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2 July 2009

By Facsimile: 1300 135 638

Company Announcements
Australian Stock Exchange
Exchange Plaza
2 The Esplanade
PERTH WA 6000

Attention: The Manager

Our Ref: 2662881

Dear Sirs

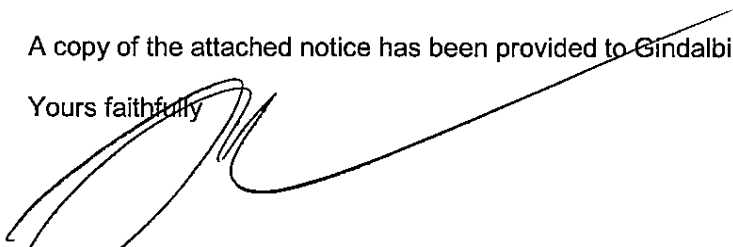
Notice of change of interests of substantial shareholder

We act for Angang Group Hong Kong (Holdings) Limited (**Angang**).

On behalf of Angang, in accordance with section 671B of the *Corporations Act* 2001, we attach a Notice of change of interests of substantial shareholder (Form 604) in respect of Gindalbie Metals Limited.

A copy of the attached notice has been provided to Gindalbie Metals Limited.

Yours faithfully


Shaun McRobert
Partner

Deacons

Contact: Shaun McRobert
Direct line: +61 (0)8 9426 3206
Email: shaun.mcrobert@deacons.com.au

Other Offices

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**Independent
Affiliated Firms**

Hong Kong
Indonesia
Malaysia
People's Republic of
China
Singapore
Taiwan
Thailand
Vietnam

Encl.

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Form 604
Corporations Act 2001
Section 671B

Notice of change of interests of substantial holder

To Company Name/Scheme Gindalbie Metals Limited (Gindalbie)

ACN/ARSN 060 857 614

1. Details of substantial holder (1)

Name Angang Group Hong Kong (Holdings) Limited (Angang), Angang Group International Trade Co (Angang Trade), Anshan Iron & Steel Corporation (Ansteel) and its subsidiaries as listed in Annexure A (Ansteel Group)

ACN/ARSN (if applicable) Not applicable for Angang, Angang Trade or Ansteel. See Annexure A

There was a change in the interests of the substantial holder on 1/07/2009

The previous notice was given to the company on 6/09/2007

The previous notice was dated 4/09/2007

2. Previous and present voting power

The total number of votes attached to all the voting shares in the company or voting interests in the scheme that the substantial holder or an associate (2) had a relevant interest (3) in when last required, and when now required, to give a substantial holding notice to the company or scheme, are as follows:

Class of securities (4)	Previous notice		Present notice	
	Person's votes	Voting power (5)	Person's votes	Voting power (5)
Ordinary shares	65,000,000	12.78% (based on 508,728,850 ordinary shares on issue)	255,658,824	36.25% (based on 705,187,674 ordinary shares on issue as at 1 July 2009)

3. Changes in relevant interests

Particulars of each change in, or change in the nature of, a relevant interest of the substantial holder or an associate in voting securities of the company or scheme, since the substantial holder was last required to give a substantial holding notice to the company or scheme are as follows:

Date of change	Person whose relevant interest changed	Nature of change (6)	Consideration given in relation to change (7)	Class and number of securities affected	Person's votes affected
1/07/2009	Angang, Angang Trade and Ansteel	Increased relevant interest as a result of Angang's acquisition of shares pursuant to the share subscription agreement, a copy of which is annexed as Annexure B	\$0.85 per share (being \$160,060,000.40 in total)	190,658,824 ordinary shares	190,658,824

4. Present relevant interests

Particulars of each relevant interest of the substantial holder in voting securities after the change are as follows:

Holder of relevant interest	Registered holder of securities	Person entitled to be registered as holder (8)	Nature of relevant interest (6)	Class and number of securities	Person's votes
Angang	Angang	N / A	Legal and beneficial owner of the securities	255,658,824 ordinary shares	255,658,824
Ansteel	Angang	N / A	Has the power to control the disposal of the shares and control the exercise of the right to vote attaching to the shares	255,658,824 ordinary shares	255,658,824

Angang Trade	Angang	N/A	Has the power to control the disposal of the shares and control the exercise of the right to vote attaching to the shares	255,858,824 ordinary shares	255,858,824
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d. Changes in association

The persons who have become associates (2) of, ceased to be associates of, or have changed the nature of their association (9) with, the substantial holder in relation to voting interests in the company or scheme are as follows:


Name and ACN/ARSN (if applicable)	Nature of association
N/A	N/A

e. Addresses

The addresses of persons named in this form are as follows:

Name	Address
Angang	3412-13, Office Tower Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong
Ansteel	Tiexi District, Anshan, Liaoning, Peoples' Republic of China
Angang Trade	c/- Angang, 3412-13, Office Tower Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong

Signature

print name	Wang Heng	capacity	Authorized representative of Angang
sign here		date	2/07/2009

DIRECTIONS

- (1) If there are a number of substantial holders with similar or related relevant interests (eg. a corporation and its related corporations, or the manager and trustee of an equity trust), the names could be included in an annexure to the form. If the relevant interests of a group of persons are essentially similar, they may be referred to throughout the form as a specifically named group if the membership of each group, with the names and addresses of members is clearly set out in paragraph 6 of the form.
- (2) See the definition of "associate" in section 9 of the Corporations Act 2001.
- (3) See the definition of "relevant interest" in sections 608 and 671B(7) of the Corporations Act 2001.
- (4) The voting shares of a company constitute one class unless divided into separate classes.
- (5) The person's votes divided by the total votes in the body corporate or scheme multiplied by 100.
- (6) Include details of:
 - (a) any relevant agreement or other circumstances because of which the change in relevant interest occurred. If subsection 671B(4) applies, a copy of any document setting out the terms of any relevant agreement, and a statement by the person giving full and accurate details of any contract, scheme or arrangement, must accompany this form, together with a written statement verifying this contract, scheme or arrangement; and
 - (b) any qualification of the power of a person to exercise, control the exercise of, or influence the exercise of, the voting powers or disposal of the securities to which the relevant interest relates (including clearly the particular securities to which the qualification applies).

See the definition of "relevant agreement" in section 9 of the Corporations Act 2001.
- (7) Details of the consideration must include any and all benefits, money and other, that any person from whom a relevant interest was acquired has, or may, become entitled to receive in relation to that acquisition. Details must be included even if the benefit is conditional on the happening or not of a contingency. Details must be included on any benefit paid on behalf of the substantial holder or its associate in relation to the acquisition, even if they are not paid directly to the person from whom the relevant interest was acquired.
- (8) If the substantial holder is unable to determine the identity of the person (eg. if the relevant interest arises because of an option) write "unknown".
- (9) Give details, if appropriate, of the present association and any change in that association since the last substantial holding notice.

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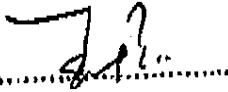
Annexure A

Ansteel Group

Entity
Angang Group International Trade Co
Angang Group Investment (Australia) Pty Ltd
Angang Group Hong Kong (Holdings) Ltd
Angang Group Hong Kong Ltd
Angang Group Advertisement & Media Co
Beijing Yuting Hotel
Angang Group Construction Project Management Co
Liaoning Far-East Quality Inspection Center for Marine Products
Angang Group Investigation & Design Institute
Angang Group Real Estate Management Co
Angang Shanghai Guesthouse
Dalian Branch Office
Angang Group Hospitality Co
Angang Group Railway Transportation Equipment Manufacturing Co
Angang Group Mechanized Handling Co
Angang Group Property Management Co
Angang Group Shenyang Sheet Metal Co
Angang Group Cast Pipe Co
Angang Group Cement Co
Angang Group Refractories Co
Angang Group Automation Co
Anshan Mining Co
Angang Bei Er Ka Te Tyre Cord (Chongqing) Co Ltd
Angang Jidong Cement Co Ltd
Angang Steel Co Ltd
Dalian Huayelian Automation Co Ltd
Angang Group Finance Co Ltd
Angang Yingkou Water Co Ltd
Angang Heavy Machinery Co Ltd
Angang Group Auto Transportation Co Ltd
Angang Electric Co Ltd
Anshan Steel Wire Rope Co Ltd
Angang Real Estate Development Co Ltd
Angang Industrial Group Co Ltd
Angang Construction Group Co Ltd
Angang Mining Construction Co Ltd
Angang Mining Machinery Co Ltd
Angang Mining Auto Transportation Co Ltd
Angang Group Chaoyang Anling Steel Co Ltd

This Annexure "B" of 26 pages referred to in the Form 604 (Notice of change of interests of substantial holder), signed by me and dated 2 July 2009.

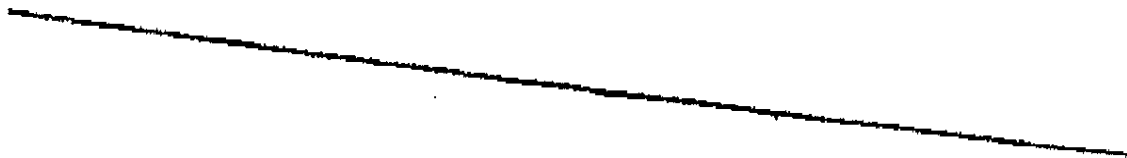
The copy of the share subscription agreement attached to this Form 604 is a true and copy of the share subscription agreement.



.....
Wang Heng
Authorised Representative

Angang Group Hong Kong (Holdings) Limited

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CLAYTON UTZ

Share Subscription Agreement

Gindalbie Metals Ltd
ABN 24 060 857 614

Company

Angang Group Hong Kong (Holdings) Limited

Subscriber

The Clayton Utz contact for this document is
Mark Paganin on +61 8 9426 8000

Clayton Utz
Lawyers
Level 27 QV1 Building 250 St George's Terrace Perth, WA 6000 Australia
GPO Box P1214 Perth WA 6844
T +61 8 9426 8000 F +61 8 9481 3095

www.claytonutz.com

Our reference 60018/80082124

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Share Subscription Agreement made on**2008**

Parties **Gindalbie Metals Ltd ABN 24 060 857 614** of Level 9, London House, 216 St George's Terrace, Perth, Western Australia, Australia 6000 ("**Company**")

Angang Group Hong Kong (Holdings) Limited of Rooms 3412-13, Office Tower Convention Plaza, 1 Harbour Road, Wanchai, Hong Kong ("**Subscriber**")

Background

- A. The Company is duly registered under the Corporations Act.
- B. The Subscriber is duly registered under the laws of Hong Kong.
- C. This Agreement sets out the terms and conditions on which the Subscriber agrees to subscribe for the Subscription Shares and the Company agrees to allot and issue the Subscription Shares to the Subscriber.

1. Definitions and interpretations**1.1 Definitions**

In this Agreement:

"Ansteel" means Anshan Iron & Steel Group Corporation.

"Ansteel Nominees" means the two new Ansteel nominees to be appointed as non-executive directors of the Company pursuant to clause 2.3(a)(v) who must be, to the satisfaction of the Board of the Company, qualified to hold the position and otherwise be generally suitable for a position on the Board of the Company.

"ASIC" means the Australian Securities and Investments Commission.

"Associate" has the same meaning as given to that term in section 12 of the Corporations Act.

"ASX" means ASX Limited ACN 008 624 691.

"Board" means, where the context requires, the Board of directors of either the Company or the Subscriber.

"Business Day" means a day on which all banks are open for business generally in Perth, Western Australia, Australia, Hong Kong and the People's Republic of China excluding a Saturday, Sunday or a public holiday in any of Perth, Western Australia, Hong Kong or the People's Republic of China.

"Cleansing Prospectus" means a disclosure document issued by the Company complying with part 6D.2 of the Corporations Act.

"Cleansing Statement" means the announcement made or to be made by the Company to ASX pursuant to and in compliance with section 708A(6) of the Corporations Act within 5 Business Days of issue of the Subscription Shares.

"Completion" means completion of this Agreement including the allotment and issue of the Subscription Shares in accordance with this Agreement.

"Completion Date" has the meaning given in clause 4.1.

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"Confidential Information" in relation to any person, means information which at any time is in the knowledge, possession or control of that person, or any subsidiary or employee or agent of that person, relating to the business, operations or affairs of that person; or any subsidiary of that person, including information relating to:

- (a) corporate or business development and expansion strategy;
- (b) corporate or business structure;
- (c) financial, taxation and accounting matters;
- (d) any relationship or arrangement with any employee or agent;
- (e) intellectual property;
- (f) business and marketing plans and projections;
- (g) agreements and arrangements with third parties, whether or not legally enforceable; and
- (h) computer software.

"Consideration" means the consideration stated in the Schedule.

"Corporations Act" means the Corporations Act 2001 (Cth).

"Deal" means (whether as principal or agent):

- (a) to offer to buy or sell;
- (b) to solicit an offer to buy or sell; or
- (c) make any invitation or proposal to buy or sell,

whether directly or indirectly, any right title or interest in any Restricted Securities.

"Deed of Amendment" means the deed of amendment to the Subscription Program and Karara Joint Development Agreement between the Company, Angang Group Investment (Australia) Pty Ltd ACN 118 934 277, Ansteel and Karara to be executed on or about the date of this Agreement.

"Encumbrance" has the same meaning as defined in the Karara Joint Development Agreement.

"End Date" means the earlier of:

- (a) date that is 3 months after a duly convened general meeting of shareholders of the Company to approve the acquisition of relevant interests in the Subscription Shares by the Subscriber and any other relevant person for the purposes of, and in accordance with the requirements of, item 7 of section 611 of the Corporations Act for the purposes of clause 2.3(a)(iv); and
- (b) 16 April 2009,

or, where an extension is necessary in order to obtain any Chinese regulatory approval required pursuant to clause 2.3(a)(ii), such other reasonable date agreed in writing between the Company and the Subscriber.

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"**Exclusivity Period**" means the period from and including the date of this Agreement until the Completion Date or such other date as agreed in writing between the Subscriber and the Company.

"**Foreign Acquisitions and Takeovers Act**" means the Foreign Acquisitions and Takeovers Act 1975 (Cth).

"**Group**" means the Company and its subsidiaries.

"**Hematite Project**" has the meaning given in the Karara Joint Development Agreement.

"**Karara**" means Karara Mining Limited.

"**Karara Joint Development Agreement**" means the agreement dated 6 September 2007 between Angang Group Investment (Australia) Pty Ltd, Ansteel, the Company and Karara to form an incorporated joint venture for the purposes of the mining, processing and transportation of hematite ore and magnetite concentrate for commercial sale.

"**Karara Joint Venture**" means the joint development of the Karara iron ore project between Ansteel and the Company pursuant to the Karara Joint Development Agreement.

"**Magnetite Project**" has the meaning given in the Karara Joint Development Agreement.

"**Material Adverse Change**" means, in relation to the Company, any event, change, condition, matter or thing that will have, could reasonably be expected to have, or that evidences that there has been, a material adverse effect on the business, assets (including any tenements and mining activities other than any decisions to delay mining projects), liabilities, financial position and performance, material contracts (taken as whole), profitability or prospects other than a change resulting directly or indirectly from the actions of the Subscriber or Ansteel.

"**Material Adverse Change (Internal)**" means a Material Adverse Change in relation to the assets of the Company (including the tenements and mining activities of the Company but excluding the Karara Joint Venture) to the extent the Material Adverse Change arises directly or indirectly from an act or omission of the Company.

"**On-Sell**" means to sell Subscription Shares to any person who is not a s708 Investor.

"**Other Proposal**" means any expression of interest, approach or proposal, on the part of any person to enter into any negotiations or discussions with the Company to:

- (a) acquire the whole or a substantial part of the assets, business or property of the Company or its Related Bodies Corporate; or
- (b) which may compete with or prejudice or be contrary to the interests or rights of the Subscriber.

"**Placement Proposal**" means any expression of interest, approach or proposal, on the part of any person to enter into any negotiations or discussions with the Company for an issue of Shares other than the issue of Shares pursuant to the exercise of existing options, the issue of Subscription Shares pursuant to this Agreement and the granting of any employee options approved by the Board of the Company prior to the date of this Agreement.

"**Regulatory Authority**" means:

- (a) any government, semi-government, or local authority and any department, minister or agency of any government; and

- (b) any other authority, agency, commission, administrative, fiscal or judicial body, tribunal or similar entity having powers or jurisdiction under any law or regulation or the listing rules of any recognised stock or securities exchange.

"**Related Bodies Corporate**" has the same meaning as given to that term in section 50 of the Corporations Act.

"**Restricted Securities**" means the securities described in clause 7.1(a).

"**s708 Investor**" means an investor within one of the categories in section 708 of the Corporations Act.

"**Securities**" has the meaning given in section 92 of the Corporations Act.

"**Shareholder Approval**" has the meaning given in clause 2.3(a)(iv).

"**Shares**" means fully paid ordinary shares in the capital of the Company.

"**Subscription Price**" means the subscription price stated in the Schedule.

"**Subscription Program**" means the subscription program for the purposes of the Karara Joint Development Agreement dated 10 January 2008 between Angang Group Investment (Australia) Pty Ltd, Ansteel, the Company and Karara.

"**Subscription Shares**" means the number of Shares stated in the Schedule.

"**Superior Proposal**" means a Placement Proposal, Takeover Proposal or Other Proposal that is or could reasonably be considered to be materially more favourable to the Company's shareholders than the Transaction, having regard to all aspects of the Placement Proposal, the Takeover Proposal or the Other Proposal and the Transaction, including:

- (a) the consideration and other benefits offered under the Placement Proposal, Takeover Proposal or Other Proposal and the Transaction; and
- (b) the likelihood of the conditions of the Placement Proposal, Takeover Proposal or Other Proposal being satisfied within a reasonable period of time.

"**Takeover Proposal**" means in relation to the Company:

- (a) any expression of interest, approach or proposal, on the part of any person to enter into any negotiations or discussions with the Company for a takeover bid, scheme of arrangement, capital reconstruction, buy-back, merger, amalgamation, consolidation or other business combination involving the Company or any of its subsidiaries; or
- (b) any expression of interest, approach or proposal, on the part of any person to enter into any negotiations or discussions with the Company for any proposed arrangements which could result in a person who does not already have voting power of 20% in the Company, having voting power of more than 20% in the Company; or
- (c) any expression of interest, offer or proposal by any person to acquire control (as determined in accordance with section 50AA of the Corporations Act) of the Company.

"**Tax**" means any tax, levy, charge, impost, duty, fee, deduction, compulsory loan or withholding, that is assessed, levied, imposed or collected by any Regulatory Authority and

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includes, but is not limited to any interest, fine, penalty, charge, fee or any other amount imposed on, or in respect of any of the above.

"Transaction" means the subscription for Subscription Shares as contemplated by this Agreement and the Deed of Amendment.

"Warranties" means the Company Warranties as set out in clause 8.2 and the Subscriber Warranties as set out in clause 8.3.

1.2 Interpretation

In this Agreement:

- (a) headings are for convenience; and
unless the context indicates otherwise:
- (b) an obligation or a liability assumed by, or a right conferred on, 2 or more persons binds or benefits them jointly and severally;
- (c) a word or phrase in the singular number includes the plural, a word or phrase in the plural number includes the singular, and a word indicating a gender includes every other gender;
- (d) if a word or phrase is given a defined meaning, any other part of speech or grammatical form of that word or phrase has a corresponding meaning;
- (e) a reference to:
 - (i) a party, clause, schedule, exhibit, attachment or annexure is a reference to a party, clause, schedule, exhibit, attachment or annexure to or of this Agreement;
 - (ii) a party includes that party's executors, administrators, successors and permitted assigns, including persons taking by way of novation and, in the case of a trustee, includes a substituted or an additional trustee;
 - (iii) an agreement includes any undertaking, deed, agreement and legally enforceable arrangement whether in writing or not;
 - (iv) a document includes an agreement in writing and any deed, certificate, notice, instrument or document of any kind;
 - (v) a document in writing includes a document recorded by any electronic, magnetic, photographic or other medium by which information may be stored or reproduced;
 - (vi) a document (including this Agreement) includes a reference to all schedules, exhibits, attachments and annexures to it, and is to that document as varied, novated, ratified or replaced from time to time;
 - (vii) legislation or to a provision of legislation includes any consolidation, amendment, re-enactment, substitute or replacement of or for it, and refers also to any regulation or statutory instrument issued or delegated legislation made under it;

- (viii) a person includes an individual, the estate of an individual, a corporation, an authority, an unincorporated body, an association or joint venture (whether incorporated or unincorporated), a partnership and a trust;
- (ix) a right includes a power, remedy, authority, discretion or benefit;
- (x) conduct includes an omission, statement or undertaking, whether in writing or not;
- (f) the word "includes" in any form is not a word of limitation;
- (g) the words "for example" or "such as" when introducing an example do not limit the meaning of the words to which the example relates to that example or to examples of a similar kind;
- (h) a reference to a day is to a period of time commencing at midnight and ending 24 hours later;
- (i) if a period of time dates from a given day or the day of an act or event, it is to be calculated exclusive of that day; and
- (j) a reference to "\$" or "dollar" is to Australian currency.

2. Subscription for Subscription Shares

2.1 Subscription for Subscription Shares

- (a) The Subscriber (or a nominee appointed in accordance with clause 2.2(a)) agrees to subscribe for the Subscription Shares and the Company agrees to allot and issue the Subscription Shares to the Subscriber for the Consideration and on the terms and conditions set out in this Agreement.
- (b) Each Subscription Share shall be issued at the Subscription Price.

2.2 Subscriber's nominee

- (a) The Subscriber may nominate in writing to the Company at any time prior to Completion a nominee, being a member of the Ansteel group, to act as subscriber of the Subscription Shares. Such nominee will assume all rights and obligations of the Subscriber under this Agreement.

2.3 Conditions precedent

- (a) The agreement to allot and issue the Subscription Shares is subject to, and conditional upon, each of the following conditions precedent being either satisfied or waived under clause 2.3(b):
 - (i) **(Approval under the Foreign Acquisitions and Takeovers Act):** the Treasurer of the Commonwealth of Australia has:
 - A. provided written notice which is unconditional or subject only to conditions reasonably acceptable to the Subscriber that there is no objection under the Foreign Acquisitions and Takeovers Act or Australian foreign investment policy to the proposed subscription by the Subscriber for the Subscription Shares;

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- B. become precluded from exercising any power to make an order under the Foreign Acquisitions and Takeovers Act in relation to the proposed subscription by the Subscriber of the Subscription Shares; or
- C. if an interim order is made by the Treasurer under the Foreign Acquisitions and Takeovers Act in respect of the proposed subscription, the subsequent period for making a final order prohibiting the proposed subscription elapses without a final order being made;

- (ii) **(All legal and regulatory approvals obtained):** the Subscriber has provided the Company with written notification that it has obtained all legal and regulatory approvals required under any Australian, Chinese (including, without limitation, the State Owned Assets Supervision and Administration Commission, National Development and Reform Commission, Ministry of Commerce and the State Administration of Foreign Exchange) or Hong Kong laws or any other laws or regulatory approvals relevant to the Subscriber or Ansteel for Completion;
- (iii) **(Approval for quotation of securities):** ASX has provided written confirmation that, subject to Completion occurring, it will approve the quotation of the Subscription Shares subject to any standard conditions required by ASX;
- (iv) **(Approval by the Company's shareholders):** a resolution of the shareholders of the Company has been passed at a duly convened general meeting of shareholders of the Company to approve the acquisition of relevant interests in the Subscription Shares by the Subscriber and any other relevant person for the purposes of, and in accordance with the requirements of, item 7 of section 611 of the Corporations Act;
- (v) **(Board Appointments):** resolution of the Board for the appointment of the Ansteel Nominees to the Board of the Company, with such resolution being:
 - A. effective from Completion; and
 - B. subject to receipt of consents to act as a director from each of the Ansteel Nominees,

unless the Subscriber has failed to nominate the Ansteel Nominees by the Completion Date in which case this clause 2.3(a)(v) will be waived by the Subscriber and the requirement to appoint the Ansteel Nominees will thereafter become a term of this Agreement such that after Completion the Board must pass resolutions to appoint the Ansteel Nominees upon receipt of consents to act as a director from each of the Ansteel Nominees;

- (vi) **(Material Adverse Changes):** There is no
 - A. Material Adverse Change between the date of this Agreement and the date of Shareholder Approval; and
 - B. Material Adverse Change (Internal) between the date of Shareholder Approval and Completion; and

- (vii) (Cleansing Statement): none of the following events occur prior to Completion:
- A. ASIC issues a written determination under section 708A(2) of the Corporations Act in respect of the Company;
 - B. the Shares are not in a class of securities that were quoted securities (as defined in section 9 of the Corporations Act) at all times in the 3 months before Completion;
 - C. trading in the Shares on ASX was suspended for more than a total of 5 days during the period of 12 months before Completion;
 - D. an exception under section 111AS or 111AT of the Corporations Act covered the Company or any director or auditor of the Company at any time during the period of 12 months before Completion; or
 - E. an order under section 340 or 341 covered the Company or any director or auditor of the Company at any time during the period of 12 months before Completion,

or, if such an event occurs, the Company undertakes to act in accordance with clause 4.4(a)(ii).

- (b) The conditions precedent in:
- (i) clauses 2.3(a)(iii) and 2.3(a)(iv) are for the benefit of the Company and the Subscriber and may only be waived by the Company and the Subscriber each giving notice in writing to the other party; and
 - (ii) clauses 2.3(a)(i), 2.3(a)(ii), 2.3(a)(v), 2.3(a)(vi) and 2.3(a)(vii) are for the benefit of the Subscriber and may only be waived by the Subscriber by notice in writing to the Company.
- (c) The parties must:
- (i) use best endeavours (other than waiver) to ensure that the conditions precedent in clause 2.3(a) are satisfied as soon as possible from the date of signing of this Agreement and in any event on or before the End Date and in particular:
 - A. the Subscriber must as soon as practicable at its own cost prepare and lodge each notice or application required to be given or made to the relevant Regulatory Authority for the purposes of procuring the satisfaction of the conditions set out in clauses 2.3(a)(i) and 2.3(a)(ii);
 - B. the Subscriber must promptly provide the Company with copies of any notice or application lodged with the relevant Regulatory Authority for the purposes of procuring the satisfaction of the conditions set out in clauses 2.3(a)(i) and 2.3(a)(ii) and provide information to the Company on the progress of the application as reasonably requested by the Company;

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- C. the Subscriber must provide to the Company as soon as reasonably practicable after the date of this Agreement for the purposes of procuring the satisfaction of the condition set out in clause 2.3(a)(iv) all information reasonably required by the Company known to the Subscriber (including any reasonable request from the independent expert) to enable it to prepare any document referred to in clause 2.3(a)(iv) or otherwise for the purposes of procuring the satisfaction of that condition precedent and, other than any information consisting of any forecast, budget, estimate, projection, statement of opinion or statement of intention, must verify that information to ensure that it is not misleading or deceptive and contains no material omissions;
- D. the Company must provide to the Subscriber all information reasonably required by the Subscriber and known to the Company to enable it to prepare any document referred to in clause 2.3(a)(ii) or otherwise for the purposes of procuring the satisfaction of that condition precedent and, other than any information consisting of any forecast, budget, estimate, projection, statement of opinion or statement of intention, must verify that information to ensure that it is not misleading or deceptive and contains no material omissions; and
- E. the Company must as soon as practicable at its own cost prepare and dispatch to the Company's shareholders a notice of meeting and explanatory memorandum for the purposes of procuring the satisfaction of the condition set out in clause 2.3(a)(iv);
- (ii) otherwise co-operate with, and comply with all reasonable requests of the other party for the purposes of procuring the satisfaction of any condition and must not take any action that will or is likely to hinder or prevent the satisfaction of any condition;
- (iii) promptly notify each other on satisfaction of the conditions precedent in clause 2.3(a); and
- (iv) keep one another regularly informed of any circumstances which may result in any of those conditions not being able to be satisfied in accordance with its terms.
- (d) If the conditions precedent in clause 2.3(a) are not satisfied or waived on or before the End Date then all rights and obligations under this Agreement terminate on that date except:
- (i) in relation to clauses 1, 2.3(d), 9, 10, and 11; and
- (ii) for rights that accrue before that date.

2.4 Company member approval

- (a) Without limiting clause 2.3(c), the Board of directors of the Company must:

- (i) obtain and provide an independent expert's report to the shareholders of the Company for the purposes of procuring the satisfaction of the condition set out in clause 2.3(a)(iv); and
- (ii) unanimously recommend the Transaction to members of the Company and must not withdraw that unanimous recommendation prior to Completion, except to the extent that:
- A. the Company receives an independent expert's report that concludes the Transaction is not 'reasonable' when considered in the context of the non-associated shareholders regardless of whether or not the independent expert's report concludes the Transaction is 'fair'; or
 - B. a Takeover Proposal or Placement Proposal has been received by the Company and in the opinion of the directors of the Company reasonably formed in good faith:
 - 1) that the Takeover Proposal or Placement Proposal is a Superior Proposal; and
 - 2) after receiving specific written legal advice from a major national Australian law firm, that to recommend or continue to recommend the Transaction would constitute a breach of a fiduciary or statutory duties of the Company's directors.

2.5 No binding agreement for issue

Nothing in this Agreement will create a binding agreement for the issue of the Subscription Shares unless and until the conditions in clause 2.3 have been satisfied or waived in accordance with clause 2.3(b) and no person will obtain rights in relation to those Subscription Shares as a result of this Agreement unless and until those conditions have been satisfied.

3. Period before Completion

3.1 Restrictions on the Company

On and from the date of this Agreement until Completion, except with the prior written consent of the Subscriber or where permitted under the Karara Joint Development Agreement, the Company must not:

- (a) issue or allot any share capital or options or other securities convertible into share capital;
- (b) buy back or redeem any Shares or otherwise reduce its share capital;
- (c) grant any special voting or other rights that attach to Shares;
- (d) increase, reduce, reconstruct or otherwise alter its share capital or undertake a share buy-back;
- (e) declare or pay any dividend, or make any other distribution of its assets, capital or profits;

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- (f) dispose of, or agree to dispose of, any of its right, title or interest in and to any asset that it may own and which is valued at more than \$5,000,000;
- (g) dispose of, or agree to dispose of, any of its right, title or interest in and to any securities that it may own in the capital of a Related Body Corporate;
- (h) enter into any or resolve to enter into any compromise, arrangement, scheme or other form of arrangement with a receiver, receiver and manager, administrator or other controller in relation to any of its assets or undertakings;
- (i) appoint any person as a director other than as contemplated by this agreement;
- (j) grant of any Encumbrance greater than \$5,000,000 in aggregate other than for the development of the Karara Joint Venture;
- (k) resolve to be wound up; or
- (l) dispose or agree to dispose of the whole or a substantial part of its business or property,

other than the issue of Shares pursuant to the exercise of existing options, the issue of Subscription Shares pursuant to this Agreement and the granting of any employee options approved by the Board of the Company prior to the date of this Agreement.

3.2 Notification

If, on or before Completion, a party becomes aware of any breach or potential breach of clause 3.1 it must:

- (a) notify the other party of the breach or the potential breach and provide the other party with reasonable details of the alleged breach or potential breach; and
- (b) consult with the other party as to the effect of the alleged breach or potential breach.

4. Completion of issue of Subscription Shares

4.1 Time and place for Completion

Completion will take place:

- (a) within 3 Business Days of the satisfaction or waiver of the conditions precedent set out in clause 2.3 or such other date as is agreed to in writing by the parties;
- (b) at offices of the Company, Level 9, 216 St Georges Terrace, Perth or at any other place the parties agree;
- (c) at the time (but during banking hours at that place) the parties agree; and
- (d) in accordance with DVP settlement procedures or by such other settlement method as agreed between the parties if the Company's share registry is unable to facilitate a DVP settlement procedure,

("Completion Date").

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4.2 Company's obligations on Completion

- (a) On Completion:
- (i) subject to the Subscriber satisfying its obligations under clause 4.3, the Company will allot and issue the Subscription Shares to the Subscriber in accordance with DVP settlement procedures (if possible) and on or as soon as practicable after Completion give and deliver to the Subscriber (or cause to be delivered to the Subscriber) a holding statement for the Subscription Shares; and
 - (ii) the Subscriber authorises the directors of the Company to place its name on the Company's register of members in respect of the Subscription Shares.

4.3 Subscriber's obligations on Completion

- (a) On Completion, the Subscriber will:
- (i) subscribe for and accept the issue of the Subscription Shares; and
 - (ii) pay to the Company the Consideration as follows:
 - A. \$18,380,000 to the Company; and
 - B. \$143,680,000.40 to Karara in discharge of the Company's obligations to subscribe for the Gindalbie Subscription Shares under the Subscription Program and Karara Joint Development Agreement.

4.4 Company's obligations following Completion

- (a) The Company must:
- (i) apply for quotation of the Subscription Shares in accordance with the ASX Listing Rules on the day of Completion; and
 - (ii) in accordance with section 708A(6) of the Corporations Act, lodge a Cleansing Statement with ASX within 5 Business Days of the issue of the Subscription Shares or, if the Company is unable to comply with each of the obligations required to issue a Cleansing Statement, lodge a Cleansing Prospectus within 5 Business Days of the issue of the Subscription Shares.
- (b) The Company acknowledges and warrants that:
- (i) it is not issuing the Subscription Shares with the purpose of the Subscriber selling or transferring them, or granting, issuing or transferring interests in, or options over, them; and
 - (ii) upon giving the notice given under section 708A(6) of the Corporations Act in respect of the Subscription Shares or lodgement of the Cleansing Prospectus, the Subscriber will immediately be permitted to offer for sale the Subscription Shares on market without disclosure that would otherwise be required because of section 707(3) of the Corporations Act.

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5. Use of funds

5.1 Use of funds

The Company agrees to use the funds raised from the allotment and issue of the Subscription Shares as follows:

- (a) \$18,380,000 of the funds raised for general corporate, operational and working capital purposes of the Company at the absolute discretion of the Board of the Company; and
- (b) the remainder of the funds raised must be used in accordance with clauses 2.3(b) and 2.5 of the Subscription Program for the purposes of the Karara Joint Development Agreement.

5.2 Confirmation by Subscriber

The Subscriber confirms that it has no present intention to immediately On-Sell the Subscription Shares but this confirmation does not constitute an undertaking not to On-Sell, particularly where the Subscriber's investment objectives or market conditions change.

6. Exclusivity

6.1 No shop and no talk arrangements

During the Exclusivity Period the Company will not, and will ensure that its Related Bodies Corporate, employees, officers, agents and advisers and to the extent it is able to influence them, its Associates do not, except with the prior consent of the Subscriber:

- (a) directly or indirectly solicit, encourage or invite any enquiries (including, without limitation, by the provision of non-public information), discussions, expressions of interest, offers or proposals in relation to, or which may reasonably be expected to lead to, a Placement Proposal, Takeover Proposal or Other Proposal for the Company;
- (b) directly or indirectly participate in any discussions or negotiations in relation to, or which may reasonably be expected to lead to, a Placement Proposal, Takeover Proposal or Other Proposal for the Company;
- (c) accept or enter into any agreement, arrangement or understanding regarding, or that could reasonably be expected to lead to, a Placement Proposal, Takeover Proposal or Other Proposal;
- (d) directly or indirectly participate in any discussions or negotiations, provide any information or take any other action to induce or facilitate any third party making or pursuing a Placement Proposal, Takeover Proposal or Other Proposal; or
- (e) communicate to any person other than the Subscriber an intention to do any of the things referred to in clauses 6.1(a) to 6.1(d) above.

6.2 Response to unsolicited approach

- (a) Nothing in clause 6.1 prevents any action by the Company if compliance with that clause would, in the opinion of the directors of the Company reasonably formed in good faith and, after receiving specific written legal advice from a major national

Australian law firm, constitute a breach of the fiduciary or statutory duties of Company's directors.

- (b) The Company must notify the Subscriber if it proposes to rely on clause 6.2(a).

6.3 Notification to Subscriber

- (a) The Company must promptly notify the Subscriber:
- (i) of any approach or attempt to initiate, resume or continue discussions or negotiations that could reasonably be expected to lead to, a Placement Proposal, Takeover Proposal or Other Proposal;
 - (ii) of any request for information relating to it or any of its subsidiaries or any of its businesses or operations or any request for access to the books or records of it or any of its subsidiaries in connection with discussions that could reasonably be expected to lead to a Placement Proposal, Takeover Proposal or Other Proposal; and
 - (iii) if any third party commences, resumes or continues a due diligence investigation in relation to it or any of its subsidiaries or of any provision of any information by it or any subsidiary relating to it or any of its subsidiaries or any of their businesses or operations to any person in connection with discussions that could reasonably be expected to lead to a Placement Proposal, Takeover Proposal or Other Proposal.
- (b) Subject to any restraints imposed by law, a notification given under 6.3(a) must be accompanied by all relevant details of the relevant event, including the identity of the relevant person or persons and the terms and conditions of any Placement Proposal, Takeover Proposal or Other Proposal (to the extent known).

6.4 Opportunity to match Takeover Proposal, Placement Proposal or Other Proposal

If the Company receives a Placement Proposal, Takeover Proposal or Other Proposal, it must notify the Subscriber in accordance with clause 6.3 and may only enter into a legally binding agreement in relation to that Placement Proposal, Takeover Proposal or Other Proposal or publicly recommend that proposal after:

- (a) giving the Subscriber 5 Business Days notice in writing of its intention to do so; and
- (b) if the Subscriber provides the Company with a revised proposal, the directors of the Company, reasonably form the opinion in good faith and, after receiving specific written legal advice from a major national Australian law firm, that to not take the relevant action would likely constitute a breach of a fiduciary or statutory duties of the Company's directors.

7. Dealings

7.1 Restrictions on Dealings

Subject to clauses 7.2 and 7.3, the Subscriber will not, and will ensure that Ansteel and its related bodies corporate do not, other than as set out in this Agreement, during the Exclusivity Period:

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- (a) Deal, or induce or attempt to induce or cause or procure another person to Deal, in any Division 3 financial products (as that term is defined in section 1042A of the Corporations Act) of the Company or any of its related bodies corporate whether or not such financial products are listed on ASX or any other recognised stock exchanges ("Restricted Securities"); or
- (b) either alone or with other persons, directly or indirectly, in any way whatsoever publicly propose to make a takeover bid or other proposal involving the acquisition of securities in the Company or the acquisition of or combination with any business of the Company including by way of scheme of arrangement.

7.2 Cessation of Restrictions

The parties may agree to a date from which the restrictions contained in clause 7.1 will terminate and the parties will not be required to comply with clause 7.1.

7.3 Third party proposal

The restrictions in clauses 7.1(a) and 7.1(b) will not apply in the event that a Placement Proposal, Takeover Proposal or Other Proposal is made to the Board of the Company or announced or becomes public or a third party acquires a relevant interest in Shares giving it voting power in the Company of 10% or more or acquiring any other form of interest (including an interest acquired through a derivative) which could convert to a relevant interest of 10% or more of the securities of the Company that would require disclosure in accordance with the Takeovers Panel Guidance Note 20.

8. Warranties

8.1 General

Each party represents and warrants to the other party that:

- (a) **Legally binding obligation:** this Agreement constitutes valid and legally binding obligations in accordance with its terms;
- (b) **Execution, delivery and performance:** subject to satisfaction of the conditions precedent in clause 2.3(a), the execution, delivery and performance of this Agreement by it does not violate any statute or law, or any document or agreement to which it is a party or which is binding on it or any of its assets; and
- (c) **Authorisation:** subject to satisfaction of the conditions precedent in clause 2.3(a), all consents, licences, approvals and authorisations required to be obtained by it in connection with the execution, delivery and performance of this Agreement have been obtained and are valid and subsisting.

8.2 Company warranties

The Company represents and warrants to the Subscriber that:

- (a) **No restriction on allotment:** except for the satisfaction or waiver of the condition precedent in clause 2.3(a)(iv) and the admission of the Subscription Shares to quotation on ASX, there is no restriction on the allotment and issue of the Subscription Shares to the Subscriber;
- (b) **Subscription Shares rank equally:** the Subscription Shares will, once issued, rank pari passu with all other Shares;

- (c) No encumbrance:** the Subscription Shares will be free from all liens, charges and other encumbrances;
- (d) Class of securities:** the Shares are in a class of securities that were quoted securities at all times since the date that is 12 months before the Completion Date;
- (e) No suspension of trading:** if a Cleansing Statement is issued by the Company pursuant to clause 4.4(a)(ii), trading in that class of securities on ASX was not suspended for more than a total of 5 days since the date that is 12 months before the Completion Date;
- (f) Section 111AS or 111AT:** if a Cleansing Statement is issued by the Company pursuant to clause 4.4(a)(ii) or if the Company issues a Cleansing Prospectus pursuant to clause 4.4(a)(ii) in accordance with section 713 of the Corporations Act, no exemption under section 111AS or 111AT of the Corporations Act covered the Company, or any person as director or auditor of the Company, at any time in the previous 12 months;
- (g) Section 340 or 341:** if a Cleansing Statement is issued by the Company pursuant to clause 4.4(a)(ii) or if the Company issues a Cleansing Prospectus pursuant to clause 4.4(a)(ii) in accordance with section 713 of the Corporations Act, no order under section 340 or 341 of the Corporations Act covered the Company, or any person as director or auditor of the Company, at any time in the previous 12 months;
- (h) Information:** all information disclosed to the Subscriber in connection with this Agreement except information provided by the Company to the Subscriber consisting of any forecast, budget, estimate, projection, statement of opinion or statement of intention and any information, document, representation, statement, view or opinion to the extent that the same was not prepared, made or expressed by the Company is true, accurate and complete and is not misleading or deceptive;
- (i) No litigation:** no member of the Group is engaged in any prosecution, litigation or arbitration proceedings (together "proceedings"); there are no proceedings pending or threatened by or against any member of the Group and to the best of the Company's knowledge after due enquiry there are no facts or disputes which might give rise to any proceedings;
- (j) No breach of law:** to the best of the Company's knowledge, the Company and the other members of the Group are not in breach in any material respect, of their constitutions, any rules, regulations or requirements of ASX, or any applicable law, decree, judgment, legislation, order, regulation, statute, ordinance, treaty or other legislative measure including any environmental law;
- (k) Solvent:** it is solvent and no circumstances have arisen or may be reasonably expected to arise in consequence of which it may cease to be solvent;
- (l) Tax:** the Company has paid, or the financial statements of the Company fully provide for, all Taxes (including penalties and interest) which it is or may become liable to pay;
- (m) Insurance:** all risks in the Company that the Board of the Company considers necessary to insure are adequately insured for amounts which would be maintained in accordance with prudent business practice, which includes damage to property, personal injury, product liability and public liability;

- (n) **No unsatisfied judgements:** there is no unsatisfied judgment, court order or tribunal or arbitral award outstanding against any member of the Group and no distress, execution or process has been levied on any part of its business or assets; and
- (o) **Current intention:** as at the date of signing of this Agreement, the Board of the Company does not have any proposal to issue Securities, other than the issue of Shares pursuant to the exercise of existing options, the issue of Subscription Shares pursuant to this Agreement and the granting of any employee options approved by the Board of the Company.

8.3 Subscriber warranties

The Subscriber represents and warrants to the Company that the Subscriber:

- (a) **Bound by constitution:** is and, upon being registered as the registered proprietor of the Subscription Shares, will continue to be bound by the Company's constitution;
- (b) **No disclosure document required:** is a person to whom an offer and issue of Subscription Shares can be made without disclosure by reason of the offer of Subscription Shares being received outside of Australia or as a result of subsections 708(8), (10) or (11) of the Corporations Act;
- (c) **Person to whom offer can be made:** is a person to whom the Subscription Shares can lawfully be offered pursuant to this Agreement under all applicable laws, including laws applicable in the Subscriber's place of residence, and to whom the Subscription Shares can be lawfully issued without causing the Company to breach any applicable laws;
- (d) **Own enquiries:** other than as expressly warranted in this Agreement by the Company, relies on its own assessment of the Company and its prospects and has conducted its own investigations with respect to the Subscription Shares and the Company, including the particular tax consequences of acquiring, owning or disposing of the Subscription Shares in light of the Subscriber's particular situation as well as any consequences arising under the laws (including taxation laws) of any jurisdiction; and
- (e) **No reliance on forecasts or projections:** other than as expressly warranted in this Agreement by the Company, does not rely on any forecasts, projections, opinions of future performance or other statements relating to the Company, including that which may have been provided by the Company or any of its respective affiliates, related entities and associates, or persons acting on its behalf, and acknowledges that no warranty is given or representation made that any such forecast, projection or opinion will be met or achieved.

8.4 Acknowledgements of Subscriber

The Subscriber acknowledges and agrees:

- (a) **No disclosure document:** no disclosure document will be lodged with ASIC in connection with the offer or issue of the Subscription Shares unless required by clause 4.4(a)(ii);
- (b) **Offer not financial product advice:** neither this Agreement nor any offer to subscribe for Subscription Shares made by the Company constitutes financial

product advice and that the Company has not had regard to the Subscriber's particular objectives, financial situation and needs; and

- (c) **Investment speculative:** an investment in the Company is speculative and involves risk and that the Subscriber has considered such risk in deciding to acquire the Subscription Shares.

8.5 Company indemnity

- (a) The Company agrees to indemnify and to keep indemnified the Subscriber from and against any loss, damage, cost and expense that the Subscriber may suffer or incur as a result of any breach of the representations and warranties given in clause 8.2 except for any loss or damage that is special, indirect or consequential including loss of profit.
- (b) If the Subscriber is liable for Tax on any payment it receives for breach of a Company Warranty, the amount payable by the Company as the case may be is increased so that, after the Tax is paid, the Subscriber receives the amount they would have received had there been no Tax payable.

8.6 Subscriber indemnity

The Subscriber indemnifies and agrees to keep indemnified the Company from and against any loss, damage, cost and expense that it may suffer or incur as a result of any breach of the representations and warranties given in clause 8.3 except for any loss or damage that is special, indirect or consequential including loss of profit.

8.7 Repetition of Warranties

The Warranties are given:

- (a) in respect of each Warranty which is expressed to be given on a particular date, on that date; and
- (b) in respect of each other Warranty, on the date of this Agreement and at all times until Completion and on Completion.

8.8 Survival of representations and warranties

The representations and warranties given in clauses 8.1, 8.2 and 8.3 survive the execution of this Agreement and continue for so long as is necessary to give full effect to them.

8.9 Disclosure

Each party must disclose to the other party anything which has or will constitute a breach of a Warranty or cause a Warranty to be untrue or inaccurate in any material respect, as soon as possible after that party becomes aware of it. This obligation applies from the date of this Agreement until Completion.

9. Confidentiality

9.1 Confidentiality liability

Any party who receives Confidential Information about the other ("recipient party") or relating to the Hematite Project or Magnetite Project, including after termination or expiration of this Agreement, must keep that Confidential Information confidential and must:

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- (a) **Disclosure restriction:** not publish or disclose the Confidential Information to any person except with the prior consent of the party who disclosed the Confidential Information ("disclosing party") or as permitted under any provision of this Agreement;
- (b) **Performance use:** not use the Confidential Information for any purpose, except where strictly necessary for the performance of its obligations under this Agreement; and
- (c) **Legal compliance:** comply with all applicable privacy and consumer laws.

9.2 Agency disclosure

The recipient party may disclose the Confidential Information specified in clause 9.1 to any Related Bodies Corporate, employees, officers, agents and advisers, or agent of that party or any other party to the extent reasonably necessary or desirable for the purposes of this Agreement.

9.3 Agency compliance

The recipient party must procure that any employee or agent of the recipient party is informed of, and complies with, the confidentiality liability of the recipient party under this Agreement.

9.4 Permitted exemptions

This clause 9 does not apply to any Confidential Information which:

- (a) **(Public information):** at the date of this Agreement is in or at any subsequent time comes into the public domain, except through breach of or default under this Agreement by the recipient party or any employee or agent of the recipient party;
- (b) **(Prior knowledge):** can be shown by the recipient party to the satisfaction of the disclosing party to have been known by the recipient party before disclosure by the disclosing party to the recipient party;
- (c) **(Third party access):** subsequently comes lawfully into the possession of the recipient party from a third party;
- (d) **(Legal process):** is required by compulsion of law, the ASX Listing Rules or a requirement or a directive set by a regulator or market operator to be announced or disclosed to a third party provided that, where reasonably practicable and without the recipient party breaching any such applicable law, ASX Listing Rule or requirement or directive set by a regulator or market operator, the recipient party consults with the disclosing party prior to the disclosure of such Confidential Information;
- (e) **(Advisers):** the disclosure is made by the recipient to its financiers or lawyers, accountants, investment bankers, consultants or other professional advisers to the extent necessary to enable the recipient to properly perform its obligations under this Agreement or to conduct their business generally; or
- (f) **(Regulatory Authority):** the disclosure is made by the recipient to a Regulatory Authority as either required by that Regulatory Authority or as necessary to enable the recipient to properly perform its obligations under this Agreement.

9.5 Continuing obligations

The obligations of confidence contained in this clause 9 survive the termination of this Agreement and continue until Completion.

9.6 Remedies

The recipient party agrees that monetary damages alone would not be a sufficient remedy for a breach of or default under this clause 9 and, in addition to any other legal remedy, the disclosing party is entitled to any interim, interlocutory or permanent injunction to prevent breach of or default under and compel specific performance of this clause 9.

9.7 Acknowledgment of effect of Listing Rules

The Subscriber acknowledges that the Company is listed on ASX and is subject to the ASX Listing Rules and, in particular, Listing Rule 3.1 which requires that the Company notify the market and ASX of any information that a reasonable person would expect to have a material effect on the price or value of the Company's Securities. The Company represents that, depending on the Confidential Information provided, it may form a view that it may rely on the exemptions to disclosure in Listing Rule 3.1A and will rely on those exemptions, but, if the Company forms a view that disclosure is required, it will comply with this clause 9.

9.8 Confidentiality provisions in Karara Joint Development Agreement prevail

The parties agree that the confidentiality provisions in the Karara Joint Development Agreement prevail in the event of any inconsistency with this clause 9.

10. Notices

Each communication (including each notice, consent, approval, request and demand) under or in connection with this Agreement:

- (a) must be in writing;
- (b) must be addressed as follows (or as otherwise notified by that party to the other party from time to time):

To the Company: Gindalbie Metals Ltd
Level 9, 216 St George's Terrace
Perth WA 6000
Australia

Fax No: (+618) 9480 8799
Attention: Mr David Stokes

To the Subscriber: To the Subscriber's contact person at the address and fax number stated in the Schedule.

- (c) must be signed by the party making it or (on that party's behalf) by the solicitor for or any attorney, director, secretary or authorised agent of that party;
- (d) must be delivered by hand or posted by prepaid post to the address, or sent by fax to the number, or the addressee in accordance with clause 10(b); and

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- (e) is taken to be received by the addressee:
- (i) (in the case of prepaid post sent to an address in the same country) on the third day after the date of posting;
 - (ii) (in the case of prepaid post sent to an address in another country) on the seventh day after the date of posting;
 - (iii) (in the case of fax) at the time in the place to which it is sent equivalent to the time shown on the transmission confirmation report produced by the fax machine from which it was sent; and
 - (iv) (in the case of delivery by hand) on delivery; but if the communication is taken to be received on a day that is not a working day or after 5.00 pm, it is taken to be received at 9.00 am on the next working day ("working day" meaning a day that is not a Saturday, Sunday or public holiday, and is a day on which banks are open for business generally in the place to which the communication is posted, sent or delivered).

11. Miscellaneous

11.1 Governing law

This Agreement is governed by and must be construed according to the law applying in Western Australia, Australia.

11.2 Jurisdiction

Each party irrevocably:

- (a) submits to the non-exclusive jurisdiction of the courts of Western Australia, Australia and the courts competent to determine appeals from those courts, with respect to any proceedings that may be brought at any time relating to this Agreement; and
- (b) waives any objection that it may now or in the future have to the venue of any proceedings, and any claim that it may now or in the future have that any proceedings have been brought in an inconvenient forum, if that venue falls within clause 11.2(a).

11.3 Amendments

This Agreement may only be varied by a document signed by or on behalf of each of the parties.

11.4 Waiver

- (a) Failure to exercise or enforce, or a delay in exercising or enforcing, or the partial exercise or enforcement, of a right provided by law or under this Agreement by a party does not preclude, or operate as a waiver of, the exercise or enforcement, or further exercise or enforcement, of that or any other right provided by law or under this Agreement.
- (b) A waiver or consent given by a party under this Agreement is only effective and binding on that party if it is given or confirmed in writing by that party.

- (c) No waiver of a breach of a term of this Agreement operates as a waiver of another breach of that term or of a breach of any other term of this Agreement.

11.5 Further acts and documents

Each party must promptly do all further acts and execute and deliver all further documents (in form and content reasonably satisfactory to that party) required by law or reasonably requested by the other party to give effect to this Agreement.

11.6 Consent

A consent required under this Agreement from a party may be given or withheld, or may be given subject to any conditions, as that party in its absolute discretion thinks fit, unless this Agreement expressly provides otherwise.

11.7 Assignment

A party cannot assign, novate or otherwise transfer any of its rights or obligations under this Agreement without the prior written consent of the other party.

11.8 Counterparts

This Agreement may be executed in any number of counterparts (including by facsimile) and by the parties on separate counterparts. Each counterpart constitutes an original of this Agreement and all together constitute one agreement.

11.9 No representation or reliance

- (a) Each party acknowledges that neither party (nor any person acting on a party's behalf) has made any representation or other inducement to it to enter into this Agreement except for representations or inducements expressly set out in this Agreement.
- (b) Each party acknowledges and confirms that it does not enter into this Agreement in reliance on any representation or other inducement by or on behalf of the other party, except for representations or inducements expressly set out in this Agreement.

11.10 Expenses

Except as otherwise provided in this Agreement, each party must pay its own costs and expenses in connection with negotiating, preparing, executing and performing this Agreement.

11.11 Indemnities

- (a) Each indemnity in this Agreement is a continuing obligation, separate and independent from the other obligations of the parties, and survives termination, completion or expiration of this Agreement.
- (b) It is not necessary for a party to incur expense or to make any payment before enforcing a right of indemnity conferred by this Agreement.
- (c) A party must pay on demand any amount it must pay under an indemnity in this Agreement.

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11.12 Severance and enforceability

Any provision, or the application of any provision, of this Agreement that is void, illegal or unenforceable in any jurisdiction does not affect the validity, legality or enforceability of that provision in any other jurisdiction or of the remaining provisions of this Agreement in that or any other jurisdiction.

11.13 No merger

The rights and obligations of the parties under this Agreement do not merge on completion of any transaction under this Agreement, and survive the execution and delivery of any assignment or other document entered into for the purpose of implementing any transaction under this Agreement.




Schedule

- | | |
|---|--|
| 1. Subscriber's name in full | Angang Group Hong Kong (Holdings) Limited |
| 2. Subscriber's address | Rooms 3412-13
Office Tower Convention Plaza
1 Harbour Road
Wanchai
Hong Kong |
| 3. Subscriber's contact for notices | Mr Zhu Wei Yu |
| 4. Subscriber's fax number for notices | +852 2802 8636 |
| 5. Number of Subscription Shares | 190,658,824 |
| 6. Subscription price per Subscription Share | \$0.85 |
| 7. Consideration | \$162,060,000.40 |
| 8. Completion date for allotment and issue of Subscription Shares | In accordance with clause 4. |

Signed as an agreement.

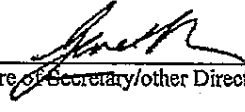
Executed by Gindalbie Metals Ltd
ABN 24 060 857 614 in accordance with section
127 of the Corporations Act by or in the presence
of:


GJ

Signature of Director

GEORGE JONES

Name of Director in full



Signature of Secretary/other Director

GARETH DIXON

Name of Secretary/other Director in full

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FROM :

FAX NO. :

Oct. 02 2007 01:07 P 2

DEC-16-2008 12:06 From: ANSTEELINTERNATIONAL +86 0412 6311373

P.1

FROM :

FAX NO. :

Dec. 16 2008 12:02 P2

FROM :

FAX NO. :

Oct. 04 2007 18:58 P 6

STEVEN

Signed by WANG HENG Director,
for and on behalf of Angang Group Hong
Kong (Holdings) Limited as authorized by the
board of directors in the presence of

[Signature]

Signature of Director

[Signature]

Signature of witness

LIU XIAO HUI

Name and company of witness

2008.12.16

TEL: 10770315, 15

10

P.1

DEC-16-2008 10:24 From: ANSTEELINTERNATIONAL +86 0412 6311373

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