

GINDALBIE METALS LTD

ABN 24 060 857 614

NOTICE OF GENERAL MEETING

Notice is given that a meeting of the members of Gindalbie Metals Ltd will be held at the Chifley on the Terrace, 185 St George's Terrace, Perth, Western Australia at 10:00am on Thursday 13 April 2006.

GINDALBIE METALS LTD
ABN 24 060 857 614

NOTICE OF GENERAL MEETING

Notice is hereby given that a meeting of the members of Gindalbie Metals Ltd (“the Company”) will be held at the Chifley on the Terrace, 185 St George’s Terrace, Perth, Western Australia at 10.00am on Thursday 13 April 2006 for the purpose of considering and if thought fit, passing the following resolutions, namely:

Ordinary Business:

Resolution 1 – Ratification of Share Issue

As an ordinary resolution to consider and, if thought fit to pass with or without amendment the following resolution:

“That for the purpose of Listing Rule 7.4 of the Listing Rules of the Australian Stock Exchange Limited and for all other purposes, shareholders ratify the issue of 47,000,000 fully paid ordinary shares in the capital of the Company at an issue price of 37 cents per share, to clients of Southern Cross Equities Limited, a participant organisation of the Australian Stock Exchange Ltd, details of which are set out in the Explanatory Statement accompanying this notice.”

Resolution 2 – Approval of Share Issue

As an ordinary resolution to consider and, if thought fit to pass with or without amendment, the following resolution:

“That for the purpose of Listing Rule 7.1 of the Listing Rules of the Australian Stock Exchange Limited and for all other purposes, shareholders approve the issue of 43,000,000 fully paid ordinary shares in the capital of the company at an issue price of 37 cents per share to clients of Southern Cross Equities Limited, a participant organisation of the Australian Stock Exchange Ltd, details of which are set out in the Explanatory Statement accompanying this notice.”

Resolution 3 – Approval of Option Issue

As an ordinary resolution to consider, and if thought fit to pass with or without amendment, the following resolution:

“That for the purpose of Listing Rule 7.1 of the Listing Rules of the Australian Stock Exchange Limited and for all other purposes, shareholders approve the issue of 2,000,000 options to Southern Cross Equities Limited for nil consideration details of which are set out in the Explanatory Statement accompanying this notice.”

Resolution 4 – Approval of Option Issue

As an ordinary resolution to consider, and if thought fit to pass with or without amendment, the following resolution:

“That for the purpose of Listing Rule 7.1 of the Listing Rules of the Australian Stock Exchange Limited and for all other purposes, shareholders approve the issue of up to 3,584,444 options to Thiess Pty Limited for nil consideration details of which are set out in the Explanatory Statement accompanying this notice.”

Voting Exclusion Statement

For Resolution 1 and 2 the Company will disregard any votes cast on this resolution by any of the allottees and any associates of the allottees.

For Resolution 3 the Company will disregard any votes cast on this resolution by Southern Cross Equities Limited and any associates of Southern Cross Equities Limited.

For Resolution 4 the Company will disregard any votes cast on this resolution by Thiess Pty Ltd and any associates of Thiess Pty Ltd.

For Resolutions 2, 3 and 4 the Company will also disregard any votes cast on each of these resolutions by any person who might obtain a benefit if the resolution is passed.

However, the Company need not disregard a vote if:

- it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form; or
- it is cast by the person chairing the meeting as proxy for a person who is entitled to vote in accordance with a direction on the Proxy Form to vote as the proxy decides.

Important Notes

1. For further information and explanation on the above resolution, please refer to "Explanatory Statement" which is annexed to and forms part of this Notice of General Meeting.
2. The resolutions are required pursuant to the provisions of the Listing Rules of the Australian Stock Exchange Ltd, the Constitution of the Company and the Corporations Act 2001.

Dated 10 March 2006

By order of the Board of Directors.



Darren Gordon
Company Secretary

GINDALBIE METALS LTD
ABN 24 060 857 614

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to assist shareholders with their consideration of the resolutions proposed for the General Meeting of Gindalbie Metals Ltd (“the Company”) to be held on Thursday, 13 April 2006, at the Chifley on the Terrace, 185 St George’s Terrace, Perth, Western Australia at 10.00am.

RESOLUTION 1 – RATIFICATION OF SHARE ISSUE

On 7 March 2006 the Company allotted and issued 47 million shares at an issue price of 37 cents each to clients of Southern Cross Equities Limited for the ongoing development of the Karara Iron Ore Project. The shares were issued pursuant to Gindalbie’s capacity to issue up to 15% of its issued capital without shareholder approval.

Shareholder ratification of the issue of these shares is now sought pursuant to ASX Listing Rule 7.4 to reinstate the Company’s capacity to issue up to 15% of the issued capital in any 12 month period without shareholder approval.

For the purposes of ASX Listing Rule 7.5, the following information is provided in relation to Resolution 1.

- a) the number of Shares allotted and issued was 47,000,000 Shares;
- b) the Shares were issued at a price of 37 cents each;
- c) the Shares rank pari passu with the existing fully paid ordinary shares in the capital of the Company;
- d) the Shares were issued to clients of Southern Cross Equities Limited for the ongoing development of the Karara Iron Ore Project.

RESOLUTION 2 – APPROVAL OF SHARE ISSUE

On 28 February 2006, the Company announced that it had agreed to issue 90 million shares at 37 cents per share to raise \$33.3 million before costs to clients of Southern Cross Equities Limited with the funds to be used for the ongoing development of the Karara Iron Ore Project. The issue was to occur in two tranches.

The first tranche of 47 million shares was allotted on 7 March 2006 under the company’s ability to issue 15% of its share capital without advance shareholder approval. Resolution 1 is put before shareholders to ratify that share issue and refresh the Company’s 15% placement capacity.

The balance of this share issue of 43 million shares requires shareholder approval prior to being able to allot the relevant shares.

Shareholder approval for the issue of these Shares is now sought pursuant to ASX Listing Rule 7.1.

For the purposes of ASX Listing Rule 7.3, the following information is provided in relation to Resolution 2.

- (a) the number of Shares to be allotted and issued is 43,000,000;
- (b) the Shares will be issued at a price of 37 cents per share;
- (c) the Shares will be issued to the clients of Southern Cross Equities Limited that participated in the allotment of shares, the subject of the ratification under Resolution 1;
- (d) the Shares will be issued as soon as practicable after the approval of shareholders has been obtained but no later than 3 months after the date of the meeting;
- (e) the Shares will rank pari passu with the existing fully paid ordinary shares in the capital of the Company upon issue;

RESOLUTION 3 – APPROVAL OF OPTION ISSUE

As part of the fee structure for Southern Cross Equities Ltd to manage the share placement set out in Resolutions 1 and 2, the Company agreed to issue 2 million unlisted options to Southern Cross Equities Ltd.

The issue has been proposed so as to align Southern Cross Equities ongoing interests with those of the Company's existing and new shareholders.

It is intended Southern Cross Equities will work with the Company to promote the ongoing development of the Karara Iron Ore Project and the Gindalbie brand to the wider investment market.

Shareholder approval for the issue of these options is now sought pursuant to ASX Listing Rule 7.1.

For the purposes of ASX Listing Rule 7.3, the following information is provided in relation to Resolution 3.

- a) the number of options to be allotted and issued will be 2,000,000;
- b) the options will have an expiry date of 30 September 2010 and an exercise price of 50 cents each;
- c) the options will be issued for nil consideration;
- d) the options will be issued as soon as practicable after the approval of shareholders has been obtained but no later than 3 months after the date of the meeting;
- e) the options will be issued to Southern Cross Equities Limited;
- f) any shares issued on exercise of the options will rank pari passu with the fully paid ordinary shares on issue at the time of exercise;
- g) within 10 business days of receipt of a notice of exercise the Company will apply for the shares issued on exercise of the options to be admitted for quotation on ASX;
- h) an option does not confer rights to participate in new issues of securities of the Company, unless the option holder has first exercised the option;
- i) if, during the option period, the Company makes a pro rata offer or invitation or bonus issue to holders of shares or other securities of the Company or any other entity, the Company will give the option holder notice not less than 9 Business Days before the record date to determine entitlements to receive that offer, invitation or issue to enable the option holder to exercise the option and receive that offer, invitation or issue for the share issued on exercise of the options;
- j) adjustments to the number of shares over which options exist and/or the exercise price will be made to take account of changes to the capital structure of the Company by way of pro rata bonus and cash issues in accordance with the formula set out in the Listing Rules of the ASX; and
- k) in the event of any reorganisation (including consolidation, sub-division, reduction or return) of the issued capital of the Company, the rights of the option holder including the number of options or the exercise price or both shall be reorganised (as appropriate) to the extent necessary to comply with the Listing Rules of the ASX applying to a reorganisation of capital at the time of the reorganisation.

RESOLUTION 4 – APPROVAL OF OPTION ISSUE

As part of an agreement dated 9 February 2006 with Thiess Pty Ltd to form an alliance to undertake definitive feasibility study activities on the Karara Iron Ore Project, an issue of up to 3,584,444 unlisted options has been agreed to be made to Thiess Pty Ltd once completion of the Definitive Feasibility Study activities has occurred.

The issue has been proposed so as to align Thiess Pty Ltd interests with those of the Company and its shareholders.

Shareholder approval for the issue of these options is now sought pursuant to ASX Listing Rule 7.1.

For the purposes of ASX Listing Rule 7.3, the following information is provided in relation to Resolution 4.

- a) the maximum number of options to be allotted and issued will be 3,584,444 being Thiess's feasibility costs divided by the agreed exercise price;
- b) the options will have an exercise price of 45 cents and will expire two years from the date of issue;

- c) the options will be issued for nil consideration;
- d) the options will be issued once the feasibility study activities being performed by Thiess Pty Ltd as part of the Karara Alliance have been completed and Thiess Pty Ltd's final costs have been determined.

The number of options to be issued to Thiess Pty Ltd is calculated by reference to a formula calculated as the cost of works carried out by Thiess Pty Ltd, up to a maximum value of \$1,613,000, divided by the exercise price of the options of \$0.45 each.

By way of example, if the Thiess Pty Ltd final costs are \$1,400,000 the number of options which will be issued is 3,111,111.

If the Thiess Pty Ltd final costs are in excess of \$1,613,000 only the maximum number of 3,584,444 will be issued and Thiess Pty Ltd will not be entitled to the issue of any more options.

The ASX has granted to the Company a waiver from compliance with Listing Rule 7.3.2 for the purpose of this issue which allows the Company to issue the options up to 18 months after the date of this Meeting;

- e) the options will be issued to Thiess Pty Ltd;
- f) any shares issued on exercise of the options will rank pari passu with the fully paid ordinary shares on issue at the time of exercise;
- g) within 10 business days of receipt of a notice of exercise the Company will apply for the shares issued on exercise of the options to be admitted for quotation on ASX;
- h) an option does not confer rights to participate in new issues of securities of the Company, unless the option holder has first exercised the option;
- i) if, during the option period, the Company makes a pro rata offer or invitation or bonus issue to holders of shares or other securities of the Company or any other entity, the Company will give the option holder notice not less than 9 Business Days before the record date to determine entitlements to receive that offer, invitation or issue to enable the option holder to exercise the option and receive that offer, invitation or issue for the share issued on exercise of the options;
- j) adjustments to the number of shares over which options exist and/or the exercise price will be made to take account of changes to the capital structure of the Company by way of pro rata bonus and cash issues in accordance with the formula set out in the Listing Rules of the ASX; and
- k) in the event of any reorganisation (including consolidation, sub-division, reduction or return) of the issued capital of the Company, the rights of the option holder including the number of options or the exercise price or both shall be reorganised (as appropriate) to the extent necessary to comply with the Listing Rules of the ASX applying to a reorganisation of capital at the time of the reorganisation.

Proxies

Members can return their proxy appointments to the Company by facsimile on the facsimile number set out on the proxy form.

Queries

If you have any queries on any matter arising out of the business proposed for the General Meeting, please call Mr Darren Gordon on (08) 9480 8700.

GINDALBIE METALS LTD
ABN 24 060 857 614
PROXY FORM

The Company Secretary
 Gindalbie Metals Ltd
 Ground Floor
 10 Kings Park Road
 WEST PERTH WA 6005
 Telephone (08) 9480 8700
 Facsimile (08) 9481 2395

being a member(s) of GINDALBIE METALS LTD
 hereby appoint the Chairman of the meeting
 (mark with an X)

OR

Write here the name of the person you are appointing if this person is
 someone other than the Chairman of the meeting.

or failing that, the Chairman of the Meeting as my/our proxy to vote for me/us and on my/our behalf at the General Meeting of the
 Company to be held on Thursday, 13 April 2006 at 10.00 am at the Chifley on the Terrace, 185 St George's Terrace, Perth, Western
 Australia and at any adjournment thereof.

If appointing two proxies, please show proportion of voting rights attaching to this proxy: _____%

If you wish to direct your proxy how to vote on the proposed resolutions, please indicate the manner in which your proxy is to vote
 by ticking the appropriate column below, otherwise your proxy may vote as he thinks fit.

If you do not wish to direct your proxy how to vote, please place a mark in this box. By marking this box you
 acknowledge the Chairman of the Meeting may exercise your proxy even if he has an interest in the outcome of the
 resolutions and votes cast by him, other than as proxy holder, would be disregarded because of that interest. The
 Chairman of the Meeting intends to vote undirected proxies in favour of each of the resolutions.

	FOR	AGAINST	ABSTAIN
Ordinary Resolution 1 – Ratification of Share Issue	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ordinary Resolution 2 – Approval of Share Issue	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ordinary Resolution 3 – Approval of Option Issue to Southern Cross Equities Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ordinary Resolution 4 – Approval of Option Issue to Thiess Pty Ltd	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

PLEASE SIGN HERE This section *must* be signed in accordance with the instructions overleaf to enable your directions to
 be implemented

Individual or Security Holder 1

Sole Director and
 Sole Company Secretary

Security Holder 2

Director

Security Holder 3

Director/Company Secretary

 Contact Name

 Contact Daytime Telephone or
 Email

____/____/____
 Date

Proxy Instructions

Generally

A shareholder entitled to attend and vote at the Annual General Meeting convened by the Notice is entitled to appoint not more than 2 proxies to vote on the shareholder's behalf. A proxy need not be a shareholder. The proxy appointment may be a standing appointment for all general meetings until it is revoked. Additional proxy forms are available from the Company.

If a representative of a company security holder or proxy is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" must be produced prior to admission. A form of the certificate may be obtained from the Company's share registry.

Appointing Two Proxies

A shareholder entitled to cast 2 or more votes may appoint 2 proxies. Where 2 proxies are appointed, the appointment will be of no effect unless each proxy is appointed to represent a specified proportion of the shareholder's voting rights and the proportions are specified on the proxy form.

Signing Instructions

Individuals: The shareholder must sign personally. If the holding is in more than 1 name, all of the shareholders must sign.

Company: Must be signed by the company in accordance with the shareholder's Constitution.

The form provides for a body corporate to sign by affixing a common seal to be witnessed by 2 directors or a director and secretary. If the shareholder's Constitution permits or requires the Company to sign by other means the signing provision should be altered by the shareholder to correctly specify the permitted method of signing for example, a common seal witnessed by a sole director or signing by 2 directors or a sole director with no common seal required.

Power of Attorney: the attorney must sign and the power of attorney must be deposited at the Company's registered office for inspection and return, when the proxy is lodged.

Lodgement of a Proxy

Proxy forms (and the power of attorney, if any, under which the proxy form is signed) must be received at the offices of the Company no later than 10.00am, 11 April 2006.

Documents may be lodged:

IN PERSON	Registered Office – Ground Floor, 10 Kings Park Road, West Perth WA 6005
BY MAIL	PO Box 512, West Perth WA 6872
BY FAX	(08) 9481 2395

Your Address

This is your address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Security holders sponsored by a broker (in which case your reference number overleaf will commence with an "X") should advise your broker of any changes. You cannot change ownership of your shares using this form.