

2016 ANNUAL GENERAL MEETING – CHAIRMAN’S ADDRESS

Dear Shareholders,

It is a pleasure to extend a warm welcome to the 23rd Annual General Meeting of Gindalbie Metals Ltd. The Financial Statements along with the Directors Report have been issued for review and I shall take them as read. Before discussing the performance of Gindalbie, I would like spend a short time reflecting on the Industry environment in which we operate.

1.0 INDUSTRY ENVIRONMENT

The period between 2004 to 2012 saw unprecedented growth in the resources sector driven primarily by massive increases in the demand for steel making minerals in China. Over the past four years the sector has transitioned from project construction and expansion to a focus on operations and cost reduction. Softer commodity prices in the bulk commodities are both a function of increased supply and the slowdown of demand growth in China. However, demand from China remains strong. In 2010, Western Australia’s share of the iron ore market in China was 43.5% or 270 million tonnes, in 2015 it was 64%, which equates to 607 million tonnes.

Over the past year we have seen a resurgence in the price of both thermal and coking coal and the doom scenario in iron ore has not eventuated. The iron ore price has remained in the US\$ 55-65 per tonne region with recent price gains showing strong pricing support at those levels.

We are also seeing new shoots of life across the broader resources industry with increasing attention being paid to base metals such as copper, zinc, nickel and cobalt. A supply deficit in at least some of these minerals is looking increasingly likely driven by historically low levels of exploration combined with the closure of many large mines around the world.

New technologies, especially in renewables and battery manufacture will also have a profound effect on our industry. We do, however, temper excitement for these technologies with careful analysis of future supply and demand fundamentals.

2.0 KARARA

The past two years have seen a substantial shift in the activities of Gindalbie. We retain our investment in Karara which continues to actively pursue cost reductions and efficiencies under the guidance of Ansteel. Ansteel has continued to support Karara with management, technical and financial support and without which, the Project would not survive.

3.0 FUTURE PLANS

With the transition of management control within Karara, our involvement in the Karara project is now as an investor rather than manager and our primary focus is on maximising the value of our remaining cash assets.

Given Gindalbie’s long history in the mining sector, the Board intends to retain our focus in the sector and we are looking at a range of investment opportunities in which we may participate. As part of our focus on business development during 2015/16, we have restructured our business, significantly reduced overheads, shifted our offices and have appointed a new CEO. The board

and executive have engaged in a significant strategic planning process and as part of the implementation of our new strategic direction we are now actively seeking and assessing investment opportunities.

Gindalbie's cash assets provide a strong platform to allow the company to acquire assets and to then add value through the feasibility process without the need for further equity or debt, following careful strategic analysis we believe that this is the best path to create long term value uplift for all our shareholders.

Gindalbie is currently conducting in-depth due diligence on a shortlist of projects, primarily in the base metals sector, located in low-sovereign risk jurisdictions. Discussions with parties are ongoing and at a relatively advanced stage. We are excited about what the future will hold for Gindalbie and look forward to sharing more details with you soon.

4.0 CORPORATE GOVERNANCE

Gindalbie is committed to creating and building sustainable value for shareholders and protecting stakeholder interests.

Gindalbie recognises that high standards of corporate governance are essential to achieving that objective. Gindalbie continues to develop and review its corporate governance practices by reference to the ASX Corporate Governance Principles and Recommendations (Governance Principles).

5.0 ACKNOWLEDGEMENT

I would like to thank all board members, both past and present, for their commitment, focus and energy during what has been another challenging year for Gindalbie.

I thank the executive team for their commitment and earnest hard work in ensuring the efficient and smooth functioning of the Company.

Finally, thanks to the shareholders for the continued patience and be assured that the hard work of the Board and the Executive team will continue.

Thank you Ladies and Gentlemen.

ENDS

On behalf of:

Mr Keith Jones
Chairman

Ms Rebecca Moylan
Chief Financial Officer and Company Secretary
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