

- certify that, in accordance with ASIC Class Order [CO 09/425], the aggregate of the application price paid for the following does not exceed A\$10,000:
 - the Shares the subject of this Application Form or the **BPay** payment; and
 - any other Shares applied for by you under the SPP or any similar arrangement in the 12 months prior to the date of submission of this Application Form or the making of the **BPay** payment (including any Shares which you have instructed a custodian to acquire on your behalf under this SPP or in the 12 months prior to the date of submission of this Application Form or the making of the **BPay** payment under any other share purchase plan or similar arrangement);
- you are not in the United States and are not a U.S. Person and are not acting for the account or benefit of a U.S. Person and you have not sent any offering materials relating to the SPP to any such person;
- you make the certifications, acknowledgments, warranties and representations set out in the SPP Offer Document; and
- you acknowledge that you have read and understood the terms and conditions of the SPP as set out in the SPP Offer Document and this Application Form including that the SPP is subject to the "Conditions" (as defined in the SPP Offer Document).

METHOD OF ACCEPTANCE

You can apply for Shares and make your payment utilising one of the payment options detailed overleaf. Gindalbie may make determinations in any manner it thinks fit, including in relation to any difficulties, anomalies or disputes which may arise in connection with or by reason of the operation of the SPP, whether generally or in relation to any participant or application. Any determinations by Gindalbie will be conclusive and binding on all eligible security holders and other persons to whom the determination relates. Gindalbie reserves the right to waive strict compliance with any provision of the terms and conditions of the SPP, to amend or vary these terms and conditions and to suspend or terminate the SPP at any time (including in the event that the conditions in the SPP Offer Document have not been satisfied). Any such amendment, variation, suspension or termination will be binding on all eligible security holders even where Gindalbie does not notify you of that event.

This offer is Non-Renounceable. No Signature is required
Applications can only be accepted in the name printed on this form

Please see overleaf for Payment Options

Gindalbie Metals Limited
 ABN 24 060 857 614



Billor Code: #XXXXX
Ref No: #XXXXXXXXXX

Offer A (\$500) OR Offer B (\$1000) OR Offer C (\$2500) OR Offer D (\$5000) OR Offer E (\$7500) OR Offer F (\$10,000)

These share amounts may be subject to scale back in accordance with terms of the SPP.

Payment details:

| Drawer | Cheque number | Branch or BSB | Account number | Amount |
|--------|---------------|---------------|----------------|------------|
| | | | | A\$ |

Make your cheque or bank draft payable to "Gindalbie Metals Limited - SPP Account"

Contact Details Please provide your contact details in case we need to speak to you about this Application Form

Name of contact person

Contact person's daytime telephone number

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES OR TO US PERSONS

For personal use only

How to accept the Share Purchase Plan Offer

Payment Details

You can apply for Shares by utilising the payment options detailed below. There is no requirement to return this Application Form if you are paying by electronic means.

By making your payment using either electronic means or by cheque, bank draft or money order, you confirm that you agree to all of the terms and conditions of the SPP as set out in the SPP Offer Document and this Application Form.

Your cheque, bank draft or money order must be made payable to "Gindalbie Metals Limited - SPP Account", expressed in Australian currency and crossed "Not Negotiable". Your cheque or bank draft must be drawn on an Australian branch of a financial institution. Please ensure you submit the correct amount. Incorrect payments will result in your application being dealt with as set out in the SPP Offer Document. Complete cheque details in the boxes provided in the Application Form.

Cheques may be processed on the day of receipt and as such, sufficient cleared funds must be held in your account as cheques returned unpaid may not be re-presented and may result in your application being rejected. Paperclip (do not staple) your cheque(s) to this Application Form. Cash will not be accepted. A receipt for payment will not be forwarded.

Contact Details

Enter the name of a contact person and telephone number. These details will only be used in the event that ASW has a query regarding this Application Form.

Applying for Shares

You may apply for Shares under the SPP by making your payment by **BPay**. If you pay via **BPay**, you do not need to return this Application Form. Your **BPay** reference number is quoted below and is unique to the SPP. Your payment must be received by no later than 5.00pm WST on 16 June 2010. Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment, and should therefore take this into consideration when making payment. It is the responsibility of the applicant to ensure that funds submitted through BPay are received by this time.

You may also apply for Shares by completing this Application Form and paying by cheque, bank draft or money order. Your Application Form, together with your cheque, bank draft or money order, must be posted to the address below and received by ASW no later than 5.00pm WST on 16 June 2010. You should allow sufficient time for this to occur. You will need to affix the appropriate postage. Return your Application Form with cheque, bank draft or money order attached.

Neither ASW nor Gindalbie accepts any responsibility if you lodge the Application Form at any other address or by any other means.

Privacy Statement

Personal information is collected on this form by ASW, as registrar for securities issuers (**the issuer**), for the purpose of maintaining registers of security holders, facilitating distribution payments and other corporate actions and communications. Your personal information may be disclosed to our related bodies corporate, to external service companies such as print or mail service providers, or as otherwise required or permitted by law. If you would like details of your personal information held by ASW, or you would like to correct information that is inaccurate, incorrect or out of date, please contact ASW. In accordance with the Corporations Act 2001, you may be sent material (including marketing material) approved by the issuer in addition to general corporate communications. You may elect not to receive marketing material by contacting ASW. You can contact ASW using the details provided on the front of this form.

If you have any enquiries concerning this Application Form or your entitlement, please contact ASW on +61 8 9389 8033.

This form may not be used to notify your change of address. For information, please contact ASW on +61 8 9389 8033 or visit www.advancedshare.com.au (certificated/issuer sponsored holders only). **CHESS holders must contact their Controlling Participant to notify a change of address.**



By Telephone & Internet Banking –Bpay

Call your bank, credit union or building society to make this payment from your cheque or saving account. More info: www.bpay.com.au

By Mail

Gindalbie Metals Limited
Advanced Share Registry Ltd
PO Box 1156, Nedlands
Western Australia 6909