



Demerger Scheme Booklet

**THIS DOCUMENT IS IMPORTANT AND
REQUIRES YOUR URGENT ATTENTION.**

YOU SHOULD READ THIS DEMERGER SCHEME BOOKLET IN ITS ENTIRETY PRIOR TO DECIDING WHETHER OR NOT TO VOTE IN FAVOUR OF THE DEMERGER. IF YOU ARE IN ANY DOUBT AS TO HOW TO DEAL WITH THIS DEMERGER SCHEME BOOKLET, PLEASE CONSULT YOUR INDEPENDENT FINANCIAL, LEGAL OR TAXATION ADVISER IMMEDIATELY. IF YOU HAVE SOLD ALL OF YOUR GINDALBIE SHARES, PLEASE IGNORE THIS DEMERGER SCHEME BOOKLET.

LEGAL ADVISER TO
GINDALBIE METALS LIMITED

CLAYTON UTZ

GINDALBIE METALS LIMITED
ACN 060 857 614

CODA MINERALS LIMITED
ACN 625 763 957

for the recommended scheme of arrangement in relation to the proposed demerger of Coda Minerals Limited

VOTE IN FAVOUR



The Independent Directors unanimously recommend that you **VOTE IN FAVOUR** of the Demerger Scheme Resolution and the Capital Reduction Resolution, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Demerger Scheme is in the best interests of Gindalbie Shareholders

The Independent Expert has concluded that, in the absence of a superior offer, the Demerger Scheme is **IN THE BEST INTERESTS** of Gindalbie Shareholders.

If you have any questions in relation to this Demerger Scheme Booklet or the Demerger you should contact the Gindalbie Shareholder Information Line on 1300 308 375 (for callers within Australia) or +61 8 6314 6314 (for callers outside Australia) between 9.00 am and 5.00 pm (Perth time) Monday to Friday.

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Important notices

Date of Demerger Scheme Booklet

This Demerger Scheme Booklet is dated 24 May 2019.

General

Gindalbie Shareholders should read this Demerger Scheme Booklet in its entirety before making a decision as to how to vote on the resolution to be considered at the Demerger Scheme Meeting and the resolution to be considered at the General Meeting. If you are in any doubt as to how to deal with this Demerger Scheme Booklet, please consult your independent financial, legal or taxation adviser immediately.

Purpose of this Demerger Scheme Booklet

The purpose of this Demerger Scheme Booklet is to explain the Demerger and the Capital Reduction, the terms of the Demerger Scheme and the manner in which the Demerger Scheme will be considered and implemented (if approved), and to provide such information as is prescribed or otherwise material to the decision of Gindalbie Shareholders whether or not to approve the Demerger Scheme. This Demerger Scheme Booklet includes the explanatory statement required by section 412(1) of the Corporations Act in relation to the Demerger Scheme. A copy of the proposed Demerger Scheme is set out in Annexure F.

Responsibility statement

This Demerger Scheme Booklet has been prepared by, and is the responsibility of, Gindalbie, other than as set out in the paragraphs immediately following.

As described in Annexure A, Coda has, subject to and with effect from the implementation of the Acquisition Scheme, and to the maximum extent permitted by law, indemnified Gindalbie against any claim, action, loss, liability, cost, expense or payment (including legal costs on a full indemnity basis) suffered or incurred by Gindalbie arising out of or in connection with any misleading or deceptive statement in this Demerger Scheme Booklet in relation to the Demerger or Coda and certain other matters.

The Independent Expert's Report contained in this Demerger Scheme Booklet has been prepared by, and is the responsibility of, BDO, the Independent Expert. The Independent Expert and its directors, officers and employees are not responsible for the accuracy and completeness of any other part of this Demerger Scheme Booklet. None of Gindalbie or Ansteel, or their respective Related Bodies Corporate, or any of their respective directors, officers, employees and advisers assume any responsibility for the accuracy or completeness of the Independent Expert's Report, except, in the case of Gindalbie and Ansteel, respectively, in relation to the information which it has provided to the Independent Expert.

KPMG has prepared and is responsible for a letter to the Gindalbie Directors advising them of the tax implications of the Demerger Scheme which has been included in Section 9 of this Demerger Scheme Booklet. None of Gindalbie or Ansteel, or their respective Related Bodies Corporate, or any of their respective directors, officers, employees and advisers assume any responsibility for the accuracy or completeness of that Section. KPMG and its directors, officers and employees are not responsible for the accuracy and completeness of any other part of this Demerger Scheme Booklet.

The Solicitor's Report contained in this Demerger Scheme Booklet as Annexure E has been prepared by, and is the responsibility of, Clayton Utz. Clayton Utz and its partners and employees are not responsible for the accuracy and completeness of any other part of this Demerger Scheme Booklet.

ASIC and the ASX

A copy of this Demerger Scheme Booklet has been provided to ASIC for the purpose of section 411(2) of the Corporations Act and registered by ASIC for the purpose of section 412(6) of the Corporations Act.

ASIC has reviewed a copy of this Demerger Scheme Booklet. Gindalbie has asked ASIC to provide a statement, in accordance with section 411(17)(b) of the Corporations Act, that ASIC has no objection to the Demerger Scheme. If ASIC provides that statement, it will be produced to the Court at the Second Court Hearing. Neither ASIC nor its officers take any responsibility for the contents of this Demerger Scheme Booklet.

A copy of this Demerger Scheme Booklet has been provided to the ASX. Neither ASX nor any of its officers take any responsibility for the contents of this Demerger Scheme Booklet.

Important notice associated with the Court order under section 411(1) of the Corporations Act

The Court has ordered the convening of the Demerger Scheme Meeting pursuant to section 411(1) of the Corporations Act. The fact that under section 411(1) of the Corporations Act the Court has ordered that the Demerger Scheme Meeting be convened and has approved this Demerger Scheme Booklet does not mean that the Court:

- (a) has formed any view as to the merits of the proposed Demerger Scheme or as to how Gindalbie Shareholders should vote (on this matter Gindalbie Shareholders must reach their own decision); or
- (b) has prepared, or is responsible for, the content of this Demerger Scheme Booklet.

The order of the Court that the Demerger Scheme Meeting be convened is not, and should not be treated as, an endorsement by the Court of, or any other expression of opinion by the Court on, the Demerger or the Demerger Scheme.

No investment advice

The information contained in this Demerger Scheme Booklet does not constitute financial product advice and has been prepared without reference to the investment objectives, financial situation, taxation position and particular needs of Gindalbie Shareholders or any other person. The information in this Demerger Scheme Booklet should not be relied upon as the sole basis for any investment decision in relation to the Demerger, Gindalbie Shares or Coda Shares. Gindalbie Shareholders should seek independent financial, legal and taxation advice before making any decision regarding the Demerger.

Mineral resources and ore reserves

Mineral resources and ore reserves estimates contained in this Demerger Scheme Booklet are stated in accordance with the JORC Code and are expressions of judgment based on knowledge, experience and industry practice. Although mineral resources and ore reserves estimates contained in this Demerger Scheme Booklet comply with the JORC Code, they may not comply with the relevant guidelines in other countries.

Forward looking statements

Certain statements in this Demerger Scheme Booklet, including statements relating to Gindalbie's or Coda's plans, intentions or expectations of future costs or revenues, relate to the future and are forward looking statements or information. These forward looking statements involve known and unknown risks, uncertainties, assumptions and other important factors that could cause the actual results, performance or achievements of Gindalbie or Coda to be materially different from future results, performance or achievements expressed or implied by such statements. Such risks, uncertainties, assumptions and other important factors include, among other things, general economic conditions, exchange rates, interest rates, the regulatory environment, competitive pressures, selling price and market demand.

Assumptions upon which forward looking statements in this Demerger Scheme Booklet are based include, without limitation: (a) that Gindalbie Shareholders will approve the Demerger Scheme and the Capital Reduction; (b) that the Court will approve the Demerger Scheme; and (c) that all other Conditions to the Demerger Scheme will be satisfied or waived (as applicable). Many of these assumptions are based on factors and events that are not within the control of Gindalbie and may not prove to be correct.

Factors that could cause actual results to vary materially from results anticipated by such forward looking statements include, but are not limited to: the satisfaction of the conditions to the Demerger Scheme, including the receipt of Gindalbie Shareholder approval and Court approval on the terms expected by Gindalbie and Coda; the parties' ability to meet expectations regarding the timing of implementation of the Demerger; and accounting and tax treatments of the Demerger Scheme and the factors identified in Section 6, as well as in Gindalbie's recent annual and half-yearly financial reports, which are available from Gindalbie's website at www.gindalbie.com.au.

Without limiting the generality of the other provisions of this cautionary statement, the Independent Expert's Report set out in Annexure C may contain or refer to forward looking information and is subject to certain assumptions, limitations, risks and uncertainties as described herein and therein.

Other than as required by law, neither Gindalbie nor Coda nor any other person gives any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward looking statements in this Demerger Scheme Booklet will actually occur. Gindalbie Shareholders are cautioned about relying on any such forward looking statements. The forward looking statements in this Demerger Scheme Booklet reflect views held only at the date of this Demerger Scheme Booklet. Additionally, statements of the intentions of Gindalbie and Coda in this Demerger Scheme Booklet reflect present intentions as at the date of this Demerger Scheme Booklet and may be subject to change. Forward looking statements are made as at the date of this Demerger Scheme Booklet and neither Gindalbie nor Coda undertakes to publicly update or revise any forward looking statements, whether as a result of new information, future events or otherwise, except as expressly required by law.

Estimates, targets and forecasts

Unless otherwise indicated, all references to estimates, targets and forecasts and derivatives of the same in this Demerger Scheme Booklet are references to estimates, targets and forecasts by management of Gindalbie. Management estimates, targets and forecasts are based on views held only as at the date of this Demerger Scheme Booklet, and actual events and results may be materially different from them.

Gindalbie believes that any forecast in this Demerger Scheme Booklet has been made on reasonable grounds. However, readers are cautioned that the estimates, targets and forecasts are subject to a variety of factors that are likely to cause actual results to vary from them, and such variations may be material. Forward looking information generally involves risks and uncertainties as described above, which are in many instances beyond Gindalbie's or Coda's control, including amongst other things, global economic conditions, specific market conditions, commodity prices, regulatory developments, exchange rates, litigation, interest rates and regulatory changes. A description of certain risks is set out in Section 6. These could cause actual events and results to vary significantly from those included in or contemplated by such statements.

Any estimates, targets or forecasts reflect certain assumptions by Gindalbie which assumptions may differ with respect to future events, economic, competitive and regulatory conditions, financial market conditions and future business decisions, including a continuation of existing business operations on substantially the same basis as currently exists, all of which assumptions are difficult to predict and many of which are beyond Gindalbie's or Coda's control. Accordingly, there can be no assurance that any estimate, forecast or target is indicative of Gindalbie's or Coda's future performance or that actual events and results would not differ materially from them.

Privacy and personal information

Gindalbie, Coda and the Share Registry may collect personal information in the process of implementing the Demerger Scheme. The personal information may include the names, addresses, other contact details and details of the security holdings of Gindalbie Shareholders, and the names of individuals appointed by Gindalbie Shareholders as proxies, corporate representatives or attorneys at the Demerger Scheme Meeting and the General Meeting. The collection of some of this information is required or authorised by the Corporations Act.

The personal information is collected for the primary purposes of assisting Gindalbie to conduct the Demerger Scheme Meeting and the General Meeting and to enable the Demerger to be implemented. The personal information may be disclosed to Gindalbie's and Coda's share registries/transfer agents, securities brokers, print and mail service providers and any other service provider to the extent necessary to conduct the Demerger Scheme Meeting and the General Meeting and implementing the Demerger.

If the information outlined above is not collected, Gindalbie may be hindered in, or prevented from, conducting the Demerger Scheme Meeting and the General Meeting and implement the Demerger.

Gindalbie Shareholders who are individuals and the other individuals in respect of whom personal information is collected as outlined above have certain rights to access the personal information collected in relation to them. Such individuals should contact the Share Registry on 1300 554 474 (within Australia) or +61 1300 554 474 (outside of Australia) if they wish to exercise these rights.

Gindalbie Shareholders who appoint an individual as their proxy, corporate representative or attorney to vote at the Demerger Scheme Meeting and/or the General Meeting should inform such an individual of the matters outlined above.

The Privacy Policy of Gindalbie is available at www.gindalbie.com.au/corporate-governance/legal/ and contains information about how an individual may access personal information about the individual that is held by Gindalbie, seek the correction of such information or make a privacy related complaint and how such a complaint will be dealt with.

The Privacy Policy of the Share Registry is available at issuers.linkmarketservices.com.au/Help/Privacy.html and contains information about how an individual may access personal information about the individual that is held by the Share Registry, seek the correction of such information or make a privacy related complaint and how such a complaint will be dealt with.

Tax implications of the Demerger Scheme

If the Demerger Scheme becomes Effective and is implemented, there will be tax consequences for Demerger Scheme Shareholders which may include tax being payable. Please refer to Section 9 for further details about the general Australian tax consequences of the Demerger Scheme. The tax treatment may vary depending on the nature and characteristics of each Gindalbie Shareholder and their specific circumstances. Accordingly, Gindalbie Shareholders should seek professional tax advice in relation to their particular circumstances.

If you have not provided your TFN, TFN exemption or ABN to Gindalbie, Gindalbie will withhold and pay to the ATO, 47% of the dividend component (if any) of the Demerger Scheme Consideration. As the Demerger Scheme Consideration is not cash, the required amount of any withholding will be deducted from the Acquisition Scheme Consideration that may be payable to you and paid to the ATO. Please refer to Sections 1.7 and 7.3 and the question titled "What is the tax direction?" in Section 2 for further information in respect of the relevant withholding process.

Interpretation

Information contained in this Demerger Scheme Booklet is given as of 24 May 2019, unless otherwise stated to the contrary. Capitalised terms and certain abbreviations used in this Demerger Scheme Booklet have the defined meanings set out in Section 11. The documents reproduced or summarised in the Annexures to this Demerger Scheme Booklet may have their own defined terms, which are sometimes different from those in Section 11.

Figures, amounts, percentages, estimates, calculations of value and fractions in this Demerger Scheme Booklet are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in this Demerger Scheme Booklet. All references to times in this Demerger Scheme Booklet are references to time in Perth, Western Australia, Australia, unless otherwise stated. All dates in the timetable are indicative only and subject to change. All references in this Demerger Scheme Booklet to "\$", "A\$", "AUD", "Australian dollars" and "cents" are to Australian currency.

Notice of Demerger Scheme Meeting

The Notice of Demerger Scheme Meeting is set out in Annexure H.

Notice of General Meeting

The Notice of General Meeting is set out in Annexure I.

Notice of Second Court Hearing and if a Gindalbie Shareholder wishes to oppose the Demerger Scheme

At the Second Court Hearing, the Court will consider whether to approve the Demerger Scheme following the vote at the Demerger Scheme Meeting. Any Gindalbie Shareholder may appear at the Second Court Hearing and may oppose the approval of the Demerger Scheme at the Second Court Hearing. If you wish to oppose in this manner, you must file with the Court and serve on Gindalbie a notice of appearance, in the prescribed form, together with any affidavit on which you wish to rely at the hearing. The notice of appearance and affidavit must be served on Gindalbie at its address for service at least one day before 8 July 2019. The address for service for Gindalbie is c/- Clayton Utz, Level 27, QV1 Building, 250 St Georges Terrace, Perth WA 6000 (Reference: Cameron Belyea) Facsimile: 08 9481 3095 Email: cbelyea@claytonutz.com.

The Second Court Hearing is expected to be held on 8 July 2019 at the Peter Durack Commonwealth Law Courts Building, 1 Victoria Avenue, Perth, Western Australia, Australia.

No internet site is part of this Demerger Scheme Booklet

Gindalbie and Ansteel each maintain an internet website. The content of those websites does not form part of this Demerger Scheme Booklet. Any reference in this Demerger Scheme Booklet to a website is a textual reference for information only and no information in any website forms part of this Demerger Scheme Booklet.

Foreign jurisdictions

The release, publication or distribution of this Demerger Scheme Booklet outside Australia may be restricted by law or regulation and persons who come into possession of it should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may contravene applicable securities laws or regulations. Gindalbie and its Related Bodies Corporate, including Coda, and each of their directors, officers, employees and advisers each disclaim all liabilities to such persons.

This Demerger Scheme Booklet has been prepared in accordance with Australian law and the information contained in this Demerger Scheme Booklet may not be the same as that which would have been disclosed if this Demerger Scheme Booklet had been prepared in accordance with the laws and regulations of jurisdictions other than Australia.

Gindalbie Shareholders who are nominees, trustees or custodians are encouraged to seek independent advice as to how they should proceed. No action has been taken to register or qualify this Acquisition Scheme Booklet or any aspect of the Acquisition Scheme in any jurisdiction outside Australia.

International offer restrictions

This Demerger Scheme Booklet does not constitute an offer of Coda Shares in any jurisdiction in which it would be unlawful. In particular, this Demerger Scheme Booklet may not be distributed to any person, and the Coda Shares may not be offered or sold, in any country outside Australia except to the extent provided below.

Hong Kong

WARNING - The contents of this Demerger Scheme Booklet have not been reviewed or approved by any regulatory authority in Hong Kong. You are advised to exercise caution in relation to the Demerger. If you are in any doubt about any of the contents of this Demerger Scheme Booklet, you should obtain independent professional advice.

This Demerger Scheme Booklet does not constitute an offer or invitation to the public in Hong Kong to acquire or subscribe for or dispose of any securities. This Demerger Scheme Booklet also does not constitute a prospectus (as defined in section 2(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong)) or notice, circular, brochure or advertisement offering any securities to the public for subscription or purchase or calculated to invite such offers by the public to subscribe for or purchase any securities, nor is it an advertisement, invitation or document containing an advertisement or invitation falling within the meaning of section 103 of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

Copies of this Demerger Scheme Booklet may be issued to a limited number of persons in Hong Kong in a manner which does not constitute any issue, circulation or distribution of this Demerger Scheme Booklet, or any offer or an invitation in respect of these securities, to the public in Hong Kong. The document is for the exclusive use of Gindalbie Shareholders in connection with the Demerger, and no steps have been taken to register or seek authorisation for the issue of this Demerger Scheme Booklet in Hong Kong.

This Demerger Scheme Booklet is confidential to the person to whom it is addressed and no person to whom a copy of this Demerger Scheme Booklet is issued may issue, circulate, distribute, publish, reproduce or disclose (in whole or in part) this Scheme Booklet to any other person in Hong Kong or use for any purpose in Hong Kong other than in connection with the consideration of the Demerger by the person to whom this Demerger Scheme Booklet is addressed.

New Zealand

This Demerger Scheme Booklet and any accompanying document:

- are not, and are under no circumstances to be construed as, an offer of financial products for sale requiring disclosure to an investor under Part 3 of the Financial Markets Conduct Act 2013 (New Zealand) (**FMC Act**);
- are not a disclosure document for the purposes of the FMC Act (as that term is defined in the FMC Act); and
- do not contain all the information that a disclosure document is required to contain under New Zealand law.

Gindalbie does not intend that the Coda Shares be offered for sale in New Zealand in terms of the FMC Act. Accordingly:

- this document and information contained in or accompanying this document have not been registered, filed with or reviewed or approved by any New Zealand regulatory authority under or in accordance with the FMC Act; and
- the Coda Shares have not been and may not be offered or sold to any person in New Zealand other than
 - to persons who are “wholesale investors” as defined in clause 3(2) of Schedule 1 to the FMC Act; and
 - in other circumstances where there is no contravention of the FMC Act.

References to the FMC Act include any statutory modification or re-enactment of, or statutory substitution for, the FMC Act.

Questions and supplementary information

If you have any questions in relation to this Demerger Scheme Booklet or the Demerger you should contact the Gindalbie Shareholder Information Line on 1300 308 375 (for callers within Australia) or +61 8 6314 6314 (for callers outside Australia) between 9.00 am and 5.00 pm (Perth time) Monday to Friday.

Gindalbie Shareholders should seek independent financial, legal and taxation advice before making any decision regarding the Demerger.

In certain circumstances, Gindalbie may provide additional disclosure to Gindalbie Shareholders in relation to the Demerger Scheme after the date of this Demerger Scheme Booklet. To the extent applicable, Gindalbie Shareholders should have regard to any such supplemental information in determining how to vote in relation to the Demerger Scheme.

Important dates and expected timetable for the Demerger Scheme

Event	Time and Date
First Court Hearing	24 May 2019
Despatch of Demerger Scheme Booklet, Notice of Demerger Scheme Meeting and Notice of General Meeting to Gindalbie Shareholders	3 June 2019
Latest time and date by which completed Proxy Forms for the Demerger Scheme Meeting and the General Meeting must be received	10.30 am (in the case of the Demerger Scheme Meeting) or 11.00 am (in the case of the General Meeting) (Perth time) on 1 July 2019
Time and date for determining eligibility of registered Gindalbie Shareholders to vote at the Demerger Scheme Meeting and General Meeting	5.00 pm (Perth time) on 1 July 2019
Demerger Scheme Meeting (to be held at the Perth Convention and Exhibition Centre, Meeting Room 8)	10.30 am (Perth time) on 3 July 2019
General Meeting (to be held at the Perth Convention and Exhibition Centre, Meeting Room 8)	11.00 am (Perth time) (or as soon as possible thereafter following the conclusion or adjournment of the Demerger Scheme Meeting) on 3 July 2019
If the Demerger Scheme is approved by the Requisite Majorities, and the Capital Reduction is approved, the expected timetable for implementation of the Demerger Scheme is:	
Second Court Hearing for approval of the Demerger Scheme	8 July 2019
Effective Date on which the Demerger Scheme comes into effect and is binding	9 July 2019
Court order lodged with ASIC and announcement to the ASX	
Last day of trading in Gindalbie Shares on the ASX (with Gindalbie Shares suspended from close of trading)	
Demerger Scheme Record Date for determining entitlements to the Demerger Scheme Consideration	5.00 pm (Perth time) on 16 July 2019
Demerger Implementation Date	23 July 2019
Payment of Demerger Scheme Consideration to be made to Demerger Scheme Shareholders	

All dates and times are references to the date and/or time in Perth, Western Australia, Australia, unless otherwise stated. This timetable is indicative only and all dates after the Demerger Scheme Meeting are subject to the Court approval process and the satisfaction or waiver of the Conditions (if applicable).

Gindalbie has the right to vary the timetable set out above subject to all necessary approvals. Any variation to the timetable set out above will be announced on Gindalbie's website and on the ASX.

Chairman's Letter

24 May 2019

Dear fellow Gindalbie Shareholder

On behalf of the Independent Directors of Gindalbie Metals Limited (**Gindalbie**), I am writing to provide you with this Demerger Scheme Booklet, which contains important information for you to consider about the proposed demerger of Gindalbie's wholly owned subsidiary, Coda Minerals Limited (**Coda**).

On 11 March 2019, Gindalbie announced that it had entered into two transactions that, if implemented, will lead to the acquisition by Ansteel of all of the Gindalbie Shares that it does not already own (under the Acquisition Scheme), and the demerger of Coda to Eligible Gindalbie Shareholders (under the Demerger).

The Acquisition Scheme and the Demerger Scheme (together with the Capital Reduction, the **Transaction**) are separate but inter-conditional. Each element of the Transaction is subject to the approval of Gindalbie Shareholders and various other conditions that are described more fully in Section 1 of this Demerger Scheme Booklet and Section 1 of the Acquisition Scheme Booklet.

Benefits of the Demerger

If the Demerger is approved and implemented, Eligible Gindalbie Shareholders will emerge with an ownership stake in a new company with strong upside potential that is focused on the Mt Gunson Copper-Cobalt Project (**Mt Gunson**), in which it has a right to earn up to a 75% interest. The separation of Gindalbie and Coda also has the potential to unlock value not reflected in the market price of Gindalbie Shares prior to the announcement of the Transaction.

Your Independent Directors of Gindalbie (**Independent Directors**) have considered the advantages and disadvantages of the Transaction, and unanimously recommend that you vote in favour of the Demerger Scheme Resolution and the Capital Reduction Resolution, subject to the qualifications stated throughout this Demerger Scheme Booklet. Each Independent Director intends to vote in favour of the Demerger Scheme Resolution and the Capital Reduction Resolution, subject to those same qualifications.

The Transaction is the culmination of extensive discussions between Gindalbie and Ansteel. The Gindalbie Board has sought to release Gindalbie Shareholders from their indirect exposure to the ongoing risks, liabilities and losses of the Karara Iron-Ore Project (**Karara**), which also directly impact Gindalbie's ability to raise capital and develop other projects, such as Coda and its copper and cobalt project in South Australia.

The Independent Directors believe an exit from Karara, and a focus on new shareholder value-generating opportunities that are free from any exposure to Gindalbie's significant contingent liabilities (such as Coda), is in the best interests of Gindalbie Shareholders and that the Transaction achieves these outcomes.

Under the Demerger, Eligible Gindalbie Shareholders will receive one Coda Share for every 45 Gindalbie Shares held on the Demerger Scheme Record Date. Ineligible Foreign Shareholders will have the Coda Shares they would otherwise have received transferred to the Nominee and sold, and the average sales proceeds (net of expenses) will be remitted to them.

Introducing Coda

Coda is a wholly owned subsidiary of Gindalbie. Post implementation of the Demerger, it is intended that Coda will be an exploration company with a clear focus on progressing Mt Gunson, in which it has a right to earn up to a 75% interest, and delivering value for shareholders. **Coda intends to apply for admission to the official list of the ASX as soon as practicable after implementation of the Demerger (though listing is not guaranteed and Coda will not be admitted to the official list of the ASX, and Coda Shares received by Eligible Gindalbie Shareholders will not be quoted by the ASX, unless and until the listing occurs). Please refer to Section 7.5 for further information.**

Coda currently holds the rights and interests under the Mt Gunson Farm-in Agreement to earn up to a 75% interest in a significant and strategic portfolio of tenements in South Australia. These tenements are located approximately 100km south of BHP's world-class Olympic Dam copper-gold-uranium mine and within 50km of Oz Minerals' Carrapateena copper project.

As at the Demerger Implementation Date, Coda is expected to have a cash balance of approximately \$7 million. Given the work ahead to implement Coda's strategy and business plan, the Coda Board considers it appropriate to seek to raise new equity capital as soon as practicable following implementation of the Demerger, though there can be no guarantee that an equity capital raising will occur.

While the Independent Directors appreciate Ansteel as a valued and supportive Gindalbie Shareholder, as part of the Transaction Ansteel has agreed not to participate in the first Equity Capital Raising undertaken by Coda within 12 months after the Demerger Implementation Date. This means Ansteel will be diluted if Coda undertakes the Equity Capital Raising in that period.

The Equity Capital Raising structures currently being considered by Coda would, if successfully implemented, result in a dilution of Ansteel's interest in Coda to below 20% as a result of Ansteel's agreement not to participate. Subject to applicable laws, other Coda Shareholders are intended to be given the opportunity to participate in the Equity Capital Raising.

I urge you to read the relevant Sections in this Demerger Scheme Booklet for more information. In particular, please refer to Section 5.5 for further details on Ansteel's potential dilution, Section 5.4 for further details on Coda's funding strategy and Section 5.7 for further details regarding Ansteel's agreement not to participate.

Independent Expert's opinion

To assist Gindalbie Shareholders in assessing the Demerger, Gindalbie appointed BDO to prepare an Independent Expert's Report. In its report, the Independent Expert has concluded that, in the absence of a superior offer, the Demerger Scheme is in the best interests of Gindalbie Shareholders.

A full copy of the Independent Expert's Report is set out in Annexure C. This is an important document and I encourage you to read it in full.

Your vote will affect the future value of your investment

Your vote is important. I encourage you to vote at the Demerger Meetings by completing the Proxy Forms accompanying this Demerger Scheme Booklet, or alternatively by attending the Demerger Scheme Meeting and the General Meeting, which will be held at 10.30 am (Perth time) on 3 July 2019 at the Perth Convention and Exhibition Centre, Meeting Room 8 and at 11.00 am (Perth time) (or as soon as possible thereafter following the conclusion or adjournment of the Demerger Scheme Meeting) at the same location.

For the Demerger to be implemented:

- the Demerger Scheme must be approved by Gindalbie Shareholders, which requires that votes in favour of the Demerger Scheme Resolution must be received from a majority in number (more than 50%) of Gindalbie Shareholders present and voting at the Demerger Scheme Meeting (unless the Court orders otherwise) and at least 75% of the total number of votes cast on the Demerger Scheme Resolution by Gindalbie Shareholders; and
- the Capital Reduction must be approved by Gindalbie Shareholders, which requires that votes in favour of the Capital Reduction Resolution must be received from a majority in number (more than 50%) of the total number of votes cast on the Capital Reduction Resolution by Gindalbie Shareholders at the General Meeting.

Ansteel intends to vote all Gindalbie Shares in which it has a Relevant Interest in favour of the Demerger Scheme Resolution and the Capital Reduction Resolution, if Gindalbie Shareholders approve the Acquisition Scheme. As at the date of this Demerger Scheme Booklet, Ansteel has a Relevant Interest in 535,492,521 Gindalbie Shares (35.71%).

Further information

This Demerger Scheme Booklet sets out important information relating to the Demerger, the reasons why the Independent Directors have recommended that Gindalbie Shareholders vote in favour of the Demerger, and the Independent Expert's Report. It also sets out some of the reasons why Gindalbie Shareholders may wish to vote against the Demerger.

More information in relation to the Acquisition Scheme can be found in the Acquisition Scheme Booklet, which was sent to you at the same time as this Demerger Scheme Booklet.

If you have any questions about the Demerger, please contact the Gindalbie Shareholder Information Line on 1300 308 375 (for callers within Australia) or +61 8 6314 6314 (for callers outside Australia) between 9.00 am and 5.00 pm (Perth time) Monday to Friday.

On behalf of the Gindalbie Board, I would like to take this opportunity to thank you for your ongoing support of Gindalbie, and I look forward to your participation at the Demerger Scheme Meeting and the General Meeting.

Yours sincerely

A handwritten signature in black ink, appearing to be 'K. Jones', with a large loop at the start and a long, sweeping underline.

Keith Jones
Non-Executive Chairman
Gindalbie Metals Limited

What you should do

Step 1: Read this Demerger Scheme Booklet

You should read this Demerger Scheme Booklet carefully in its entirety, including the reasons to vote in favour of or against the Demerger, before making any decision on how to vote on the Demerger.

Answers to various frequently asked questions about the Demerger are set out in Section 2.

If you have any additional questions in relation to this Demerger Scheme Booklet or the Demerger please consult your independent financial, legal or taxation adviser or contact the Gindalbie Shareholder Information Line on 1300 308 375 (for callers within Australia) or +61 8 6314 6314 (for callers outside Australia) between 9.00 am and 5.00 pm (Perth time) Monday to Friday.

Step 2: Vote on the Demerger Scheme at the Demerger Scheme Meeting

Vote on the Demerger Scheme at the Demerger Scheme Meeting by doing one of the following:

- (a) **Vote in person** - attend the Demerger Scheme Meeting in person at 10.30 am (Perth time) on 3 July 2019 at the Perth Convention and Exhibition Centre, Meeting Room 8.
- (b) **Vote by proxy** - complete and return the relevant Proxy Form in accordance with the instructions set out on that Proxy Form so that it is received by the Share Registry by no later than 10.30 am (Perth time) on 1 July 2019.
- (c) **Vote by corporate representative** - a Gindalbie Shareholder or proxy who is a body corporate may vote at the Demerger Scheme Meeting by having their corporate representative attend the Demerger Scheme Meeting in person and vote on their behalf. The authorised corporate representative will be admitted to the Demerger Scheme Meeting upon providing, at the point of entry to the Demerger Scheme Meeting, the appropriate "Certificate of Appointment of Corporate Representative" (which can be obtained from the Share Registry's website at www.linkmarketservices.com.au by hovering over 'Resources', clicking on 'Forms', selecting 'Holding Management' and then selecting 'Appointment of Corporate Representation').
- (d) **Vote by attorney** - a Gindalbie Shareholder may vote at the Demerger Scheme Meeting by having their fully authorised attorney attend the Demerger Scheme Meeting in person and vote on their behalf. A Gindalbie Shareholder wishing to vote by attorney at the Demerger Scheme Meeting must, if they have not already presented an appropriate power of attorney to Gindalbie, deliver to the Share Registry the original instrument appointing the attorney or a certified copy of it by 10.30 am (Perth time) on 1 July 2019.

In order for the Demerger Scheme to be approved by the Requisite Majorities of Gindalbie Shareholders, votes in favour of the Demerger Scheme Resolution must be received from:

- (a) unless the Court orders otherwise, a majority in number (more than 50%) of Gindalbie Shareholders present and voting at the Demerger Scheme Meeting (either in person, by proxy or attorney or in the case of corporate Gindalbie Shareholders, by a duly appointed corporate representative); and
- (b) at least 75% of the total number of votes cast on the Demerger Scheme Resolution by Gindalbie Shareholders at the Demerger Scheme Meeting.

If the Demerger Scheme is not approved by the Requisite Majorities of Gindalbie Shareholders at the Demerger Scheme Meeting, the Demerger will not proceed.

Please refer to Section 3 for further information on how to vote at the Demerger Scheme Meeting.

Step 3: Vote on the Capital Reduction at the General Meeting

Vote on the Capital Reduction at the General Meeting by doing one of the following:

- (a) **Vote in person** - attend the General Meeting in person at 11.00 am (Perth time) (or as soon as possible thereafter following the conclusion or adjournment of the Demerger Scheme Meeting) on 3 July 2019 at the Perth Convention and Exhibition Centre, Meeting Room 8.
- (a) **Vote by proxy** - complete and return the relevant Proxy Form in accordance with the instructions set out on that Proxy Form so that it is received by the Share Registry by no later than 11.00 am (Perth time) on 1 July 2019.
- (a) **Vote by corporate representative** - a Gindalbie Shareholder or proxy who is a body corporate may vote at the General Meeting by having their corporate representative attend the General Meeting in person and vote on their behalf. The authorised corporate representative will be admitted to the General Meeting upon providing, at the point of entry to the General Meeting, the appropriate "Certificate of Appointment of Corporate Representative" (which can be obtained from the Share Registry's website at www.linkmarketservices.com.au by hovering over 'Resources', clicking on 'Forms', selecting 'Holding Management' and then selecting 'Appointment of Corporate Representation').
- (a) **Vote by attorney** - a Gindalbie Shareholder may vote at the General Meeting by having their fully authorised attorney attend the General Meeting in person and vote on their behalf. A Gindalbie Shareholder wishing to vote by attorney at the General Meeting must, if they have not already presented an appropriate power of attorney to Gindalbie, deliver to the Share Registry the original instrument appointing the attorney or a certified copy of it by 11.00 am (Perth time) on 1 July 2019.

In order for the Capital Reduction to be approved by Gindalbie Shareholders, votes in favour of the Capital Reduction Resolution must be received from a majority in number (more than 50%) of the total number of votes cast on the Capital Reduction Resolution by Gindalbie Shareholders at the General Meeting.

If the Capital Reduction is not approved by Gindalbie Shareholders at the General Meeting, the Demerger will not proceed.

Please refer to Section 3 for further information on how to vote at the General Meeting.

Step 4: Participate in the Demerger

If you wish to participate in the Demerger you will need to ensure that you do not sell your Gindalbie Shares prior to the Demerger Scheme Record Date, expected to be 5.00 pm (Perth time) on 16 July 2019. Otherwise, and assuming the Demerger Scheme is approved by the Requisite Majorities and the Court, the Capital Reduction is approved, and all other Conditions are satisfied or waived (as applicable), you do not need to do anything to participate in the Demerger.

Further information

Further information relating to:

- the Demerger Scheme Resolution is contained in the Notice of Demerger Scheme Meeting (which is set out in Annexure H); and
- the Capital Reduction Resolution is contained in the Notice of General Meeting (which is set out in Annexure I).

Gindalbie Shareholders who have any questions or require further information in relation to this Demerger Scheme Booklet or the Demerger should contact the Gindalbie Shareholder Information Line on 1300 308 375 (for callers within Australia) or +61 8 6314 6314 (for callers outside Australia) between 9.00 am and 5.00 pm (Perth time) Monday to Friday.

Gindalbie Shareholders should seek independent financial, legal and taxation advice before making any decision regarding the Demerger.

Summary of considerations relevant to your vote



Reasons to vote in favour of the Demerger

-  The Demerger Scheme and the Acquisition Scheme are inter-conditional, which means the Acquisition Scheme cannot proceed unless the Demerger Scheme is approved.
-  The Demerger will create a distinct exploration company focused on Mt Gunson, in which it has a right to earn up to a 75% interest, which the Independent Directors believe contains a significant and strategic portfolio of tenements.
-  The separation of Gindalbie and Coda has the potential to unlock value not reflected in the market price of Gindalbie Shares.
-  The Independent Directors have assessed the merits of the Demerger and unanimously recommend that you vote in favour of the Demerger Scheme Resolution and the Capital Reduction Resolution, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Demerger Scheme is in the best interests of Gindalbie Shareholders.
-  The Independent Expert has concluded that, in the absence of a superior offer, the Demerger Scheme is in the best interests of Gindalbie Shareholders.
-  Coda will have an experienced Board and management team, who understand Mt Gunson and who will be in a position to provide technical and commercial expertise to Coda.
-  The Demerger will enhance investor awareness of Coda, which will enable a greater market focus on the exploration activities occurring at Mt Gunson and provide greater investment choice.
-  Gindalbie Shareholders are not being asked to make any financial commitment to receive Coda Shares pursuant to the Demerger.
-  No brokerage or stamp duty will be payable by you as a result of the Demerger.

These reasons are discussed in more detail on pages 14 to 16.



Reasons to vote against the Demerger

-  Coda intends to access new funding and raise new capital after the implementation of the Demerger.
-  Coda may be a smaller company in comparison to Gindalbie prior to the implementation of the Demerger.
-  The taxation implications of the Demerger may not be suitable to your financial circumstances or position.
-  The implementation of the Demerger will result in additional ongoing costs for Coda.

These reasons are discussed in more detail on page 17.



Key consideration in voting on the Demerger

-  Eligible Gindalbie Shareholders will receive unlisted Coda Shares unless and until the requirements for listing on the ASX can be met (if at all). Please refer to pages 74 and 90.

Reasons to vote in favour of the Demerger

- (a) **The Demerger Scheme and the Acquisition Scheme are inter-conditional, which means the Acquisition Scheme cannot proceed unless the Demerger Scheme is approved.**

The Acquisition Scheme is conditional on the Requisite Majorities of Gindalbie Shareholders also approving the Demerger Scheme (among other things). That means that, if the Demerger Scheme does not proceed, the Acquisition Scheme will not proceed, and no Gindalbie Shareholder will receive Coda Shares or the Acquisition Scheme Consideration. This means that you will not receive \$0.026 for each Acquisition Scheme Share that you hold on the Acquisition Scheme Record Date.

The Independent Directors unanimously recommend that Gindalbie Shareholders vote in favour of both the Demerger Scheme Resolution and the Acquisition Scheme Resolution, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the relevant Scheme is in the best interests of Gindalbie Shareholders.

More information in relation to the Acquisition Scheme can be found in the Acquisition Scheme Booklet, which was sent to you at the same time as this Demerger Scheme Booklet.

- (b) **The Demerger will create a distinct exploration company free from historical contingent liabilities and focused on Mt Gunson, in which it has a right to earn up to a 75% interest, which the Independent Directors believe contains a significant and strategic portfolio of tenements.**

If the Demerger is implemented, Eligible Gindalbie Shareholders will have a direct interest in Coda through the pro-rata distribution of one Coda Share for every 45 Gindalbie Shares held on the Demerger Scheme Record Date.

Coda will be a separate entity to Gindalbie that will hold assets including a beneficial interest in Mt Gunson and approximately \$7 million in cash as at the Demerger Implementation Date. This is an amount equal to \$10.64 million less, effectively, any incurred expenditure on Mt Gunson since 14 June 2018.

Mt Gunson is positioned in one of the world's premier copper belts and is centred approximately 100km south of BHP Billiton's world-class Olympic Dam copper-gold-uranium mine and within 50km of Oz Minerals' Carrapateena copper project. Mt Gunson currently boasts two JORC 2012 compliant inferred resources. The Independent Directors believe that Mt Gunson is a highly prospective project that contains a significant and strategic portfolio of tenements.

Coda intends to apply for admission to the official list of the ASX as soon as practicable after the Demerger Implementation Date. The Coda Shares received under the Demerger will not be able to be traded on the ASX, and Eligible Gindalbie Shareholders will continue to hold shares in a public unlisted company, unless and until such time as the requirements for listing on the ASX can be met (if at all). Listing is at the ASX's discretion, and there is a risk that Coda may not meet the requirements for admission to the official list of the ASX and achieve quotation of Coda Shares.

Implementation of the Demerger will enable Coda to focus on progressing Mt Gunson and exploring for, and evaluating, projects and potential joint ventures.

- (c) **The separation of Gindalbie and Coda has the potential to unlock value not reflected in the market price of Gindalbie Shares.**

The Independent Directors believe that the potential value of Mt Gunson is not being reflected in Gindalbie's share price and that the Demerger represents an opportunity to recognise the potential value of that asset more effectively.

In the opinion of the Independent Directors, the Demerger allows for the Mt Gunson project to be assessed independently of Gindalbie's investment in Karara, which may unlock value not currently reflected in Gindalbie's share price.

Gindalbie is a minority owner of Karara and is not represented on the board of Karara. As at the date of this Demerger Scheme Booklet, Karara still requires financial support to operate and Gindalbie is unable at present to significantly contribute towards Karara's ongoing costs. Without the continued provision of additional funding, which is currently being provided by Ansteel, Karara's operations could cease and Karara could become insolvent.

In contrast to the ongoing operational and financial problems at Karara, the Independent Directors believe that Mt Gunson is a highly prospective project that contains a significant and strategic portfolio of tenements, the value of which will be reflected in Coda's market value when separated from Gindalbie.

The Demerger simplifies the Gindalbie/Coda business model and will allow investors to independently assess Coda, an exploration company with a clear focus on progressing Mt Gunson and delivering value for shareholders.

However, to further support Coda in implementing its strategy and business plan, which involves progressing Mt Gunson, the Coda Board considers it appropriate to seek to raise new equity capital as soon as practicable following implementation of the Demerger. Ansteel has agreed that it will not, and it must ensure that its Associates and Related Bodies Corporate do not, participate in an Equity Capital Raising if it occurs within 12 months after the Demerger Implementation Date.

The Equity Capital Raising structures currently being considered by Coda would, if successfully implemented, result in a dilution of Ansteel's interest in Coda to below 20% as a result of Ansteel's agreement not to participate. Subject to applicable laws, other Coda Shareholders are intended to be given the opportunity to participate in the Equity Capital Raising.

(d) **Coda will have an experienced Board and management team, who understand Mt Gunson and who will be in a position to provide technical and commercial expertise to Coda.**

On implementation of the Demerger, Coda will have a diverse and experienced Board and management team, who will be dedicated to driving growth in shareholder wealth through a strategy to add value to Mt Gunson, and any other projects Coda acquires, through feasibility stages towards commercialisation.

Gindalbie's management team, which is currently responsible for managing Coda's business (including Mt Gunson), will remain with Coda and will utilise its expertise to extend Mt Gunson's known resources and access the best options for the exploration of that asset. Gindalbie's current CEO, Chris Stevens, will be the Managing Director of Coda. In addition, Gindalbie's Non-Executive Chairman, Keith Jones, and Non-Executive Directors, Paul Hallam and Andrew (Robin) Marshall, will also be on the Coda Board and will provide valuable experience and corporate knowledge.

(e) **The Independent Directors have assessed the merits of the Demerger and unanimously recommend that you vote in favour of the Demerger Scheme Resolution and the Capital Reduction Resolution, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Demerger Scheme is in the best interests of Gindalbie Shareholders.**

In reaching their recommendation, the Independent Directors have considered the advantages and disadvantages of the Demerger, including the information contained in:

- the rest of this "Reasons to vote in favour of the Demerger" Section;
- the "Reasons to vote against the Demerger" Section;
- Section 6 (Risk factors) and Section 9 (Tax implications of the Demerger Scheme); and
- Annexure C (Independent Expert's Report).

In the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Demerger Scheme is in the best interests of Gindalbie Shareholders, each of the Independent Directors intends to cause all the Gindalbie Shares in which he has a Relevant Interest to be voted in favour of the Demerger Scheme Resolution and the Capital Reduction Resolution.

The nominees of Ansteel on the Gindalbie Board have not participated in the Gindalbie Board's deliberations in relation to the Demerger and have not made a recommendation given their relationship with Ansteel and the inter conditionality between the Acquisition Scheme and the Demerger Scheme.

Further details of the interests of the Independent Directors are contained in Section 10.

- (f) **The Independent Expert has concluded that, in the absence of a superior offer, the Demerger Scheme is in the best interests of Gindalbie Shareholders.**

Gindalbie appointed the Independent Expert, BDO, to provide an opinion as to whether the Demerger Scheme is in the best interests of Gindalbie Shareholders and prepare the Independent Expert's Report.

The Independent Expert has concluded that, in the absence of a superior offer, the Demerger Scheme is in the best interests of Gindalbie Shareholders.

A full copy of the Independent Expert's Report is set out in Annexure C.

The Independent Directors encourage you to read the Independent Expert's Report in its entirety before making a decision as to whether or not to vote in favour of the Demerger.

- (g) **The Demerger will enhance investor awareness of Coda, which will enable a greater market focus on the exploration activities occurring at Mt Gunson and provide greater investment choice.**

The Independent Directors believe that the demerger of Coda from Gindalbie will allow investors to more effectively evaluate the merits of Mt Gunson and Coda's performance, strategy and other characteristics. Being a standalone entity will also lead to greater market attention on the exploration results from Mt Gunson and any other assets held by Coda from time to time.

In addition, the Independent Directors believe that Gindalbie Shareholders may prefer to manage the diversification of their portfolio themselves rather than investing in a consolidated Gindalbie that contains investments and projects with different risks and characteristics.

- (h) **Gindalbie Shareholders are not being asked to make any financial commitment to receive Coda Shares pursuant to the Demerger.**

To receive Coda Shares pursuant to the Demerger, Eligible Gindalbie Shareholders will not be required to pay any money or otherwise make any financial contribution. This means the downside for Gindalbie Shareholders is limited.

- (i) **No brokerage or stamp duty will be payable by you as a result of the Demerger.**

You will not incur any brokerage or stamp duty on the transfer of Coda Shares to you pursuant to the Demerger.

Reasons to vote against the Demerger

The Independent Directors believe that Gindalbie Shareholders should take into consideration the following potential disadvantages and reasons to vote against the Demerger.

Having identified these potential disadvantages, the Independent Directors consider that they are outweighed by the potential advantages of the Demerger set out in the “Reasons to vote in favour of the Demerger” Section on pages 14 to 16. This assessment has led to the Independent Directors unanimously recommending that Gindalbie Shareholders vote in favour of the Demerger Scheme Resolution and the Capital Reduction Resolution, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Demerger Scheme is in the best interests of Gindalbie Shareholders.

(a) **Coda intends to access new funding and raise new capital after the implementation of the Demerger.**

Similar to many other exploration companies, Coda’s future expenditure and its ability to achieve its strategy and business plans depends on its ability to raise new equity capital, access debt or dispose of interests in other assets. After implementation of the Demerger, Coda will no longer have the benefit of financial support from Gindalbie.

As at the date of this Demerger Scheme Booklet, based on current conditions and performance assumptions and in the absence of any additional fundraising, the Independent Directors believe that Coda will be sufficiently funded upon implementation of the Demerger to meet its anticipated near-term funding needs, including required expenditure under the Mt Gunson Farm-in Agreement over the next 12 months.

However, to further support Coda in implementing its strategy and business plan, the Coda Board considers it appropriate to seek to raise new equity capital as soon as practicable following implementation of the Demerger. This equity capital raising will have a dilutionary impact on ownership for Coda Shareholders to the extent that they decide not to participate or cannot participate. For further details of this potential capital raising, please refer to Section 5.4.

Ansteel has agreed that it will not, and it must ensure that its Associates and Related Bodies Corporate do not, participate in an Equity Capital Raising if it occurs within 12 months after the Demerger Implementation Date. This means Ansteel will be diluted if Coda undertakes the Equity Capital Raising within that time period. For further details regarding Ansteel’s agreement, please refer to Section 5.7.

Gindalbie Shareholders may consider that the potential capital raising referred to above, as well as the level of uncertainty associated with Coda’s ability to access future funding and raise new capital, is a relevant factor to take into consideration.

(b) **Coda may be a smaller company in comparison to Gindalbie prior to the implementation of the Demerger.**

Following implementation of the Demerger, Coda may be a smaller company than Gindalbie. The Independent Directors expect that the trading price of Coda Shares will be significantly affected by both positive and negative results received from exploration activities relating to Mt Gunson, and that the effect will be greater than if Coda remained a wholly owned subsidiary of Gindalbie.

(c) **The taxation implications of the Demerger may not be suitable to your financial circumstances or position.**

If the Demerger is implemented, there may be tax consequences that result for you as a Gindalbie Shareholder, some of which may be adverse.

Please refer to Section 9 for further detail regarding the tax implications of the Demerger. This guide is expressed in general terms and is not intended to provide taxation advice in respect of the particular circumstances of any Gindalbie Shareholder

(d) **The implementation of the Demerger will result in additional ongoing costs for Coda.**

Following the implementation of the Demerger, Coda will be an independent entity, which will necessarily involve additional corporate costs, including maintaining a separate board of directors and management, share registry, information technology, reporting systems and other corporate functions.

Other considerations relevant to your vote on the Demerger

You should also take into account the following additional considerations in deciding whether to vote in favour of, or against, the Demerger.

(a) **The Demerger may be implemented even if you vote against it.**

The Demerger will be implemented if the Demerger Scheme is approved by the Requisite Majorities, the Capital Reduction is approved by Gindalbie Shareholders, the Demerger Scheme is approved by the Court, and all other Conditions are satisfied or waived (as applicable), irrespective of whether you do not vote or you vote against the Demerger Scheme Resolution at the Demerger Scheme Meeting or the Capital Reduction Resolution at the General Meeting.

If the Demerger is implemented, Eligible Gindalbie Shareholders will have a direct interest in Coda through the pro-rata distribution of one Coda Share for every 45 Gindalbie Shares held on the Demerger Scheme Record Date.

(b) **Conditionality of the Demerger.**

The implementation of the Demerger is subject to a number of conditions precedent under the Demerger Implementation Agreement, which are summarised in Annexure A. These conditions precedent are also Conditions to the Demerger Scheme, which are contained in clause 3.1 of the Demerger Scheme set out in Annexure F.

If the Conditions are not satisfied or waived (as applicable), the Demerger Scheme will not be implemented and Eligible Gindalbie Shareholders will not receive a pro-rata distribution of one Coda Share for every 45 Gindalbie Shares held on the Demerger Scheme Record Date.

(c) **If the Demerger is not implemented, you will not receive Coda Shares.**

If the Demerger Scheme is not approved by Gindalbie Shareholders or all outstanding Conditions are not satisfied or waived (as applicable), the Demerger will not be implemented.

In such circumstances, no Gindalbie Shareholders will receive Coda Shares. Due to the inter-conditional nature of the Transaction, no Gindalbie Shareholders will receive the Acquisition Scheme Consideration, and Gindalbie will continue to operate as it does currently and will remain listed on the ASX.

If the Demerger is not implemented, the advantages of the Demerger described in the “Reasons to vote in favour of the Demerger” Section on pages 14 to 16 will not be realised.

01 Summary of the Demerger

1. Summary of the Demerger

1.1 Background and overview

On 11 March 2019, Gindalbie announced that it had entered into two transactions that, if implemented, will lead to the acquisition by Ansteel of all of the Gindalbie Shares that it does not already own (under the Acquisition Scheme), and the demerger of Gindalbie's wholly owned subsidiary, Coda, to Eligible Gindalbie Shareholders (under the Demerger). The Acquisition Scheme and the Demerger are separate but inter-conditional.

The Demerger is comprised of the Capital Reduction and the Demerger Scheme, which is a scheme of arrangement.

A “scheme of arrangement” is a statutory procedure that can be used, among other things, to enable a demerger of shares in a subsidiary of a company to its shareholders. To be implemented, a scheme of arrangement must be approved by 75% of the votes cast at meeting of shareholders and by 50% of the shareholders voting at that meeting (unless the Court orders otherwise), and also requires Court approval.

If both the Demerger Scheme and the Capital Reduction are approved by Gindalbie Shareholders and the Demerger is implemented, Eligible Gindalbie Shareholders will receive one Coda Share for every 45 Gindalbie Shares they hold on the Demerger Scheme Record Date. Ineligible Foreign Shareholders will not receive Coda Shares. Instead the Coda Shares which they would have received will be sold by the Nominee and the average sales proceeds (net of expenses) will be dispatched to Ineligible Foreign Shareholders as soon as reasonably practicable.

If either the Demerger Scheme or the Capital Reduction is not approved by Gindalbie Shareholders, the Demerger will not be implemented. In such circumstances, the Acquisition Scheme will also not be implemented, and so no Gindalbie Shareholder will receive the Acquisition Scheme Consideration.

A summary of the Demerger Implementation Agreement is set out in Annexure A and a copy of the Demerger Scheme is set out in Annexure F.

1.2 Independent Directors' recommendation

The Independent Directors believe that the Demerger is in the best interests of Gindalbie Shareholders and unanimously recommend that Gindalbie Shareholders vote in favour of the Demerger Scheme Resolution and the Capital Reduction Resolution, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Demerger Scheme is in the best interests of Gindalbie Shareholders.

The Independent Directors are Keith Jones, Andrew (Robin) Marshall and Paul Hallam. Ge Li and An Lin Shao are not considered independent directors of Gindalbie (given they are nominees of Ansteel) and do not consider it appropriate to make a recommendation in relation to the Demerger.

1.3 Voting intentions of the Independent Directors

Each Independent Director intends to cause any Gindalbie Shares in which he has a Relevant Interest to be voted in favour of the Demerger Scheme Resolution and the Capital Reduction Resolution, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Demerger Scheme is in the best interests of Gindalbie Shareholders.

Details of the interests of each Independent Director in Gindalbie Shares are set out in Section 10.1.

1.4 Independent Expert's conclusion

The Independent Expert has concluded that, in the absence of a superior offer, the Demerger Scheme is in the best interests of Gindalbie Shareholders.

A full copy of the Independent Expert's Report is set out in Annexure C.

The Independent Directors encourage you to read this report in its entirety before making a decision as to whether or not to vote in favour of the Demerger Scheme Resolution and the Capital Reduction Resolution.

1.5 Coda Shares to be received if the Demerger proceeds

If the Demerger is approved and is implemented, Eligible Gindalbie Shareholders will receive one Coda Share for every 45 Gindalbie Shares they hold on the Demerger Scheme Record Date.

Ineligible Foreign Shareholders will not receive Coda Shares. Instead the Coda Shares which they would have received will be sold by the Nominee and the average sales proceeds (net of expenses) will be paid to them as soon as reasonably practicable.

It is expected that Coda Shares will be transferred to Eligible Gindalbie Shareholders on the Demerger Implementation Date. The Demerger Implementation Date is currently expected to be 23 July 2019.

Where the calculation of the aggregate number of Coda Shares to be transferred to a particular Demerger Scheme Shareholder would result in the transfer of a fraction of a Coda Share, then the entitlement of that Demerger Scheme Shareholder will be rounded up or down to the nearest Coda Share. Any such fractional entitlement of less than 0.5 will be rounded down to the nearest Coda Share and any such fractional entitlement of 0.5 or more will be rounded up to the nearest Coda Share.

For Gindalbie Shares held by Eligible Gindalbie Shareholders in joint names, Gindalbie will transfer the Coda Shares in the names of the joint holders.

1.6 The Acquisition Scheme is a separate transaction

In addition to the Demerger, Gindalbie intends to propose the Acquisition Scheme to Gindalbie Shareholders. The Acquisition Scheme is a separate but inter-conditional transaction and details of the Acquisition Scheme are not included in this Demerger Scheme Booklet.

More information in relation to the Acquisition Scheme can be found in the Acquisition Scheme Booklet, which was sent to you at the same time as this Demerger Scheme Booklet.

1.7 Tax direction

As set out in Section 9, tax may need to be withheld from the Demerger Scheme Consideration payable to some Gindalbie Shareholders. It is not practicable to withhold tax from the Demerger Scheme Consideration to be transferred under the Demerger Scheme, given that the Demerger Scheme Consideration comprises Coda Shares and does not contain a cash component.

To address this, under the Demerger Scheme each Demerger Scheme Shareholder directs Gindalbie to pay any withholding required or compelled by law to the relevant regulatory authority on behalf of that Demerger Scheme Shareholder and agrees that the amount of the withholding is to be treated as a loan from Gindalbie to that Demerger Scheme Shareholder, among other matters. The terms of the Acquisition Scheme permit Gindalbie to apply a portion of the Acquisition Scheme Consideration payable to an Acquisition Scheme Shareholder as is necessary to repay that amount.

Please refer to Section 7.3 for further information on this tax direction.

1.8 Conditions

The implementation of the Demerger Scheme is subject to a number of Conditions, which need to be satisfied or waived (as applicable) before the Demerger can be implemented. The Conditions include:

- (a) **Demerger Scheme shareholder approval:** Gindalbie Shareholders approving the Demerger Scheme by the Requisite Majorities;
- (b) **Capital Reduction shareholder approval:** Gindalbie Shareholders approving the Capital Reduction Resolution;
- (c) **Court approval:** the Court approving the Demerger Scheme in accordance with section 411(4)(b) of the Corporations Act;
- (d) **Independent Expert's Report:** the Independent Expert not changing or publicly withdrawing its conclusion that the Demerger Scheme is in the best interests of Gindalbie Shareholders prior to 8.00 am (Perth time) on the Second Court Date;
- (e) **Other Demerger Implementation Agreement conditions:** as at 8.00 am (Perth time) on the Second Court Date, each of the other conditions set out in clause 3.1 of the Demerger Implementation Agreement (other than certain conditions relating to the approval of the Court wholly or partially) have been satisfied or waived in accordance with the terms of the Demerger Implementation Agreement; and
- (f) **Acquisition Scheme conditions:** each of the conditions precedent in clause 2.1 of the Acquisition Scheme being satisfied, including the Acquisition Scheme being approved by the Requisite Majorities at the Acquisition Scheme Meeting (please refer to the Acquisition Scheme Booklet for further detail on these conditions).

The conditions set out in clause 3.1 of the Demerger Implementation Agreement are summarised in Annexure A. Except to the extent a Condition provides otherwise, the Conditions cannot be waived.

As at the date of this Demerger Scheme Booklet, Gindalbie is not aware of any circumstances that would cause the outstanding Conditions not to be satisfied or waived.

Gindalbie intends to announce on the ASX the satisfaction or waiver (as applicable) of the Conditions.

If the conditions precedent in the Demerger Implementation Agreement are not satisfied or waived (as applicable) by the End Date, the Demerger Implementation Agreement will be terminated, which will mean the Demerger Scheme will not be implemented.

1.9 Key agreements for the Demerger Scheme

The key agreements to effect the Demerger are as follows:

(a) Demerger Implementation Agreement

The Demerger Implementation Agreement sets out the obligations of Gindalbie and Coda in connection with the implementation of the Demerger.

A summary of the key terms of the Demerger Implementation Agreement is set out in Annexure A.

(b) Demerger Scheme

The Demerger Scheme contains the terms of the scheme of arrangement to effect the Demerger. A copy of the Demerger Scheme is set out in Annexure F.

(c) **Demerger Deed Poll**

Coda has entered into the Demerger Deed Poll in favour of the Demerger Scheme Shareholders under which Coda has undertaken to undertake all actions attributed to it under the Demerger Scheme, as if named as a party to the Demerger Scheme.

The Demerger Deed Poll may be relied on and enforced by any Demerger Scheme Shareholder in accordance with its terms, despite the fact that they are not a party to it, and under the Demerger Scheme each Demerger Scheme Shareholder appoints Gindalbie as its agent and attorney for executing any document or doing any other act necessary to give effect to the Demerger Scheme and enforcing the Demerger Deed Poll against Coda.

A copy of the Demerger Deed Poll is set out in Annexure G.

(d) **Demerger Deed**

The Demerger Deed sets out various transitional commercial and legal matters arising from the Demerger. A summary of the key terms of the Demerger Deed is set out in Annexure B.

1.10 Key steps to implement the Demerger Scheme

The key steps to implement the Demerger are as follows.

- (a) Gindalbie Shareholders will vote on whether to approve the Demerger Scheme at the Demerger Scheme Meeting. Each person registered as a Gindalbie Shareholder at 5.00 pm (Perth time) on 1 July 2019 is entitled to vote at the Demerger Scheme Meeting.
- (b) Gindalbie Shareholders will vote on whether to approve the Capital Reduction at the General Meeting. Each person registered as a Gindalbie Shareholder at 5.00 pm (Perth time) on 1 July 2019 is entitled to vote at the General Meeting.
- (c) If the Demerger Scheme is approved by the Requisite Majorities of Gindalbie Shareholders at the Demerger Scheme Meeting, the Capital Reduction is approved at the General Meeting and the Acquisition Scheme is approved by the Requisite Majorities of Gindalbie Shareholders at the Acquisition Scheme Meeting, Gindalbie will apply to the Court for orders approving the Demerger Scheme on the Second Court Date. Any Gindalbie Shareholder may appear at the Second Court Hearing.
- (d) If the Court approves the Demerger Scheme, and all other Conditions have been satisfied or waived (as applicable), Gindalbie will lodge with ASIC an office copy of the Court orders approving the Demerger Scheme in accordance with section 411(10) of the Corporations Act and the Demerger Scheme will become Effective. Gindalbie expects to lodge this with ASIC on 9 July 2019. Gindalbie will, on the Demerger Scheme becoming Effective, give notice of that event to the ASX.
- (e) It is expected that suspension of trading in Gindalbie Shares on the ASX will occur from the close of trading on the Effective Date (which is expected to be the same date as the Acquisition Scheme becomes Effective).
- (f) On the Demerger Implementation Date, Gindalbie will reduce its share capital pursuant to the Capital Reduction and will apply the Demerger Capital Reduction Entitlement of each Demerger Scheme Shareholder as consideration in full for the transfer of Coda Shares, being the Demerger Scheme Consideration, to:
 - (i) Eligible Gindalbie Shareholders; and
 - (ii) the Nominee (in the case of Ineligible Foreign Shareholders).

Section 7 contains further details on the implementation of the Demerger, including the approvals required in order for the Demerger to proceed and the treatment of Ineligible Foreign Shareholders.

1.11 Your choices as a Gindalbie Shareholder

As a Gindalbie Shareholder you have the following options in relation to your Gindalbie Shares:

(a) **Vote in favour of the Demerger**

The Independent Directors unanimously recommend that you vote in favour of the Demerger Scheme Resolution and the Capital Reduction Resolution, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Demerger Scheme is in the best interests of Gindalbie Shareholders.

The reasons for the Independent Directors' unanimous recommendation are set out in the "Reasons to vote in favour of the Demerger" Section on pages 14 to 16.

(b) **Vote against the Demerger**

If, despite the Independent Directors' unanimous recommendation and the conclusion of the Independent Expert, you do not support the Demerger, you may vote against the Demerger Scheme Resolution and/or the Capital Reduction Resolution. As the Demerger Scheme is conditional on both of those resolutions passing, a vote against either one or both would be a vote against the Demerger proceeding.

However, you should note that if all of the Conditions to the Demerger Scheme are satisfied or waived (as applicable), including the Requisite Majorities of Gindalbie Shareholders approving the Demerger Scheme, the Demerger Scheme will bind all Demerger Scheme Shareholders, including those who vote against the Demerger Scheme at the Demerger Scheme Meeting, those vote against the Capital Reduction at the General Meeting and those who do not vote at all.

(c) **Sell your Gindalbie Shares on the ASX**

You can sell your Gindalbie Shares on the ASX at any time before close of trading on the ASX on the date the Acquisition Scheme becomes Effective (as trading in Gindalbie Shares on the ASX is expected to cease at the close of trading on the ASX on that date). This is expected to be the same date as when the Demerger Scheme becomes Effective, which is expected to be 9 July 2019.

(d) **Do nothing**

If, despite the Independent Directors' unanimous recommendation and the conclusion of the Independent Expert, you decide to do nothing, you should note that if all of the Conditions to the Demerger Scheme are satisfied or waived (as applicable), including the Requisite Majorities of Gindalbie Shareholders approving the Demerger Scheme, the Demerger Scheme will bind all Demerger Scheme Shareholders, including those who vote against the Demerger Scheme at the Demerger Scheme Meeting, those vote against the Capital Reduction at the General Meeting and those who do not vote at all.

If you want the Demerger to be implemented, your vote is important. If the Demerger Scheme is not approved by the Requisite Majorities of Gindalbie Shareholders, or the Capital Reduction is not approved by Gindalbie Shareholders, you will not receive the Demerger Scheme Consideration.

1.12 Implications if the Demerger is not implemented

If the Demerger is not implemented, no Gindalbie Shareholder will receive Coda Shares, and the Acquisition Scheme will not proceed (given the inter-conditional nature of the Transaction), which means no Gindalbie Shareholder will receive the Acquisition Scheme Consideration.

In such circumstances, Gindalbie will continue to focus on its current business plan and growth strategy and Gindalbie Shareholders will remain exposed to the risks of Gindalbie as discussed in Section 6 of the Acquisition Scheme Booklet. Further details on what will occur if the Demerger is not implemented are set out in Section 8.

1.13 Costs

If the Demerger is implemented, the Acquisition Scheme will be implemented, and so the costs incurred by Gindalbie in relation to the Demerger will effectively be met by Ansteel as the ultimate controller of Gindalbie following implementation of the Acquisition Scheme. If the Demerger is not implemented and if no Superior Proposal emerges and becomes effective (leading to a change in the ultimate controller of Gindalbie), Gindalbie will need to pay its own transaction costs, which are a sunk cost.

1.14 Australian taxation implications

A general guide to the taxation implications of the Demerger Scheme for certain Gindalbie Shareholders is set out in Section 9. This guide is expressed in general terms and is not intended to provide taxation advice in respect of the particular circumstances of any Gindalbie Shareholder.

1.15 No brokerage or stamp duty

No brokerage or stamp duty will be payable by Eligible Gindalbie Shareholders on the transfer of Coda Shares to them under the Demerger.

1.16 Further information for Gindalbie Shareholders

If you have any questions in relation to this Demerger Scheme Booklet or the Demerger you should contact the Gindalbie Shareholder Information Line on 1300 308 375 (for callers within Australia) or +61 8 6314 6314 (for callers outside Australia) between 9.00 am and 5.00 pm (Perth time) Monday to Friday.

Frequently asked questions

02

2. Frequently asked questions

This Demerger Scheme Booklet contains detailed information regarding the Demerger. This Section provides summary answers to some questions you may have and will assist you to locate further detailed information in this Demerger Scheme Booklet. It is not intended to address all relevant issues for Gindalbie Shareholders. This Section should be read together with the other parts of this Demerger Scheme Booklet.

Question	Answer
Overview of the Transaction	
Why have I received this Demerger Scheme Booklet?	This Demerger Scheme Booklet has been sent to you because you are a Gindalbie Shareholder and you are being asked to vote on the Demerger. This Demerger Scheme Booklet is intended to help you to consider and decide on how to vote on the Demerger Scheme at the Demerger Scheme Meeting and the Capital Reduction at the General Meeting. It also provides information on Coda, as a standalone business, and Coda Shares.
What is the Transaction?	On 11 March 2019, Gindalbie announced the Transaction to the ASX. The Acquisition Scheme, the Demerger Scheme and the Capital Reduction are together referred to as the Transaction. The Transaction will be implemented by way of two separate but inter-conditional schemes of arrangement and a capital reduction to effect the Demerger.
What is the Acquisition Scheme?	The Acquisition Scheme is a scheme of arrangement under Part 5.1 of the Corporations Act between Gindalbie and Acquisition Scheme Shareholders. If the Acquisition Scheme is implemented: • Acquisition Scheme Shareholders will receive the Acquisition Scheme Consideration of \$0.026 for each Acquisition Scheme Share held on the Acquisition Scheme Record Date; and • Gindalbie will become a wholly owned subsidiary of Ansteel, and will apply to the ASX for termination of official quotation of Gindalbie Shares and to have itself removed from the official list of the ASX with effect from the close of business on the Business Day following the date the Acquisition Scheme is implemented. More information in relation to the Acquisition Scheme is set out in the Acquisition Scheme Booklet, which was sent to you at the same time as this Demerger Scheme Booklet.
What is the Demerger?	The Demerger involves the demerger of Coda, which is currently a wholly owned subsidiary of Gindalbie. Upon implementation of the Demerger, Coda will become a standalone entity, separate to Gindalbie. The Demerger is proposed to occur by way of the Demerger Scheme and the Capital Reduction, which will result in 100% of the Coda Shares being distributed to, or for the benefit of, Gindalbie Shareholders. If the Demerger is approved by Gindalbie Shareholders and implemented, Eligible Gindalbie Shareholders will receive one Coda Share for every 45 Gindalbie Shares they hold on the Demerger Scheme Record Date. Ineligible Foreign Shareholders will not receive Coda Shares. Instead the Coda Shares which they would have received will be sold by the Nominee

	and the average sales proceeds (net of expenses) will be dispatched to Ineligible Foreign Shareholders as soon as reasonably practicable. The Demerger is conditional on (among other things) the Requisite Majorities of Gindalbie Shareholders also approving the Acquisition Scheme.
What is the Demerger Scheme?	The Demerger Scheme is a scheme of arrangement under part 5.1 of the Corporations Act between Gindalbie and Demerger Scheme Shareholders. Gindalbie Shareholders will be asked to approve the Demerger Scheme at the Demerger Scheme Meeting.
What is a “scheme of arrangement”?	A “scheme of arrangement” is a statutory procedure that can be used, among other things, to enable a demerger of shares in a subsidiary of a company to its shareholders. To be implemented, a scheme of arrangement must be approved by 75% of the votes cast at meeting of shareholders and by 50% of the shareholders voting at that meeting (unless the Court orders otherwise), and also requires Court approval.
What is the Capital Reduction?	The Capital Reduction is a return of capital on your Gindalbie Shares, and is a necessary step to effect the Demerger. Both the Acquisition Scheme and the Demerger Scheme are conditional on the Capital Reduction being approved by Gindalbie Shareholders. You will not receive any cash from the Capital Reduction as it will be applied in consideration for the transfer of Coda Shares under the Demerger Scheme.
Why has the Demerger been proposed by Gindalbie?	The Independent Directors believe a focus on new shareholder value-generating opportunities that are free from any exposure to Gindalbie’s significant contingent liabilities is in the best interests of Gindalbie Shareholders.
Do I need to pay anything to receive Coda Shares under the Demerger?	No. To receive Coda Shares pursuant to the Demerger, Eligible Gindalbie Shareholders will not be required to pay any money or otherwise make any financial contribution.
What may happen to Ansteel’s shareholding in Coda?	Ansteel will initially hold approximately 35.7% of Coda if the Demerger is implemented (assuming Ansteel does not sell any Gindalbie Shares prior to the Demerger Scheme Record Date). However, Ansteel has agreed that it will not, and it must ensure that its Associates and Related Bodies Corporate do not, participate in an Equity Capital Raising if it occurs within 12 months after the Demerger Implementation Date. This means Ansteel will be diluted if Coda undertakes the Equity Capital Raising within that time period. The Equity Capital Raising structures currently being considered by Coda would, if successfully implemented, result in a dilution of Ansteel’s interest in Coda to below 20% as a result of Ansteel’s agreement not to participate. Subject to applicable laws, other Coda Shareholders are intended to be given the opportunity to participate in the Equity Capital Raising.
Overview of Coda	
Who is Coda?	Coda is currently a wholly-owned subsidiary of Gindalbie and was incorporated on 26 April 2018 as a public company limited by shares. Coda was established to farm-in to an interest of up to 75% of Mt Gunson. If the Demerger is implemented, it is intended that Coda will be an exploration

	company with a clear focus on progressing Mt Gunson, in which it has a right to earn up to a 75% interest, and delivering value for shareholders. More information in relation to Coda is set out in Section 5.
What is Coda's business strategy?	Coda is an exploration company with a clear focus on progressing Mt Gunson, in which it has a right to earn up to a 75% interest, and delivering value for shareholders by looking to develop strategic opportunities that meet appropriate scale and risk criteria, are situated in the appropriate locations, and offer growth potential. Please refer to Section 5.2 for further information on Coda's business strategy.
When will Coda be profitable?	Coda is currently an exploration company and is therefore not yet generating positive cash flow. No assurance can be given that Coda will achieve commercial viability through the successful exploration and/or mining of Mt Gunson or any tenements which are subsequently applied for or acquired. Please refer to Section 5.4 for further information on Coda's funding strategy and Section 6 for an outline of the key risks associated with an investment in Coda.
Will Ansteel have an interest in Coda?	Yes. Upon implementation of the Demerger, Ansteel will hold approximately 35.7% of Coda (assuming Ansteel does not sell any Gindalbie Shares prior to the Demerger Scheme Record Date). However, Ansteel has agreed that it will not participate in an Equity Capital Raising if it occurs within 12 months after the Demerger Implementation Date. This means that Ansteel will be diluted if Coda undertakes the Equity Capital Raising within that time period. The Equity Capital Raising structures currently being considered by Coda would, if successfully implemented, result in a dilution of Ansteel's interest in Coda to below 20% as a result of Ansteel's agreement not to participate. Subject to applicable laws, other Coda Shareholders are intended to be given the opportunity to participate in the Equity Capital Raising. Please refer to Sections 5.5 and 5.4 for further information on Ansteel's potential dilution and Coda's funding strategy. Please refer to Section 5.7 for further information about Ansteel's and Coda's agreement.
How does Coda intend to fund its business plan?	Coda's funding strategy is to maintain adequate cash reserves to follow its business strategy and meet annual expenditure commitments required to ensure that it can successfully farm-in to Mt Gunson, as well as maintain in good standing any tenements owned by Coda in the future. The Coda Board considers it appropriate to seek to raise new equity capital as soon as practicable following implementation of the Demerger. Please refer to Section 5.4 for further information on Coda's funding strategy.
Who will be on the board of Coda?	On the Demerger Implementation Date, the Coda Board will comprise: • Keith Jones (Non-Executive Chairman); • Chris Stevens (Managing Director); • Andrew (Robin) Marshall (Non-Executive Director); • Paul Hallam (Non-Executive Director); • An Lin Shao (Non-Executive Director); and • Ge Li (Non-Executive Director).

What are the risks associated with an investment in Coda?	Coda is an exploration company and has incurred operating losses since its inception and does not have a significant history of business operations. Please refer to Section 6 for an outline of the key risks associated with an investment in Coda.
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Overview of the Demerger

What is the effect of approving the Demerger?	The Demerger will be implemented if: - the Demerger Scheme is approved by the Requisite Majorities at the Demerger Scheme Meeting; - the Capital Reduction is approved at the General Meeting; - the Demerger Scheme is approved by the Court; and - all other Conditions to the Demerger Scheme are satisfied or waived (as applicable). If the Demerger is implemented, Coda will be separated from Gindalbie, and Eligible Gindalbie Shareholders will receive one Coda Share for every 45 Gindalbie Shares held on the Demerger Scheme Record Date (being the Demerger Scheme Consideration). Ineligible Foreign Shareholders will not receive Coda Shares. Instead, the Coda Shares which they would have received will be sold by the Nominee and the average sales proceeds (net of expenses) will be dispatched to Ineligible Foreign Shareholders as soon as reasonably practicable. Please refer to Section 7.2 for further details.
Who is entitled to participate in the Demerger?	You will be entitled to participate in the Demerger if you are registered as a Gindalbie Shareholder on the Demerger Scheme Record Date. However, Ineligible Foreign Shareholders will not receive Coda Shares. Please refer to Section 7.2 for further details.
What happens if the Demerger does not proceed?	If the Demerger does not proceed: - no Gindalbie Shareholders will receive any Coda Shares; - Coda will remain a wholly owned subsidiary of Gindalbie; and - the Acquisition Scheme will not proceed, which means no Gindalbie Shareholders will receive the Acquisition Scheme Consideration.

The Demerger Scheme Consideration

What consideration will I receive if the Demerger is implemented?	If the Demerger is implemented, Eligible Gindalbie Shareholders will receive one Coda Share for every 45 Gindalbie Shares held on the Demerger Scheme Record Date (being the Demerger Scheme Consideration). Ineligible Foreign Shareholders will not receive Coda Shares. Instead, the Coda Shares which they would have received will be sold by the Nominee and the average sales proceeds (net of expenses) will be dispatched to Ineligible Foreign Shareholders as soon as reasonably practicable. Please refer to Section 7.2 for further details.
When will I receive Coda Shares?	If the Demerger Scheme becomes Effective, Eligible Gindalbie Shareholders will have their names entered into the Coda Share Register on the Demerger Implementation Date.

How will I receive the Coda Shares?	Gindalbie will transfer Coda Shares to Eligible Gindalbie Shareholders, and will enter the name of each Eligible Gindalbie Shareholder in the Coda Share Register as the holder of one Coda Share for every 45 Gindalbie Shares held on the Demerger Scheme Record Date.
Will I be able to trade Coda Shares on the ASX?	Coda intends to apply for admission to the official list of the ASX as soon as practicable after implementation of the Demerger. Coda Shares will not be able to be traded on the ASX, and Eligible Gindalbie Shareholders will continue to hold shares in a public unlisted company, unless and until such time as the requirements for listing on the ASX can be met (if at all). Listing is at the ASX's discretion, and there is a risk that Coda may not meet the requirements for admission to the official list of the ASX and achieve quotation of Coda Shares.
How will fractional entitlements be treated?	Where the calculation of the aggregate number of Coda Shares to be transferred to a particular Demerger Scheme Shareholder would result in the transfer of a fraction of a Coda Share, then the entitlement of that Demerger Scheme Shareholder will be rounded up or down to the nearest Coda Share. Any such fractional entitlement of less than 0.5 will be rounded down to the nearest Coda Share and any such fractional entitlement of 0.5 or more will be rounded up to the nearest Coda Share. However, if Gindalbie is of the opinion that a Demerger Scheme Shareholder has been party to shareholding splitting or division in an attempt to obtain unfair advantage by reference to such rounding, then Gindalbie reserves the right to round the entitlement of such holdings so as to provide only the number of Coda Shares that would have been received but for the splitting or division.
What are the tax consequences of the Demerger Scheme for me?	Section 9 provides a description of the general tax implications of the Demerger Scheme for Australian residents. You should consult with your own tax adviser regarding the consequences of the Demerger in light of current tax laws and your particular circumstances.
What if I am an Ineligible Foreign Shareholder?	A Demerger Scheme Shareholder will be an Ineligible Foreign Shareholder for the purpose of the Demerger if their registered address in the Gindalbie Share Register on the Demerger Scheme Record Date is a place outside Australia and not in one of the jurisdictions stated in Section 7.2. Ineligible Foreign Shareholders will not receive Coda Shares under the Demerger. If you are an Ineligible Foreign Shareholder, the number of Coda Shares which you would have received on the implementation of the Demerger will be transferred to the Nominee. The Nominee will sell all such Coda Shares and remit the average sales proceeds (net of expenses) to you. Please refer to Section 7.2 for further details.
Can I choose to receive cash instead of Coda Shares?	No. There is no option to elect to receive cash instead of Coda Shares. However, if you are an Ineligible Foreign Shareholder, the number of Coda Shares which you would have received on the implementation of the Demerger will be transferred to the Nominee. The Nominee will sell all such Coda Shares and remit the average sales proceeds (net of expenses) to you. Please refer to Section 7.2 for further details.

Can I apply for more Coda Shares?	No. There is no option to apply for more Coda Shares through the Demerger process.
What is the tax direction?	As set out in Section 9, tax may need to be withheld from the Demerger Scheme Consideration payable to some Gindalbie Shareholders. It is not practicable to withhold tax from the Demerger Scheme Consideration to be transferred under the Demerger Scheme, given that the Demerger Scheme Consideration comprises Coda Shares and does not contain a cash component. To address this, the Demerger Scheme and the Acquisition Scheme contain certain provisions, the effect of which is that Gindalbie is directed to pay that withholding on the Demerger Scheme Shareholder's behalf and apply a portion of the Acquisition Scheme Consideration payable to that person as is necessary to repay that amount. Please refer to Section 7.3 for further information on this tax direction.
Will there be any tax withholdings from the Demerger Scheme Consideration I receive?	If you have not provided your TFN, TFN exemption or ABN to Gindalbie, Gindalbie will withhold and pay to the ATO, 47% of the dividend component (if any) of the Demerger Scheme Consideration. If you have not already done so, then you should provide your TFN, TFN exemption or ABN to Gindalbie by contacting the Gindalbie Shareholder Information Line on 1300 308 375 (for callers within Australia) or +61 8 6314 6314 (for callers outside Australia) between 9.00 am and 5.00 pm (Perth time) Monday to Friday. As the Demerger Scheme Consideration is not cash, the required amount of any withholding will be deducted from the Acquisition Scheme Consideration that may be payable to you and paid to the ATO. Please refer to Sections 1.7 and 7.3 and the question immediately above ("What is the tax direction?") for further information in respect of the relevant withholding process.
Will I have to pay brokerage fees or stamp duty?	No brokerage fees or stamp duty will be payable by Eligible Gindalbie Shareholder on the transfer to them of Coda Shares under the Demerger.
Demerger Scheme Meeting and voting	
When and where will the Demerger Scheme Meeting be held?	The Demerger Scheme Meeting will be held at 10.30 am (Perth time) on 3 July 2019 at the Perth Convention and Exhibition Centre, Meeting Room 8.
What am I being asked to vote on at the Demerger Scheme Meeting?	At the Demerger Scheme Meeting, you are being asked to vote on whether to approve the Demerger Scheme by voting in favour, or against, the Demerger Scheme Resolution. The text of the Demerger Scheme Resolution is contained in the Notice of Demerger Scheme Meeting set out in Annexure I.
What vote is required to approve the Demerger Scheme?	For the Demerger Scheme to be approved by Gindalbie Shareholders, votes in favour of the Demerger Scheme Resolution must be received from: unless the Court orders otherwise, a majority in number (more than 50%) of Gindalbie Shareholders present and voting at the Demerger Scheme Meeting (either in person, by proxy or attorney or, in the case

	of corporate Gindalbie Shareholders, by a duly appointed corporate representative); and at least 75% of the total number of votes cast on the Demerger Scheme Resolution by Gindalbie Shareholders at the Acquisition Scheme Meeting. Even if the Demerger Scheme is approved by Gindalbie Shareholders at the Demerger Scheme Meeting, the Demerger Scheme will still be subject to the Capital Reduction being approved, the approval of the Court and all other Conditions being satisfied or waived (as applicable) before the Demerger can be implemented.
Am I entitled to vote at the Demerger Scheme Meeting?	The time for determining eligibility of registered Gindalbie Shareholders to vote at the Demerger Scheme Meeting is 5.00 pm (Perth time) on 1 July 2019. Only those Gindalbie Shareholders entered in the Gindalbie Share Register at that time will be entitled to vote at the Demerger Scheme Meeting.
How do I vote at the Demerger Scheme Meeting?	Please refer to Section 3 for detailed information on how to vote on the Demerger Scheme.
Should I vote at the Demerger Scheme Meeting?	Voting is not compulsory. However, your Independent Directors believe that the Demerger is important to all Gindalbie Shareholders. The Independent Directors unanimously recommend that you vote in favour of the Demerger Scheme Resolution at the Demerger Scheme Meeting, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Demerger Scheme is in the best interests of Gindalbie Shareholders.
What happens if I do not vote, or vote against the Demerger Scheme?	The Demerger Scheme may not be approved at the Demerger Scheme Meeting by the Requisite Majorities of Gindalbie Shareholders. If this occurs, the Demerger will not be implemented and Eligible Gindalbie Shareholders will not receive any Coda Shares. However, if you do not vote or if you vote against the Demerger Scheme, the Demerger Scheme will still become binding on all Demerger Scheme Shareholders if the Demerger Scheme is approved by the Requisite Majorities of Gindalbie Shareholders, the Capital Reduction is approved by Gindalbie Shareholders, the Court approves the Demerger Scheme and all other Conditions are satisfied or waived (as applicable). This is so even if you did not vote at all or if you voted against the Demerger Scheme.
What happens if the Demerger Scheme is not approved at the Demerger Scheme Meeting?	If the Demerger Scheme is not approved at the Demerger Scheme Meeting, the Demerger will not be implemented. This means that no Gindalbie Shareholders will receive any Coda Shares, the Acquisition Scheme will not be implemented (given the inter-conditional nature of the Transaction), Gindalbie will continue to operate as a standalone entity listed on the ASX and no Gindalbie Shareholders will receive the Acquisition Scheme Consideration.
What is Ansteel's voting intention?	If the Acquisition Scheme is approved by Gindalbie Shareholders, Ansteel intends to vote all Gindalbie Shares in which it has a Relevant Interest in favour of the Demerger Scheme Resolution.

	As at the date of this Demerger Scheme Booklet, Ansteel has a Relevant Interest in 535,492,521 Gindalbie Shares (35.71%).
When will the results of the Demerger Scheme Meeting be known?	The results of the Demerger Scheme Meeting will be declared at the Demerger Scheme Meeting and will be announced publicly shortly after the conclusion of the Demerger Scheme Meeting and the General Meeting.
Are any other approvals required?	The Demerger Scheme must be approved by the Court in addition to being approved by the Requisite Majorities of Gindalbie Shareholders, and all other Conditions must be satisfied or waived (as applicable), which includes the Capital Reduction being approved by Gindalbie Shareholders. If the Demerger Scheme is approved by the Requisite Majorities of Gindalbie Shareholders at the Demerger Scheme Meeting, the Capital Reduction is approved by Gindalbie Shareholders at the General Meeting and the Acquisition Scheme is approved by the Requisite Majorities of Gindalbie Shareholders at the Acquisition Scheme Meeting, Gindalbie will apply to the Court for approval of the Demerger Scheme. The Second Court Hearing to approve the Demerger Scheme is currently expected to be held on 8 July 2019.
General Meeting and voting	
When and where will the General Meeting be held?	The General Meeting will be held at 11.00 am (Perth time) (or as soon as possible thereafter following the conclusion or adjournment of the Demerger Scheme Meeting) on 3 July 2019 at the Perth Convention and Exhibition Centre, Meeting Room 8.
What am I being asked to vote on at the General Meeting?	At the General Meeting, you are being asked to vote on whether to approve the Capital Reduction by voting in favour, or against, the Capital Reduction Resolution. The Capital Reduction is conditional on the Demerger Scheme becoming Effective. This means that Gindalbie will not undertake the Capital Reduction unless the Demerger Scheme becomes Effective. The text of the Capital Reduction Resolution is contained in the Notice of General Meeting set out in Annexure I.
What vote is required to approve the Capital Reduction?	For the Capital Reduction to be approved, votes in favour of the Capital Reduction Resolution must be received from a majority in number (more than 50%) of the total number of votes cast on the Capital Reduction Resolution by Gindalbie Shareholders at the General Meeting.
Am I entitled to vote at the General Meeting?	The time for determining eligibility of registered Gindalbie Shareholders to vote at the General Meeting is 5.00 pm (Perth time) on 1 July 2019. Only those Gindalbie Shareholders entered in the Gindalbie Share Register at that time will be entitled to vote at the General Meeting.
How do I vote at the General Meeting?	Please refer to Section 3 for detailed information on how to vote on the Capital Reduction.

Should I vote at the General Meeting?	Voting is not compulsory. However, your Independent Directors believe that the Demerger is important to all Gindalbie Shareholders. The Independent Directors unanimously recommend that you vote in favour of the Capital Reduction Resolution at the General Meeting, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Demerger Scheme is in the best interests of Gindalbie Shareholders.
What happens if the Capital Reduction is not approved at the General Meeting?	If the Capital Reduction is not approved at the General Meeting, the Demerger will not be implemented. This means that no Gindalbie Shareholders will receive any Coda Shares, the Acquisition Scheme will not be implemented (given the inter-conditional nature of the Transaction), Gindalbie will continue to operate as a standalone entity listed on the ASX and no Gindalbie Shareholders will receive the Acquisition Scheme Consideration.
What is Ansteel's voting intention?	If the Acquisition Scheme is approved by Gindalbie Shareholders, Ansteel intends to vote all Gindalbie Shares in which it has a Relevant Interest in favour of the Capital Reduction Resolution. As at the date of this Demerger Scheme Booklet, Ansteel has a Relevant Interest in 535,492,521 Gindalbie Shares (35.71%).
When will the results of the General Meeting be known?	The results of the General Meeting will be declared at the General Meeting and will be announced publicly shortly after the conclusion of the Demerger Scheme Meeting and the General Meeting.

Voting considerations

Who are the Independent Directors and what do they recommend?	The Independent Directors are Keith Jones, Andrew (Robin) Marshall and Paul Hallam. Ge Li and An Lin Shao are not considered independent directors of Gindalbie (given they are nominees of Ansteel) and do not consider it appropriate to make a recommendation in relation to the Demerger. The Independent Directors have assessed the merits of the Demerger Scheme and unanimously recommend that you vote in favour of the Demerger Scheme Resolution and the Capital Reduction Resolution, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Demerger Scheme is in the best interests of Gindalbie Shareholders.
How do your Independent Directors intend to vote?	Each Independent Director intends to cause any Gindalbie Shares in which he has a Relevant Interest to be voted in favour of the Demerger Scheme Resolution and the Capital Reduction Resolution, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Demerger Scheme is in the best interests of Gindalbie Shareholders. As at the date of this Demerger Scheme Booklet, the Relevant Interests of each Independent Director in Gindalbie Shares is as follows: • Keith Jones: 300,000 (0.02%); • Andrew (Robin) Marshall: 200,000 (0.01%); and • Paul Hallam: 100,000 (0.01%). Please refer to Section 10.1 for further details of the interests of the Independent Directors (and the other Gindalbie Directors).

What is the Independent Expert's conclusion?	The Independent Expert has concluded that, in the absence of a superior offer, the Demerger Scheme is in the best interests of Gindalbie Shareholders.
What are the reasons to vote in favour of the Demerger?	The reasons to vote in favour of the Demerger are set out in the "Reasons to vote in favour of the Demerger" Section on pages 14 to 16.
What are the possible reasons not to vote in favour of the Demerger?	The possible reasons not to vote in favour of the Demerger are set out in the "Reasons to vote against the Demerger" Section on page 17.
Conditions and implementation of the Demerger	
Is the Demerger subject to any Conditions?	The implementation of the Demerger is subject to a number of Conditions. The Conditions are set out in full in clause 2.1 of the Demerger Scheme. As at the date of this Demerger Scheme Booklet, the outstanding Conditions (which must be satisfied or waived, as applicable) include: • the Capital Reduction being approved at the General Meeting; • the Demerger Scheme being approved by the Requisite Majorities at the Demerger Scheme Meeting; • the conditions to the Acquisition Scheme being satisfied, including the Acquisition Scheme being approved by the Requisite Majorities at the Acquisition Scheme Meeting; and • the Demerger Scheme being approved by the Court at the Second Court Hearing.
When will the Demerger Scheme become Effective?	The Demerger Scheme will become Effective on the date on which the Court order approving the Demerger Scheme is lodged with ASIC. The Demerger Scheme is currently expected to become Effective on 9 July 2019.
When will the Demerger be implemented?	If the Demerger Scheme becomes Effective, the Demerger will be implemented on the Demerger Implementation Date (being the fifth Business Day after the Demerger Scheme Record Date), which is currently expected to be 23 July 2019.
What happens on the Demerger Implementation Date?	On the Demerger Implementation Date: • Gindalbie will reduce the capital of each Gindalbie Share by the Demerger Capital Reduction Amount in accordance with the Capital Reduction Resolution; • Gindalbie will apply the Demerger Capital Reduction Entitlement in respect of each Demerger Scheme Shareholder in accordance with the terms of the Demerger Scheme; and • Gindalbie will transfer the Coda Shares to Eligible Gindalbie Shareholders or to the Nominee (in respect of Ineligible Foreign Shareholders) and register the transfer in the Coda Share Register.

What happens if the Demerger Scheme is approved at the Demerger Scheme Meeting, but is not approved by the Court?	If the Demerger Scheme is approved at the Demerger Scheme Meeting but is not approved by the Court, the Demerger will not be implemented. This means that no Gindalbie Shareholders will receive any Coda Shares, the Acquisition Scheme will not be implemented (given the inter-conditional nature of the Transaction), Gindalbie will continue to operate as a standalone entity listed on the ASX and no Gindalbie Shareholders will receive the Acquisition Scheme Consideration.
Other	
Can I keep my Gindalbie Shares?	If the Acquisition Scheme and the Demerger Scheme are both implemented, your Gindalbie Shares will be transferred to Ansteel. This is so even if you did not vote at all or if you voted against one or more of the Transaction Resolutions.
Can I sell my Gindalbie Shares now?	You can sell your Gindalbie Shares on market at any time before close of trading on the ASX on the date the Acquisition Scheme becomes Effective. This is expected to be the same date as when the Demerger Scheme becomes Effective. However, if you do so, you will receive the prevailing on-market price set at the time of sale, you will not participate in the Demerger, and you may be required to pay brokerage. Gindalbie intends to apply to the ASX for Gindalbie Shares to be suspended from official quotation on the ASX from close of trading on the date the Acquisition Scheme becomes Effective. You will not be able to sell your Gindalbie Shares on market after this time.
What choices do I have as a Gindalbie Shareholder?	As a Gindalbie Shareholder you have the following choices: • vote in favour of Demerger Scheme Resolution at the Demerger Scheme Meeting and the Capital Reduction Resolution at the General Meeting; • vote against the Demerger Scheme Resolution at the Demerger Scheme Meeting and/or the Capital Reduction Resolution at the General Meeting; • sell your Gindalbie Shares on the ASX; or • do nothing.
What do I do if I oppose the Demerger?	If you, as a Gindalbie Shareholder, oppose the Demerger, you should: • contact the Gindalbie Shareholder Information Line on 1300 308 375 (for callers within Australia) or +61 8 6314 6314 (for callers outside Australia) between 9.00 am and 5.00 pm (Perth time) Monday to Friday and obtain further information; • attend the Demerger Meetings and vote against the Demerger Scheme Resolution and/or Capital Reduction Resolution; and/or • if Gindalbie Shareholders approve the Demerger Scheme at the Demerger Scheme Meeting and you wish to appear at the Second Court Hearing and oppose the approval of the Demerger Scheme, file with the Court and serve on Gindalbie a notice of appearance, in the prescribed form, together with any affidavit on which you wish to rely at the hearing. Please see the “Important notices” section for further details under the heading “Notice of Second Court Hearing and if a

Gindalbie Shareholder wishes to oppose the Demerger Scheme” on page 4.

What happens if not all of the Transaction Resolutions are approved?	If not all of the Transaction Resolutions are approved at the Transaction Meetings, then the Demerger will not proceed. The Demerger and the Acquisition Scheme are separate transactions, but they are both conditional on all Transaction Resolutions being approved. This means that Gindalbie Shareholders must approve each resolution by the relevant threshold for the Demerger to proceed.
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What if I have other questions?	If you have any questions in relation to this Demerger Scheme Booklet or the Demerger you should contact the Gindalbie Shareholder Information Line on 1300 308 375 (for callers within Australia) or +61 8 6314 6314 (for callers outside Australia) between 9.00 am and 5.00 pm (Perth time) Monday to Friday. For information about your individual financial or taxation consequences, please consult your independent financial, legal or taxation adviser.
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03

How to vote

3. How to vote

3.1 Demerger Scheme Meeting

The Demerger Scheme Meeting to approve the Demerger Scheme is scheduled to be held at 10.30 am (Perth time) on 3 July 2019.

If the Demerger Scheme is not approved by the Requisite Majorities of Gindalbie Shareholders at the Demerger Scheme Meeting, the Demerger will not be implemented.

For the Demerger Scheme to be approved by the Requisite Majorities of Gindalbie Shareholders, votes in favour of the Demerger Scheme Resolution must be received from:

- (a) unless the Court orders otherwise, a majority in number (more than 50%) of Gindalbie Shareholders present and voting at the Demerger Scheme Meeting (either in person, by proxy or attorney or, in the case of corporate Gindalbie Shareholders, by a duly appointed corporate representative); and
- (b) at least 75% of the total number of votes cast on the Demerger Scheme Resolution by Gindalbie Shareholders at the Demerger Scheme Meeting.

Details regarding the Demerger Scheme Meeting are contained in the Notice of Demerger Scheme Meeting set out in Annexure H to this Demerger Scheme Booklet.

If the Acquisition Scheme is approved by Gindalbie Shareholders, Ansteel intends to vote all Gindalbie Shares in which it has a Relevant Interest in favour of the Demerger Scheme Resolution.

3.2 The General Meeting

The General Meeting to approve the Capital Reduction is scheduled to be held at 11.00 am (Perth time) (or as soon as possible thereafter following the conclusion or adjournment of the Demerger Scheme Meeting) on 3 July 2019.

If the Capital Reduction is not approved by Gindalbie Shareholders at the General Meeting, the Demerger will not proceed. The Capital Reduction must proceed for the Demerger to be implemented.

For the Capital Reduction to be approved by Gindalbie Shareholders, vote in favour of the Capital Reduction Resolution must be received from a majority in number (more than 50%) of the total number of votes cast on the Capital Reduction Resolution by Gindalbie Shareholders at the General Meeting.

Details regarding the General Meeting are contained in the Notice of General Meeting set out in Annexure I to this Demerger Scheme Booklet.

If the Acquisition Scheme is approved by Gindalbie Shareholders, Ansteel intends to vote all Gindalbie Shares in which it has a Relevant Interest in favour of the Capital Reduction Resolution.

3.3 Entitlement to vote

If you are registered as a Gindalbie Shareholder as at 5.00 pm (Perth time) on 1 July 2019, you will be entitled to vote at the Demerger Meetings.

3.4 Joint holders

In the case of Gindalbie Shares held by joint holders, only one of the joint holders is entitled to vote. If more than one Gindalbie Shareholder votes in respect of jointly held Gindalbie Shares, the vote of the senior who tenders a vote must be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority is determined by the order in which the names stand in the Gindalbie Share Register.

3.5 How to vote

Gindalbie Shareholders can vote at the Demerger Meetings by doing one of the following:

(a) **Vote in person**

If you wish to vote in person, you must attend the Demerger Meetings.

(b) **Vote by proxy**

You can appoint a proxy for the Demerger Meetings by completing and returning the relevant Proxy Form for the Demerger Scheme Meeting and the relevant Proxy Form for the General Meeting to the Share Registry.

The Proxy Forms must be received by the Share Registry (as indicated on the Proxy Forms you received) by no later than 10.30 am (in the case of the Demerger Scheme Meeting) or 11.00 am (in the case of the General Meeting) (Perth time) on 1 July 2019.

You must return the Proxy Forms to the Share Registry by lodging, sending, delivering or faxing them as follows:

Online: lodge online at www.linkmarketservices.com.au as follows:

Select 'Investor Login' and in the "Single Holding" section enter:

- "Gindalbie Metals Ltd" or the ASX code "GBG" in the Issuer name field;
- your Holder Identification Number (HIN) or Security Reference Number (SRN) (which is shown on the front of your Proxy Forms);
- postcode; and
- security code, which is shown on the screen,

and click 'Login'.

Select the 'Voting' tab and then follow the prompts. You will be taken to have signed a Proxy Form if you lodge it in accordance with the instructions given on the website.

Mail to: Gindalbie Metals Ltd
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia

By hand: Link Market Services Limited
1A Homebush Bay Drive
Rhodes NSW 2138
Australia

Fax to: 02 9287 0309 (within Australia)
+61 2 9287 0309 (outside Australia)

A Gindalbie Shareholder who wishes to submit a proxy has the right to appoint a proxy (who need not be a Gindalbie Shareholder) to represent them at the Demerger Meetings by inserting the name of their chosen proxy in the space provided for that purpose on the relevant Proxy Form.

If:

- (i) a Gindalbie Shareholder nominates the chairperson of the relevant Demerger Meeting as the Gindalbie Shareholder's proxy; or
- (ii) a proxy appointment is signed by a Gindalbie Shareholder but does not name the proxy or proxies in whose favour it is given or otherwise under a default appointment according to the terms of the relevant Proxy Form,

the chairperson of the relevant Demerger Meeting will act as proxy under the appointment.

Proxy appointments in favour of the chairperson of a Demerger Meeting which do not contain a direction will be voted in favour of the Demerger Scheme Resolution at the Demerger Scheme Meeting and in favour of the Capital Reduction Resolution at the General Meeting (as relevant).

A Gindalbie Shareholder entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half the votes. The Gindalbie Shares represented by proxy will be voted for or against or withheld from voting in accordance with the instructions of the Gindalbie Shareholder on any ballot that may be called for, and if the Gindalbie Shareholder specifies a choice with respect to any matter to be acted upon, the Gindalbie Shares will be voted accordingly.

A Gindalbie Shareholder who has deposited a Proxy Form may revoke it prior to its use by giving written notice to Gindalbie before the commencement of the relevant Demerger Meeting. A Gindalbie Shareholder may also revoke a proxy in any other manner permitted by law.

(c) Vote by corporate representative (if you are a corporate Gindalbie Shareholder)

To vote in person at a Demerger Meeting, a Gindalbie Shareholder or proxy which is a body corporate may appoint an individual to act as its representative at the Demerger Meetings and exercise any of the powers the body corporate may exercise at the Demerger Meetings.

The authorised corporate representative will be admitted to a Demerger Meeting upon providing, at the point of entry to the relevant Demerger Meeting, the appropriate "Certificate of Appointment of Corporate Representative" (which can be obtained from the Share Registry's website at www.linkmarketservices.com.au by hovering over 'Resources', clicking on 'Forms', selecting 'Holding Management' and then selecting 'Appointment of Corporate Representation') or other evidence of their appointment. The appointment must comply with section 250D of the Corporations Act.

(d) Vote by attorney

Gindalbie Shareholders wishing to vote by attorney at a Demerger Meeting must, if they have not already presented an appropriate power of attorney to Gindalbie, deliver to Gindalbie's Share Registry the instrument appointing the attorney or a certified copy of it

by 10.30 am (in the case of the Demerger Scheme Meeting) or 11.00 am (in the case of the General Meeting) (Perth time) on 1 July 2019.

Any power of attorney granted by a Gindalbie Shareholder will, as between Gindalbie and that Gindalbie Shareholder, continue in force and may be acted on, unless written notice of its revocation or the death of the relevant Gindalbie Shareholder has been received by Gindalbie before the commencement of the relevant Demerger Meeting.

You will be counted as being present at a Demerger Meeting if you vote in any of the ways outlined above.

The notice convening the Demerger Scheme Meeting is set out in Annexure H and the notice convening the General Meeting is set out in Annexure I.

A Proxy Form for each Demerger Meeting is enclosed with this Demerger Scheme Booklet.

Profile on Gindalbie 04

4. Profile on Gindalbie

Please refer to Section 6 of the Acquisition Scheme Booklet for information on Gindalbie, and Section 5 in this Demerger Scheme Booklet for information on Coda, which is currently a wholly owned subsidiary of Gindalbie.

Profile on
Coda if the
Demerger is
implemented

05

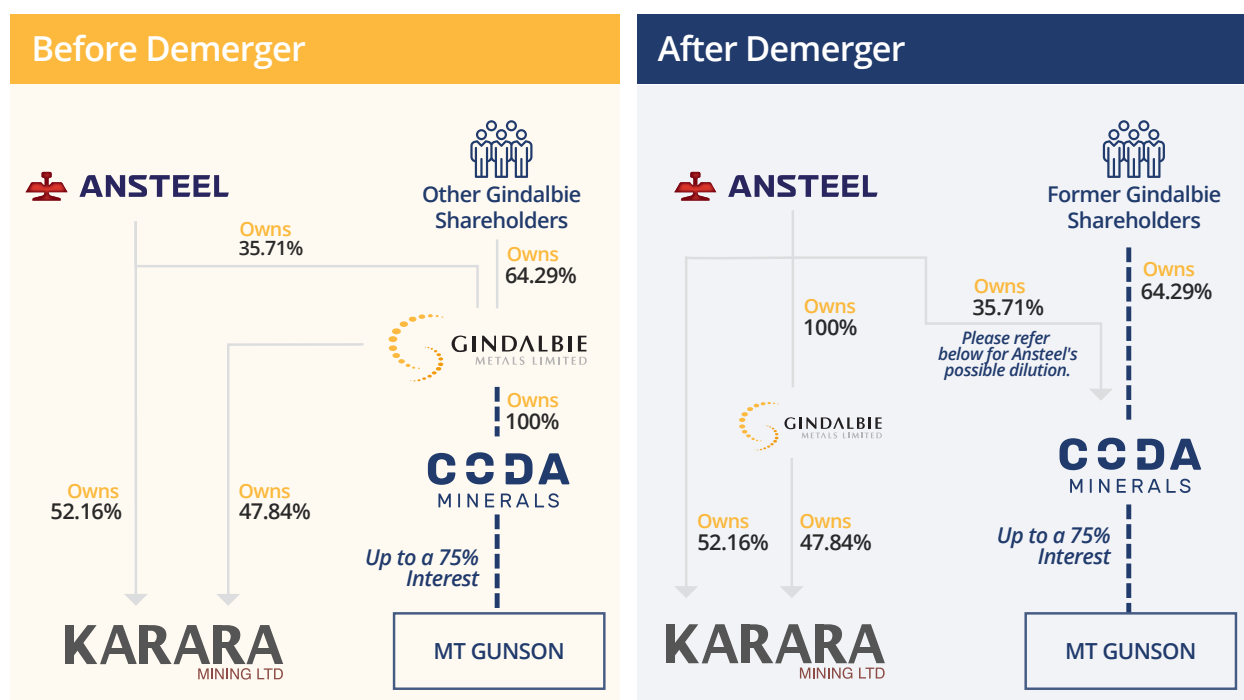
5. Profile on Coda if the Demerger is implemented

This Section sets out information in relation to Coda if the Demerger is implemented.

5.1 Background

Coda is currently a wholly owned subsidiary of Gindalbie and was incorporated on 26 April 2018 as a public company limited by shares. Coda was established to farm-in to up to a 75% interest in Mt Gunson, and the Mt Gunson Farm-in Agreement was novated to Coda on 21 May 2018 (with the conditions to the novation being satisfied in August 2018).

The below diagram sets out Gindalbie's structure, as at the date of this Demerger Scheme Booklet, and illustrates the effect of the Demerger.



5.2 Coda's business strategy

Coda is an exploration company with a clear focus on progressing Mt Gunson, in which it has a right to earn up to a 75% interest, and delivering value for shareholders. For further details about Mt Gunson, please refer to Section 5.3.

As part of its strategy to deliver value for Coda Shareholders, and in addition to progressing Mt Gunson, Coda will also look to develop strategic opportunities that meet appropriate scale and risk criteria, are situated in the appropriate locations, and offer growth potential:

- **Scale and risk:** Coda will look for opportunities and projects where it can add strategic value during late stage feasibility studies towards commercialisation, that maximise strategic fit via alignment with in-house capabilities and skill sets, and which offer reduced risk through staged and flexible commitment levels.
- **Location:** Coda will look to operate in low sovereign risk locations in proximity to critical infrastructure, and has identified Australia (where it currently operates) and South America as preferred locations.

- **Growth potential:** Coda will look to leverage its intended global licence for GlyLeach glycine technology (described further in Section 5.7) and invest in gold projects with low capital and operating costs or projects that involve extracting technology enabling commodities (with Coda considering that copper and cobalt projects have high growth potential).

A graphical depiction of Coda's preferred strategic zone of operations is shown below.



Coda intends to apply for admission to the official list of the ASX as soon as practicable after implementation of the Demerger. Coda Shares will not be able to be traded on the ASX, and Eligible Gindalbie Shareholders will continue to hold shares in a public unlisted company, unless and until such time as the requirements for listing on the ASX can be met (if at all). Listing is at the ASX's discretion, and there is a risk that Coda may not meet the requirements for admission to the official list of the ASX and achieve quotation of Coda Shares.

5.3 Detailed information in relation to Mt Gunson

The Independent Directors believe that Mt Gunson is a highly prospective project that contains a significant and strategic portfolio of tenements.

(a) Mt Gunson Farm-in Agreement

On 17 March 2017, Gindalbie announced to the ASX that it had executed the Mt Gunson Farm-in Agreement with Terrace Mining. The Mt Gunson Farm-in Agreement was subsequently novated to Coda on 21 May 2018 (with the conditions to the novation being satisfied in August 2018). For a summary of the terms of the agreement, please refer to Section 5.7.

The Mt Gunson Farm-in Agreement provides that, if at any point during the farm-in process Coda spends a total of \$6.62 million, Coda will automatically earn a 70% interest in Mt Gunson. The Mt Gunson Farm-in Agreement also grants Coda an option to purchase another 5% interest for \$1.5 million in certain circumstances (please refer to Section 5.7 for more details).

As at the date of this Demerger Scheme Booklet, Coda has spent \$3,478,261. Terrace Mining will be free carried in Mt Gunson to a maximum of \$8.62 million (exclusive of the \$1.5 million option payment referred to above). Once the free carry limit has been reached, an unincorporated joint venture between Coda and Terrace Mining will be triggered and Terrace Mining will be responsible for its share of ongoing project expenditure.

Overview of the farm-in structure

Under the Mt Gunson Farm-in Agreement, Coda has the opportunity to earn up to a 75% interest in Mt Gunson, which consists of three exploration tenements, EL 6141, EL 5636 and EL 6265 covering 739 square kilometres in one of the world's premier copper belts.

The farm-in is being implemented in stages to minimise risk, optimise feasibility progress and provide Coda with clear decision points during the progression of studies:

- **Stage one (test work and flow sheet design):** The primary objective of stage one of the farm-in was to address areas of critical uncertainty identified during a previously undertaken scoping study. These areas were addressed, and stage one identified a preliminary mining base case utilising conventional truck and shovel for the mining of two deposits, MG14 and

Windabout. Gindalbie announced to the ASX on 23 May 2018 that it had notified Terrace Mining of its intention to proceed into stage two of the farm-in, and announced to the ASX on 22 August 2018 that the stage one expenditure commitment of \$1.37 million had been reached, which resulted in Coda acquiring a 25% interest in Mt Gunson.

- **Stage two (study phase):** Stage two involves Coda committing to fund feasibility and development work up to a total of \$2.5 million in order to earn a beneficial interest in 51% of Mt Gunson. Gindalbie announced to the ASX on 23 May 2018 that it had notified Terrace Mining of its intention to proceed into stage two of the farm-in.
- **Stage three (study phase to decision to mine):** Stage three involves Coda committing to fund further feasibility work (up to a total of \$2.75 million) to achieve a decision to mine. If a decision to mine is achieved prior to total farm-in expenditure reaching \$6.62 million, then Coda will pay the difference to Terrace Mining. Coda will receive an additional 19% interest in Mt Gunson once this occurs.

Within 60 days of Coda either earning the stage three interest or a decision to mine being made, whichever is later, Coda can exercise an option to purchase an additional interest for \$1.5 million to increase its total interest in Mt Gunson to 75%.

A summary of these stages is set out below.

	Status	Overview	Beneficial interest in tenements	Cumulative spend	Expected completion
Stage one	Complete	Scoping study update	25%	\$1.37 million	Ownership earned in August 2018
Stage two	In progress	Pre-feasibility study (phase one)	51%	\$3.87 million	1H 2019
Stage three	Pending stage two	Pre-feasibility study (phase two)	70%	\$6.62 million	2H 2019
Other	Option to purchase an additional 5% for \$1.5 million following completion of stage three/decision to mine being made		75%	\$8.12 million (Assuming no additional expenditure required)	2H 2019

(b) **Location of Mt Gunson**

Mt Gunson consists of three tenements, EL 6141, EL 5636 and EL 6265 covering 739 square kilometres approximately 30 km to the east-southeast of the town of Woomera in South Australia.

Mt Gunson is located in the Olympic Copper Belt in South Australia's Gawler Craton. This region is among the world's largest copper producing provinces and hosts major projects including BHP's Olympic Dam and Oz Minerals' Carrapateena and Prominent Hill projects. In November 2018, BHP announced exploration success at its Oak Dam project, approximately 15km north-east of Mt Gunson.



(c) **Infrastructure and nearby operations at Mt Gunson**

Mt Gunson is extremely well served for infrastructure as it is centred approximately 100km south of BHP Billiton's world-class Olympic Dam copper-gold-uranium mine and within 50km of Oz Minerals' Carrapateena copper project. The project area also encompasses, but does not include, a number of mineral extraction leases and miscellaneous purpose licences associated with a pre-existing operation at Mt Gunson, which mines and treats the remaining ore from the Cattlegrid, Main Open Cut and other historical pits on a small scale.

The Mt Gunson project mining centre, comprising the JORC compliant inferred resources at Windabout and MG 14, lies 10km off the sealed Stuart Highway and the parallel running Adelaide to Perth/Darwin railway, and can be accessed by established unsealed mine access roads servicing the existing Mt Gunson mine. Emmie Bluff, the third major prospect within the Mt Gunson tenure, is approximately 27 km east of the sealed Olympic Dam highway. Access is via the well maintained Arcoona station homestead access road, and then by station tracks for the remaining 10-15km (approximately).

Additionally, regular air services are available at Roxby Downs and Port Augusta, and a serviceable airstrip for light aircraft is located on site.

Scheme water is available in the area, as is electricity access. Local infrastructure is currently in the process of being further upgraded in support of Oz Minerals' Carrapateena project, which will eventually see new high voltage power lines, telecommunications lines and associated access infrastructure pass directly through the project area. The miscellaneous purpose licence associated with this infrastructure upgrade overlaps the project area, and was granted to Oz Minerals with the support of Coda's Mt Gunson partner, Terrace Mining, following the signing of a dual tenement

agreement in 2017. This agreement ensured access to the infrastructure in the event of the development of Mt Gunson, as well as ensuring that any relocation of the infrastructure would be undertaken at Oz Minerals' expense should it impede the development of Mt Gunson's resources.

(d) **Regional geology at Mt Gunson**

The Mt Gunson project sits within the Stuart Shelf, a Neoproterozoic sedimentary assemblage covering an extensive region of eastern South Australia. At Mt Gunson itself, the represented assemblages are the Wilpena and Umbertana groups, which unconformably overlie the much older (Meso-Palaeoproterozoic) Pandurra Formation. This material has been uplifted by the Pernatty Upwarp, a large horst structure which directly underlies the Mt Gunson copper deposits. The project area is almost entirely covered by quaternary cover, primarily in the form of aeolian dune sands, lake sediments and fluvial sands, with only minor outcrop to be found.

Copper deposits have been mined in the area since the end of the 19th century, with approximately 170 thousand tonnes of historical copper production. Copper deposits at Mt Gunson fit into two general categories:

- Cattlegrid Type deposits are copper-silver-cobalt deposits found at the unconformal contact between the Pandurra Formation and the Whyalla sandstone and are hosted primarily in brecciated Pandurra sandstones. Examples include Cattlegrid, Main Open Cut, Lagoon and other mined deposits, as well as the unmined mineralisation encountered at Cattlegrid South.
- MG14 Type deposits are stratabound copper-cobalt-silver deposits hosted in the dolomitic shales and narrow dolarenite interbeds of the Tapley Hill Formation, primarily in the top and bottom several metres immediately adjacent to the upper and lower contacts with overlying Whyalla sandstone and underlying Pandurra Formation. Examples include MG14, Windabout, Emmie Bluff and Gully.

In both cases, mineralisation is primarily represented by chalcopyrite and chalcocite with accessory bornite, sphalerite and galena and substantial pyrite. Sulphidic material filled vugs and cracks to produce small blebs and veinlets, or was disseminated through the rock replacing or overgrowing framboidal pyrite. Accessory silver is common to both deposit types, and cobalt is found mainly as carrollite in MG14 Type deposits. Cobalt mineralisation in the form of Cattlegrid-Type is present, but is not as well understood as for the MG14 Type. In MG14 Type deposits, mineralisation tends to be found in more porous strata within the Tapley Hill Formation, concentrating in narrow breccias or dolomitic arenite laminae within a broader dolomitic mudstone.

(e) **Mineral resources at Mt Gunson**

Mt Gunson boasts two JORC 2012 compliant inferred resources of the MG14 Type detailed above. These resources are:

MG14

Discovered in 1973 and first defined in 1983, MG14 holds a modern resource of approximately 1.59 million tonnes (see the below table). The current resource trends East-West and is approximately 1,000m by 400m in plan view. Mineralisation is relatively shallow, typically commencing from 20m – 25m.

As is typical of MG14 Type deposits, the deposit is split into an upper and lower lode at the upper and lower Tapley Hill Formation contacts. The upper is being the more intensely mineralised of the two, with peak grades of approximately 5% copper in brecciated material in a narrow (< 0.5m) horizon. The lower lode is thicker, up to 3m, but lower grade, with peak grades of approximately 1% copper in coarser grained dolarenites.

MG14 Indicated Resource Estimate

	Mt	Cu (%)	Co (ppm)	Ag (g/t)
0.5% Cu Eq Cutoff	1.83	1.24	334	14
1.0% Cu Eq Cutoff	1.59	1.33	360	15

For full details concerning this mineral resource estimate, including a competent person's statement, full JORC Table 1 details, and details of the commodity price and metallurgical assumptions, please refer to Section 10.11 and Gindalbie's 19 January 2018 announcement "Mt Gunson Copper-Cobalt Project Update".

Windabout

Discovered and drilled out in the 1990s, Windabout is larger, deeper and lower grade than MG14, but geologically and mineralogically quite similar. With a plan view scale of approximately 1,500m by 500m, Windabout supports an inferred resource of approximately 11.86 million tonnes. Copper and silver grades are lower than MG14, but cobalt is somewhat higher on average (see the below table).

Like at MG14, the Windabout deposit is split into an upper and lower lode, though the lower lode is notably thinner and less mineralised than the upper lode, which sits at between 60m and 70m below the surface and maintains an average thickness of approximately 3m, dipping shallowly (approximately five degrees) to the north east. Mineralisation is again typically found within coarser grained arenites and breccias where permeability allowed for fluid flow during mineralisation.

Windabout Indicated Resource Estimate.

	Mt	Cu (%)	Co (ppm)	Ag (g/t)
0.5% Cu Eq Cutoff	17.67	0.77	492	8
1.0% Cu Eq Cutoff	11.86	0.95	599	10

For full details concerning this mineral resource estimate, including a competent person's statement, full JORC Table 1 details, and details of the commodity price and metallurgical assumptions, please refer to Section 10.11 and Gindalbie's 19 January 2018 announcement "Mt Gunson Copper-Cobalt Project Update".

(f) Significant exploration prospects at Mt Gunson

Although Coda's focus remains the MG14 and Windabout deposits, exploration has been ongoing at Mt Gunson for over 100 years, and this has resulted in a substantial historical database of drilling and exploration results. From these results, a number of priority exploration targets at various levels of development have been identified. These include the following:

Emmie Bluff

Discovered by accident in the 1980s during exploration focused on deeper iron oxide copper gold potential, Emmie Bluff is located in the north western corner of Mt Gunson near the boundary with EL 5372 (currently held by Red Tiger Resources Limited). Emmie Bluff is substantially deeper than other known MG14 Type deposits, sitting at a depth of approximately 400m below the surface. Otherwise, it appears comparable in many ways to MG14 and Windabout, being hosted in the Tapley Hill Formation and comprised of two mineralised lodges at the upper and lower contact.

The deposit is hosted within a narrow northwest/southeast aligned tongue of Tapley Hill Formation extending 3.3km into an embayment in the underlying Pandurra Formation. The upper contact of the Tapley Hill Formation dips slightly to the south east, and the unit overall thickens to the northwest, but the overall orebody is relatively flat lying. Drilling results that have been publicly released or obtained

from Red Tiger Resources Limited and previous tenement holders suggest that the mineralisation extends beyond the bounds of Mt Gunson and continues north into EL 5372. However, it does not appear to extend very far before the Tapley Hill Formation pinches out, suggesting the substantial majority of the contiguous mineralisation is contained within Mt Gunson.

Mineralisation is known from 11 historic mineralised holes at the prospect on Mt Gunson, as well as two historic mineralised holes immediately north of the tenement boundary which suggest continuity of mineralisation to (and beyond) that boundary. A further four mineralised holes were drilled by Coda during 2018 and 2019.

Significant mineralised intercepts from Coda's recent drilling include:

- 2.05m at 1.51% Cu, 0.07% Co from 399.2m in hole DD18EB0002.
- 3.12m at 1.14% Cu, 0.08% Co from 393.66m in hole DD19EB0002a.
- 1.7m at 1.28% Cu, 0.05% Co from 443.3m in hole DD19EB0001.

For full details on the above three mineralised intercepts, please refer to Section 10.11 and Gindalbie's 15 April 2019 announcement "Emmie Bluff Drill Results".

Coda considers Emmie Bluff to hold significant potential as an exploration target which could positively impact the ongoing pre-feasibility study. As such, Coda has placed a high priority on advancing Emmie Bluff, and has begun a scoping study into the deposit.

Gully

Gully is a small copper-cobalt deposit of the MG14 Type centred approximately 2.7km east-southeast of the MG14 deposit and located immediately north and east of the Main Open Cut deposit. The deposit was discovered at an uncertain point in the past, but the first reliable modern drilling took place in 1975 when CSR Limited drilled a series of 16 holes at 200m spacing. 19 additional holes at similar spacing were drilled by Cobalt Resources Limited in 1994 to bring the total number of known holes in the area to 35.

Gully is hosted in a thin section of Tapley Hill Formation in an approximately west-northwest trending, localised basin preserved on the Pandurra Formation surface. It is located in a topographic low on the current land surface that is filled with alluvial sands, clay and gravels, which gives the deposit its name.

Copper mineralisation at Gully stretches approximately 1,500m in a roughly west-northwest/east-southeast orientation with a variable north/south width of 200m – 400m. Thickness of mineralisation, which is located within the lower sulphidic black shale unit of the Tapley Hill Formation, averages about 1.25m and 1.4% copper, depending on cut-off grade. Depth to mineralisation varies from between 20m to 25m in the higher grade eastern and western zones, with the central zone of lower grade copper being the deepest, with a depth to top of mineralisation reaching 30m.

Mineralogically, the mineralisation is comparable to that at MG14, comprised of chalcopyrite, bornite and chalcocite that partially replaces fine-grained framboidal pyrite. Peak copper grades in excess of 2.4% have been recorded, and peak cobalt grades in excess of 0.08%, though more typical cobalt grades at Gully are generally significantly lower than is typical in MG14 Type deposits. Silver grades are not consistently available for all holes, but appear comparable to other MG14 Type deposits.

Gully may, with further work, represent a source of a small amount of relatively shallow mineralised mill feed proximal to MG14, though there are potential challenges associated with accessing the deposit. It is located immediately north of the historically mined Main Open Cut and House deposits, both of which are sandstone-hosted Cattle Grid type deposits which preserve no Tapley Hill Formation, but nevertheless likely connect directly to Gully (suggesting a common origin). However, these deposits fall on a series of mining leases (ML 3717-3721 and ML 5598) currently held by a third party. The same third party also holds MPL 1, a miscellaneous purpose licence which covers much of Gully. Although this licence does not grant mineral rights, it may complicate the grant of a mineral licence at Gully, particularly given the proximity of mineral processing facilities approximately 800m north of the deposit.

Given the access issues and smaller scale, Gully is currently considered to be of lower priority than Emmie Bluff as an exploration target. However, it remains under active consideration for further development.

(g) Coda's focus and current status

As noted above, Coda has met the stage one expenditure commitment under the Mt Gunson Farm-in Agreement and has proceeded to stage two. Coda's priority now is to advance pre-feasibility work whilst minimising risks.

Current focus - Mt Gunson pre-feasibility study and Emmie Bluff scoping study

Coda is currently working to progress Mt Gunson towards a decision to mine. In the short term, this involves the development of the processing flowsheet and mining options at MG 14 and Windabout to a level of confidence consistent with a pre-feasibility study.

Coda's current approach is intended to advance Mt Gunson critical path whilst providing flexibility as to the ultimate scope of the project to be taken forward into a definitive feasibility study (subject to study results, necessary approvals and market conditions). To this end, Coda is undertaking a scoping study into the Emmie Bluff prospect to determine its viability as a potential additional ore source for the project. This involves early stage metallurgical and geotechnical assessment to determine the practicality and economic viability of mining and treating Emmie Bluff material, as well as the degree to which metallurgical flowsheets developed for Windabout and MG14 will be appropriate to Emmie Bluff material.

If mined, MG14 would likely be mined first due to its higher grades and shallow depth while Windabout, with a lower head grade, longer life, and higher stripping ratio, would likely be mined subsequently.

The mining base case to be taken forward into the pre-feasibility study remains utilising conventional truck and shovel for mining both deposits, as well as utilising a conventional flotation-based circuit to produce either a bulk copper-cobalt concentrate or split copper and cobalt concentrates. The use of GlyLeach glycine technology (please refer to Section 5.7) remains an option, especially at MG14, and Coda is assessing the use of this technology as it may offer a potential fast start-up, low capex option for partial project development as part of the ongoing pre-feasibility study.

Recent drilling

Active exploration has been ongoing at Mt Gunson for decades, but the majority of drilling undertaken since Gindalbie's entry into the project has been in support of the ongoing studies into the project.

During the September 2017 quarter, a 34 hole drilling program was undertaken. This program included 16 holes at MG14, comprised of 436.8m of mud rotary precollar and 141.78m of HQ diamond tails and 18 holes at Windabout comprised of 1183.90 m of mud rotary precollar and 225.95m of HQ diamond tails. These drill holes were largely undertaken within the outlines of historic (pre-JORC 2012) resources and served the dual purpose of providing fresh samples for metallurgical flowsheet development and additional information, which allowed the remodelling of the resources to JORC 2012 compliant indicated status.

During the December 2018 quarter, a large diameter (C8) metallurgical drilling program was undertaken at Windabout and MG14. This program comprised eight holes (two at MG14 and six at Windabout) for a total of 564m drilled. This resulted in a total of 565kg of mineralised (i.e. >0.5% Cu) sample from Windabout and 264 kg of mineralised samples from MG14. This material was diluted to better represent the overall grade of the known deposits and split into metallurgically distinct composites. It is expected that this should represent sufficient material to support the metallurgical test work program through to the completion of the Mt Gunson pre-feasibility study.

In December of 2018 and January of 2019, a drill program was undertaken at Emmie Bluff to provide drill core for geotechnical testing and fresh mineralised material for metallurgical analysis. A total of five drillholes were attempted, with four successfully intersecting meaningful mineralisation.

Outside of drilling, exploration has included the commissioning of a major geophysical reassessment of the geology of the Mt Gunson region by respected geological consultants International Geoscience. This report made use of the results of a major aeromagnetic survey undertaken by the South Australian Government and Geoscience Australia, the results of which were released on 19 April 2018.

The report outlined a mineral systems model for the Mt Gunson area and identified a number of iron oxide copper gold target areas within the Mt Gunson project. The methodology was recently validated by BHP's recent exploration success at its Oak Dam project, approximately 10km north-east of the Emmie Bluff prospect at Mt Gunson. This discovery occurred in an area which the report identified as prospective based on the prevailing lithostructural conditions. In light of these results and the receipt of the report, Coda has begun a review of iron oxide copper gold prospectivity at Mt Gunson.

Additional exploration activities include a passive seismic survey, which is ongoing at the time of writing of this Demerger Scheme Booklet, and a reassessment of the potential for modern geochemical techniques to discriminate Tapley Hill Formation hosted mineralisation at Mt Gunson.

(h) **Mt Gunson tenements**

Please refer to the Solicitor's Report set out in Annexure E for a report setting out Coda's interests in the tenements at Mt Gunson and the validity and good standing of those tenements.

5.4 Coda's funding strategy

Coda is currently an exploration company and is therefore not yet generating positive cash flow. Coda's funding strategy is to maintain adequate cash reserves to follow its business strategy and meet annual expenditure commitments required to ensure that it can successfully farm-in to Mt Gunson, as well as maintain in good standing any tenements owned by Coda in the future.

(a) **Funding upon implementation of the Demerger**

Upon implementation of the Demerger, Coda is expected to have a cash balance of approximately A\$7 million.

However, as at the date of this Demerger Scheme Booklet, Coda's exact cash balance cannot be stated with certainty. This is because Gindalbie agreed under the Demerger Deed to ensure that Coda has a cash balance on the Demerger Implementation Date equal to A\$10.64 million less the Coda Expenditure Amount, which is a variable figure. The Coda Expenditure Amount is based on (but not precisely equal to) the amount of "Expenditure" for farm-in purposes since 14 June 2018 under the Mt Gunson Farm-in Agreement.

As at the date of this Demerger Scheme Booklet, the Independent Directors believe that, based on current conditions and performance assumptions and in the absence of the fundraising referred to below, Coda is sufficiently funded to meet its anticipated near-term funding needs, including required expenditure under the Mt Gunson Farm-in Agreement over the next 12 months.

(b) **Capital raisings**

In common with many other exploration companies, Coda's future expenditure and its ability to achieve its strategy and business plans depends on its ability to raise new equity capital, access debt or dispose of interests in other assets.

The Coda Board considers it appropriate to seek to raise new equity capital as soon as practicable following implementation of the Demerger. Accordingly, but subject to the matters referred to below, the Coda Board intends for Coda to seek to undertake the Equity Capital Raising.

As referred to in Section 5.5, Ansteel has agreed that it will not, and it must ensure that its Associates and Related Bodies Corporate do not, participate in an Equity Capital Raising if it occurs within 12 months after the Demerger Implementation Date. This means Ansteel will be diluted if Coda undertakes the Equity Capital Raising within that time period.

The Equity Capital Raising structures currently being considered by Coda would, if successfully implemented, result in a dilution of Ansteel's interest in Coda to below 20% as a result of Ansteel's agreement not to participate. Subject to applicable laws, other Coda Shareholders are intended to be given the opportunity to participate in the Equity Capital Raising.

The Coda Board's current intention is for the Equity Capital Raising to occur in conjunction with Coda's application to list on the ASX (if that application is made), but there can be no guarantee that either the Equity Capital Raising or Coda's submission of an application to list on the ASX will occur, and the Equity Capital Raising will be subject to market conditions being considered appropriate by the Coda Board.

The Coda Board currently considers that the Equity Capital Raising is most likely to be undertaken by way of a pro-rata entitlement offer to Coda Shareholders, or a public offer of Coda Shares incorporating a priority offer for existing Coda Shareholders. However, the final structure is subject to a number of considerations including funding requirements, market conditions and a range of other factors that are outside the control of Coda, and cannot be confirmed until closer to the time when the Equity Capital Raising is to be undertaken. The Equity Capital Raising will have a dilutionary impact on ownership for Coda Shareholders to the extent that they do not participate. There are other important matters relating to the structure of the Equity Capital Raising, including the timing of the Equity Capital Raising, which are also not able to be finalised until closer to the time when the Equity Capital Raising is to be undertaken. The issue price of Coda Shares under the Equity Capital Raising will be determined at a later date by the Coda Board and as such, the amount to be raised from the Equity Capital Raising will depend on a number of factors including market conditions at the time of the Equity Capital Raising.

Decisions about whether the Equity Capital Raising proceeds and in relation to the matters referred to above will need to take account of a range of factors, including market conditions, many of which are not under Coda's control. For these reasons Coda can give no assurance about these matters or the timing for implementing the Equity Capital Raising.

As there is no certainty that the Equity Capital Raising will proceed, the pro forma balance sheet in Section 5.8 does not show the effect of any capital raising.

5.5 Dilution of Ansteel subsequent to implementation of the Demerger

Upon implementation of the Demerger, Eligible Gindalbie Shareholders will have the same proportionate ownership in Coda as they have in Gindalbie as at the Demerger Scheme Record Date. Assuming that Ansteel does not acquire any additional Gindalbie Shares between the date of this Demerger Scheme Booklet and the Demerger Scheme Record Date, Ansteel will hold approximately 35.7% of Coda upon implementation of the Demerger.

However, Ansteel has agreed that it will not, and it must ensure that its Associates and Related Bodies Corporate do not, participate in an Equity Capital Raising if it occurs within 12 months after the Demerger Implementation Date. This means Ansteel will be diluted if Coda undertakes the Equity Capital Raising within that time period.

The Equity Capital Raising structures currently being considered by Coda would, if successfully implemented, result in a dilution of Ansteel's interest in Coda to below 20% as a result of Ansteel's agreement not to participate. Subject to applicable laws, other Coda Shareholders are intended to be given the opportunity to participate in the Equity Capital Raising.

Please refer to Sections 5.10 and 5.4 for further information on Coda's intended capital structure and its intentions regarding the Equity Capital Raising. Please refer to Section 5.7 for further information about Ansteel's and Coda's agreement.

5.6 Coda Board and senior management

(a) Director profiles

From the Demerger Implementation Date, the Coda Board will comprise:

Keith Jones	Mr Keith Jones is a Chartered Accountant with over 40 years of experience in delivery of professional services within the resources sector. As the Managing Partner for Deloitte in Western Australia, he has acted as expert, adviser and consultant to numerous corporations in the resource sector. Mr Jones' professional experience encompasses the audit of many public companies, active involvement in numerous corporate transactions, capital raisings and new listings. More recently he has established the Deloitte China Services Group in Australia.
BBus, FCA, FAICD, FFin Non-Executive Chairman	Mr Jones was the Chair of Deloitte Australia between 2013-2017 and served for 10 years on the Board of the Institute for Child Health Research.
Andrew Marshall	Mr Andrew (Robin) Marshall has previously been involved in managing the successful delivery of some of the world's largest resource projects, including major iron ore projects for BHP Billiton and North Limited.
I Eng(UK), MAICD Non-Executive Director	At Vale Inco, he held the position of Project Director with responsibility for delivery of the multi-billion dollar Goro Nickel Project in New Caledonia through to its commissioning in early 2009. At BHP Billiton Iron Ore, Mr Marshall held the position of Vice President – Asset Development Projects with responsibility for the development of a number of projects in the first wave of expansion in the iron ore business sector.
	In addition to these roles, Mr Marshall also previously held key positions of Project Manager for the West Angelas Iron Ore Project with North Limited, Project Director with Iron Ore Company of Canada, Manager Projects for Forresteria Gold/LionOre Australia, Manager Engineering & Project Services for Western Mining Corporation and Project Manager for Nedpac (Signet Engineering).
Paul Hallam	Mr Hallam is an accomplished resource industry leader who has over 30 years' experience working in senior executive positions with leading Australian and International resource companies.
BE(Hons)Mining, FAICD, FAU SIMM Non-Executive Director	From 2008 to 2011, Mr Hallam held the position of Director – Operations with Fortescue Metals Group, where he led FMG's operational turnaround during the Global Financial Crisis and stabilised operations to underpin the expansion of production. He was previously Executive General Manager – Development & Projects with Newcrest Mining Limited, where he oversaw completion of the Telfer Expansion Project within a reset budget and schedule in a period of unprecedented competition for labour and materials.
	Mr Hallam previously held senior positions with Alcoa World Alumina Australia, including Director – Victorian Operations and General Manager of the Kwinana Alumina Refinery, and Executive General Manager of North Limited's Base and Precious Metals Division, General Manager of North Limited's Gold Business Unit and General Manager of the Kanowna Belle Gold Mine.

Chris Stevens BA (Hons), MA (Oxon), MSc, GAICD Managing Director	Mr Stevens is an experienced resources executive and mineral economist who has held the role of CEO for the past 3 years at Gindalbie. Prior to joining Gindalbie in 2016, Mr Stevens was the Western Australian Mining Consulting Lead at PricewaterhouseCoopers (PwC), where he managed professional teams to devise strategy, evaluate investment options and assist in delivery of major transactions for various ASX listed mining and energy companies. Prior to joining PwC, Mr Stevens held senior roles in the mining industry including General Manager- Commercial at Asia Iron and Commercial Manager at Gindalbie Metals. In addition to his executive resources experience, Mr Stevens has over 18 years' experience working with Chinese companies in commercial consulting and private equity. Mr Stevens holds an Honours degree from the University of Oxford, a Master of Science in Mineral Economics from Curtin University, and is a fluent Chinese speaker.
An Lin Shao Non-Executive Director	Mr An Lin Shao is a current non-executive director of Gindalbie. He is also the chairman and deputy general manager of Ansteel Parent, the chairman of Ansteel Group Mining Company Limited and the President of the Metallurgical Mine Association of China. He is the former Chief Engineer of Dong An Shan Iron Ore Mine, the former General Manager of Yan Qian Shan Iron Ore Mine, and the former Deputy General of Gong Chang Ling Iron Ore Co.
Ge Li Non-Executive Director	Mr Ge Li is a current non-executive director of Gindalbie. He is also the deputy director of financial operations department at Ansteel, and has worked with the Ansteel group for approximately 30 years.

Ansteel has agreed that once Coda completes the Equity Capital Raising (within 12 months after the Demerger Implementation Date), it will procure that one of An Lin Shao and Ge Li resigns.

Ansteel will continue to have a right to a nominee on the Coda Board while its shareholding in Coda remains at 15% or more on a fully diluted basis and has agreed it will procure the resignation of any such nominees if Ansteel's shareholding falls below 15%. Refer to Section 5.7 for further details about this agreement.

(b) **Non-executive director remuneration**

The maximum annual remuneration that may be payable in aggregate to non-executive directors of Coda for directors' fees is A\$950,000. This amount can only be increased by ordinary resolution of Coda Shareholders passed at a general meeting.

(c) **Senior management**

As at the date of this Demerger Scheme Booklet, Coda's senior management team comprises, or will comprise on implementation of the Demerger:

Rebecca Moylan Bcomm, CPA, Grad Dip Applied Finance (FINSIA), GAICD CFO and Company Secretary	Ms Moylan is a highly experienced CFO and finance professional, and is currently the Gindalbie CFO and Company Secretary. Ms Moylan has worked for Gindalbie since May 2011 and has corporate experience working with listed and unlisted companies in varied industries.
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5.7 Coda material contracts

Coda has a number of contracts that it considers to be material, which will remain material contracts of Coda if the Demerger is implemented.

(a) Mt Gunson Farm-in Agreement

On 17 March 2017, Gindalbie announced to the ASX that it had executed the Mt Gunson Farm-in Agreement with Terrace Mining. The Mt Gunson Farm-in Agreement was subsequently novated to Coda on 21 May 2018 (with the conditions to the novation being satisfied in August 2018).

Under the Mt Gunson Farm-in Agreement:

- Coda has, by satisfying its expenditure obligations during a certain time period, earned a 25% interest in Mt Gunson (stage one);
- Coda has elected to earn a further 26% interest in Mt Gunson by making expenditure of \$2.5 million within a certain time period (to take its interest in Mt Gunson to 51% in total) (stage two);
- subject to Coda earning the stage two interest, Coda can elect within 30 days of earning that interest to earn a further 19% interest in Mt Gunson by making expenditure of \$2.75 million within a certain time period (to take its interest in Mt Gunson to 70% in total) (stage three) and if a decision to mine is made prior to Coda satisfying this earning obligation, Coda will pay the unexpended portion to Terrace Mining;
- if Coda earns the stage three interest but no Decision to Mine has been made, Gindalbie will contribute additional expenditure up to \$2 million as reasonable required to complete the feasibility study and any other matters needed for a decision to mine being made (i.e. up to a free carry limit of \$8.62 million);
- within 60 days of Coda either earning the stage three interest or a decision to mine being made, whichever is later, Coda can exercise an option for an exercise price of \$1.5 million to earn an additional 5% interest in Mt Gunson (to take its interest in Mt Gunson to 75% in total);
- if, after Coda earns the stage two interest, Coda elects (or is deemed to have elected) not to proceed to stage three, Terrace Mining has been granted an option to acquire an additional 2% interest in Mt Gunson, which will dilute Coda's interest in Mt Gunson;
- a steering committee has been created to oversee the development and progress of the farm-in, including the management of the farm-in and the making of all strategic decisions in relation to the conduct of farm-in activities, and the Mt Gunson Farm-in Agreement contains clauses relating to the steering committee's functions and meetings (and similar provisions apply in relation to a joint venture management committee, which is to be established as soon as practical after the unincorporated joint venture between Coda and Terrace Mining, referred to below, is formed);
- Coda can elect not to proceed with the farm-in by giving Terrace Mining a notice to that effect (and in certain circumstances will be deemed to have made such an election), in which case Coda will have no further obligations to farm-in or contribute funding in relation to any remaining earning obligations and an unincorporated joint venture between Coda and Terrace Mining, referred to below, will be formed);
- if Coda elects not to proceed with the farm-in prior to earning the stage two interest, Coda may elect to earn a 51% interest in Mt Gunson by paying the difference between the stage one expenditure plus any additional expenditure made towards the stage two expenditure and the stage two expenditure;
- an unincorporated joint venture between Coda and Terrace Mining will be formed on the earlier of the date on which:

- Coda elects not to proceed with the farm-in (or is deemed to have made such an election);
- a decision to mine is made by the steering committee (provided no buy-out has been agreed and no buy-out notice has been given - please refer below for further details); or
- Coda contributes expenditure in respect of the Mt Gunson Farm-in Agreement to the free carry limit of \$8.62 million;
- the objects of the unincorporated joint venture will be to maintain the tenements and explore Mt Gunson for minerals and, if exploration indicates the probable existence of commercially mineable minerals, carry out a feasibility study on the development of any commercial deposits;
- Coda will be the manager of the unincorporated joint venture unless one or more of certain events occur (such as an insolvency event occurring in relation to Coda) or if the parties agree otherwise;
- all joint venture expenditure incurred in accordance with an approved program and budget, or as otherwise permitted by the Mt Gunson Farm-in Agreement, must be borne and paid for by Coda and Terrace severally in their respective percentage share interest in the joint venture; and
- after a feasibility study has been completed, a development proposal may be proposed to the steering committee (or the joint venture management committee), and if a decision to mine is made following the receipt of that development proposal the Mt Gunson Farm-in Agreement contains a process under which:
 - Coda and Terrace Mining will negotiate the terms of a buy-out of Terrace Mining's interest in the joint venture at first instance; and
 - if those terms cannot be agreed, each party gets to elect whether it wishes to proceed with the development; if only one party elects to proceed, that party is given the opportunity to purchase the other party's joint venture interest in the area the subject of the development proposal (at a price to be agreed or, if the parties are unable to agree the price, fair market value) and if both parties elect to proceed they will negotiate in good faith with a view to entering into a separate mining joint venture agreement in respect of the area the subject of the development proposal.

The Mt Gunson Farm-in Agreement contains other terms and conditions considered standard for an agreements of its nature.

(b) Shareholding Deed

Coda and Ansteel executed the Shareholding Deed on 11 March 2019. The Shareholding Deed sets out certain terms and conditions which govern aspects of the relationship between Coda and Ansteel after the implementation of the Demerger.

Under the Shareholding Deed, Ansteel:

- has acknowledged that Coda:
 - intends to undertake an Equity Capital Raising within 12 months after the Demerger Implementation Date; and
 - is a public company that intends to apply for admission to the official list of the ASX and that Coda should have corporate governance policies consistent with generally accepted market practice on the ASX;

- has agreed that it will not, and will procure that its Related Bodies Corporate, its Associates and their nominees and, to the extent it is able to influence them, each of their representatives do not, hinder, obstruct or otherwise oppose the Equity Capital Raising if it occurs within 12 months of the Demerger Implementation Date;
- must not, and must ensure that its Related Bodies Corporate and its Associates do not, except with the prior written consent of Coda, take up any entitlements under, or otherwise participate in, the Equity Capital Raising if it occurs within 12 months of the Demerger Implementation Date; and
- has agreed that it will conduct itself as a shareholder of Coda in accordance with generally accepted market practice on the ASX.

From the Demerger Implementation Date:

- until the completion of the Equity Capital Raising, Ansteel has the right to appoint, and Coda must if so requested by Ansteel procure the appointment of, the equivalent representation Ansteel has on the Gindalbie Board immediately prior to the Demerger Implementation Date to the Coda Board; and
- Ansteel has the right to a nominee on the Coda Board while its shareholding in Coda remains at 15% or more on a fully diluted basis and has agreed it will procure the resignation of any such nominee if Ansteel's shareholding falls below 15% and if requested by Coda.

(c) Glycine Licences

Gindalbie executed the Glycine Licences in May 2017. The Glycine Licences are intended to be novated to Coda prior to the Demerger Implementation Date. The Glycine Licences relate to GlyLeach technology, which can be used to leach low grade ores, differentially leach copper and gold ores, upgrade concentrates, and for the purposes of tailings retreatment. References to Coda in this Section are to Coda post-novation of the Glycine Licences.

Under the Glycine Licences:

- Coda and Terrace Mining have been granted a territory specific non-exclusive licence for the use of GlyLeach technology at Mt Gunson;
- Coda has been granted a global non-exclusive licence (excluding China, Zimbabwe and Mt Gunson) for the use of GlyLeach technology on primary gold, copper and zinc projects; and
- MPS will receive a royalty for the use of the GlyLeach technology based on a net smelter return from future revenue flows of projects where the technology is applied.

Unless terminated earlier in accordance with its terms:

- the Glycine Licence entered into by Coda and Terrace Mining will expire on 14 February 2024 if Coda and Terrace Mining have not entered into a binding and unconditional contract with one or more contractors to build an operating plant by that date or, otherwise, on the later of on or about 4 May 2032 and the date on which the first granted patent that forms part of the patent rights the subject of the Glycine Licences expires; and
- the Glycine Licence entered into by Coda will expire on the later of 4 May 2032 and the date on which the first granted patent that forms part of the patent rights the subject of the Glycine Licences expires.

The Glycine Licences also contain other terms and conditions considered standard for agreements of their nature.

(d) **Deed of Cross Guarantee**

As Coda is currently a wholly owned subsidiary of Gindalbie, it has executed the Deed of Cross Guarantee in order to be relieved from the Corporations Act requirements to prepare, audit and send financial reports and directors' reports. This relief is pursuant to ASIC Corporations (Wholly Owned Companies) Instrument 2016/785, and it is a requirement of the relief that Coda execute the Deed of Cross Guarantee. The effect of the Deed of Cross Guarantee is that Coda is currently guaranteeing to each creditor of Gindalbie payment in full of any debt in the event that Gindalbie is wound up (immediately if Gindalbie is wound up under certain Corporations Act provisions and otherwise six months after the resolution or the order for the winding up of Gindalbie if a creditor has not been paid in full).

Coda will revoke or release the Deed of Cross Guarantee as soon as practicable after implementation of the Demerger.

(e) **Demerger Deed**

Please refer to Annexure B for a summary of the Demerger Deed, which sets out transitional commercial and legal matters arising from the commercial and legal separation of Coda and Gindalbie.

5.8 Coda's pro forma financial information

(a) **Introduction**

Coda is currently a wholly owned subsidiary of Gindalbie. Post implementation of the Demerger, it is intended that Coda will be an exploration company with a clear focus on progressing Mt Gunson, in which it has a right to earn up to a 75% interest, and delivering value for shareholders. Gindalbie announced entered into the Mt Gunson Farm-in Agreement on 17 March 2017, and the agreement was subsequently novated to Coda on 21 May 2018 (with the conditions to the novation being satisfied in August 2018).

The pro forma historical statement of financial position of Coda as at 31 December 2018, which is presented to show the historical statement of financial position at 31 December 2018 (the **Statutory Historical Statement of Financial Position**) after adjusting for certain pro forma adjustments identified by the Independent Directors to reflect the impact of the Demerger as if it had occurred at that date (the **Pro Forma Historical Statement of Financial Position**).

The financial information should be read in conjunction with the other information contained within this Demerger Scheme Booklet.

(b) **Basis of preparation**

The Statutory Historical Statement of Financial Position and Pro Forma Historical Statement of Financial Position have been prepared in accordance with the recognition and measurement principles of Australian Accounting Standards, other mandatory professional reporting requirements and Coda's adopted accounting policies.

The Statutory Historical Statement of Financial Position and Pro Forma Historical Statement of Financial Position are presented in an abbreviated form and do not contain all the disclosures that are usually provided in an annual report prepared in accordance with Australian Accounting Standards and the Corporations Act.

(c) **Statutory Historical Statement of Financial Position**

The Statutory Historical Statement of Financial Position has been prepared by the Independent Directors. It has been extracted from the unaudited management accounts of Coda at 31 December 2018. Whilst it was not subject to an interim financial review, the interim financial report of Gindalbie, of which it formed part, were reviewed by KPMG to a group materiality and KPMG issued an unmodified review conclusion on the financial report. However, included within KPMG's review conclusion was an emphasis of matter highlighting a material uncertainty related to going concern "that may cast significant doubt on Gindalbie's ability to continue as a going concern and, therefore,

whether it will realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the Interim Financial Report”.

(d) **Pro forma Historical Statement of Financial Position**

The Pro forma Historical Statement of Financial Position has been prepared by the Independent Directors and reflects the Statutory Historical Statement of Financial Position of Coda after adjusting for certain pro forma adjustments identified by the Independent Directors to reflect the impact of the Demerger of Coda as if it had occurred on the 31 December 2018. The pro forma adjustments are detailed in the notes below.

The Statutory Historical Statement of Financial Position and the Pro Forma Historical Statement of Financial Position have been reviewed by KPMG Transaction Services whose Investigating Accountant’s Report is set out in Annexure D.

Historical Statement of Financial Position and Pro Forma Historical Statement of Financial Position		31-Dec-18	31-Dec-18	31-Dec-18
A\$’000	Note	Reviewed actual	Adj.	Reviewed Pro Forma
ASSETS				
<i>Current assets</i>				
Cash and cash equivalents	A	127,478	9,221,346	9,348,824
Other receivables		43,417	-	43,417
TOTAL CURRENT ASSETS		170,895	9,221,346	9,392,241
<i>Non-current assets</i>				
Property, plant and equipment		-	60,289	60,289
Exploration and evaluation assets		1,416,359	-	1,416,359
Intangible asset		177,885	-	177,885
TOTAL NON-CURRENT ASSETS		1,594,244	60,289	1,654,533
TOTAL ASSETS		1,765,139	9,281,635	11,046,774
LIABILITIES				
<i>Current Liabilities</i>				
Trade and other payables		(478,861)	-	(478,861)
TOTAL CURRENT LIABILITIES		(478,861)	-	(478,861)
TOTAL LIABILITIES		(478,861)	-	(478,861)
NET ASSETS		1,286,278	9,281,635	10,567,913
EQUITY				
Issued capital	C	2,448,629	9,281,635	11,730,264
Accumulated losses		(1,162,351)	-	(1,162,351)
TOTAL EQUITY		1,286,278	9,281,635	10,567,913

The Pro Forma Historical Statement of Financial Position set out above contains the following pro forma adjustments to the Statutory Historical Statement of Financial Position:

The issued capital pro forma adjustment of \$9.28 million reflects the investment by Gindalbie in Coda, consisting of cash and moveable assets. The cash and cash equivalents pro forma adjustment has been calculated in accordance with Section 5.4, being \$10.64 million less the Coda Expenditure Amount as at 31 December 2018, being, effectively expenditure on Mt Gunson from 14 June 2018 to 31 December 2018 of \$1.36 million, less moveable assets to a value of \$0.06 million. The moveable assets are to be purchased by Coda from Gindalbie as part of the Demerger.

(e) **Statement of significant accounting policies**

The significant accounting policies adopted in the preparation of the Statutory Historical Statement of Financial Position and Pro Forma Historical Statement of Financial Position included in this Section have been set out below.

Going concern

The Independent Directors believe that Coda will continue as a going concern and as a result the financial information has been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

As set out in Gindalbie's 31 December 2018 Interim Financial Report which is available at www.gindalbie.com.au, there is a material uncertainty over the ability of the Gindalbie group, of which Coda currently forms a part, to continue as a going concern. Given that Coda is currently reliant on Gindalbie for funding of its exploration and other expenses until such time as Coda is demerged pursuant to the steps set out in this Demerger Scheme Booklet, a material uncertainty extends to Coda and, therefore, whether it too will realise its assets and discharge its liabilities in the normal course of business, and at the amounts set out in its Statutory Historical Statement of Financial Position.

Exploration and evaluation assets

Exploration and evaluation expenditure that has been acquired in a business combination or asset acquisition and associated transaction costs are capitalised under the scope of AASB 6, Exploration for and Evaluation of Mineral Resources. All other exploration and evaluation expenditure is expensed in the year it is incurred.

Pre-exploration and evaluation expenditure, where Coda does not hold legal title to a tenement or a licence to explore, is expensed in the year it is incurred.

Exploration and evaluation expenditure is allocated separately to specific areas of interest. Each area of interest is limited to a size related to a known or probable mineral resource capable of supporting a mining operation. Such expenditure comprises direct exploration and evaluation costs incurred, together with an appropriate portion of directly related overhead expenditure.

Exploration and evaluation assets are only continued to be recognised if the rights of the area are current and either: the exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest or by its sale; or exploration and evaluation activities have not at the reporting date reached a stage which permits a reasonable assessment of the existence of economically recoverable resources, and active operations are continuing.

Foreign currency

Transactions in foreign currencies are translated to the functional currency of Coda at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the foreign exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period. Foreign currency differences arising on retranslation are recognised in profit or loss.

Financial instruments

Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value, except as described below. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

A financial instrument is recognised if Coda becomes a party to the contractual provisions of the

instrument. Financial assets are derecognised if Coda's contractual rights to the cash flows from the financial assets expire or if Coda transfers the financial asset to another party without retaining control of substantially all of the risks and rewards of the asset. Regular purchases and sales of financial assets are accounted for at trade date, i.e., the date that Coda commits itself to purchase or sell the asset. Financial liabilities are derecognised if Coda's obligations specified in the contract expire or are discharged or cancelled.

Financial assets and liabilities are offset and the net amount presented in the Statutory Historical Statement of Financial Position and Pro Forma Statement of Financial Position when, and only when, Coda has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Non-derivative financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest rate method.

Financial liabilities comprise loans and borrowings, bank overdrafts, and trade and other payables.

Coda derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

Cash and cash equivalents comprise cash balances and call deposits held at call with financial institutions.

Other

Other non-derivative financial instruments are measured at amortised cost using the effective interest method, less any impairment losses.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to issue of ordinary shares and share options are recognised as a deduction from equity, net of any related income tax benefit.

Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located and capitalised borrowing costs. Cost also may include transfers from other comprehensive income of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within other income/other expenses in profit or loss.

Depreciation and amortisation

Depreciation is recognised in profit or loss on a straight line basis over the estimated useful lives of each part or item of property, plant and equipment.

The estimated useful lives of furniture, fittings and equipment is 3-8 years.

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

Impairment

Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its current fair value.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in the companies that share similar credit risk characteristics.

All impairment losses are recognised in profit or loss. Any cumulative loss in respect of an available-for-sale financial asset recognised previously in equity is transferred to profit or loss.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognised in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised directly in equity.

Non-financial assets

The carrying amounts of Coda's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset of Coda that generates cash flows that are largely independent from other assets. Impairment losses are recognised in profit or loss.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Trade receivables

Trade and other receivables are recognised initially at fair value less any loss allowance based on the 12 month expected credit loss. At 31 December 2018 no receivables are considered to have a material credit risk.

Income Tax

Coda is a wholly owned subsidiary in a tax consolidated group with Gindalbie as the head entity.

Current tax expense (income), deferred tax liabilities and deferred tax assets arising from temporary differences of Coda are recognised using the 'stand alone taxpayer' approach whereby Coda measures its current and deferred taxes as if it continued to be a separately taxable entity in its own right. Deferred tax assets and deferred tax liabilities are measured by reference to the carrying amounts of the assets and liabilities in Coda's balance sheet and their tax values applying under tax consolidation.

Any current tax liabilities (or assets) and deferred tax assets arising from unused tax losses of Coda are assumed by the head entity of the tax-consolidated group and are recognised as amounts payable (receivable) to other entities in the tax-consolidated group in conjunction with any tax funding arrangement amounts (refer below). Any difference between these amounts is recognised by Coda as an equity contribution from or distribution to the head entity.

Coda recognises deferred tax assets arising from unused tax losses to the extent that it is probable that future taxable profits of Coda will be available against which the assets can be utilised. Coda assesses the recovery of its unused tax losses and tax credits only in the period in which they arise, and before assumption by the head entity, in accordance with AASB 112 applied in the context of the tax-consolidated group. Any subsequent period adjustments to deferred tax assets arising from unused tax losses as a result of revised assessments of the probability of recoverability are recognised by the head entity only.

Nature of tax funding arrangement and tax sharing agreements

Coda, in conjunction with other members of the tax-consolidated group, has entered into a tax funding arrangement which sets out the funding obligations of members of the tax-consolidated group in respect of tax amounts. The tax funding arrangements require payments to/from the head entity equal to the current tax liability (asset) assumed by the head entity and any tax-loss deferred tax asset assumed by the head entity, resulting in Coda recognising an inter-entity payable (receivable) equal in amount to the tax liability (asset) assumed. The inter-entity payable (receivable) is at call.

Contributions to fund the current tax liabilities are payable as per the tax funding arrangement and reflect the timing of the head entity's obligation to make payments for tax liabilities to the relevant tax authorities.

Coda, in conjunction with other members of the tax-consolidated group, has also entered into a tax sharing agreement. The tax sharing agreement provides for the determination of the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. No amounts have been recognised in the financial statements in respect of this agreement as a payment of any amounts under the tax sharing agreement is considered remote.

On implementation of the Demerger, Coda will cease to be a member of the Gindalbie tax consolidated group and party to the tax funding arrangement and tax sharing agreements.

Intangible assets

Licences acquired are initially recognised at cost and are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straightline method over 15 years, which is the estimated useful lives and periods of contractual rights.

(f) Commercial commitments and contingent liabilities

At 31 December 2018 Coda is and remained a party to a Deed of Cross Guarantee with Gindalbie. Under that Deed, Coda guarantees to each creditor of Gindalbie payment in full of any debt in the event that Gindalbie is wound up (immediately if Gindalbie is wound up under certain Corporations Act provisions and otherwise six months after the resolution or the order for the winding up of Gindalbie if a creditor has not been paid in full). Contingent liabilities of Gindalbie are set out in its 31 December 2018 Interim Financial Report which is available at www.gindalbie.com.au. Coda will revoke or release the Deed of Cross Guarantee as soon as practicable after implementation of the Demerger. Other than this matter, the Independent Directors are not aware of the existence of any material commitments or contingent liabilities.

(g) **Notes to the Statutory Historical Statement of Financial Position and Pro Forma Historical Statement of Financial Position**

Note A: CASH AND CASH EQUIVALENTS	31-Dec-18
	\$
Balance at 31 December 2018	127,478
<i>Pro forma adjustment:</i>	
Proceeds from share issue	9,281,635
Acquisition of property, plant and equipment	(60,289)
Pro forma cash and cash equivalents	9,348,824

Note B: PROPERTY PLANT AND EQUIPMENT	31-Dec-18
	\$
Balance at 31 December 2018	-
<i>Pro forma adjustment:</i>	
Acquisition of property, plant and equipment	60,289
Pro forma property, plant and equipment	60,289

Note C: ISSUED CAPITAL	31-Dec-18
	\$
Balance at 31 December 2018	2,448,629
<i>Pro forma adjustment:</i>	
Proceeds from share issue	9,281,635
Pro forma issued capital	11,730,264

5.9 Rights and liabilities attaching to Coda Shares

A summary of the key rules in the Coda Constitution in relation to the rights and liabilities attached to Coda Shares, including in relation to voting, forms part of the summary of the Coda Constitution set out in Section 10.5.

5.10 Coda's capital structure

(a) Current capital structure and Gindalbie's interests in Coda Shares

As at the date of this Demerger Scheme Booklet, there are 1,000 Coda Shares on issue. Gindalbie is the legal and beneficial owner of all of those Coda Shares. This means that Gindalbie has, as at the date of this Demerger Scheme Booklet, voting power in Coda of 100% and a Relevant Interest in 1,000 Coda Shares.

If the Demerger is implemented, Eligible Gindalbie Shareholders will receive the Demerger Scheme Consideration on the Demerger Implementation Date, being one Coda Share for every 45 Gindalbie Shares held on the Demerger Scheme Record Date.

Gindalbie will ensure that the number of Coda Shares on issue at that time is equal to the number of Coda Shares required to be transferred to Eligible Gindalbie Shareholders and the Nominee (in the case of Ineligible Foreign Shareholders).

Following implementation of the Demerger, Gindalbie will not own any Coda Shares as all Coda Shares will have been distributed to Eligible Gindalbie Shareholders and the Nominee.

(b) **Incentive plans**

Coda intends to adopt, subject to the Demerger being implemented, an employee share option plan, known as the Coda ESOP. Key terms of the proposed Coda ESOP are summarised in the table below:

Key term	Description
Eligible Person	An Eligible Person is: • a full or part time employee; • a Coda Director or a director of a Related Body Corporate; • a spouse of an above employee or Coda Director; • a company controlled by any of the above persons; • a trust or superannuation fund where any of the above persons is the sole trustee; or • any employee option or share trust established to implement the Coda ESOP for the benefit of Coda employees or the Coda Directors, whom the Coda Directors determine is entitled to participate in the Coda ESOP.
Offer of Coda Options	The Coda Directors may offer Coda Options, each an option to acquire a fully paid Coda Share, under the Coda ESOP to employees at the times, in the manner and subject to any conditions (including vesting dates and pre-conditions to vesting) as the Coda Directors determine. Coda Options will not be offered to a Coda Director without the approval of Coda Shareholders in accordance with the Corporations Act and the ASX Listing Rules (if Coda is listed). An employee may in accepting an offer, nominate an Eligible Person to be issued the Coda Options, which will be subject to the approval of the Coda Directors.
Consideration	Coda Options will be granted for no consideration.
Ranking and quotation	Coda Options will not be quoted on the ASX. A Coda Share issued pursuant to the exercise of a Coda Option will rank pari passu with all other Coda Shares.
Exercise price	The exercise price is determined by the Coda Directors in their absolute discretion.
Vesting conditions	The Coda Directors may determine the periods within which a Coda Option may be exercised.
Lapsing	A Coda Options will lapse if it is not exercised by its expiry date. Unless determined otherwise by the Coda Directors, where the relevant employee or Coda Director in respect of a Coda Option ceases their employment Coda or a related body corporate, the holder of the Coda Option has three months in which to exercise any vested Coda Options or until the Coda Option expiry date, whichever is earlier.

Transfer	Coda Options may only be transferred with the approval of the Coda Directors to another Eligible Person of the relevant employee or to persons who are not Eligible Persons but subject to any conditions imposed by the Coda Directors that they consider appropriate in their absolute discretion.
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5.11 Intentions regarding the continuation of Coda's business

Save as set out elsewhere in this Demerger Scheme Booklet, there is no additional material information regarding Coda's business nor any major changes to Coda's business (including any redeployment of fixed assets or information regarding the future employment of the present employees of Coda).

5.12 Corporate governance

This Section sets out the approach that Coda will take to corporate governance following the implementation of the Demerger.

The ASX Corporate Governance Council has developed the ASX Recommendations, being the fourth edition of the Corporate Governance Principles and Recommendations, for entities listed on the ASX. In the ASX Corporate Governance Council's opinion, the ASX Recommendations are likely to achieve good governance outcomes and meet the reasonable expectations of most investors in most situations.

The ASX Recommendations are not prescriptions, but guidelines. Under the ASX Listing Rules, if Coda lists on the ASX it will be required to provide a corporate governance statement in its annual report disclosing the extent to which it has followed the ASX Recommendations during each reporting period. Where Coda does not follow an ASX Recommendation, it must identify the recommendation that has not been followed and state its reasons for not following the recommendation and what (if any) alternative governance practices it adopted in lieu of the recommendation during the period.

Coda intends to adopt relevant charters and policies prior to implementation of the Demerger that are substantially consistent with the ASX Recommendations, having regard to the nature and scale of Coda's business. Coda's approach to corporate governance will be similar to that of Gindalbie, and Gindalbie believes that its practices are substantially consistent with the ASX Recommendations, having regard to the nature and scale of Gindalbie's business.

A summary of Coda's proposed approach to corporate governance is set out below.

(a) Composition of the Coda Board

As at the date of this Demerger Scheme Booklet, the persons who will be Coda Directors from the Demerger Implementation Date are set out in Section 5.6.

The Coda Board will comprise directors with a broad range of skills, expertise and experience from a diverse range of backgrounds. The Coda Board will include five Non-Executive Directors. Accordingly, Coda will satisfy the recommendation set by the ASX Corporate Governance Council that a majority of the Coda Board are independent Non-Executive Directors. At the time of implementation of the Demerger, the Non-Executive Chairman of Coda, Keith Jones, will be considered to be independent.

(b) Roles and responsibilities of the Coda Board

The Coda Board's role is to govern Coda rather than to manage it. In governing Coda, the Coda Directors must act in the best interests of Coda as a whole. It is the role of senior management to manage Coda in accordance with the direction and delegations of the Coda Board and the responsibility of the Coda Board to oversee the activities of management in carrying out these delegated duties.

Without putting a limit on the general role of the Coda Board, the principal functions and responsibilities will include:

- providing leadership to Coda by guiding the development of an appropriate culture and

values and always acting in a manner consistent with Coda's culture and code of conduct;

- overseeing the development and implementation of an appropriate strategy for Coda;
- ensuring corporate accountability to Coda Shareholders primarily through adopting an effective shareholder communications strategy, encouraging effective participation at general meetings and the Chairman, being the key interface between Coda and its shareholders;
- overseeing the control and accountability systems that ensure Coda is progressing towards the goals set by the Coda Board and in line with Coda's purpose, the agreed corporate strategy, legislative requirements and community expectations;
- ensuring a robust and effective risk management culture where risk analysis is undertaken at all levels of Coda, and ensuring compliance and control systems (including legal compliance) are in place and operating effectively;
- ensuring robust and effective risk management, compliance and control systems (including legal compliance) are in place and operating effectively;
- being responsible for Coda's senior management and personnel;
- delegating appropriate powers to the Managing Director, management and committees to ensure the effective day-to-day management of the business and monitoring the exercise of these powers; and
- making all decisions outside the scope of these delegated powers.

(c) Coda Board committees

From time to time, the Coda Board may establish committees as it considers necessary or appropriate to assist it in carrying out its responsibilities.

Given the size and scale of Coda, it is not anticipated that any specific committees will be established prior to implementation of the Demerger. However, the Coda Board will review its position in relation to committees on an ongoing basis.

(d) Coda Board processes

The Coda Board processes will be governed by the constitution of Coda, which is summarised in Section 10.5.

(e) Resources available to the Coda Board

In executing its role and responsibilities, the Coda Board will have access to senior management. The Coda Board will also have the authority to seek information from employees and external parties, to obtain outside legal or other professional advice at the expense of Coda, and to ensure company officers attend Coda Board meetings as appropriate.

The chairperson of the Coda Board will be responsible for leadership of the Coda Board, ensuring that Coda Board meetings are effective and for the briefing of all Coda Directors in relation to issues arising at Coda Board meetings. The chairperson of the Coda Board is also responsible for undertaking appropriate public relations activities.

5.13 Other material information

Except as disclosed elsewhere in this Demerger Scheme Booklet, there is no other information that is material to the making of a decision in relation to the Demerger Scheme, being information that is within the knowledge of any Gindalbie Director, as at the date of this Demerger Scheme Booklet, which has not been previously disclosed to Gindalbie Shareholders.

Risks 06

6. Risks

Gindalbie Shareholders should be aware that there are a number of risks, both general and specific, associated with the Demerger.

If the Demerger proceeds, Gindalbie Shareholders, who previously had an indirect interest in Coda and its business, will have a direct interest in Coda and, accordingly, will be directly subject to a number of risks affecting Coda, its business, its operations and its financial condition.

This Section describes the risk factors which may be relevant to your decision whether to vote in favour of the Demerger. These risks include those that:

- relate to Coda and an investment in it;
- relate to Gindalbie; and
- relate to the Demerger Scheme itself.

The selection of risks has been based on an assessment of a combination of the probability of the risk occurring and the impact of the risk if it did occur. The assessment is based on the knowledge of the Independent Directors as at the date of this Demerger Scheme Booklet, but there is no guarantee or assurance that the importance of different risks will not change or other risks will not emerge.

Although Gindalbie Shareholders will not be required to make any financial contribution to receive Coda Shares pursuant to the Demerger, investing in Coda Shares involves a high degree of risk. Coda is an exploration company and faces significant challenges in becoming a viable and profitable company.

The information set out in this Section 6 is a summary only and does not purport to be, nor should it be construed as representing, an exhaustive list of the risks affecting Coda. Additional risks and uncertainties not currently known to Gindalbie may also have a material adverse effect on Coda's financial and operational performance. The occurrence and consequences of some of the risks described in this Section are partially or completely outside the control of Coda, the Coda Directors and the Coda management team.

You should carefully consider the risks and uncertainties described below, together with all other information in this Demerger Scheme Booklet before making a decision to vote in favour of the Demerger.

If you do not understand any part of this Demerger Scheme Booklet or are in any doubt as to how to vote in relation to the Demerger, you should seek independent financial, legal and taxation advice before making any decision regarding the Demerger.

6.1 Risks that relate to Coda and an investment in it

The following risks have been identified as being key risks relevant to Coda's business. These risks have the potential to have a significant adverse impact on Coda and may affect Coda's financial position or prospects or the price or value of Coda's securities.

Coda is an exploration company, and mineral exploration, development and mining activities are high-risk undertakings. There can be no assurance that any exploration or development activity in regard to Mt Gunson, or any tenements or assets that may be acquired in the future, will result in the discovery or exploitation of an economic resource. Coda's mineral exploration, development and mining activities may be hampered by circumstances beyond the control of Coda. By their nature, these activities are speculative operations which are subject to a number of risks.

Coda's business, financial condition, results of operations or prospects could also be harmed by risks and uncertainties that are not presently known to Coda or that Coda currently believes are not material. If any of the risks actually occur, Coda's business, financial condition, results of operations and prospects could be materially and adversely affected.

(a) Future capital requirements

Coda has no operating revenue. As is typical for exploration companies that do not have cash generating businesses, Coda's ability to meet its on-going operating costs and capital expenditure requirements will ultimately involve expenditure that exceeds the estimated cash resources that Coda is expected to have on the Demerger Implementation Date. Accordingly, Coda's ability to meet these expenditures will depend on its ability to raise new equity capital or access debt funding for that purpose.

There can be no assurance as to the levels of future borrowings or further capital raisings that will be required to meet the aims of Coda to explore and develop Mt Gunson or otherwise for Coda to undertake its business. No assurance can be given that Coda will be able to procure sufficient funding at the relevant times on the terms acceptable to it.

Any additional equity financing will dilute Coda Shareholders, and debt financing, if available, may involve restrictions on financing and operating activities. If Coda is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be. There is no guarantee that Coda will be able to secure any additional funding or be able to secure funding on terms favourable to Coda.

Please refer to Section 5.4 for further information regarding Coda's intended fundraising activities.

(b) Currently no market

There is currently no public market for Coda Shares, and there can be no assurance that an active market for Coda Shares will develop.

Coda intends to apply for admission to the official list of the ASX as soon as practicable after implementation of the Demerger. Coda Shares will not be able to be traded on the ASX, and Eligible Gindalbie Shareholders will continue to hold shares in a public unlisted company, unless and until such time as the requirements for listing on the ASX can be met (if at all). Listing is at the ASX's discretion, and there is a risk that Coda may not meet the requirements for admission to the official list of the ASX and achieve quotation of Coda Shares.

The price at which Coda Shares trade on the ASX after listing, if Coda lists on the ASX at all, could be subject to fluctuations in response to variations in operating performance and general operations and business risk, as well as external operating factors over which Coda has no control, such as movements in mineral prices and exchange rates, changes to government policy, legislation or regulation and other events or factors. There can be no guarantee that an active market in Coda Shares will develop.

(c) Liquidity and volatility

Coda will be a small company in terms of its market capitalisation. An investment in Coda Shares should be regarded as speculative, and Coda may not be listed on the ASX at all, in which case there will be no public market on which to trade Coda Shares. There may be relatively few or many potential buyers or sellers of Coda Shares at any given time. This may increase the volatility of the market price of Coda Shares. It may also affect the prevailing market price at which shareholders are able to sell their Coda Shares.

(d) Equity market conditions

Shares, and in particular securities of small companies engaged in exploration activities, can experience extreme price and volume fluctuations that are often unrelated to the operating

performances of such companies. The market price of securities may fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general. These security market conditions may affect the value of Coda Shares (particularly if Coda is listed) regardless of Coda's operating performance.

General factors that may affect the market price of securities include economic conditions in both Australia and internationally, investor sentiment, local and international share market conditions, changes in interest rates and the rate of inflation, variations in commodity prices, the global security situation and the possibility of terrorist disturbances, changes to government regulation, policy or legislation, changes which may occur to the taxation of companies as a result of changes in Australian and foreign taxation laws, changes to the system of dividend imputation in Australia, and changes in exchange rates.

(e) Nature of mineral exploration and mining

The business of mineral exploration, development and production is subject to risk by its nature. Gindalbie Shareholders should understand that mineral exploration, development and mining (the activities undertaken or intended to be undertaken by Coda) are high-risk enterprises, only occasionally providing high rewards. Mineral exploration and development requires large amounts of expenditure over extended periods of time and may be impeded by circumstances and factors beyond Coda's control.

Coda's ability to succeed at its activities involves (amongst other things) discovery and proving-up, or acquiring, an economically recoverable mineral resource or reserve; accessing adequate capital throughout the acquisition or discovery and project development phases of the project; maintaining title to relevant areas; obtaining required development consents and approvals necessary for the acquisition, exploration, development and production phases of a project; and accessing the necessary experienced operational staff and recruiting skilled contractors, consultants and employees. At the same time, Coda's exploration activities are subject to all the hazards and risks normally encountered in the exploration of minerals (such as geological and climatic conditions, operational and technical risks and risks associated with operating in remote areas and other similar considerations).

There is no assurance that exploration and development of the mineral interests that Coda is farming in to (i.e. Mt Gunson), or any other projects that may be acquired by Coda in the future, will result in the discovery of mineral deposits which are capable of being exploited economically. Even if an apparently viable deposit is identified, there is no guarantee that it can be profitably exploited. If such commercial viability is never attained, Coda may seek to transfer its property interests or otherwise realise value, or Coda may even be required to abandon its business and fail as a "going concern".

Whether a mineral deposit will be commercially viable depends on a number of factors, which include, without limitation, the particular attributes of the deposit, such as size, grade and proximity to infrastructure, metal prices, which fluctuate widely, and government regulations, including, without limitation, regulations relating to prices, taxes, royalties, land tenure, land use, exporting of minerals and environmental protection. The combination of these factors may result in Coda expending significant resources (financial and otherwise) on tenements without receiving a return. There is no certainty that expenditures made by Coda towards the search and evaluation of mineral deposits will result in discoveries of an economically viable mineral deposit.

Coda has relied on and may continue to rely on consultants and others for mineral exploration and exploitation expertise. Coda believes that those consultants and others are competent and that they have carried out their work in accordance with internationally recognised industry standards. However, if the work conducted by those consultants or others is ultimately found to be incorrect or inadequate in any material respect, Coda may experience delays or increased costs in exploring or developing its tenements.

(f) Operational matters

The operations of Coda may be affected by various factors that are beyond the control of Coda, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration or mining, operational and technical difficulties encountered in mining, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages, delays in procuring, or increases in the costs of consumables, spare parts, plant and equipment, fire, explosions and other incidents beyond the control of Coda. These risks and hazards could also result in damage to, or destruction of, production facilities, personal injury, environmental damage, business interruption, monetary losses and possible legal liability. These factors are substantially beyond the control of Coda and, if they eventuate, may have an adverse effect on the financial performance of Coda.

(g) Resource and reserve estimates

Resource and reserve estimates are expressions of judgment based on drilling results, past experience with mining properties, knowledge, experience, industry practice and many other factors. Estimates which are valid when made may change substantially when new information becomes available. Determining resource and reserve estimates is an interpretive process based on available data and interpretations and thus estimations may prove to be inaccurate.

The actual quality and characteristics of ore deposits cannot be known until mining takes place and will almost always differ from the assumptions used to develop resources. Further, reserves are valued based on future costs and future prices and, consequently, the actual reserves and resources may differ from those estimated, which may result in either a positive or negative effect on operations and/or Coda's financial performance.

Should Coda encounter mineralisation or formations different from those predicted by past drilling, sampling and similar examinations, resource estimates may have to be adjusted and mining plans may have to be altered in a way which could adversely affect Coda's operations.

(h) Exploration and appraisals

Coda is engaged in early stage exploration and appraisal activities. There is a risk that these activities will not result in the discovery of commercially extractable mineral deposits. Furthermore, no assurances can be given that if commercially viable mineral deposits are discovered, these will be able to be commercialised as intended, or at all.

Whether positive income-flows ultimately result from exploration and development expenditure incurred by Coda is dependent on many factors including successful exploration, establishment of production facilities, cost control, commodity price movements, successful contract negotiations for production and stability in the local political environment.

(i) Results of studies

Subject to the results of any future exploration and testing programs, Coda may progressively undertake a number of studies in respect to Mt Gunson or any new projects of Coda. These studies may include scoping studies, pre-feasibility studies and bankable feasibility studies.

These studies will be completed within certain parameters designed to determine the economic feasibility of the relevant project within certain limits. There can be no guarantee that any of the studies will confirm the economic viability of Coda's projects or the results of other studies undertaken by Coda (e.g. the results of a feasibility study may materially differ to the results of a scoping study).

Further, even if a study determines the economics of any of Coda's projects, there can be no guarantee that the projects will be successfully brought into production as assumed or within the estimated

parameters in the feasibility study, once production commences including but not limited to operating costs, mineral recoveries and commodity prices. In addition, the ability of Coda to complete a study may be dependent on Coda's ability to raise further funds to complete the study if required.

(j) Mine development

Future exploration or development of mining operations at Mt Gunson, or any other projects undertaken by Coda from time to time, is dependent on a number of factors including, but not limited to, the acquisition and/or delineation of economically recoverable mineralisation, favourable geological conditions, receiving the necessary approvals from all relevant authorities and parties, seasonal weather patterns, unanticipated technical and operational difficulties encountered in extraction and production activities, mechanical failure of operating plant and equipment, shortages or increases in the price of consumables, spare parts and plant and equipment, cost overruns, access to the required level of funding and contracting risk from third parties providing essential services.

Coda's operations at Mt Gunson and otherwise may be disrupted by a variety of risks and hazards which are beyond the control of Coda. No assurance can be given that Coda will achieve commercial viability through the development of Mt Gunson. The risks associated with the development of a mine will be considered in full should Mt Gunson reach that stage and will be managed with ongoing consideration of stakeholder interests.

(k) Commodity prices

If Coda achieves exploration success leading to mineral production, the revenue it will derive through the sale of commodities exposes the potential income of Coda to commodity price and exchange rate risks.

The profitability of Coda will depend largely on the prices received for the commodities produced. Accordingly, Coda's future revenues and cash flow will be impacted by fluctuations in the price and available markets of those commodities. Commodity prices fluctuate and are affected by many factors beyond the control of Coda, including the end use of the commodity, the level of stockpiles, foreign exchange rates, the level of supply from competing producers and the level of demand from consumers, which varies from time to time.

Changes in commodity prices may have a positive or negative effect on Coda's project development, plans and activities, including its ability to fund those activities. Coda cannot provide any assurance as to the prices it will achieve for any mineral commodities it produces. Any substantial decline in the price of those commodities or in transport or distribution costs may have a material adverse effect on Coda and the value of Coda Shares.

Furthermore, international prices of various commodities are denominated in United States dollars, whereas the income and expenditure of Coda are, and will be, taken into account in Australian dollars, exposing Coda to the fluctuations and volatility of the rate of exchange between the United States dollar and the Australian dollar as determined in international markets. The exchange rate is affected by numerous factors beyond the control of Coda, including international markets, interest rates, inflation and the general economic outlook.

(l) No profit to date and limited operating history

Coda has incurred operating losses since its inception and does not have a significant history of business operations. It is therefore not possible to evaluate Coda's prospects based on past performance. No assurance can be given that Coda will achieve commercial viability through the successful exploration and/or mining of Mt Gunson or any tenements which are subsequently applied for or acquired. Until Coda is able to realise value from its projects, it is likely to incur ongoing operating losses.

There can be no certainty that Coda will achieve or sustain profitability, achieve or sustain positive cash flow from its operating activities or identify a mineral deposit which is capable of being exploited economically or which is capable of supporting production activities.

(m) Capital expenditure

There is a risk that the cost of any capital expenditure required by Coda may vary significantly from Coda's estimates. This could be caused by any number of factors which are beyond the control of Coda, including increases in the cost of equipment, materials, labour, exchange rate fluctuations, project delays and technical and geological conditions encountered at a project.

(n) Contracts

The ability of Coda to achieve its business objectives will depend on the performance by Coda and counterparties of their contractual obligations (including the performance by Coda and Terrace Mining of their respective obligations under the Mt Gunson Farm-in Agreement). If any party defaults in the performance of its obligations under a contract, including the Mt Gunson Farm-in Agreement, it may be necessary for either party to approach a court to seek a legal remedy, which could be costly for Coda.

The operations of Coda also require the involvement of a number of third parties, in addition to Terrace Mining, including consultants, contractors and suppliers. Financial failure, default or contractual non-compliance on the part of such third parties may have a material impact on Coda's operations and performance. It is not possible for Coda to predict or protect Coda against all such risks.

(o) Reliance on key personnel

Coda's success depends to a significant extent upon its key management personnel, as well as other employees and technical personnel, including sub-contractors. Coda has, or will have upon implementation of the Demerger, a small management team. The loss of the services of one or more of these key personnel could have an adverse effect on Coda.

It may be difficult for Coda to attract and retain suitably qualified and experienced people, due to the relatively small size of Coda compared with other industry participants, and the inability to attract and retain the services of a sufficient number of suitably qualified personnel could adversely affect Coda's operating results and financial performance.

(p) New projects and acquisitions

Coda may make acquisitions in the future as part of future growth plans. There can be no guarantee that any new project acquisition or investment will eventuate from these pursuits, or that any acquisitions will result in a return for Coda Shareholders. Such acquisitions may result in the use of Coda's cash resources and/or the issuance of equity securities, which will dilute shareholdings.

(q) Insurance

Coda intends to adequately insure its operations in accordance with industry practice. However, in certain circumstances, Coda's insurance may not be of a nature or level to provide adequate insurance cover. The occurrence of an event that is not covered or only partially covered by insurance could have a material adverse effect on the business, financial condition and results of Coda.

(r) Competition

Like many industries, the resources industry is subject to domestic and global competition. While Coda undertakes all reasonable due diligence in its business decisions and operations, Coda has no influence or control over the activities or actions of its competitors and these activities or actions may positively or negatively affect the operating and financial performance of Coda.

Some of these companies have greater financial and other resources than Coda and, as a result, may be in a better position to compete for future business opportunities. Many of Coda's competitors not only explore for and produce minerals, but also carry out refining operations and produce other products on a worldwide basis. There can be no assurance that Coda can compete effectively with these companies.

(s) Changes to government policy, taxation laws and regulatory conditions

Governmental action, including delay, inaction, policy change or the introduction of new, or the amendment of existing, legislation or regulations (or changes in the interpretation of legislation), particularly in relation to foreign ownership, access to infrastructure, environmental regulation (including in respect of carbon emissions and management), land access arrangements, royalties and production and exploration licensing may adversely affect Coda's future operations and financial performance.

Adverse changes in government policies or legislation may affect ownership of mineral interests, taxation, royalties, land access, labour relations, and mining and exploration activities of Coda. It is possible that the current system of exploration and mine permitting in South Australia or elsewhere may change, resulting in impairment of rights and possibly expropriation of Coda's properties without adequate compensation.

No assurance can be given that amendments to current laws and regulations or new rules and regulations will not be enacted, or that existing rules and regulations will not be applied in a manner which could substantially limit or affect Coda's exploration.

Similarly, changes to tax and royalty legislation imposed by Federal, State, Territorial and foreign governments, and the interpretation of those laws (including any introduction of new, or changes to existing, taxes on carbon) may affect the future earnings or asset values of, or increase the amount of tax paid by, Coda or affect the treatment of tax losses that may have been, or may be, accumulated. These changes may influence both profit and loss for accounting purposes and the total tax payable by Coda. Coda is subject to relevant environmental laws and regulations in connection with their operations. There is a risk that such laws and regulations may change in a manner that may require stricter or additional standards than those now in effect, a heightened degree of responsibility for Coda and its directors and employees and more stringent enforcement of existing laws and regulations.

(t) Regulation and tenure

Coda's exploration and development activities are subject to extensive laws and regulations relating to numerous matters including resource licence consents, environmental compliance and rehabilitation, taxation, employee relations, health and worker safety, waste disposal, protection of the environment, native title and heritage matters, protection of endangered and protected species and other matters. Coda requires permits from regulatory authorities to authorise Coda's operations. These permits relate to exploration, development, production and rehabilitation activities.

Obtaining necessary permits can be a time consuming process and there is a risk that Coda will not obtain these permits on acceptable terms, in a timely manner or at all. The costs and delays associated with obtaining necessary permits and complying with these permits and applicable laws and regulations could materially delay or restrict Coda from proceeding with exploring or developing a project. Any failure to comply with applicable laws and regulations or permits, even if inadvertent, could result in material fines, penalties or other liabilities. In extreme cases, failure could result in suspension of Coda's activities or forfeiture of one or more of the tenements in which it has an interest (including those that it is farming in to).

In addition, mining and exploration tenements are subject to periodic renewal. There is no guarantee that current or future tenements or future applications for production tenements will be approved or renewed, and Mt Gunson in particular is subject to the applicable mining acts and regulations in South Australia. Renewal conditions may include increased expenditure and work commitments or

compulsory relinquishment of areas of the tenements comprising Coda's projects. The imposition of new conditions or the inability to meet those conditions may adversely affect the operations, financial position and/or performance of Coda.

(u) Environmental

The operations and proposed activities of Coda are subject to State and Federal laws and regulations concerning the environment. As with most exploration projects and mining operations, Coda's proposed activities are expected to have an impact on the environment, particularly if advanced exploration or mine development proceeds. Such impact can give rise to substantial costs for environmental rehabilitation, damage, control and losses.

The cost and complexity of complying with the applicable environmental laws and regulations may prevent Coda from being able to develop potentially economically viable mineral deposits. Further, Coda may require additional approvals from the relevant authorities before it can undertake activities that are likely to impact the environment. Failure to obtain such approvals will prevent Coda from undertaking its desired activities. Coda is unable to predict the effect of additional environmental laws and regulations which may be adopted in the future, including whether any such laws or regulations would materially increase Coda's cost of doing business or affect its operations in any area.

There can be no assurances that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige Coda to incur significant expenses and undertake significant investments which could have a material adverse effect on Coda's business, financial condition and results of operations.

In addition, mining operations have inherent risks and liabilities associated with safety and damage to the environment and the disposal of waste products occurring as a result of mineral exploration and production. The occurrence of any such safety or environmental incident could delay production or increase production costs. Events, such as unpredictable rainfall or bushfires may impact on Coda's ongoing compliance with environmental legislation, regulations and licences. Significant liabilities could be imposed on Coda for damages, clean-up costs or penalties in the event of certain discharges into the environment, environmental damage caused by previous operations or noncompliance with environmental laws or regulations. The disposal of mining and process waste and mine water discharge are under constant legislative scrutiny and regulation. There is a risk that environmental laws and regulations may become more onerous, making Coda's operations more expensive. Approvals are required for land clearing and for ground disturbing activities. Delays in obtaining such approvals can result in the delay to anticipated exploration programmes or mining activities.

(v) Title risk and native title

Coda may lose title to, or interests in, its tenements (including those that it is farming in to, i.e. Mt Gunson) if the conditions to which those tenements are subject are not satisfied or if insufficient funds are available to meet expenditure commitments.

In the jurisdictions in which Coda operates or will operate in the future, both the conduct of operations and the steps involved in acquiring title to, or interests in, tenements involve compliance with numerous procedures and formalities. It is not always possible to comply with, or obtain waivers from, all such requirements, nor is it always clear whether requirements have been properly completed, or possible or practical to obtain evidence of compliance. In some cases, failure to follow such requirements or obtain relevant evidence may call into question the validity of the actions taken.

Further, it is possible that tenements in which Coda has an interest (including those that it is farming in to) may be subject to a native title claim. If native title rights do exist, the ability of Coda to gain access to tenements, or to progress from the exploration phase to the development and mining phases of operations, may be adversely affected.

(w) General economic conditions

Economic conditions, both domestic and global, may affect the performance of Coda. Adverse changes in such things as global and country-by-country economic growth, the level of economic activity and inflation, interest rates, insurance market conditions, exchange rates, government policy (including fiscal, monetary and regulatory policies), general consumption and consumer spending, employment rates and industrial disruption, amongst others, are outside the control of Coda and may result in material adverse impacts on the business and operating results of Coda.

(x) Taxation

A change to the current taxation regime may affect Coda and Coda Shareholders. Personal tax liabilities are the responsibility of each individual investor in Coda. Coda is not responsible for taxation or penalties incurred by investors in Coda.

(y) Accounting standards

Changes to any applicable accounting standards, including the Australian Accounting Standards, or to any assumptions, estimates or judgments applied by management in connection with complex accounting matters may adversely impact Coda's financial statements, results or condition.

(z) Force majeure

Events outside the control of Coda, such as acts of terrorism, civil disturbance or protest, war, political intervention and natural activities such as earthquakes, floods, fires and adverse weather conditions, may adversely impact Coda by affecting its operations and those of its suppliers or service providers, the market for commodities, or the transport or other infrastructure relating to the operations of Coda.

(aa) Litigation

Coda is exposed to possible litigation risks, including native title claims, tenure disputes, environmental claims, occupational health and safety claims and employee claims. Further, Coda may be involved in disputes with other parties in the future which may result in litigation. Any such claim or dispute if proven, may impact adversely on Coda's operations, financial performance and financial position. As at the date of this Demerger Scheme Booklet, there are no material legal proceedings affecting Coda and the Independent Directors are not aware of any legal proceedings pending or threatened against or affecting Coda.

(bb) Occupational health and safety

Coda is committed to providing a healthy and safe environment for its personnel, contractors and visitors. However, mining activities have inherent risks and hazards. While Coda provides appropriate instructions, equipment, preventative measures, first aid information and training to all stakeholders through its occupational, health and safety management systems, health and safety incidents may nevertheless occur. Any illness, personal injury, death or damage to property resulting from Coda's activities may lead to a claim against Coda.

(cc) Investment speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by Coda or by investors in Coda. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of Coda and the value of Coda Shares.

Therefore, the Coda Shares to be transferred pursuant to the Demerger Scheme carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Coda Shares (if a market exists, of which there can be no guarantee). Coda Shares should be considered speculative due to the nature of Coda's business.

6.2 Risks that relate to Gindalbie

The Demerger Scheme is conditional on (among other things) the Requisite Majorities of Gindalbie Shareholders also approving the Acquisition Scheme.

In effect, this Condition, along with the other Conditions to the Demerger Scheme, means that the Demerger Scheme will not be implemented unless the Acquisition Scheme is implemented.

If the Acquisition Scheme is implemented, Ansteel will acquire all Gindalbie Shares it does not already own for cash consideration, Gindalbie will become a wholly owned subsidiary of Ansteel, and Gindalbie will subsequently be delisted from the ASX. In that circumstance, Gindalbie Shareholders (other than Ansteel and its Related Bodies Corporate) will no longer be exposed to the risks of being a Gindalbie Shareholder. This means that, whilst implementation of the Demerger will change Gindalbie's risk profile, those changes will not affect Gindalbie Shareholders (other than Ansteel and its Related Bodies Corporate) as the inter-conditional nature of the Demerger and the Acquisition Scheme means that only Ansteel will be a Gindalbie Shareholder once the Demerger is implemented (provided that all parties then comply with their binding obligations to implement the Acquisition Scheme).

Conversely, if the Requisite Majorities of Gindalbie Shareholders do not approve the Demerger Scheme, then the Acquisition Scheme will also not be implemented. In that circumstance, Gindalbie Shareholders will remain exposed to the risks of remaining a Gindalbie Shareholder, which are described further in Section 6 of the Acquisition Scheme Booklet sent to you at the same time as this Demerger Scheme Booklet.

For instance, if the Demerger Scheme is not implemented (which would consequentially result in the Acquisition Scheme not being implemented given the inter-conditionality of the Transaction), Gindalbie Shareholders will remain, via their shareholding in Gindalbie, exposed to the risk of Gindalbie's contingent liabilities relating to Karara.

Gindalbie is a minority owner of Karara and is not represented on the board of Karara.

As at the date of this Demerger Scheme Booklet, Karara still requires financial support to operate and Gindalbie is unable at present to significantly contribute towards Karara's ongoing costs. Without the continued provision of additional funding, which is currently being provided by Ansteel, Karara's operations could cease and Karara could become insolvent.

The Independent Directors consider Karara's solvency to be important to Gindalbie, as Gindalbie has provided various guarantees in respect of Karara:

- as at 31 December 2018, Gindalbie had contingent liabilities totalling \$231 million in relation to bank guarantees provided to suppliers of Karara; and
- in addition, as at 31 December 2018, Gindalbie had provided limited recourse guarantees to Ansteel exceeding US\$3.1 billion, which guarantees are limited to the extent of Gindalbie's shareholding in Karara.

For the guarantees to be called upon, Karara would need to default on the relevant loans or otherwise default in the satisfaction of a guaranteed liability. Based on usage estimates as at the date of this Demerger Scheme Booklet, the bank guarantees referred to above will start expiring in 2022 and will be fully expired by the end of 2023.

As at the date of this Demerger Scheme Booklet, the Independent Directors are not aware of any guarantees being called upon, but there remains a risk that Ansteel may not continue to fund or support Karara, which could lead to the guarantees being called. If Gindalbie is required to repay its proportional share of the shareholders' guarantees to Ansteel, the potential obligation is currently in excess of the value of Gindalbie's shares in Karara and the net assets of Gindalbie.

6.3 Risks that relate to the Demerger Scheme

(a) Conditions

The implementation of the Demerger Scheme is subject to a number of Conditions, which need to be satisfied or waived (as applicable) before the Demerger can be implemented and which are set out in Annexure F. The Demerger Scheme will not proceed to the Second Court Hearing unless all Conditions are satisfied or waived (as applicable) (other than Conditions to the extent they relate to approval by the Court).

If the conditions precedent in the Demerger Implementation Agreement are not satisfied or waived (as applicable) by the End Date, the Demerger Implementation Agreement will terminate, which will mean the Demerger Scheme will not be implemented.

One of the Conditions is the Requisite Majorities of Gindalbie Shareholders approving the Acquisition Scheme. There is a risk that the Requisite Majorities of Gindalbie Shareholders do not approve the Acquisition Scheme and therefore a risk that the Demerger Scheme will not be implemented on that basis.

A failure to satisfy any of the Conditions, or a delay in satisfying the Conditions and implementing the Demerger, may adversely affect the trading price of Gindalbie Shares.

(b) Court approval or delays

There is a risk that the Court may not approve the Demerger Scheme or that the approval of the Court may be delayed.

In particular, if there is a material change in circumstances between the Demerger Scheme Meeting and the Second Court Hearing, the Court will take the change into account in deciding whether it should approve the Demerger Scheme. If there is a material change of sufficient importance so as to materially alter the Demerger Scheme, there is a risk that the Court may not approve the Demerger Scheme at the Second Court Hearing.

(c) Third party consents

There is a risk that the consent of one or more third parties will be required as a result of the Demerger and that such consent cannot be obtained or, if it can be obtained, it may not be obtained on reasonable terms and conditions and within a reasonable timeframe. The operation of provisions requiring consent may have negative consequences for Coda, such as the loss of contracts or assets, increased costs, and the need to renegotiate such arrangements.

Implementation of the Demerger

07

7. Implementation of the Demerger

All dates referred to in this Section 7 are indicative only. The actual dates on which events referred to in this Section 7 will occur will depend upon the time at which the Conditions are satisfied or waived (as applicable). The Conditions are contained in clause 3.1 of the Demerger Scheme, which is set out in Annexure F.

Gindalbie has the right to vary all dates subject to all necessary approvals. Any variation to the dates referred to in this Section 7 will be announced to the ASX and published on Gindalbie's website.

7.1 Key steps to implement the Demerger

(a) Demerger Scheme Meeting

In accordance with an order of the Court on 24 May 2019, Gindalbie Shareholders will be asked to approve the Demerger Scheme at the Demerger Scheme Meeting to be held at 10.30 am (Perth time) on 3 July 2019. The Notice of Demerger Scheme Meeting is set out in Annexure H.

At the Demerger Scheme Meeting, Gindalbie Shareholders will be asked to consider and, if thought fit, to pass a resolution approving the Demerger Scheme. For the Demerger Scheme to be approved by Gindalbie Shareholders, votes in favour of the Demerger Scheme Resolution must be received from:

- a majority in number (more than 50%) of Gindalbie Shareholders present and voting at the Demerger Scheme Meeting (either in person, by proxy or attorney or, in the case of corporate Gindalbie Shareholders, by a duly appointed corporate representative) (the **Headcount Test**); and
- at least 75% of the total number of votes cast on the Demerger Scheme Resolution by Gindalbie Shareholders at the Demerger Scheme Meeting.

If the Demerger Scheme is not approved by Gindalbie Shareholders at the Demerger Scheme Meeting by reason only of the non-satisfaction of the Headcount Test, Gindalbie may apply to the Court for the Court to exercise its discretion to disregard the Headcount Test and make orders approving the Demerger Scheme.

The Independent Directors unanimously recommend that you vote in favour of the Demerger Scheme Resolution at the Demerger Scheme Meeting, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Demerger Scheme is in the best interests of Gindalbie Shareholders.

(b) General Meeting

Gindalbie Shareholders will be asked to approve the Capital Reduction at the General Meeting to be held at 11.00 am (Perth time) (or as soon as possible thereafter following the conclusion or adjournment of the Demerger Scheme Meeting) on 3 July 2019. The Notice of General Meeting is set out in Annexure H.

At the General Meeting, Gindalbie Shareholders will be asked to consider and, if thought fit, to pass a resolution approving the Capital Reduction. For the Capital Reduction to be approved by Gindalbie Shareholders, votes in favour of the Capital Reduction Resolution must be received from a majority in number (more than 50%) of the total number of votes cast on the Capital Reduction Resolution by Gindalbie Shareholders at the General Meeting.

Gindalbie has proposed the Capital Reduction to permit Gindalbie to reduce its share capital on the Demerger Implementation Date. The proceeds of the Capital Reduction will not be paid in cash;

instead, they will be applied on behalf of Gindalbie Shareholders as consideration for the transfer of Coda Shares under the Demerger Scheme.

The Capital Reduction is conditional on the Demerger Scheme becoming Effective. This means that Gindalbie will not undertake the Capital Reduction unless the Demerger Scheme is approved by the Requisite Majorities and the Demerger Scheme becomes Effective.

The Independent Directors unanimously recommend that you vote in favour of the Capital Reduction Resolution at the General Meeting, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Demerger Scheme is in the best interests of Gindalbie Shareholders. Each Independent Director intends to cause all the Gindalbie Shares in which he has a Relevant Interest to be voted in favour of the Capital Reduction Resolution.

(c) Second Court Date

If the Demerger Scheme is approved by the Requisite Majorities of Gindalbie Shareholders at the Demerger Scheme Meeting, the Capital Reduction is approved by Gindalbie Shareholders at the General Meeting and the Acquisition Scheme is approved by the Requisite Majorities of Gindalbie Shareholders at the Acquisition Scheme Meeting, Gindalbie will apply to the Court for orders approving the Demerger Scheme following the Demerger Scheme Meeting. The date on which the Court hears Gindalbie's application in relation to the Demerger Scheme is the Second Court Date. The Second Court Date is expected to be on 8 July 2019 and the Second Court Hearing is open to all Gindalbie Shareholders.

If the Demerger Scheme is not approved by the Requisite Majorities of Gindalbie Shareholders at the Demerger Scheme Meeting, the Capital Reduction is not approved by a majority of Gindalbie Shareholders at the General Meeting or the Acquisition Scheme is not approved by the Requisite Majorities of Gindalbie Shareholders at the Acquisition Scheme Meeting, the Demerger will not be implemented and Gindalbie will not apply to the Court for any orders in connection with the Demerger Scheme.

The Court has discretion whether or not to approve the Demerger Scheme under section 411(4)(b) of the Corporations Act and may refuse to approve the Demerger Scheme even if the Demerger Scheme is approved by the Requisite Majorities of Gindalbie Shareholders.

The Corporations Act and the relevant Court rules provide a procedure for Gindalbie Shareholders to oppose the approval by the Court of the Demerger Scheme. Any Gindalbie Shareholder who wishes to oppose the approval of the Demerger Scheme at the Second Court Hearing may do so by filing with the Court and serving on Gindalbie a notice of appearance in the prescribed form together with any affidavit on which the Gindalbie Shareholder will seek to rely at the Second Court Hearing. The notice of appearance and any affidavit must be served on Gindalbie at least one day before the Second Court Date (the Second Court Date is expected to be 8 July 2019). Any change to the Second Court Date will be announced through the ASX and published on Gindalbie's website at www.gindalbie.com.au.

ASIC will be asked to issue a written statement that it has no objection to the Demerger Scheme. ASIC would not be expected to issue such a statement until shortly before the Second Court Date. If ASIC does not produce a written statement that it has no objection to the Demerger Scheme, the Court may still approve the Demerger Scheme provided it is satisfied that section 411(17)(a) of the Corporations Act is satisfied.

(d) Effective Date

If the Court approves the Demerger Scheme, Gindalbie will lodge with ASIC an office copy of the Court order approving the Demerger Scheme. Gindalbie intends to lodge this with ASIC on the Business Day following receipt of the orders, which means Gindalbie expects to lodge the orders on 9 July 2019. The Demerger Scheme comes into effect on the date on which Gindalbie lodges the Court order approving the Demerger Scheme with ASIC. This date is referred to in this Demerger Scheme Booklet as the Effective Date.

If the conditions precedent in the Demerger Implementation Agreement are not satisfied or waived (as applicable) by the End Date, the Demerger Implementation Agreement will terminate, which means the Demerger Scheme will not be implemented.

(e) Restructuring and capitalisation of Coda

As at the date of this Demerger Scheme Booklet, Coda has 1,000 Coda Shares on issue. Under the Demerger Implementation Agreement:

- Gindalbie has agreed to procure that Coda's share capital is subdivided prior to the Demerger Implementation Date so that the number of Coda Shares on issue is equal to the number of Coda Shares required to be transferred in accordance with the Demerger Scheme; and
- Coda has agreed to take all steps necessary to ensure that Coda's share capital is subdivided prior to the Demerger Implementation Date so that the number of Coda Shares on issue is equal to the number of Coda Shares required to be transferred in accordance with the Demerger Scheme.

In order for Coda's share capital to be subdivided, a resolution must be passed at a meeting of Coda Shareholders. However, Gindalbie is currently Coda's only shareholder, and will ensure that the necessary resolution is passed prior to the Demerger Implementation Date.

Under the Demerger Deed, Gindalbie must ensure that Coda has a cash balance on the Demerger Implementation Date equal to A\$10.64 million less the Coda Expenditure Amount, which is a variable figure. The Coda Expenditure Amount is based on (but not precisely equal to) the amount of "Expenditure" for farm-in purposes since 14 June 2018 under the Mt Gunson Farm-in Agreement. Gindalbie will ensure that Coda has the required cash balance on the Demerger Implementation Date. Please refer to Section 5.4 for information on Coda's funding strategy.

(f) Implementation of the Demerger

Gindalbie Shareholders registered as the holder of Gindalbie Shares at 5.00 pm (Perth time) on 16 July 2019 will participate in the Demerger. Eligible Gindalbie Shareholders will receive the Demerger Scheme Consideration and Ineligible Foreign Shareholders will be dealt with in accordance with the procedure outlined in Section 7.2.

For the purposes of determining who is an Demerger Scheme Shareholder, dealings in Gindalbie Shares or other alterations to the Gindalbie Share Register will only be recognised if:

- in the case of dealings of the type to be effected using CHES, the transferee is registered on the Gindalbie Share Register as the holder of the relevant Gindalbie Shares by the Demerger Scheme Record Date; and
- in all other cases, registrable transfer or transmission applications in respect of those dealings are received at or before the Demerger Scheme Record Date at the place where the Gindalbie Share Register is kept.

Gindalbie will not accept for registration, nor recognise for any purpose, any transmission application or transfer in respect of Gindalbie Shares received on or after the Demerger Scheme Record Date, or received prior to the Demerger Scheme Record Date but not in registrable or actionable form.

If the Demerger Scheme becomes Effective, Gindalbie will undertake the Capital Reduction. As a result, Demerger Scheme Shareholders will be credited with their Demerger Capital Reduction Entitlement. Under the Demerger Scheme, instead of Demerger Scheme Shareholders receiving their Demerger Capital Reduction Entitlement in cash, Gindalbie will automatically apply these amounts in

consideration for the transfer of Coda Shares to Eligible Gindalbie Shareholders or the Nominee (in the case of Ineligible Foreign Shareholders).

7.2 Ineligible Foreign Shareholders

No action has been taken to register or qualify the Coda shares or otherwise permit a public offering of such securities in any jurisdiction outside Australia.

Based on the information available to Gindalbie as at the date of this Demerger Scheme Booklet, Demerger Scheme Shareholders whose addresses are shown in the register on the Demerger Scheme Record Date as being in the following jurisdictions will be entitled to have Coda Shares transferred to them pursuant to the Demerger subject to the qualifications, if any, set out below in respect of that jurisdiction:

- Australia;
- Hong Kong, in respect of “professional investors” (as defined in Section 1 of Part 1 of Schedule 1 to the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong));
- Hong Kong, in respect of non-professional Demerger Scheme Shareholders where the number of such person does not exceed 50;
- New Zealand, where the Demerger Scheme Shareholder is a “wholesale investor” (as defined in the Financial Markets Conduct Act 2013 (New Zealand)) and completes and returns a New Zealand Investor Certificate; and
- any other jurisdiction in respect of which Gindalbie reasonably believes that it is not prohibited and not unduly onerous or impractical to implement the Demerger Scheme and to transfer Coda Shares to a Demerger Scheme Shareholder with a Registered Address in such jurisdiction (as at the date of this Demerger Scheme Booklet there are no such jurisdictions).

Nominees, custodians and other Gindalbie Shareholders who hold Gindalbie Shares on behalf of a beneficial owner resident outside Australia may not forward this Demerger Scheme Booklet (or accompanying documents) to anyone outside Australia without the consent of Gindalbie.

Nominees, custodians and other Gindalbie shareholders who hold Gindalbie shares on behalf of a beneficial owner resident in New Zealand may forward this Demerger Scheme Booklet and the accompanying New Zealand Investor Certificate to persons in New Zealand unless such beneficial owner is known not to be a “wholesale investor” (as defined in the Financial Markets Conduct Act 2013 (New Zealand)) and provided that Coda shares may be transferred on the account of a beneficial owner resident in New Zealand only if such person has completed and delivered the New Zealand Investor Certificate, certifying that such person is a wholesale investor.

Ineligible Foreign Holders will not receive Coda Shares under the Demerger but Ineligible Foreign Shareholders will still participate in the Capital Reduction on the same basis as Eligible Gindalbie Shareholders. However, Coda Shares will not be transferred to Ineligible Foreign Shareholders. Instead, the number of Coda Shares which that Ineligible Foreign Shareholder would have received on the implementation of the Demerger will be transferred to the Nominee.

Under the Demerger Scheme, and as soon as reasonably practicable after the Demerger Implementation Date, Gindalbie has agreed to:

- procure that the Nominee sells on ASX or otherwise (and at the risk of the Ineligible Foreign Shareholders) all the Coda Shares transferred to the Nominee;

- account to each Ineligible Foreign Shareholder an amount equal to the number of Coda Shares transferred to the Nominee respect of that Ineligible Foreign Shareholder multiplied by the average net proceeds of sale of all Coda Shares transferred to the Nominee (after deducting any applicable brokerage, registry fees, duties and charges);
- remit, or procure the remittance of, the relevant amount to each Ineligible Foreign Shareholder by:
 - paying, or procuring the payment of, the relevant amount by electronic means in Australian currency where that Ineligible Foreign Shareholder has, by the Demerger Scheme Record Date, made a valid election in accordance with the requirements of the Share Registry to receive dividends from Gindalbie by electronic funds transfer into a bank account; or
 - otherwise, whether or not that Ineligible Foreign Shareholder has made the election referred to above, dispatching, or procuring the dispatch of, a cheque for the relevant amount in Australian currency to the Ineligible Foreign Shareholder by prepaid post to their Registered Address (on the Demerger Scheme Record Date).

Gindalbie's compliance with the process summarised above, which is set out in full in clause 5.1 of the Demerger Scheme, will be taken to satisfy and discharge Gindalbie's obligations to an Ineligible Foreign Shareholder under the terms of the Demerger Scheme and the Capital Reduction. An Ineligible Foreign Shareholder will have no claim against Gindalbie for any entitlement they would otherwise have to Coda Shares.

Under the Demerger Scheme, each Ineligible Foreign Shareholder appoints Gindalbie as its agent to receive on its behalf any financial services guide or other notices that are required to be provided by the Nominee to that Ineligible Foreign Shareholder.

7.3 Tax direction

As set out in Section 9, tax may need to be withheld from the Demerger Scheme Consideration payable to some Gindalbie Shareholders. It is not practicable to withhold tax from the Demerger Scheme Consideration to be transferred under the Demerger Scheme, given that the Demerger Scheme Consideration comprises Coda Shares and does not contain a cash component.

To address this, under the Demerger Scheme each Demerger Scheme Shareholder:

- directs Gindalbie to pay any withholding required or compelled by law to the relevant regulatory authority on behalf of that Demerger Scheme Shareholder;
- agrees that the amount of the withholding is to be treated as a loan from Gindalbie to that Demerger Scheme Shareholder; and
- agrees to repay that loan to Gindalbie in cash upon implementation of the Acquisition Scheme.

The terms of the Acquisition Scheme permit Gindalbie to apply a portion of the Acquisition Scheme Consideration payable to an Acquisition Scheme Shareholder as is necessary to repay the loan mentioned above. The record date for the Demerger Scheme (being the Demerger Scheme Record Date) and the Acquisition Scheme are the same, which means that no Gindalbie Shareholder (other than Ansteel and its Related Bodies Corporate) will need to contribute additional funds to repay the loan mentioned above.

7.4 Relationship between the Demerger and the Acquisition Scheme

The Demerger and Acquisition Scheme are separate but inter-conditional transactions. This means that each of the Demerger (via the Demerger Scheme) and the Acquisition Scheme contain conditions precedent that relate to Gindalbie Shareholders and the Court approving the other. Effectively, neither the Demerger Scheme nor the Acquisition Scheme will be implemented unless the other is implemented.

More information in relation to the Acquisition Scheme can be found in the Acquisition Scheme Booklet, which was sent to you at the same time as this Demerger Scheme Booklet.

7.5 Intention to apply for ASX listing of Coda

Coda intends to apply for admission to the official list of the ASX as soon as practicable after implementation of the Demerger. Coda Shares will not be able to be traded on the ASX, and Eligible Gindalbie Shareholders will continue to hold shares in a public unlisted company, unless and until such time as the requirements for listing on the ASX can be met (if at all). Listing is at the ASX's discretion, and there is a risk that Coda may not meet the requirements for admission to the official list of the ASX and achieve quotation of Coda Shares.

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Implications if the Demerger is not implemented

8. Implications if the Demerger is not implemented

If the Demerger Scheme is not approved by the Requisite Majorities at the Demerger Scheme Meeting, the Capital Reduction is not approved at the General Meeting, the Demerger Scheme is not approved by the Court, or any of the other Conditions are not satisfied or waived (if applicable):

- the Demerger will not proceed, which means no Gindalbie Shareholders will receive any Coda Shares;
- the Acquisition Scheme will not proceed, which means no Gindalbie Shareholders will receive the Acquisition Scheme Consideration;
- Gindalbie Shares will not be transferred to Ansteel under the Acquisition Scheme (and will be retained by Gindalbie Shareholders);
- Coda will remain a wholly owned subsidiary of Gindalbie;
- Gindalbie will continue to operate as a stand-alone entity, and remain listed on the ASX;
- Gindalbie Shareholders will continue to be exposed to the benefits and risks associated with an investment in Gindalbie on a stand-alone basis (which are described further in Section 6 of the Acquisition Scheme Booklet sent to you at the same time as this Demerger Scheme Booklet); and
- the amount which Gindalbie Shareholders will be able to realise for their investment in Gindalbie may be uncertain. If the Demerger is not implemented, which will cause the Acquisition Scheme to not be implemented (given the inter-conditional nature of the Transaction), and in the absence of a Superior Proposal, the Independent Directors believe that it is likely that the price of Gindalbie Shares will fall from current levels.

09 Tax implications of the Demerger Scheme



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The Directors
Gindalbie Metals Ltd
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Our ref 36586450_3

24 May 2019

Dear Directors

Tax implications of the Demerger Scheme

This letter has been prepared at the request of Gindalbie for inclusion in the Demerger Scheme Booklet.

All capitalised terms contained in this letter that are not otherwise defined take on the meaning given to them in the Demerger Scheme Booklet.

1 Purpose of this letter

Under the Demerger Scheme, Eligible Gindalbie Shareholders will receive the Demerger Scheme Consideration on the Demerger Implementation Date, being 1 Coda Share for every 45 Gindalbie Shares held as at the Demerger Scheme Record Date. Ineligible Foreign Shareholders will have the Coda Shares they would otherwise have received transferred to the Nominee and sold, and the proceeds of sale (net of expenses) will be remitted to them.

To implement the demerger, Gindalbie will undertake the Capital Reduction. The amount of the Capital Reduction is \$10,567,913, which means the Demerger Capital Reduction Amount is approximately \$0.007018. The purpose of this letter is to provide a general overview of the expected Australian income tax, GST and stamp duty consequences of the Demerger Scheme for Gindalbie shareholders who:

- Hold their Gindalbie Shares on capital account (and not on revenue account or as trading stock);
- Are not subject to the Taxation of Financial Arrangements (TOFA) rules contained in Division 230 of the *Income Tax Assessment Act 1997* (Cth) (ITAA 1997); and
- Did not acquire their Gindalbie Shares as a result of participation in an employee share scheme.

All references to "Gindalbie Shareholders" in this section refer to the class of shareholders above.

Our tax comments have been prepared for Gindalbie Shareholders who are residents of Australia for tax purposes. Where relevant, comments have been made for Gindalbie Shareholders who are not Australian residents and who do not hold their Gindalbie Shares at or through a permanent establishment in Australia. However, we have not addressed the tax implications that may arise for non-resident Gindalbie Shareholders under the laws of other jurisdictions.

This letter has been prepared for inclusion in this Demerger Scheme Booklet and should be read in conjunction with the remainder of this Demerger Scheme Booklet. In providing our views, we have relied upon facts as set out in the Demerger Scheme Booklet that have not been independently verified by KPMG.

The following summary is based upon the legislation and established interpretation of legislation as at the date of this Demerger Scheme Booklet, but is not intended to be an authoritative or complete statement of the law relevant to the circumstances of each Shareholder. Shareholders should seek independent professional advice in relation to their own particular circumstances.

The information contained in this summary is of a general nature and is not intended to address the circumstances of any particular individual or entity. No one should act on such information without appropriate professional advice after a thorough examination of their particular situation. As KPMG does not undertake to update this advice for any changes in the Australian tax law after the date of this letter, it is the responsibility of the Shareholders to take further advice, if they are to rely on our advice at a later date.

KPMG's Tax practice is not licensed to provide financial product advice under the Corporations Act and taxation is only one of the matters that must be considered when making a decision on a financial product. You should consider taking advice from an Australian Financial Services Licence holder before making any decision on a financial product.

2 Class Ruling Application

A Class Ruling is currently being sought from the Australian Taxation Office (ATO) by Gindalbie on behalf of Gindalbie Shareholders to confirm many of the income tax consequences set out in this letter, including whether any part of the Capital Reduction will be deemed by the ATO to be an unfranked dividend under s45B ITAA 1936.

For completeness, we note that Demerger tax relief under Division 125 ITAA 1997 is not available on the basis that under the Demerger Scheme, Gindalbie Shareholders acquire Coda Shares but the "nothing else" requirement in s125-70(1)(c) is not satisfied as the Acquisition Scheme and the Demerger Scheme are inter-conditional.

Accordingly, the Class Ruling will not address the availability of Demerger tax relief and Gindalbie Shareholders will not be able to disregard any capital gain or assessable income arising from the Demerger.

The final Class Ruling will be published on Gindalbie's website and the ATO website following the completion of the transaction.

It is the ATO's standard practice that Class Rulings are not issued until the completion of the relevant transaction. Ultimately, the ATO may or may not issue a final Class Ruling consistent with the outline below.

3 Capital Reduction

The Demerger Capital Reduction Entitlement of each Demerger Scheme Shareholder will be applied as consideration in full for the transfer to that Demerger Scheme Shareholder (or the Nominee in the case of Ineligible Foreign Shareholders) of that person's Demerger Scheme Consideration.

The Demerger Capital Reduction Amount will result in Capital Gains Tax (CGT) event G1 occurring in relation to each Gindalbie Share held by Gindalbie Shareholders on the Demerger Implementation Date.

Gindalbie Shareholders must reduce the cost base and reduced cost base of their Gindalbie Shares by the Demerger Capital Reduction Entitlement at the time of the Demerger (but not below zero). If the Demerger Capital Reduction Entitlement at the time of the Demerger exceeds the cost base of the Gindalbie Shares, a capital gain will be realised to that extent.

Where Gindalbie Shareholders receive the Demerger Scheme Consideration in respect of Gindalbie Shares they owned at the Demerger Scheme Record Date but no longer own at the Demerger Implementation Date, a capital gain arises under CGT event C2 equal to the Demerger Capital Reduction Amount in respect of each Gindalbie Share owned at the Demerger Scheme Record Date.

Individuals and trustees of trusts (other than trusts that are complying superannuation entities) may be entitled to the 50% CGT discount in relation to the amount of any capital gain (i.e. after taking into account current year or carry forward capital losses) if the capital reduction of their Gindalbie Shares occurs 12 months after the date on which they acquired the Gindalbie Shares. Complying superannuation entities may be entitled to a 33 $\frac{1}{3}$ % CGT discount on the same basis. The CGT discount is not available to other entities, such as companies or for Gindalbie Shareholders who have chosen to apply the indexation method to the cost base of their Gindalbie Shares.

The above CGT implications would arise for non-resident Gindalbie Shareholders whose Gindalbie Shares would constitute "taxable Australian property" (TAP). In broad terms, the Gindalbie Shares of a Gindalbie Shareholder would be TAP if the non-resident Gindalbie Shareholder and its Tax Associates hold 10% or more of the issued Gindalbie Shares including throughout a 12 month period during the 2 years preceding the Demerger and the market value of Gindalbie's assets referable to Australian real property (i.e. land and mining, quarrying or prospecting rights) is greater than 50%.

No CGT implications should arise for non-resident Gindalbie Shareholders who together with their Tax Associates hold less than a 10% interest in Gindalbie including throughout a 12 month period during the 2 years preceding the Demerger.

The Coda Shares will be treated as having been acquired on the Demerger Implementation Date for the purpose of determining the availability of the CGT discount in relation to any subsequent disposal of those shares.

Accordingly, Ineligible Overseas Shareholders whose Coda Shares are transferred to a Nominee and sold, and the proceeds of sale (net of expenses) remitted to them will either not be subject to CGT where they hold less than 10% of Gindalbie Shares or may be subject to CGT without the benefit of the CGT discount.

4 Dividend

To the extent that the market value of Coda Shares received on the Demerger Implementation Date exceeds the Demerger Capital Reduction Entitlement, the excess will be treated as a dividend for tax purposes. Resident Gindalbie Shareholders may be required to include any dividend component in their assessable income as an unfranked dividend.

Non-resident Gindalbie Shareholders will be subject to Dividend Withholding Tax (DWT) in respect of their receipt of any unfranked dividend. DWT is imposed at 30% unless a Double Tax Agreement (DTA) applies. The general rate of DWT under most DTA's is 15%.

The above tax implications may also arise if the ATO deems any part of the Capital Reduction to be an unfranked dividend under s45B ITAA 1936. As noted above, a Class Ruling is being sought from the ATO to confirm whether any part of the Capital Reduction will be deemed to be an unfranked dividend under s45B ITAA 1936.

5 Subsequent disposal of Gindalbie and Coda Shares

5.1 CGT implications

Gindalbie Shareholders will need to consider the CGT implications of the disposal of their Gindalbie shares to Ansteel, pursuant to the Acquisition Scheme. Gindalbie Shareholders should refer to the Acquisition Scheme Booklet for our comments in relation to the tax implications of the Acquisition Scheme.

Coda Shareholders will also need to consider the CGT implications of a disposal of their Coda Shares after the Demerger.

A capital gain will arise to the extent that capital proceeds from the disposal of Coda Shares exceeds the cost base of the shares held by a Coda Shareholder. Coda Shareholders should have a CGT cost base in their newly acquired Coda Shares equal to the market value of the Coda shares on the Demerger Implementation Date. A

capital loss will arise to the extent that capital proceeds are less than the reduced cost base of the shares at the time of the subsequent disposal.

The capital gains, after applicable discounts and any capital losses, from all CGT events are aggregated to calculate the taxpayer's net capital gain or loss for the income tax year. A net capital gain is included in the assessable income of the taxpayer and may be subject to income tax. A net capital loss may not be deducted against other income for income tax purposes, but may be carried forward to offset against future capital gains (subject to satisfaction of loss recoupment tests for certain taxpayers).

5.1 CGT Discount

Coda Shareholders may be entitled to reduce any capital gain on the disposal of their Coda Shares by applying the CGT discount.

Certain shareholders, such as individuals and trustees of trusts, may be entitled to discount the amount of their capital gain from the disposal of Coda Shares by 50% after taking into account current year or carry forward capital losses.

Complying superannuation entities may be eligible for a 33⅓% discount.

The above CGT discounts will only be available to Coda Shareholders if they hold the Coda Shares for a period of 12 months or more from the Demerger Implementation Date.

The CGT discount is not available to Coda Shareholders who are companies.

6 Other matters

6.1 Australian Tax File Number (TFN) withholding

Gindalbie may be required to withhold and pay to the ATO, 47% of the dividend component (if any) of the Demerger Scheme Consideration where Gindalbie Shareholders have not provided their TFN, TFN exemption or ABN. Gindalbie Shareholders who have not yet provided these details to Gindalbie may wish to consider doing so.

As the Demerger Scheme Consideration is not cash, any TFN withholding will be deducted by Gindalbie from the Acquisition Scheme Consideration and paid to the ATO.

6.2 Stamp Duty

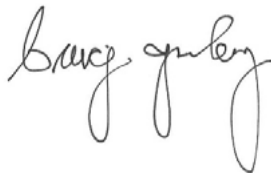
On the basis that Coda's operations are in South Australia relating to the Mt Gunson project (and not residential or primary production land), no stamp duty should be payable by Gindalbie Shareholders in relation to their participation in the Demerger.

6.3 GST

No GST should be payable by Gindalbie Shareholders in relation to their participation in the Demerger.

However GST may be charged to Gindalbie Shareholders in adviser fees and other costs relating to their participation in the Demerger Scheme. The eligibility for Gindalbie Shareholders to claim full or partial input tax credits in relation to this GST payable will depend on the individual circumstances of each shareholder. Gindalbie Shareholders should seek their own independent tax advice in relation to this.

Yours faithfully



Craig Yaxley
Partner

Additional
information

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10. Additional information

10.1 Interests of Gindalbie Directors in Gindalbie Shares and Gindalbie Options

Other than as listed below, no Gindalbie Shares or Gindalbie Options are held or controlled by the Gindalbie Directors, and no such persons are otherwise entitled to such securities as at the date of this Demerger Scheme Booklet.

(a) Gindalbie Directors' interests in Gindalbie Shares

As at the date of this Demerger Scheme Booklet, each Gindalbie Director has a Relevant Interest in the following number of Gindalbie Shares:

Gindalbie Director	Number of Gindalbie Shares	Percentage of outstanding Gindalbie Shares, calculated on a non-diluted basis
Keith Jones	300,000	0.02%
Andrew (Robin) Marshall	200,000	0.01%
Paul Hallam	100,000	0.01%
Ge Li	0	0%
An Lin Shao	0	0%
Total	600,000	0.04%

Each Independent Director intends to cause any Gindalbie Shares in which he has a Relevant Interest to be voted in favour of the Demerger Scheme Resolution and the Capital Reduction Resolution, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Demerger Scheme is in the best interests of Gindalbie Shareholders.

Other than as disclosed in this Demerger Scheme Booklet, the Independent Directors will not receive any direct or indirect benefits from voting in favour of the Demerger other than the Demerger Scheme Consideration to which they are entitled.

(b) Gindalbie Directors' interests in Gindalbie Options

As at the date of this Demerger Scheme Booklet, there are no Gindalbie Options held by or on behalf of any Gindalbie Director.

10.2 Gindalbie Directors' dealings in Gindalbie securities

No Gindalbie Director acquired or disposed of a Relevant Interest in any Gindalbie Shares or Gindalbie Options in the four month period ending on the date immediately before the date of this Demerger Scheme Booklet.

10.3 Interests and dealings of Gindalbie Directors in securities in Coda

(a) Gindalbie Directors' interests in securities in Coda

No Gindalbie Director has a Relevant Interest in any securities of Coda.

(b) **Gindalbie Directors' dealings in securities in Coda**

No Gindalbie Director has acquired or disposed of a Relevant Interest in any securities of Coda in the four month period ending on the date immediately before the date of this Demerger Scheme Booklet.

10.4 Benefits and agreements

(a) **Agreements or arrangements with Directors**

Other than as disclosed in this Demerger Scheme Booklet, there are no agreements or arrangements made between any Gindalbie Director and any other person, including Coda, in connection with, or conditional upon, the outcome of the Demerger Scheme.

(b) **Payments or other benefits to Directors and Gindalbie executive officers**

Other than as disclosed in this Demerger Scheme Booklet, it is not proposed that any payment or other benefit will be made or given to any Gindalbie Director, secretary or executive officer of Gindalbie, or any body corporate related to Gindalbie, as compensation for loss of, or as consideration for, or in connection with, his retirement from office as an Director, secretary or executive officer of Gindalbie, or a body corporate connected with Gindalbie, as a result of the Demerger Scheme, other than in his capacity as a Gindalbie Shareholder or holder of Gindalbie Options.

If an executive's employment is terminated following the change of control arising from the Acquisition Scheme, or the Demerger, the relevant executive will have such entitlements (including in respect of compensation for loss of office) as are contemplated by their employment contract. Please refer to the Acquisition Scheme Booklet for details regarding the termination of Gindalbie executives' employment.

(c) **Interests of Gindalbie Directors in contracts entered into by members of the Coda**

Other than as disclosed in this Demerger Scheme Booklet, no Gindalbie Director has any interest in a contract entered into by Coda and none of the Gindalbie Directors has agreed to receive, or is entitled to receive, any benefit from Coda, which is conditional on, or is related to, the Demerger Scheme.

10.5 Coda's constitution

A summary of the significant rights, liabilities and obligations attaching to Coda Shares and a description of other material provisions of the Coda Constitution are set out below. This summary is neither exhaustive nor does it constitute a definitive statement of the rights and liabilities of Coda Shareholders.

A copy of the Coda Constitution can be obtained from Gindalbie's website at www.gindalbie.com.au. In this Section 10.5, any reference to the ASX Listing Rules or the ASX Settlement Operating Rules (including via the definition of Applicable Law) only applies while Coda is listed on the ASX and any reference to Coda Shares or Coda Shareholders is not necessarily limited to ordinary shares and the holders of shares in that class.

(a) **Voting at a general meeting**

At general meetings, every Coda Shareholder having the right to vote on a resolution and present in person or by proxy, representative or attorney has one vote on a show of hands (provided that persons voting in more than one capacity only have one vote) and, on a poll, one vote for each fully paid Coda Share held by that Coda Shareholder.

(b) **Meeting of members**

Each Coda Shareholder is entitled to receive notice of, attend, and vote at, general meetings of Coda.

(c) **Dividends**

Subject to the Applicable Law, the Coda Constitution and the rights or restrictions attached to a class of Coda Shares, the Coda Board may by resolution determine a dividend is payable and fix the amount, the time for and method of payment.

(d) **Authority to capitalise profits**

Subject to the Applicable Law and the rights or restrictions attached to a class of Coda Shares, Coda Constitution authorises the Coda Board to resolve to capitalise any part of Coda's profit. If this occurs, Coda may use it to benefit those Coda Shareholders who are entitled to dividends in the proportions that would apply if the entire amount of the profits to be capitalised were a dividend. The benefit may be given in any or all of the following ways:

- in paying up an amount unpaid on Coda Shares already issued;
- in paying up in full any unissued Coda Shares or other securities in Coda; and/or
- any other method permitted by law or the ASX Listing Rules (if applicable).

(e) **Transfer of Shares**

Subject to the Coda Constitution and any restrictions attached to a Coda Share, a Coda Share may be transferred by a proper "ASTC transfer" as defined in the Corporations Regulations, by a written instrument of transfer in any usual or form or in any other form approved by the Coda Board that is otherwise permitted by law or any other method that is permitted by the Applicable Law and approved by the Coda Board.

The Coda Board may, in its absolute discretion, refuse to register a transfer of Coda Shares where permitted by the Applicable Law and the Coda Board so resolves. The Coda Board must refuse to register a transfer of Coda Shares when required to do so by the Applicable Law.

(f) **Issue of further shares**

Subject to the Applicable Law and any rights and restrictions attached to a class of Coda Shares or other securities, Coda may by resolution of the Coda Board issue Coda Shares, options to acquire Coda Shares, and other securities with rights of conversion to Coda Shares on any terms, to any person, at any time and for any consideration, as the Coda Board resolves.

Coda has the power to issue and allot Coda Shares with any preferential, deferred or special rights, privileges or conditions subject to applicable shareholder approval requirements under the Applicable Law or as set out in the Coda Constitution.

(g) **Winding up**

Subject to the rights or restrictions attached to a class of Coda Shares, if Coda is wound up, the liquidator may, with the sanction of a special resolution, divide among Coda Shareholders all or any of Coda's property and, for that purpose, determine how it will carry out the division between the different classes of Coda Shareholders or between Coda Shareholders, but the liquidator may not require a Coda Shareholder to accept any property, including shares or other securities, in respect of which there is any liability.

(h) **Non-marketable parcels**

Where Coda complies with the relevant procedure outlined in the Coda Constitution, the Coda Shares of a Coda Shareholder who holds less than a marketable parcel of Coda Shares may be sold.

(i) **Variation of class rights**

As at the date of this Demerger Scheme Booklet, Coda only has ordinary shares on issue. Subject to the Corporations Act and the terms of issue of Coda Shares in a particular class, Coda may vary or cancel rights attached to a class by a special resolution passed at a meeting of Coda Shareholders holding Coda Shares in that class or with the written consent of Coda Shareholders who are entitled to at least 75% of the votes that may be cast in respect of Coda Shares in that class.

(j) **Reduction of share capital**

Coda may reduce its share capital in any way permissible by the Applicable Law.

(k) **Dividend reinvestment plan**

Coda may establish a plan under which Coda Shareholders may elect to reinvest cash dividends from Coda, by acquiring by way of issue or transfer Coda Shares or financial products of any other body. The Coda Directors have no current intention to establish a dividend reinvestment plan.

(l) **Directors - appointment and rotation**

Under the Coda Constitution, the minimum number of Coda Directors that may comprise the Coda Board is three and the maximum number of Coda Directors is ten. Coda Directors are elected at a general meeting of Coda. Retirement will occur so that no Coda Director (excluding the Managing Director) holds office without re-election beyond the third annual general meeting following the meeting at which the Coda Director was last elected or three years, whichever is longer. The Coda Directors may also appoint a Coda Director to fill a casual vacancy on the Coda Board or in addition to the existing Coda Directors, who will then hold office until the next annual general meeting of Coda.

(m) **Directors - voting**

Questions arising at a meeting of the Coda Board will be decided by a majority of votes of the Coda Directors present at the meeting and entitled to vote on the matter. Subject to the Applicable Law, in the case of an equality of votes on a resolution, the chairperson of the meeting has a casting vote in addition to a deliberative vote.

(n) **Directors - remuneration**

The Coda Directors, other than an executive Coda Director, may be paid by way of fees for services up to the maximum aggregate sum per annum as may be approved from time to time by Coda in general meeting (and can be paid in cash or in any other manner agreed between Coda and the relevant person). Pursuant to the Coda Constitution, Coda Directors must also be paid all reasonable travelling, accommodation and other expenses properly incurred by them in attending meetings of the Coda Board or any committee of the Coda Board or general meetings of Coda or otherwise in connection with Coda's business.

(o) **Indemnities**

Coda, to the extent permitted by law, must indemnify every person who is or has been a Coda Director or secretary of Coda against any liability incurred by that person in or arising out of the discharge of their duties as an officer of Coda (including liabilities incurred by that person as a director, officer or employee of another body corporate if nominated by Coda or a subsidiary to that position), and legal costs incurred by that person in defending or resisting any proceedings related to such liabilities.

Coda, to the extent permitted by law, may advance to an officer an amount which it might otherwise be liable to pay to the officer in respect of legal costs under the terms of the indemnity outlined above. Coda intends to enter into a deed with any officer of Coda to give effect to the matters outlined in this paragraph.

Coda, to the extent permitted by law, may pay a premium for a contract insuring a person who is or has been an officer against the liabilities and legal costs outlined in this paragraph.

10.6 Regulatory relief

(a) ASIC relief from the Corporations Regulations

Paragraph 8302(h) of part three of schedule eight of the Corporations Regulations requires an explanatory statement to set out whether, within the knowledge of the Gindalbie Directors, the financial position of Gindalbie has materially changed since the date of the last balance sheet laid before Gindalbie in general meeting or sent to Gindalbie Shareholders in accordance with sections 314 or 317 of the Corporations Act, being 30 June 2018, and, if so, full particulars of any change. ASIC has granted Gindalbie relief from this requirement so that this Demerger Scheme Booklet only need set out whether, within the knowledge of the Gindalbie Directors, the financial position of Gindalbie has materially changed since 31 December 2018 (being the last date of the period to which the financial statements for the half-year ended 31 December 2018 relate).

To the knowledge of the Gindalbie Directors, other than expenditure in the ordinary course of business and as otherwise disclosed in this Demerger Scheme Booklet or as otherwise disclosed to the ASX by Gindalbie, the financial position of Gindalbie has not changed materially since 31 December 2018, being the date of the last balance sheet prepared before this Demerger Scheme Booklet was sent to Gindalbie Shareholders in accordance with the Corporations Act. Please refer to the Acquisition Scheme Booklet, which was sent to you at the same time as this Demerger Scheme Booklet, for a copy of Gindalbie's balance sheet as at 31 December 2018.

Under the Corporations Act, Gindalbie is required to prepare and lodge with ASIC and the ASX both annual and half-yearly financial statements accompanied by a statement and report from the Independent Directors and an audit or review report respectively.

Copies of the documents filed with the ASX may be obtained from the ASX's website at www.asx.com.au and Gindalbie's website at www.gindalbie.com.au. Copies of the documents lodged with ASIC in relation to Gindalbie may be obtained from, or inspected at, an ASIC office. Copies of these documents will also be made available free of charge following a request in writing to Gindalbie at any time before the Second Court Hearing.

(b) ASIC relief from on-sale restrictions

Section 707 of the Corporations Act provides for circumstances where an offer of securities for sale requires disclosure to investors, including where there is a resale of securities within 12 months of their issue (section 707(3)) or sale by a controller (section 707(5)), if the purpose of the original issue or sale was to enable the resale.

ASIC Corporations (Sale Offers That Do Not Need Disclosure) Instrument 2016/80 provides relief from the resale provisions in section 707(3) of the Corporations Act in the case where the securities are issued under a scheme of arrangement without disclosure to investors as allowed for in section 708(17) of the Corporations Act.

ASIC has granted relief from the resale provisions in sections 707(3), (4), (5) and (6) in the case where:

- a Coda Shareholder makes an offer of Coda Shares;
- the Coda Shares were transferred to an Eligible Gindalbie Shareholder or the Nominee under the Demerger Scheme within the previous 12 months;
- the offer is not made within 12 months of a sale or transfer of the Coda Shares by a person (other than Gindalbie) who:

- controls Coda;
- would have been required by section 707(2) of the Corporations Act to give disclosure to investors under Part 6.2 of the Corporations Act but for section 708 of the Corporations Act; and
- did not give disclosure to investors under Part 6D.2 of the Corporations Act because of section 708 of the Corporations Act.

(c) **ASX confirmations**

ASX has given in principle confirmation to Gindalbie that ASX Listing Rule 10.1 and Chapter 11 of the ASX Listing Rules do not apply in the context of the Demerger.

10.7 Consents and disclaimers

Each person named in this Section 10.7 as having given its consent to the inclusion of a statement or being named in this Demerger Scheme Booklet:

- has not authorised or caused the issue of this Demerger Scheme Booklet;
- does not make, or purport to make, any statement in this Demerger Scheme Booklet or any statement on which a statement in this Demerger Scheme Booklet is based other than those statements which have been included in this Demerger Scheme Booklet with the consent of that person; and
- to the maximum extent permitted by law, expressly disclaims and takes no responsibility for any part of this Demerger Scheme Booklet, other than a reference to their name and any statements (including any report) which have been included in this Demerger Scheme Booklet with the consent of that person.

Independent Expert

BDO has given, and has not withdrawn before the date of this Demerger Scheme Booklet, its written consent to:

- be named as the Independent Expert in the form and context in which it is named;
- the inclusion of the Independent Expert's Report set out in Annexure C; and
- the inclusion in this Demerger Scheme Booklet of statements made by BDO or the Independent Expert, or said to be based on the Independent Expert's Report, and to all references to those statements, in the form and context in which they are respectively included.

Independent Technical Expert

SRK has given, and has not withdrawn before the date of this Demerger Scheme Booklet, its written consent to:

- be named in the form and context in which it is named;
- the inclusion of the Independent Technical Report as an annexure to the Independent Expert's Report; and

- the inclusion in this Demerger Scheme Booklet of any statements made by SRK, or said to be based on the Independent Technical Report, and to all references to those statements, in the form and context in which they are respectively included.

Ansteel

Ansteel has given, and has not withdrawn before the date of this Demerger Scheme Booklet, its written consent to be named in this Demerger Scheme Booklet in the form and context in which it is named.

Coda

Coda has given, and has not withdrawn before the date of this Demerger Scheme Booklet, its written consent to be named in this Demerger Scheme Booklet in the form and context in which it is named.

Other persons

KPMG has given, and has not withdrawn before the date of this Demerger Scheme Booklet, its written consent to:

- be named in this Demerger Scheme Booklet as Gindalbie's auditor in the form and context in which it is named; and
- the inclusion in this Demerger Scheme Booklet of its letter to the Gindalbie Directors in Section 9 advising of the tax implications of the Demerger Scheme and all references in this Demerger Scheme Booklet to that letter, in each case in the form and context in which they appear.

KPMG Transaction Services has given, and has not withdrawn before the date of this Demerger Scheme Booklet, its written consent to:

- be named as the Investigating Accountant in the form and context in which it is named; and
- the inclusion of the Investigating Accountant's Report set out in Annexure D.

Clayton Utz has given, and has not withdrawn before the date of this Demerger Scheme Booklet, its written consent to:

- the inclusion of the Solicitor's Report set out in Annexure E; and
- be named in this Demerger Scheme Booklet as Gindalbie's legal adviser in the form and context in which it is named.

Link Market Services Limited has given, and has not withdrawn before the date of this Demerger Scheme Booklet, its written consent to be named as the Share Registry in the form and context in which it is named.

10.8 Litigation

As at the date of this Demerger Scheme Booklet, Gindalbie is not aware of any material contractual disputes or litigation matters in respect of Gindalbie, including with its customers or other third parties.

10.9 No unacceptable circumstances

The Independent Directors believe that the Demerger Scheme does not involve any circumstances in relation to the affairs of Gindalbie that could reasonably be characterised as constituting “unacceptable circumstances” for the purposes of section 657A of the Corporations Act.

10.10 Other information material to the making of a decision in relation to the Demerger Scheme

Except as set out in this Demerger Scheme Booklet, there is no other information material to the making of a decision by a Gindalbie Shareholder on whether or not to vote in favour of the Demerger Scheme Resolution, being information that is within the knowledge of any Independent Director, or any director of any Related Body Corporate of Gindalbie, which has not previously been disclosed to Gindalbie Shareholders.

10.11 Mineral resources and ore reserves disclosure

The information in this Demerger Scheme Booklet which relates to mineral resources and ore reserves for Windabout and MG14 is extracted from Gindalbie’s announcement to the ASX on 19 January 2018 and available on the ASX’s website at www.asx.com.au or Gindalbie’s website at www.gindalbie.com.au.

The information in this Demerger Scheme Booklet which relates to Coda’s drilling program at Emmie Bluff is extracted from Gindalbie’s announcement to the ASX on 15 April 2019 and available on the ASX’s website at www.asx.com.au or Gindalbie’s website at www.gindalbie.com.au.

Gindalbie confirms that it is not aware of any new information or data that materially affects the information included in the original market announcements and, in the case of estimates of mineral resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. Gindalbie confirms that the form and context in which the Competent Person’s findings are presented have not been materially modified from the original market announcement.

10.12 Future intentions regarding Gindalbie

Given the inter-conditional nature of the Transaction, if the Demerger Scheme is implemented the current Independent Directors will resign and a reconstituted Gindalbie Board will be determined by Ansteel. It is for the reconstituted Gindalbie Board to determine its intentions regarding the continuation of Gindalbie’s business, including any redeployment of fixed assets, and the future employment of Gindalbie’s employees.

Please refer to the Acquisition Scheme Booklet, which was sent to you at the same time as this Demerger Scheme Booklet, for further information.

10.13 Supplementary information

Gindalbie will issue a supplementary document to this Demerger Scheme Booklet if it becomes aware of any of the following between the date of lodgement of this Demerger Scheme Booklet for registration by ASIC and the Effective Date:

- a material statement in this Demerger Scheme Booklet is false or misleading;
- a material omission from this Demerger Scheme Booklet;
- a significant change affecting a matter included in this Demerger Scheme Booklet; and/or
- a significant new matter has arisen and it would have been required to be included in this Demerger Scheme Booklet if it had arisen before the date of lodgement of this Demerger Scheme Booklet for registration by ASIC.

Depending on the nature and timing of the changed circumstances and subject to obtaining any relevant approvals, Gindalbie may circulate and publish any supplementary document including by:

- approaching the Court for a direction as to what is appropriate in the circumstances;
- placing an advertisement in a prominently published newspaper which is circulated generally throughout Australia;
- posting the supplementary document on Gindalbie's website and the ASX; and
- making a public announcement by way of press release.

ASIC will be provided with an opportunity to review and comment on any supplementary documents prior to their issue by Gindalbie.

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11. Glossary

In this Demerger Scheme Booklet:

ABN means Australian Business Number.

Acquisition Scheme means the scheme of arrangement under Part 5.1 of the Corporations Act between Gindalbie and the Acquisition Scheme Shareholders, as described further in the Acquisition Scheme Booklet.

Acquisition Scheme Booklet means the “Acquisition Scheme Booklet” dated 24 May 2019 that was sent to Gindalbie Shareholders at the same time as this Demerger Scheme Booklet.

Acquisition Scheme Consideration means the amount of cash which an Acquisition Scheme Shareholder is entitled to receive under the Acquisition Scheme, being \$0.026 for each Acquisition Scheme Share.

Acquisition Scheme Implementation Agreement means the Scheme Implementation Agreement entered into between Gindalbie and Ansteel on 11 March 2019. A full copy of the original is attached to Gindalbie's ASX announcement on 11 March 2019, which is available the ASX's website at www.asx.com.au or Gindalbie's website at www.gindalbie.com.au.

Acquisition Scheme Meeting means the meeting of Gindalbie Shareholders to be convened pursuant to section 411(1) of the Corporations Act to consider and, if thought fit, approve the Acquisition Scheme.

Acquisition Scheme Record Date means 5.00 pm on the date that is five Business Days after the date the Acquisition Scheme becomes Effective or such other time and date agreed in writing between Ansteel and Gindalbie.

Acquisition Scheme Resolution means the resolution put to Gindalbie Shareholders at the Acquisition Scheme Meeting to approve the Acquisition Scheme.

Acquisition Scheme Share means a Gindalbie Share on issue on the Acquisition Scheme Record Date other than any Gindalbie Shares held by Ansteel or its Related Bodies Corporate (other than any Gindalbie Shares held by such entities on behalf of one or more third parties or otherwise in a fiduciary capacity).

Acquisition Scheme Shareholder means each person registered in the Gindalbie Share Register as a holder of one or more Acquisition Scheme Shares on the Acquisition Scheme Record Date.

Ansteel means

- (a) Angang Group Hong Kong (Holdings) Limited (a company incorporated in Hong Kong); or
- (b) where the reference is in relation to Karara, Angang Group Investment (Australia) Pty Ltd ACN 118 934 277.

Applicable Law means the Corporations Act, the ASX Listing Rules and the ASX Settlement Operating Rules, provided that any reference to the ASX Listing Rules or the ASX Settlement Operating Rules only applies while Coda is listed on the ASX.

Associate has the meaning given in section 12 of the Corporations Act.

ASX means ASX Limited ACN 008 624 691 or, as the context requires, the financial market operated by it known as the Australian Securities Exchange.

ASX Listing Rules means the official listing rules of the ASX.

ASX Recommendations means the fourth edition of the ASX Corporate Governance Principles and Recommendations.

ASX Settlement Operating Rules means the official settlement operating rules of the ASX.

Australian Accounting Standards means the standards that fully comply with the International Finance Reporting Standards.

ATO means the Australian Taxation Office.

BDO means BDO Corporate Finance (WA) Pty Ltd.

Business Day means a day that is not a Saturday, Sunday or public holiday and on which banks are open for business generally in Perth, Western Australia, Hong Kong and Beijing.

Capital Reduction means the capital reduction to be undertaken as part of the implementation of the Demerger pursuant to section 256C of the Corporations Act in accordance with the Capital Reduction Resolution.

Capital Reduction Resolution means the resolution to approve the Capital Reduction, to be put to Gindalbie Shareholders at the General Meeting.

CHESS means the Clearing House Electronic Subregister System used by ASX.

Coda means Coda Minerals Limited ACN 625 763 957.

Coda Board means the board of directors of Coda.

Coda Constitution means the constitution of Coda.

Coda Director means a director of Coda.

Coda ESOP means the employee share option plan adopted by Coda.

Coda Expenditure Amount has the meaning given in Annexure B under the heading “Cash Balance”.

Coda Option means an option to acquire a Coda Share.

Coda Share means a fully paid ordinary share in the capital of Coda.

Coda Shareholder means a person who is registered in the Coda Share Register as a holder of one or more Coda Shares.

Coda Share Register means the register of members of Coda maintained by or on behalf of Coda in accordance with section 168(1) of the Corporations Act.

Competent Person has the meaning given in the JORC Code.

Conditions means the conditions precedent to the Demerger Scheme, which are set out in clause 3.1 of the Demerger Scheme.

Corporations Act means the Corporations Act 2001 (Commonwealth of Australia).

Corporations Regulations means the Corporations Regulations 2001 (Commonwealth of Australia).

Court means the Federal Court of Australia.

Deed of Cross Guarantee means the Deed of Cross Guarantee between Gindalbie and Coda dated 30 June 2018.

Demerger means the demerger of Coda from Gindalbie by way of the Demerger Scheme and the Capital Reduction.

Demerger Capital Reduction Amount means the amount of the Capital Reduction divided by the number of Demerger Scheme Shares.

Demerger Capital Reduction Entitlement means, in relation to a Demerger Scheme Shareholder, the Demerger Capital Reduction Amount multiplied by the number of Demerger Scheme Shares held by the Demerger Scheme Shareholder on the Demerger Scheme Record Date.

Demerger Deed means the demerger deed entered into between Gindalbie and Coda on 11 March 2019, which sets out the transitional and ongoing relationship between the Gindalbie and Coda.

Demerger Deed Poll means a deed poll executed by Coda in favour of the Demerger Scheme Shareholders, as set out in Annexure G.

Demerger Implementation Agreement means the agreement entered into on 11 March 2019 between Gindalbie and Coda which governs the implementation of the Demerger Scheme.

Demerger Implementation Date means the date that is five Business Days after the Demerger Record Date or such other time and date agreed in writing between Gindalbie and Coda.

Demerger Meeting means each of the Demerger Scheme Meeting and the General Meeting.

Demerger Scheme means the scheme of arrangement under Part 5.1 of the Corporations Act between Gindalbie and the Demerger Scheme Shareholders, the form of set out in Annexure F, subject to any alterations or conditions made or required by the Court under section 411(6) of the Corporations Act as are acceptable to Gindalbie and Coda.

Demerger Scheme Booklet means this booklet, including the Annexures.

Demerger Scheme Consideration means one Coda Share for every 45 Demerger Scheme Shares.

Demerger Scheme Meeting means the meeting of Gindalbie Shareholders to be convened pursuant to section 411(1) of the Corporations Act to consider and, if thought fit, approve the Demerger Scheme.

Demerger Scheme Record Date means 5.00 pm on the date that is five Business Days after the Demerger Scheme Effective Date or such other time and date agreed in writing between Gindalbie and Coda.

Demerger Scheme Resolution means the resolution put to Gindalbie Shareholders at the Demerger Scheme Meeting to approve the Demerger Scheme.

Demerger Scheme Share means a Gindalbie Share on issue on the Demerger Scheme Record Date.

Demerger Scheme Shareholder means each person registered on the Gindalbie Share Register as the holder of one or more Demerger Scheme Shares on the Demerger Scheme Record Date.

Effective means, when used in relation to a Scheme, the coming into effect, pursuant to section 411(10) of the Corporations Act), of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to that Scheme.

Effective Date means the date on which the Demerger Scheme becomes Effective.

Eligible Gindalbie Shareholders means each Demerger Scheme Shareholder other than Ineligible Foreign Shareholders.

Emmie Bluff means the deposit known as Emmie Bluff at Mt Gunson, which is described further in Section 5.3(f).

Equity Capital Raising means the first equity capital raising by Coda by way of an issue of Coda Shares or other equity securities (which may include a combination of contemporaneous or sequential offer structures).

First Court Hearing means the first day of the hearing of an application made to the Court for an order pursuant to section 411(1) of the Corporations Act convening the Demerger Scheme Meeting or, if the hearing of such application is adjourned for any reason, means the first day of the adjourned hearing.

Gindalbie means Gindalbie Metals Limited, ACN 060 857 614.

Gindalbie Board means the board of directors of Gindalbie.

Gindalbie Director means a director of Gindalbie.

Gindalbie Share means a fully paid ordinary share in the capital of Gindalbie.

Gindalbie Shareholder means a person who is registered on the Gindalbie Share Register as a holder of one or more Gindalbie Shares.

Gindalbie Share Register means the register of members of Gindalbie maintained by or on behalf of Gindalbie in accordance with section 168(1) of the Corporations Act.

Gully means the deposit known as Gully at Mt Gunson, which is described further in Section 5.3(f).

Glycine Licences means the Licence Agreement between MPS, Terrace Mining and Gindalbie dated May 2017 and the Licence Agreement between MPS and Gindalbie dated 4 May 2017, both of which are intended to be novated to Coda prior to the Demerger Implementation Date.

Independent Directors means Keith Jones, Andrew (Robin) Marshall and Paul Hallam, being the Gindalbie Directors other than Ge Li and An Lin Shao (as those Gindalbie Directors are not considered independent directors of Gindalbie, given they are nominees of Ansteel, and do not consider it appropriate to make a recommendation in relation to the Demerger).

Independent Expert means BDO.

Independent Expert's Report means the report from the Independent Expert in respect of the Demerger Scheme, a copy of which is set out in Annexure C.

Independent Technical Report means the report from SRK, which is attached to the Independent Expert's Report set out in Annexure C.

Ineligible Foreign Shareholder means each Demerger Scheme Shareholder whose Registered Address is in any jurisdiction other than:

- (a) Australia;
- (b) Hong Kong (where the Demerger Scheme Shareholder is a "professional investor" (as defined in Section 1 of Part 1 of Schedule 1 to the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)) or in respect of non-professional Demerger Scheme Shareholders where the number of such persons does not exceed 50);

- (c) New Zealand (where the Demerger Scheme Shareholder is a “wholesale investor” (as defined in the Financial Markets Conduct Act 2013 (New Zealand)) and completes and returns a New Zealand Investor Certificate); or
- (d) any other jurisdiction in respect of which Gindalbie reasonably believes that it is not prohibited and not unduly onerous or impractical to implement the Demerger Scheme and to transfer Coda Shares to a Demerger Scheme Shareholder with a Registered Address in such jurisdiction (as at the date of this Demerger Scheme Booklet there are no such jurisdictions).

Investigating Accountant means KPMG Transaction Services.

Investigating Accountant’s Report means the report from the Investigating Accountant in respect of the historical financial information of Coda, which is set out in Annexure D.

JORC means the Joint Ore Reserves Committee of The Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council of Australia.

JORC Code means the Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 Edition) prepared by JORC.

Karara means Karara Mining Limited ACN 070 871 831 and, as the context requires, the Karara Iron Ore Project it operates.

KPMG means KPMG ABN 51 194 660 183.

KPMG Transaction Services means KPMG Transaction Services (a division of KPMG Financial Advisory Services (Australia) Pty Ltd) ABN 43 007 363 215.

MG14 means the MG14 JORC 2012 compliant inferred resource at Mt Gunson, which is described further in Section 5.3(e).

MG14 Type has the meaning given in Section 5.3(d).

MPS means Mining and Process Solutions Pty Ltd.

Mt Gunson means the Mt Gunson Copper-Cobalt Project in South Australia the subject of the Mt Gunson Farm-in Agreement, which comprises EL5636, EL5108 and EL5333 and, as the context requires, the beneficial interests in that project held by Coda as a result of the Mt Gunson Farm-in Agreement.

Mt Gunson Farm-in Agreement means the Mount Gunson Farm-in and Joint Venture Agreement dated 17 March 2017 between Gindalbie and Terrace Mining, as novated to Coda by the Novation Deed dated 21 May 2018 between Gindalbie, Terrace Mining and Coda.

New Zealand Investor Certificate means the certificate under which a person can certify that they are a “wholesale investor” (as defined in the Financial Markets Conduct Act 2013 (New Zealand)), a copy of which was sent to Gindalbie Shareholders with a Registered Address in New Zealand along with this Demerger Scheme Booklet.

Nominee means an appropriately licenced person nominated by Gindalbie to sell or facilitate the transfer of the Coda Shares attributed to Ineligible Foreign Shareholders under the Demerger Scheme.

Notice of Demerger Scheme Meeting means the notice of meeting relating to the Demerger Scheme Meeting, which is set out in Annexure H.

Notice of General Meeting means the notice of meeting relating to the General Meeting, which is set out in Annexure I.

Proxy Form means the proxy form for the Demerger Scheme Meeting accompanying this Demerger Scheme Booklet and the proxy form for the General Meeting accompanying this Demerger Scheme Booklet.

Registered Address means, in relation to a Gindalbie Shareholder, the address shown on the Gindalbie Share Register on the Demerger Scheme Record Date.

Related Body Corporate of a corporation means a related body corporate of that corporation within the meaning of section 50 of the Corporations Act.

Relevant Interest has the meaning given to that term in the Corporations Act.

Requisite Majorities means approval of the Demerger Scheme Resolution (or the Acquisition Scheme Resolution) by:

- (a) unless the Court orders otherwise, a majority in number (more than 50%) of Gindalbie Shareholders present and voting at the Demerger Scheme Meeting (or the Acquisition Scheme Meeting) (either in person, by proxy or attorney or in the case of corporate Gindalbie Shareholders, by duly appointed corporate representative); and
- (b) at least 75% of the total number of votes cast on the Demerger Scheme Resolution (or the Acquisition Scheme Resolution) by Gindalbie Shareholders at the Demerger Scheme Meeting (or the Acquisition Scheme Resolution).

Scheme means each of the Demerger Scheme and the Acquisition Scheme.

Second Court Date means the first day of the hearing of an application made to the Court for an order pursuant to section 411(4)(b) of the Corporations Act approving the Demerger Scheme or, if the hearing of such application is adjourned for any reason, means the first day of the adjourned hearing.

Second Court Hearing means the hearing of the application made to the Court for an order under section 411(4)(b) of the Corporations Act approving the Demerger Scheme.

Section means a section of this Demerger Scheme Booklet.

Shareholding Deed means the Shareholding Deed between Coda and Ansteel dated 11 March 2019.

Share Registry means Link Market Services Limited ACN 083 214 537.

Solicitor's Report means the report from Clayton Utz, which is set out in Annexure E.

SRK means SRK Consulting (Australasia) Pty Ltd.

Superior Proposal has the meaning given in the Acquisition Scheme Implementation Agreement.

Tax Associate has the meaning given to the term "Associate" in section 995-1 of the Income Tax Assessment Act 1997 (Commonwealth of Australia).

Terrace Mining means Terrace Mining Pty Ltd ACN 161 377 340.

TFN means Australian tax file number.

Transaction means the Demerger Scheme, the Acquisition Scheme and the Capital Reduction.

Transaction Resolutions means the Acquisition Scheme Resolution, the Demerger Scheme Resolution and the Capital Reduction Resolution, together.

Windabout means the Windabout JORC 2012 compliant inferred resource at Mt Gunson, which is described further in Section 5.3(e).

A **Annexure** Summary of the Demerger Implementation Agreement

Annexure A Summary of the Demerger Implementation Agreement

Gindalbie and Coda entered into the Demerger Implementation Agreement on 11 March 2019. The Demerger Implementation Agreement sets out the obligations of Gindalbie and Coda in connection with the implementation of the Demerger.

The following is a summary only and is qualified in its entirety by the full text of the Demerger Implementation Agreement. All capitalised terms used in this Annexure have the meaning given to them in Section 11, unless otherwise indicated.

Conditions

The implementation of the Demerger is subject to the satisfaction or waiver (as applicable) of the following conditions precedent:

- (a) **Capital Reduction shareholder approval:** Gindalbie Shareholders approve the Capital Reduction.
- (b) **Demerger Scheme shareholder approval:** Gindalbie Shareholders approve the Demerger Scheme by the Requisite Majorities.
- (c) **Gindalbie Director recommendation:** until the Demerger Scheme Meeting, a majority of the Gindalbie Directors recommend that Gindalbie Shareholders vote in favour of the Demerger Scheme (with or without qualifications) and do not change or withdraw their recommendation.
- (d) **Restraints:** as at 8.00 am (Perth time) on the Second Court Date, no temporary restraining order, preliminary or permanent injunction or other temporary, preliminary or final order issued by any court of competent jurisdiction, no preliminary or final decision, determination, notice of objection, or order issued by any regulatory authority or any other legal restraint preventing any of the transactions contemplated by the Demerger Implementation Agreement is in effect.
- (e) **Acquisition Scheme Implementation Agreement conditions:** as at 8.00 am (Perth time) on the second Court date for the Acquisition Scheme, each of the conditions in clause 3.1(a), (f), (g), (h), (i), (j), (k), (l), (m), (n) and (o) of the Acquisition Scheme Implementation Agreement has been satisfied or waived, in accordance with the terms of the Acquisition Scheme Implementation Agreement. Please refer to the Acquisition Scheme Booklet for more information on the conditions to the Acquisition Scheme Implementation Agreement referred to above.
- (f) **Independent Expert's Report:** as at 8.00 am (Perth time) on the Second Court Date, the Independent Expert has not changed or publicly withdrawn its conclusion that the Demerger Scheme is in the best interests of Gindalbie Shareholders.
- (g) **Demerger Deed Poll:** as at 8.00 am (Perth time) on the Second Court Date, the Demerger Deed Poll has not been terminated.
- (h) **Court approval and the Demerger Scheme becoming Effective:** the Court approves the Demerger Scheme in accordance with section 411(4)(b) of the Corporations Act, with or without modification acceptable to Coda and Gindalbie (each acting reasonably); such other conditions made or required by the Court under section 411(6) of the Corporations Act as are acceptable to Coda and Gindalbie (each acting reasonably) have been satisfied or waived; and the Demerger Scheme has become Effective.

The conditions precedent in paragraphs (c) and (f) above can be waived by Gindalbie, and the condition precedent in paragraph (d) above can be waived by agreement between Gindalbie and Coda. The remaining conditions precedent cannot be waived.

As far as Gindalbie is aware, immediately before the date of this Demerger Scheme Booklet no circumstances have occurred which will cause any of the conditions not to be satisfied or to become incapable of satisfaction. These matters will continue to be assessed until the latest time each condition precedent is to be satisfied, which for many of the conditions precedent is 8.00 am (Perth time) on the Second Court Date.

Implementation obligations

Gindalbie has agreed to take certain steps to implement the Demerger Scheme, including, if the Demerger Scheme becomes Effective:

- (a) closing the Gindalbie Share Register as at the Demerger Scheme Record Date and determining the Demerger Capital Reduction Entitlement of each Demerger Scheme Shareholder;
- (b) procuring that Coda's share capital is subdivided so that the number of Coda Shares on issue is equal to the number of Coda Shares required to be transferred in accordance with the Demerger Scheme;
- (c) on the Demerger Implementation Date, reducing the capital of each Demerger Scheme Share by the Demerger Capital Reduction Amount in accordance with the Capital Reduction Resolution;
- (d) on the Demerger Implementation Date, applying the Demerger Capital Reduction Entitlement of each Demerger Scheme Shareholder in accordance with the Demerger Scheme; and
- (e) as soon as practicable after the Demerger Implementation Date, selling or procuring the sale of the Coda Shares which Ineligible Foreign Shareholders are entitled under the Demerger Scheme and remit the proceeds of sale to the Ineligible Foreign Shareholders in the manner described in the Demerger Scheme.

Coda has agreed to take certain steps to implement the Demerger Scheme, including, if the Demerger Scheme becomes Effective:

- (a) subject to Gindalbie complying with the equivalent obligation, taking all steps necessary to ensure that Coda's share capital is subdivided so that the number of Coda Shares on issue is equal to the number of Coda Shares required to be transferred in accordance with the Demerger Scheme;
- (b) procuring that each Demerger Scheme Shareholder is registered as the holder of the Coda Shares to which that Demerger Scheme Shareholder is entitled under the Demerger Scheme; and
- (c) after the Demerger Implementation Date, issuing or causing the issue of uncertificated holding statements or share certificates (as the case may be) in respect of the Coda Shares transferred under the Demerger Scheme within the time required by the Corporations Act.

Indemnity in favour of Gindalbie

Subject to, and with effect from, the implementation of the Acquisition Scheme, and to the maximum extent permitted by law, Coda indemnifies Gindalbie against any claim, action, loss, liability, cost, expense or payment (including legal costs on a full indemnity basis) suffered or incurred by Gindalbie arising out of or in connection with:

- (a) any misleading or deceptive statement in this Demerger Scheme Booklet or any announcement by Gindalbie in relation to the Demerger or Coda;
- (b) any omission from this Demerger Scheme Booklet of material required by the Corporations Act, the ASX Listing Rules, ASIC's regulatory guides or any other requirements of ASIC;
- (c) the distribution of this Demerger Scheme Booklet; or
- (d) any review, enquiry or investigation undertaken by any regulatory authority in relation to this Demerger Scheme Booklet, whether commenced or threatened,

to the extent it relates to Coda or any information about Coda in this Demerger Scheme Booklet even if the loss is caused or contributed to by the fraud, negligence or wilful default of Gindalbie. Gindalbie's rights under the indemnity will not be prejudiced by various factors including the implementation of the Demerger.

Termination

The Demerger Implementation Agreement will automatically terminate:

- (a) with immediate effect if the Acquisition Scheme Implementation Agreement is terminated in accordance with its terms; or
- (b) If:
 - (i) there is a breach or non-fulfilment of a condition precedent which is not waived by the Second Court Date, or cannot be waived, in accordance with the Demerger Implementation Agreement;
 - (ii) there is an act, failure to act, event or occurrence which will, or which either party becomes aware will, prevent a condition precedent being satisfied by the time or date specified in the Demerger Implementation Agreement for the satisfaction of the condition precedent (and the breach or non-fulfilment is not waived by 8.00 am (Perth time) on the Second Court Date, or cannot be waived in accordance with the Demerger Implementation Agreement); or
 - (iii) the Demerger Scheme has not become Effective by the End Date.

The Demerger Implementation Agreement can also be terminated by agreement between the parties in writing.

Other clauses

The Demerger Implementation Agreement contains other clauses that are customary for an agreement of its nature.

B Annexure Summary of the Demerger Deed

Annexure B Summary of the Demerger Deed

Gindalbie and Coda entered into the Demerger Deed on 11 March 2019. The Demerger Deed sets out transitional commercial and legal matters arising from the commercial and legal separation of Coda and Gindalbie.

The following is a summary only and is qualified in its entirety by the full text of the Demerger Deed. All capitalised terms used in this Annexure have the meaning given to them in Section 11, unless otherwise indicated.

Conditionality

The Demerger Deed is conditional on the Demerger Scheme being implemented and will automatically terminate if the Demerger Scheme has not become Effective by the End Date.

Demerger principles

The underlying principles of the Demerger Deed are that, on and from the implementation of the Demerger Scheme:

- (a) Coda will have the entire economic benefit and risk of the “Coda Business” as if Coda had owned it at all times, being the mining business carried on by Gindalbie and its subsidiaries (including Coda) in connection with earning an interest in Mt Gunson and the business carried on by Gindalbie and its subsidiaries (including Coda) in connection with obtaining and seeking to exploit the Glycine Licences;
- (b) Gindalbie will have the entire economic benefit and risk of the “Gindalbie Business” as if Gindalbie had owned it at all times, being the business carried on by Gindalbie and its subsidiaries other than the “Coda Business” referred to above;
- (c) Gindalbie must pay Coda's reasonable costs and expenses if Coda continues to provide support to Gindalbie past the Demerger Implementation Date;
- (d) Coda must pay Gindalbie's reasonable costs and expenses if Gindalbie continues to provide support to Coda past the Demerger Implementation Date; and
- (e) Coda and Gindalbie each release the other from claims and liabilities other than those that arise pursuant to the provisions of the transaction documents to effect the Demerger (subject to the qualification that Gindalbie will not be liable for any breaches of such documents occurring prior to implementation of the Acquisition Scheme).

Cash balance

The parties have agreed that Coda will have a cash balance on the Demerger Implementation Date equal to:

\$10,640,000 - Coda Expenditure Amount

Coda Expenditure Amount is equal to “Expenditure” under the Mt Gunson Farm-in Agreement since 14 June 2018 excluding certain expenses (such as corporate overheads) unless and to the extent that such expenses are actually claimed as “Expenditure” under the Mt Gunson Farm-in Agreement; plus:

- any amounts spent by the Gindalbie group on items not in a budget between Gindalbie and Ansteel;
- an amount for “Moveable Assets” being purchased by Coda from Gindalbie, which has been agreed as approximately \$60,000, being the written down book value of those assets; and

- any amounts paid in respect of the leases for Gindalbie's and Coda's primary place of business in respect of the period after the Demerger Implementation Date.

The Independent Directors expect that Coda will have a cash balance of approximately \$7 million on the Demerger Implementation Date.

Please refer to Section 5.4 for further information about Coda's funding strategy.

Wrong pockets

If either Coda or Gindalbie become aware of an asset or liability that should have been transferred or assumed by the other, the Demerger Deed contains a "wrong pockets" provision to ensure that the relevant asset or liability is dealt with in a manner consistent with the Demerger principles.

Indemnities

Gindalbie indemnifies Coda against all claims and liabilities existing or arising on or after the Demerger Implementation Date incurred by Coda in respect of Coda's ownership or operation of the "Gindalbie Business" at any time, including, to the extent permitted by law, as a result of the negligence of Coda.

Coda indemnifies Gindalbie against all claims and liabilities existing or arising on or after the Demerger Implementation Date incurred by Gindalbie in respect of Gindalbie's ownership or operation of the "Coda Business" at any time, including, to the extent permitted by law, as a result of the fraud, negligence or wilful default of Gindalbie.

Coda contracts and the transfer of assets

The Demerger Deed contains an agreed framework for the novation of certain contracts relating to the "Coda Business" and for the sale of certain "Moveable Assets" to Coda for their written down book value.

Employees

With effect from the close of business on the Demerger Implementation Date, Gindalbie has agreed to terminate the employment of each of its employees and independent contractors, and pay those persons all of their employment entitlements to which they are lawfully entitled. Coda may offer to employ any such employees on terms and conditions at its own discretion.

Accounting and information assistance

Gindalbie and Coda have agreed to use their reasonable endeavours, acting in good faith, to assist the other and their professional advisers in relation to the preparation of their respective financial statements for the financial period during which the Demerger Implementation Date occurs. Each party has agreed to deliver all business records that relate to the other party at a time and place agreed between the parties.

Claims

Gindalbie and Coda have agreed a framework in relation to the management and resolution of any claims which may involve the other party, including those that involve one party but not the other and claims that involve "incorrect entities". Each party will be reimbursed for out of pocket costs and expenses that are incurred with complying with certain claim provisions under the Demerger Deed.

Tax claims

Gindalbie and Coda have each agreed to indemnify the other against certain tax claims and have agreed a framework for the conduct of tax claims and to resolve any tax disputes.

Dispute resolution

The parties have agreed to use reasonable endeavours, acting in good faith, to settle any dispute that arises between the parties in connection with the Demerger Deed.

Other clauses

The Demerger Deed contains other clauses that are customary for an agreement of its nature.

C **Annexure** Independent Expert's Report

GINDALBIE METALS LIMITED
Independent Expert's Report

Demerger Scheme

24 May 2019



Financial Services Guide

24 May 2019

BDO Corporate Finance (WA) Pty Ltd ABN 27 124 031 045 ('we' or 'us' or 'ours' as appropriate) has been engaged by Gindalbie Metals Limited ('Gindalbie') to provide independent expert's reports on the proposed acquisition of all the issued shares of Gindalbie by Angang Group Hong Kong (Holdings) Limited ('Ansteel') through an acquisition scheme, for cash consideration of \$0.026 per share, and on the demerger of Gindalbie's wholly owned subsidiary, Coda Minerals Ltd ('Coda') which holds the rights to a portfolio of tenements in South Australia, via a demerger scheme. You are being provided with a copy of our report because you are a shareholder of Gindalbie and this Financial Services Guide ('FSG') is included in the event you are also classified under the Corporations Act 2001 ('the Act') as a retail client.

Our report and this FSG accompanies the Scheme Booklet required to be provided to you by Gindalbie to assist you in deciding on whether or not to approve the proposal.

Financial Services Guide

This FSG is designed to help retail clients make a decision as to their use of our general financial product advice and to ensure that we comply with our obligations as a financial services licensee.

This FSG includes information about:

- ♦ Who we are and how we can be contacted;
- ♦ The services we are authorised to provide under our Australian Financial Services Licence No. 316158;
- ♦ Remuneration that we and/or our staff and any associates receive in connection with the general financial product advice;
- ♦ Any relevant associations or relationships we have; and
- ♦ Our internal and external complaints handling procedures and how you may access them.

Information about us

We are a member firm of the BDO network in Australia, a national association of separate entities (each of which has appointed BDO (Australia) Limited ACN 050 110 275 to represent it in BDO International). The financial product advice in our report is provided by BDO Corporate Finance (WA) Pty Ltd and not by BDO or its related entities. BDO and its related entities provide professional services primarily in the areas of audit, tax, consulting, mergers and acquisition, and financial advisory services.

We and BDO (and its related entities) might from time to time provide professional services to financial product issuers in the ordinary course of business and the directors of BDO Corporate Finance (WA) Pty Ltd may receive a share in the profits of related entities that provide these services.

Financial services we are licensed to provide

We hold an Australian Financial Services Licence that authorises us to provide general financial product advice for securities to retail and wholesale clients, and deal in securities for wholesale clients. The authorisation relevant to this report is general financial product advice.

When we provide this financial service we are engaged to provide an expert report in connection with the financial product of another person. Our reports explain who has engaged us and the nature of the report we have been engaged to provide. When we provide the authorised services we are not acting for you.

General Financial Product Advice

We only provide general financial product advice, not personal financial product advice. Our report does not take into account your personal objectives, financial situation or needs. You should consider the appropriateness of this general advice having regard to your own objectives, financial situation and needs before you act on the advice. If you have any questions, or don't fully understand our report you should seek professional financial advice.

Fees, commissions and other benefits that we may receive

We charge fees for providing reports, including this report. These fees are negotiated and agreed with the person who engages us to provide the report. Fees are agreed on an hourly basis or as a fixed amount depending on the terms of the agreement. The fee payable to BDO Corporate Finance (WA) Pty Ltd for this engagement is approximately \$50,000 (excluding GST and out-of-pocket expenses). This fee covers both our independent expert's report for the Acquisition Scheme and our independent expert's report for the Demerger Scheme.

Except for the fees referred to above, neither BDO, nor any of its directors, employees or related entities, receive any pecuniary benefit or other benefit, directly or indirectly, for or in connection with the provision of our reports and our directors do not hold any shares in Gindalbie.

Remuneration or other benefits received by our employees

All our employees receive a salary. Our employees are eligible for bonuses based on overall productivity but not directly in connection with any engagement for the provision of a report. We have received a fee from Gindalbie for our professional services in providing this report. That fee is not linked in any way with our opinion as expressed in this report.

Referrals

We do not pay commissions or provide any other benefits to any person for referring customers to us in connection with the reports that we are licensed to provide.

Complaints resolution

Internal complaints resolution process

As the holder of an Australian Financial Services Licence, we are required to have a system for handling complaints from persons to whom we provide financial product advice. All complaints must be in writing addressed to The Complaints Officer, BDO Corporate Finance (WA) Pty Ltd, PO Box 700 West Perth WA 6872.

When we receive a written complaint we will record the complaint, acknowledge receipt of the complaint within 15 days and investigate the issues raised. As soon as practical, and not more than **45 days** after receiving the written complaint, we will advise the complainant in writing of our determination.

Referral to External Dispute Resolution Scheme

A complainant not satisfied with the outcome of the above process, or our determination, has the right to refer the matter to the Australian Financial Complaints Authority ('AFCA').

AFCA is an external dispute resolution scheme that deals with complaints from consumers in the financial system. It is a not-for-profit company limited by guarantee and authorised by the responsible federal minister. AFCA was established on 1 November 2018 to allow for the amalgamation of all Financial Ombudsman Service ('FOS') schemes into one. AFCA will deal with complaints from consumers in the financial system by providing free, fair and independent financial services complaint resolution. If an issue has not been resolved to your satisfaction you can lodge a complaint with AFCA at any time.

Our AFCA Membership Number is 12561. Further details about AFCA are available on its website www.afca.org.au or by contacting it directly via the details set out below.

Australian Financial Complaints Authority
GPO Box 3
Melbourne VIC 3001
AFCA Free call: 1800 931 678
Website: www.afca.org.au
Email: info@afca.org.au

You may contact us using the details set out on page 1 of the accompanying report.

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Appendix 1 - Glossary and copyright notice

Appendix 2 - Independent Technical Assessment Report prepared by SRK Consulting (Australasia) Pty Ltd

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24 May 2019

The Directors
Gindalbie Metals Limited
6 Altona Street
West Perth WA 6005

Dear Directors

INDEPENDENT EXPERT'S REPORT

1. Introduction

On 11 March 2019, Gindalbie Metals Limited (**'Gindalbie'** or **'the Company'**) announced that:

- it had entered into a Scheme Implementation Agreement under which Angang Group Hong Kong (Holdings) Limited had agreed to acquire all the remaining issued capital of Gindalbie it does not already own by way of a scheme of arrangement (**'the Acquisition Scheme'**); and
- it also proposed to undertake a demerger of its wholly owned subsidiary Coda Minerals Ltd (**'Coda'**) which holds an interest in exploration assets located in South Australia via a capital reduction (**'Demerger'**) with the Demerger also to be implemented by way of a scheme of arrangement (**'the Demerger Scheme'**).

(Together the Acquisition Scheme and the Demerger Scheme as announced to be referred to as **'the Proposed Transaction'**.)

Under the Demerger Scheme, if approved by the shareholders of Gindalbie (**'Shareholders'**) and implemented, each eligible Gindalbie shareholder will receive a pro-rata distribution of Coda shares at a ratio of one Coda share for every 45 Gindalbie shares they hold. Certain foreign shareholders that meet the conditions of an Ineligible Foreign Shareholder as defined in the Demerger Scheme Booklet (**'Ineligible Foreign Shareholders'**), will instead have their shares in Gindalbie transferred to an appropriately licensed person nominated by Gindalbie (the **'Nominee'**) and sold, with the proceeds (net of expenses) remitted to them.

Under the Acquisition Scheme, if approved by Shareholders and implemented, each Gindalbie shareholder holding fully paid ordinary shares in Gindalbie will receive a cash consideration of \$0.026 for each share held (**'Consideration'**). Ansteel will not receive Consideration for the shares in Gindalbie it already owns.

Following the completion of the Acquisition Scheme and the Demerger Scheme, Coda intends to apply for listing on the Australian Securities Exchange (**'ASX'**). Shares in Coda will not be listed until such time as the requirements for listing on the ASX can be met (if at all). Listing is at the ASX's discretion, and there is a risk that Coda may not meet the requirements for admission to the official list of the ASX and achieve quotation of Coda shares. This means that until they list, shareholders of Coda will hold shares in a public unlisted company.

Unless otherwise noted, all figures in \$ within this report refer to Australian Dollars, while figures in US\$ are in United States Dollars.

2. Summary and Opinion

2.1 Requirement for the report

The directors of Gindalbie have requested that BDO Corporate Finance (WA) Pty Ltd (**'BDO'**) prepare an independent expert's report (**'our Report'**) to express an opinion as to whether or not the Demerger Scheme is in the best interests of the Shareholders.

BDO has prepared a separate independent expert's report to express an opinion as to whether or not the Acquisition Scheme is in the best interests of Shareholders. Accordingly, BDO does not express an opinion on the Acquisition Scheme in this report.

We note that the Acquisition Scheme and the Demerger Scheme are inter-conditional but are separate transactions. This report only addresses our opinion as to whether the Demerger Scheme is in the best interests of Shareholders.

Our Report is prepared pursuant to section 411 of the Corporations Act 2001 Cth (**'Corporations Act'** or **'the Act'**) and is to be included in a scheme booklet by Gindalbie prepared in relation to the Demerger Scheme (**'Demerger Scheme Booklet'**) in order to assist the Shareholders in their decision whether to approve the Demerger Scheme.

2.2 Approach

Our Report has been prepared having regard to Australian Securities and Investments Commission (**'ASIC'**) Regulatory Guide 60 'Schemes of Arrangement' (**'RG 60'**), Regulatory Guide 111 'Content of Expert's Reports' (**'RG 111'**) and Regulatory Guide 112 'Independence of Experts' (**'RG 112'**).

In arriving at our opinion, we have assessed the terms of the Demerger Scheme as outlined in the body of our Report. We have considered:

- the advantages and disadvantages of the Demerger Scheme;
- other factors which we consider to be relevant to the Shareholders in their assessment of the Demerger Scheme; and
- the position of Shareholders should the Demerger Scheme not proceed.

2.3 Opinion

We have considered the terms of the Demerger Scheme as outlined in the body of this Report and have concluded that, in the absence of a superior offer, the Demerger Scheme is in the best interests of Shareholders.

2.4 Advantages and Disadvantages

We have considered the analysis in Section 9 of our Report, in terms of both:

- advantages and disadvantages of the Demerger Scheme; and

- other considerations, including the position of Shareholders if the Demerger Scheme does not proceed and the consequences of not approving the Demerger Scheme.

In our opinion, the position of Shareholders if the Demerger Scheme is approved is more advantageous than the position if the Demerger Scheme is not approved. Accordingly, in the absence of any other relevant information and/or a superior proposal we believe that the advantages of the Demerger Scheme outweigh the disadvantages for Shareholders.

The respective advantages and disadvantages considered are summarised below:

ADVANTAGES AND DISADVANTAGES			
Section	Advantages	Section	Disadvantages
9.1.1	Potential to unlock value in Coda	9.2.1	Shareholders will have an interest in an entity with a less diverse portfolio of assets
9.1.2	Provides Shareholders with an interest in a new entity unencumbered with significant contingent liabilities	9.2.2	Shares in a listed entity replaced by shares in an unlisted entity
9.1.3	Provides Shareholders with an interest in a new entity which will be able to progress the Mt Gunson Project	9.2.3	Ineligible Foreign Shareholders will not receive Coda shares
9.1.4	Coda will have an experienced board familiar with the Mt Gunson Project		

Other key matters we have considered include:

Section	Description
9.3.1	Likelihood of an alternative proposal
9.3.2	Consequences of not approving the Demerger Scheme

3. Scope of the Report

3.1 Purpose of the Report

The Demerger Scheme is to be implemented pursuant to section 411 of the Corporations Act. Part 3 of Schedule 8 to the Corporations Act Regulations 2001 (Cth) (**‘Regulations’**) prescribes the information to be sent to shareholders in relation to schemes of arrangement pursuant to section 411 of the Act.

Schedule 8 of the Corporations Regulations requires an independent expert’s report if:

- the corporation that is the other party to the scheme has a common director or directors with the company which is the subject of the scheme; or
- the corporation that is the other party is entitled to more than 30% of the voting shares in the subject company.

The expert must be independent and must state whether or not, in his or her opinion, the proposed scheme is in the best interests of the members of the company the subject of the scheme and setting out his or her reasons for that opinion. Accordingly, there is no requirement for our Report pursuant to section 411 of the Act or pursuant to section 256C of the Act.

Ansteel currently has a relevant interest in 535,492,521 ordinary shares of Gindalbie, which represents 35.71% of Gindalbie’s issued capital. Therefore, the directors of Gindalbie have requested that BDO prepare this report pursuant to section 411, and to provide an opinion as to whether the Demerger Scheme is in the best interest of Shareholders.

3.2 Regulatory guidance

In determining the basis of our evaluation and opinion, we have had regard to the views expressed by ASIC in RG 111. RG 111.35 and RG 111.36 suggests that, in the case of a demerger, if there is not:

- a change in underlying economic interests of security holders;
- a change of control; or
- selective treatment of different security holders;

then the issue of ‘value’ may be of secondary importance.

An expert should provide an opinion as to whether the advantages of the demerger outweigh the disadvantages. An expert may choose to consider whether the value of the demerged entities is greater than or less than the value of the original entity.

RG 111.37 suggests that if the demerger involves a scheme of arrangement then the expert should comment on whether or not the demerger is in the best interest of security holders.

RG 111.38 states that in a demerger, security holders will typically have to balance issues such as the benefits of a greater focus afforded to the demerged entities against increased costs and reduction in diversified earnings streams.

In determining whether the advantages of the Demerger Scheme outweigh the disadvantages, we have had regard to the views expressed by ASIC in RG 111. This Regulatory Guide suggests that an opinion as to whether the advantages of a transaction outweigh the disadvantages should focus on the purpose and outcome of the transaction, that is, the substance of the transaction rather than the legal mechanism to affect it.

RG 111 sets out that the expert should inquire whether further transactions are planned between the entity, the vendor or their associates and if any are contemplated determine if these are at arm's length. RG 111 also suggests that an expert should consider whether the transaction will deter the making of a takeover bid.

3.3 Adopted basis of evaluation

RG 111 suggests that the main purpose of an independent expert's report is to adequately deal with the concerns that could reasonably be anticipated of those persons affected by the transaction.

Having regard to RG 111, we have completed the analysis in Section 9 of our Report as follows:

- an investigation into the advantages and disadvantages of the Demerger Scheme; and
- an analysis of any other issues that could be reasonably anticipated to concern Shareholders as a result of the Demerger Scheme.

4. Outline of the Proposed Transaction

On 11 March 2019, Gindalbie announced the execution of a Scheme Implementation Agreement, under which Ansteel had agreed to acquire all the ordinary shares in Gindalbie that it does not currently own for cash consideration of \$0.026 per share. Ansteel currently has a relevant interest in 535,492,521 ordinary Gindalbie shares, representing 35.71% of Gindalbie's issued capital.

Gindalbie also announced that it had executed a Demerger Implementation Agreement with Coda, under which Gindalbie agreed to propose the Demerger Scheme and demerge Coda via a capital reduction. If implemented, Gindalbie shareholders will receive a pro-rata distribution of Coda shares for every Gindalbie share they hold on the record date for the Demerger Scheme.

The Demerger Scheme, the Acquisition Scheme and the capital reduction are conditional on each other.

The implementation of the Acquisition Scheme is conditional on the conditions set out in the Scheme Implementation Agreement, including but not limited to, the following:

- Gindalbie receiving shareholder approval for the Acquisition Scheme, the Demerger Scheme and the resolution for the capital reduction;
- Foreign Investment Review Board approval;
- Necessary Chinese regulatory approvals;
- There being no material adverse change or prescribed occurrence; and
- The Independent Expert's Report for the Acquisition Scheme concluding that the Acquisition Scheme is in the best interests of Shareholders.

Further disclosure of the conditions precedent to the Proposed Transaction are included in the Scheme Implementation Agreement and the Demerger Scheme Booklet.

5. Profile of Gindalbie Metals Limited

5.1 History

Gindalbie is a resources company based in West Perth, Australia. Gindalbie is primarily involved in copper and cobalt exploration at its Mt Gunson Project situated in South Australia, which it currently has a 25% interest in. It also has an interest in the Western Australia-based Karara Iron Ore Project (**'Karara Project'**) which it holds through its 47.84% equity interest in Karara Mining Limited (**'KML'**), with Ansteel's ultimate parent company, Ansteel Group Mining Co., Ltd. owning the rest through a different subsidiary. Aside from these two projects, Gindalbie also owns a tenement package in the Mid West region outside of the Karara Project called the Lodestone Magnetite Project.

Gindalbie listed on the ASX on 12 April 1994 as Gindalbie Gold NL and was renamed as Gindalbie Metals Limited on 24 January 2005 to reflect the more diversified nature of its business activities. The current board of directors are:

- Mr Keith F Jones, Non-Executive Chairman;
- Mr Andrew (Robin) Marshall, Independent Non-Executive Director;
- Mr Paul D Hallam, Independent Non-Executive Director;
- Mr An Lin Shao, Non-Executive Director; and
- Mr Li Ge, Non-Executive Director.

5.2 Projects

5.2.1. Mt Gunson Project

The Mt Gunson Project is a copper-cobalt project located in the Olympic Dam Copper Province in South Australia. Gindalbie's interests in the Mt Gunson Project are held by its wholly owned subsidiary, Coda, as a result of the Mt Gunson Farm-in Agreement which was novated to Coda by a Novation Deed dated 21 May 2018.

The Mt Gunson Project and covers an area of approximately 739 square kilometres consisting of three tenements - EL 6141, EL 5636 and EL 6265.

The project mining centre lies 10 km off the sealed Stuart Highway and is accessed by unsealed roads. Alternatively, a serviceable airstrip for light aircraft is located on site. Electrical grid power and scheme water access is available in the area.

Further information on the Mt Gunson Project can be found in the Independent Technical Assessment Report prepared by SRK Consulting (Australasia) Pty Ltd dated 1 May 2019, which is attached in Appendix 2.

Gindalbie entered into a Farm-in and Joint Venture Agreement with Terrace Mining Pty Ltd in March 2017 to earn up to a 75% interest in the Mt Gunson Project and its surrounding tenement package. Currently in the pre-feasibility study phase, Coda has earned a 25% interest in the project to-date and has the ability to increase its ownership earned as outlined in the table below.

Farm-in Process	Status	Ownership earned
Stage 1 - Scoping Study	Completed August 2018	25% earned on expenditure of \$1.37 million
Stage 2 - Pre-Feasibility Study	Commenced 2019	51% earned on expenditure of \$2.5 million
Stage 3 - Feasibility Study	Pending stage 2	70% earned on expenditure of \$2.75 million
Other	Pending stage 3	75% earned on exercise of option for \$1.5 million

Source: Company's ASX announcement *Entry into Stage 2 of the Mt Gunson Copper Cobalt Project* 23 May 2018

5.2.2. Karara Project

Located 200km east of Geraldton in Western Australia, the Karara Project is managed by KML, a joint venture between Ansteel Group (52.16%) and Gindalbie (47.84%) initiated in 2007. The Karara Project comprises a magnetite concentrate operation, initially producing 8 million tonnes per annum ('Mtpa').

Although some of the Karara Project's infrastructure was built to complement the potential expansion of the Karara Project's operations to 16 million tonnes per annum, we understand from the Acquisition Scheme Booklet (Section 2 Frequently asked questions) that the Independent Directors do not currently consider it financially viable to expand production. It was noted in Section 2 of the Acquisition Scheme Booklet that the expansion of production would entail the construction of significant additional infrastructure and processing capacity. The increase in tonnage would not generate sufficient free cash flow to be able to support the capital cost of expansion based on current iron ore price forecasts.

The project has an expected life of over 30 years and currently produces a magnetite concentrate around 66-68% Fe. Infrastructure used by the Karara Project includes an 85km rail line, a dedicated 16Mtpa export facility in Geraldton Port, a 330kV power line and a 140km water pipeline.

During the Karara Project's commissioning phase, direct shipping ore was an important source of additional tonnage but the Karara Project now operates close to its stated capacity of 8 million dry tonnes per annum so there is no additional infrastructure capacity to support the export of direct shipping ore. However, per the Acquisition Scheme Booklet (Section 2 Frequently asked questions), the Independent Directors consider that at current and forecast iron ore prices, the Karara Project does not have any economic reserves of direct shipping ore. Factors impacting the cost of production include the following:

- mining magnetite is comparably higher in cost than mining hematite due to the additional crushing and processing of low grade ores;
- the cost of rail transport is higher than for iron ore companies in the Pilbara; and
- the cost of shipping ore is significantly higher because the Karara Project ships its ore from Geraldton.

Gindalbie's interest in KML has been carried at nil value as the Company does not currently anticipate that the Karara Project will deliver a positive financial return to shareholders in the foreseeable future, primarily due to iron ore pricing and KML's very significant gearing levels. As at 31 December 2018, KML had outstanding bank loan balances of US\$3.19 billion, 170 million Chinese Yuan and \$100 million. Also at 31 December 2018, Gindalbie's contingent liabilities totalled \$231 million in relation to bank guarantees provided to suppliers of KML. On 27 November 2015, the independent shareholders of Gindalbie voted against the grant of a share mortgage to Ansteel with unlimited recourse over the assets of Gindalbie. The guarantee provided to Ansteel, which exceeded US\$3.1 billion as at 31 December 2018, remains limited to the shares held by Gindalbie in KML and any surplus received after the sale of Gindalbie's shares in KML.

Loan to KML

Gindalbie previously extended a shareholder loan to KML, principal of \$50 million. This loan is subordinated to KML's project finance facility, so KML's senior lenders have a right to be repaid first. As part of Gindalbie's decision to write down the carrying value of its interest in KML to nil in 2014, the loan referred to above was also impaired to nil on the basis that the directors consider that there is no reasonable basis to expect repayment.

5.2.3. Lodestone Magnetite Project

The Lodestone Magnetite Project is located approximately 250 kilometres from Geraldton and 25 kilometres from Karara. There is a JORC compliant inferred resource of 644 million tonnes of magnetite held through a retention licence. Per the Acquisition Scheme Booklet (Section 2 Frequently asked questions), the Independent Directors opine that the Lodestone Magnetite Project would unlikely ever be mined in preference to the superior ore from the Karara Project. Also in Section 2 of the Acquisition Scheme Booklet, it was noted that the holding value of Lodestone in Gindalbie's accounts is \$1.36 million.

5.3 Historical Financial Information

Statement of Financial Position	Reviewed as at 31-Dec-18 \$'000	Audited as at 30-Jun-18 \$'000	Audited as at 30-Jun-17 \$'000
CURRENT ASSETS			
Cash and cash equivalents	1,560	2,792	3,757
Term deposits	31,600	32,600	33,600
Other receivables	500	423	436
Prepayments	139	43	16
TOTAL CURRENT ASSETS	33,799	35,858	37,809
NON-CURRENT ASSETS			
Other receivables	50	25	50
Property, plant and equipment	60	68	64
Exploration and evaluation assets	3,930	2,605	1,441
Intangible asset	178	185	197
TOTAL NON-CURRENT ASSETS	4,218	2,883	1,752
TOTAL ASSETS	38,017	38,741	39,561
CURRENT LIABILITIES			
Trade and other payables	1,820	1,586	1,283
Employee benefits	22	145	15
TOTAL CURRENT LIABILITIES	1,842	1,731	1,299
NON-CURRENT LIABILITIES			
Employee benefits	59	57	35
TOTAL NON-CURRENT LIABILITIES	59	57	35
TOTAL LIABILITIES	1,901	1,788	1,334
NET ASSETS	36,116	36,953	38,227
EQUITY			
Issued capital	753,965	753,965	753,965

Statement of Financial Position	Reviewed as at 31-Dec-18 \$'000	Audited as at 30-Jun-18 \$'000	Audited as at 30-Jun-17 \$'000
Reserves	9,520	9,500	9,408
Accumulated losses	(727,369)	(726,512)	(725,146)
TOTAL EQUITY	36,116	36,953	38,227

Source: Audited financial statements for the years ended 30 June 2018 and 30 June 2017. Reviewed financial statements for the half year ended 31 December 2018.

The auditor's reports in the reviewed financial statements for the half year ended 31 December 2018 as well as the audited financial statements for the year ended 30 June 2018 contained an emphasis of matter relating to a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern.

We note the following in relation to Gindalbie's Historical Statement of Financial Position:

- Cash and cash equivalents decreased to \$1.56 million as at 31 December 2018 from \$2.79 million as at 30 June 2018 primarily due to payments to suppliers and employees as well as exploration and evaluation expenses.
- Term deposits with maturities over 3 months continue to form the majority of total assets, amounting to \$31.60 million as at 31 December 2018, down slightly from \$32.60 million as at 30 June 2018.
- The current portion of the other receivables line item include trade receivables and interest receivable. The non-current portion relate to cash security for performance bonds.
- Property, plant and equipment comprise of land and buildings recorded at cost and subsequently fully depreciated, as well as plant and equipment also recorded at cost less any accumulated depreciation.
- Exploration and evaluation assets increased from \$2.61 million as at 30 June 2018 to \$3.93 million as at 31 December 2018 due to additional expenditure of \$1.34 million over the six-month period, slightly offset by \$18,000 in expenditure written off.
- Intangible assets relate to two separate non-exclusive licence agreements for the use of certain mineral processing technology. These were acquired in 2017 with the first territory-specific to the Mt Gunson Project and the second a global licence (excluding China and Zimbabwe) for the use of the technology on primary gold, copper and zinc projects. These are recorded at cost less any accumulated amortisation.
- Trade and other payables balance increased from \$1.59 million as at 30 June 2018 to \$1.82 million as at 31 December 2018 and primarily comprise of other creditors and accruals.
- The current portion of employee benefits reduced from \$145,000 as at 30 June 2018 to \$22,000 as at 31 December 2018 following the payment of employee bonuses. The remaining employee benefits liability comprises of annual leave, superannuation and long service leave provisions.

5.4 Historical Statement of Comprehensive Income

Consolidated Statement of Comprehensive Income	Reviewed for the year ended 31-Dec-18 \$'000	Audited for the year ended 30-Jun-18 \$'000	Audited for the year ended 30-Jun-17 \$'000
Revenue			
Other income	7	7	-
Expenses			
Administration expenses	(1,268)	(2,229)	(2,047)
Other expenses	(33)	(30)	(155)
Results from operating activities	(1,294)	(2,252)	(2,202)
Finance income	437	886	958
Loss before income tax	(857)	(1,366)	(1,244)
Income tax expense	-	-	-
Loss for the period	(857)	(1,366)	(1,244)
Other comprehensive income	-	-	-
Total comprehensive loss for the year	(857)	(1,366)	(1,244)

Source: Audited financial statements for the years ended 30 June 2018 and 30 June 2017. Reviewed financial statements for the half year ended 31 December 2018.

The auditor's reports in the reviewed financial statements for the half year ended 31 December 2018 as well as the audited financial statements for the year ended 30 June 2018 contained an emphasis of matter relating to a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern.

We note the following in relation to Gindalbie's Historical Statement of Comprehensive Income:

- Administration expenses primarily comprise of director fees, employee salary and on costs expenses. The remaining costs in this category include corporate and consultant, office and marketing and other administration costs.
- Other expenses are made up primarily of depreciation charges on the Company's property, plant and equipment, as well as amortisation of intangible assets. Included in other expenses is impairment of exploration assets. These were \$18,000, \$1,000 and \$25,000 for the half year ended 31 December 2018, and for the financial years ended 30 June 2018 and 30 June 2017, respectively.
- Finance income consist entirely of interest income from cash and term deposits held by the Company. This was the main source of income for the Company over the half year ended 31 December 2018, and for the financial years ended 30 June 2018 and 30 June 2017.
- Due to the Company's lack of profits, Gindalbie had no income tax expenses for the periods above. However as at 30 June 2018, Gindalbie has estimated unrecouped tax losses of approximately \$123 million available to offset against future taxable income. This net deferred tax asset was not recognised on the basis that it is not probable that there will be future taxable income available against which the tax losses can be utilised.

5.5 Capital Structure

The share structure of Gindalbie as at 8 April 2019 is outlined below:

	Number
Total ordinary shares on issue	1,499,637,059
Top 20 shareholders	907,529,843
Top 20 shareholders - % of shares on issue	60.52%

Source: Company share registry. Data as at 8 April 2019.

The range of shares held in Gindalbie as at 8 April 2019 is as follows:

Range of Shares Held	Number of Ordinary Shareholders	Number of Ordinary Shares	Percentage of Issued Shares (%)
1 - 1,000	1,648	930,516	0.06%
1,001 - 5,000	3,442	10,285,648	0.69%
5,001 - 10,000	1,998	16,040,603	1.07%
10,001 - 100,000	4,018	139,025,302	9.27%
100,001 - and over	1,064	1,333,354,990	88.91%
TOTAL	12,170	1,499,637,059	100.00%

Source: Company share registry. Data as at 8 April 2019.

The ordinary shares held by the most significant shareholders as at 8 April 2019 are detailed below:

Name	Number of Ordinary Shares Held	Percentage of Issued Shares (%)
Angang Group Hong Kong (Holdings) Limited	535,492,521	35.71%
Ms Linlin Li	94,414,132	6.30%
Ms Aiping Zhang	48,300,000	3.22%
Citicorp Nominees Pty Limited	47,458,185	3.16%
Subtotal	725,664,838	48.39%
Others	773,972,221	51.61%
Total ordinary shares on issue	1,499,637,059	100.00%

Source: Company share registry. Data as at 8 April 2019.

The most significant option holders of Gindalbie as at 8 April 2019 are outlined below:

Current Options on Issue	Number	Amounts raised if exercised
Options held by Chris Stevens expiring 26 September 2021 exercisable at \$nil	4,166,667	-
Options held by Rebecca Moylan expiring 26 September 2021 exercisable at \$nil	2,083,334	-
TOTAL	6,250,001	-

Source: Gindalbie management. Data as at 8 April 2019.

6. Profile of Coda Limited

6.1 Overview

Coda is currently a 100% owned subsidiary of Gindalbie. Following approval by shareholders of the Demerger Scheme and implementation, Coda will hold the assets as set out in the table below.

	\$
Current Assets	
Cash and cash equivalents	7,169,369
Sundry debtors	12,861
Total Current Assets	7,182,230
Non-Current Assets	
Property plant and equipment	60,289
Mine properties at book value	1,416,359
Intangible asset - Glycine licence	175,663
Total Non-Current Assets	1,652,311
Total Assets	8,834,541
Current Liabilities	
Trade and other payables	-
Total Current Liabilities	-
Total Liabilities	-
Net Assets	8,834,541

Source: Gindalbie management

We note the following in respect of the assets listed.

Cash and cash equivalents

The Demerger Scheme provides for Coda to be demerged taking with it principally the interest in the Mt Gunson Project and an agreed cash balance. The cash balance is based on an amount of \$10,640,000 reduced by expenditure since 14 June 2018 in respect of the Mt Gunson Project. The total adjustment is as summarised below.

	\$
Agreed cash at 30 June 2018 (per Demerger Scheme)	10,640,000
Add back expenditure pre 14 June 2018	1,214,947
Less: Mt Gunson spend over life to 28 February 2019	(2,931,475)
Less: Mt Gunson budget spend 1 March 2019 to end July 2019	(1,593,814)
Less: Other Coda budgeted costs	(100,000)
Less: Payment re Property, plant and equipment	(60,289)
Cash and cash equivalents balance	7,169,369

Source: Gindalbie and BDO analysis

Included in the adjustments above are Coda's expenditure with respect to the Mt Gunson Project subsequent to 28 February 2019 as well as other Coda general corporate and administrative expenditure budgeted from 28 February 2019 through to the projected Demerger Implementation Date of 28 July 2019. These costs are estimated at \$1.59 million and \$0.10 million, respectively.

Mine properties at book value

The "Mine properties at book value" line item represents Coda's interest in the Mt Gunson Project at book value.

7. Economic analysis

In this section we have provided commentary on trends in the global and Australian economies we consider are relevant to Gindalbie.

7.1 Global

The global economy grew above trend in 2018, although it slowed in the second half of the year. While conditions in the global economy remain positive, the outlook has become more uncertain and downside risks have increased. This is partly due to the difficulty predicting how global trade policies will evolve, particularly between China and the US. Trade tensions between the two countries continue to linger, although recent trade talks had taken a somewhat more positive tone and China's imports from the US had recovered slightly over the first few months of 2019, following an earlier sharp decline. Further clouding the outlook for global economic growth is the political developments in Europe and ongoing uncertainty around Britain's exit from the European Union.

Chinese Gross Domestic Product ('GDP') growth for 2018 was recorded at 6.6%. China's GDP growth is expected to moderate in 2019, with the National People's Congress setting a target of 6 to 6.5% growth for 2019 at its March 2019 meeting. Recently targeted fiscal and monetary policies have partially offset negative effects arising from trade tensions. For example, growth in infrastructure investment, retail spending and residential construction activity have improved, although production and investment in the manufacturing sector (which is more exposed to external demand) had been subdued.

Financial market conditions in most advanced economies tightened in late-2018. This followed a lengthy period of accommodative market conditions. The tightening of conditions resulted in: rising corporate funding costs, easing of new debt issuances, lower equity prices and rises in volatility in financial markets. These risks have since been partially reversed, supported by an easing in financial conditions since the beginning of 2019, and it is worth noting that risk premiums historically remain low. Long term government bond yields have also declined in recent months, due to the scaling back of expectations over the frequency of central bank interest rate increases as well as a decline in inflation expectations. Monetary policy settings are expected to remain little unchanged globally for some time.

Emerging market currencies have somewhat appreciated in recent months, along with increases in equity prices. Despite these positive indications, some risks remain in emerging markets, specifically in East Asia, where growth has eased over the past year due to softer external demand. GDP growth in emerging Asian economies is just below 5%.

Meanwhile in the major advanced economies, domestic demand conditions remained positive as growth continued to be around, or even above, potential. Underlying inflation remained close to target in a number of advanced economies, but global headline inflation had declined since late 2018 because of the fall in oil prices. However, it should be noted that oil prices have risen since, although still 20% below their October 2018 peak. Australia's terms of trade are expected to increase further in the March 2019 quarter following a 6% increase over the December 2018 quarter. Falls in coal prices had been largely offset by an increase in iron ore and oil prices.

Source: www.rba.gov.au Statement by Philip Lowe, Governor: Monetary Policy Decision 5 March 2019 and 2 April 2019. Minutes of the Monetary Policy Meeting of the Reserve Bank Board 2 April 2019.

7.2 Australia

Domestic growth

The Australian economy grew by 2.3% over 2018 despite a markedly slower second half compared to the first half. The Reserve Bank of Australia ('RBA') is expecting GDP growth to be 3.0% in 2019, before slowing in 2020 as mining production stabilises. Business investment conditions remain positive. Non-residential building and private infrastructure projects led growth in non-mining business investment, with the pipeline of work yet to be done above recent year averages. Forecast GDP growth in 2019 is supported by rising business investment, higher levels of public infrastructure spending and increased employment. At the RBA's meeting on 2 April 2019, it was decided that the cash rate would remain unchanged at 1.50%.

In terms of concerns, the main uncertainty revolves around the strength of household consumption after recent statistics showed weak growth in household income and falling housing prices in some cities particularly Sydney and Melbourne. However, household income is expected to increase over the coming year concurrently with household consumption.

Unemployment

Conditions in the Australian labour market have continued to improve, with the unemployment rate at 4.9% as at 2 April 2019. This rate is expected to decline to 4.75% over the next couple of years. The vacancy rate is high and there are reports of skills shortages in some areas. Wage growth has picked up slightly, but remains low. While low wage growth is expected to continue, a stronger domestic economy should see a gradual lift in wage growth over time.

Inflation

Domestic inflation remains low, stable and in line with forecasts by the Consumer Price Index - increasing to 1.8% over the past year. Low wage growth, continued strong competition in the retail sector and the government's efforts to ease cost of living pressures mean that the likelihood for the need of an increase to the cash rate was low. At the RBA's meeting on 2 April 2019, a decrease in the cash rate was also discussed under the scenario where inflation did not move any higher and unemployment trended up.

Currency movements

On a trade-weighted basis, the Australian Dollar has depreciated marginally in recent months, but remains within the narrow range that it has been trading recently. Australian market interest rates have narrowed the gap on major economies' market interest rates since the end of 2018. This has tended to offset exchange rate appreciation stemming from higher commodity prices. Although the terms of trade have increased over the past couple of years, they are expected to decline over time.

Source: www.rba.gov.au Statement by Philip Lowe, Governor: Monetary Policy Decision 5 March 2019 and 2 April 2019. Minutes of the Monetary Policy Meeting of the Reserve Bank Board 2 April 2019.

8. Industry analysis

In this section we have provided an overview of the commodities relevant to Coda.

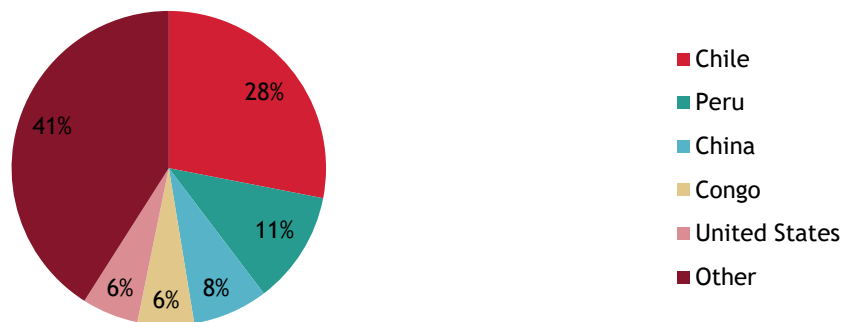
8.1 Copper

Overview

Copper is the third most used metal worldwide in terms of volume. Copper has a wide range of applications, as it is malleable, conducts heat and electricity well, and is resistant to corrosion. It is used extensively in electrical products, vehicle components, construction and infrastructure developments. Industry revenue is primarily driven by demand for copper tubes and wire that are commonly used in the building and construction sector.

In 2018, an estimated 21 million metric tonnes of copper were produced. The chart below shows the countries in which the majority of copper was produced in 2018, with Chile accounting for most of global copper production:

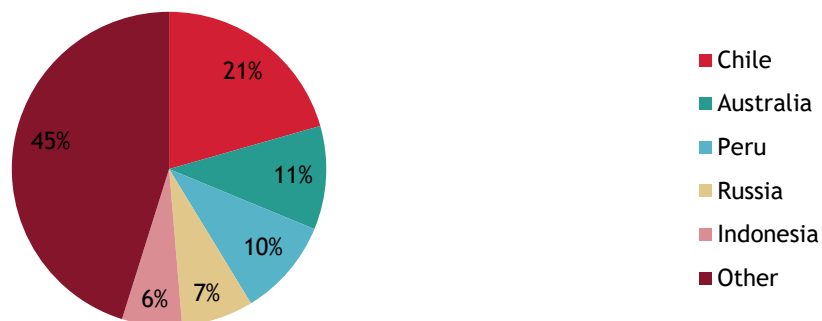
Global Copper Production - 2018



Source: US Geological Survey

The chart below shows the location of the world's copper reserves, with Chile also accounting for most of the total global reserves.

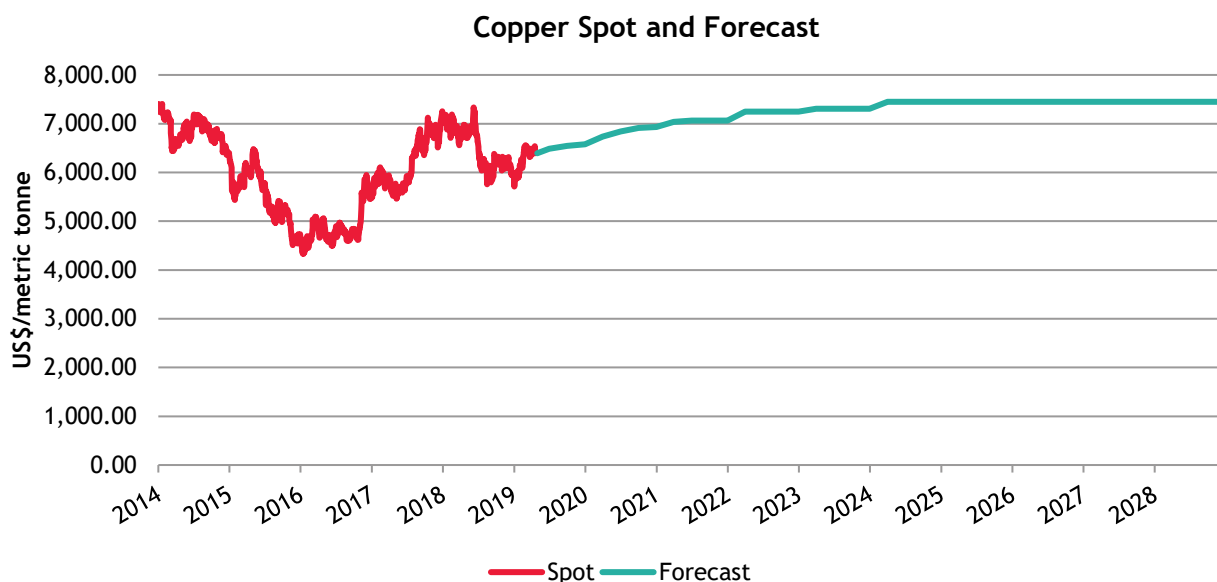
Global Copper Reserves - 2018



Source: US Geological Survey

Price Trends

A summary of the historical spot price of copper, based on the quoted price on the London Metal Exchange in US\$ per metric tonne, and forecasts to 2028 (in nominal terms, free on board) are illustrated in the chart below.



Source: Bloomberg, BDO Analysis and Consensus Economics

Historical prices

Although demand from China for copper has been strong over the past five years, greater product substitution and increased supply has put downward pressure on copper prices. For Australian copper producers, the impact of falling copper prices has been somewhat offset by a weakening Australian dollar over the past five years.

Forecast prices

The price of copper is expected to grow over the next five years led by stronger global economic growth and demand from both developed and emerging countries. Developed market countries like Japan are projected to see an increase in demand for copper as construction and manufacturing activity increases. Emerging countries like China and India are forecast to import substantially more copper over the next five years as they continue to develop.

8.2 Cobalt

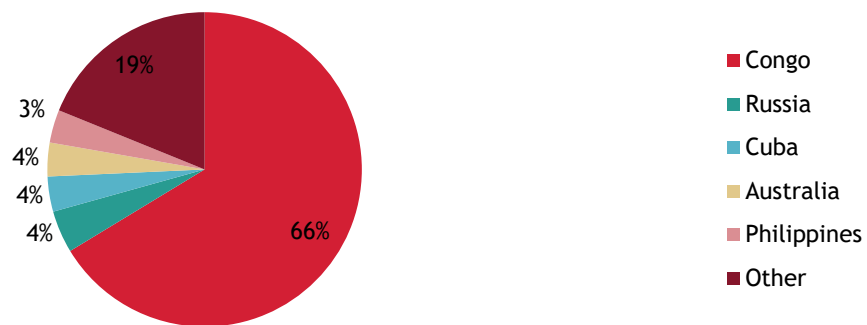
Overview

Almost all global cobalt production occurs as a by-product of mining other commodities, approximately 38% of which comes from nickel mining. Therefore, as nickel production increases, cobalt production can also rise. Cobalt is principally used as a super alloying agent due to its anti-corrosive properties.

Most cobalt is sourced from the Democratic Republic of Congo ('DRC'), however the country is politically unstable and mining operations there often use child labour. Consequently, demand for cobalt produced from Australian mines has also risen as battery manufacturers seek a more reliable and ethical source for the metal.

In 2018, an estimated 140,000 metric tonnes of cobalt were produced. The chart below shows the countries in which the majority of cobalt was produced in 2018, with the DRC the clear leader in global cobalt production:

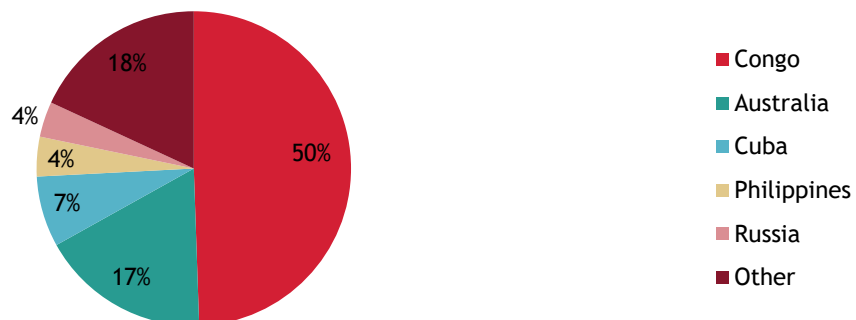
Global Cobalt Production - 2018



Source: US Geological Survey

The chart below shows the location of the world's cobalt reserves, with Congo once again accounting for the most of the total global reserves.

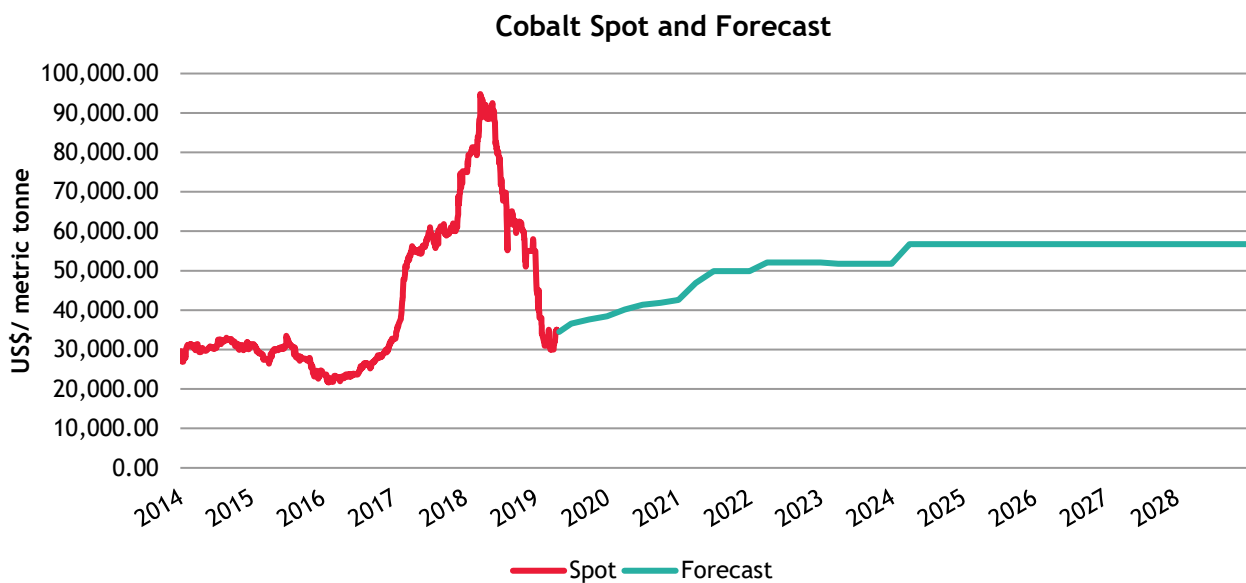
Global Cobalt Reserves - 2018



Source: US Geological Survey

Price Trends

A summary of the historical spot price of cobalt, based on the quoted price on the London Metal Exchange in US\$ per metric tonne, and forecasts to 2028 (in nominal terms, free on board) are illustrated in the chart below.



Source: Bloomberg, BDO Analysis and Consensus Economics

Historical prices

Over the past five years, demand for cobalt has been supported by an increasing demand from battery manufacturers who use the metal to prevent overheating and to extend the usable life of batteries. As cobalt is almost entirely produced as a by-product of nickel and copper mining, growth in the price of cobalt does not necessarily translate to an increase in supply. The falling cobalt price over the past year has primarily been driven by increasing supply from the DRC.

Forecast prices

Global cobalt prices are expected to rise due to the lack of viable cobalt resources globally coinciding with higher global demand. One of the key customers of cobalt is the battery manufacturing industry. While most of the cobalt required by that industry is used in portable electronic devices, the advent of electric vehicles is expected to lead to a step change in demand. An average electric vehicle is expected to require nearly 1,000 times more cobalt than a cell phone.

9. Is the Demerger Scheme reasonable?

The implementation of the Demerger Scheme is expected to provide advantages (and some disadvantages) to Shareholders as set out in the following paragraphs.

9.1 Advantages of Approving the Demerger Scheme

9.1.1. Potential to unlock value in Coda

Although in this report we are not addressing the fairness of the Demerger Scheme in terms of value, we consider that an advantage of approving the Demerger Scheme may be to unlock value in Coda which is currently subdued by the overhang of the issues relating to the Karara Project including the significant guarantees provided by Gindalbie.

9.1.2. Provides Shareholders with an interest in a new entity unencumbered with significant contingent liabilities

The Demerger Scheme provides Shareholders with an interest in Coda which will hold the investment in the Mt Gunson Project together with the agreed cash balance as at the Demerger Implementation Date.

For each Shareholder, this interest represents exactly the same percentage interest as they currently have in Gindalbie. We note that while eligible Gindalbie shareholders will receive Coda shares representing exactly the same percentage interest as they currently have in Gindalbie, Ineligible Foreign Shareholders will have the Coda shares they would have received issued to a Nominee (identity to be determined) and sold in due course with the funds received paid to the Ineligible Foreign Shareholders.

9.1.3. Provides Shareholders with an interest in a new entity which will be able to progress the Mt Gunson Project

The Demerger Scheme provides Shareholders with an interest in Coda which will be in a favourable position to progress what will be its major project, the Mt Gunson Project.

9.1.4. Coda will have an experienced board familiar with the Mt Gunson Project

The Demerger Scheme will deliver to Coda a board of directors with the technical and commercial expertise to progress the Mt Gunson Project.

9.2 Disadvantages of Approving the Demerger Scheme

9.2.1. Shareholders will have an interest in an entity with a less diverse portfolio of assets

Implementation of the Demerger Scheme will reduce the diversity of assets held by Shareholders. This may not be consistent with a particular shareholder's investment portfolio strategy.

9.2.2. Shares in a listed entity replaced by shares in an unlisted entity

Following implementation of the Demerger Scheme, Coda will not be listed although listing is contemplated in the near future. Note that shares in Coda will not be listed until such time as the requirements for listing on the ASX can be met (if at all). Listing is at the ASX's discretion, and there is a

risk that Coda may not meet the requirements for admission to the official list of the ASX and achieve quotation of Coda shares. This means that until they list, shareholders of Coda will hold shares in a public unlisted company.

9.2.3. Ineligible Foreign Shareholders will not receive Coda shares

Ineligible Foreign Shareholders will not be issued with Coda shares but will have the Coda shares they would have received issued to the Nominee and will receive the sale proceeds from the sale of those shares (net of expenses) in due course, such that the Ineligible Foreign Shareholders will not continue to participate in Coda's Mt Gunson Project. Ineligible Foreign Shareholders do not have the ability to retain an interest in Coda.

9.3 Other considerations

9.3.1. Alternative Proposal

We are unaware of any alternative proposal that might offer the Shareholders of Gindalbie a premium over the value resulting from the Demerger Scheme.

9.3.2. Consequences of not approving the Demerger Scheme

If the Demerger Scheme is not approved, then it is likely that the Proposed Transaction will not proceed and Shareholders will continue to hold shares in Gindalbie.

10. Conclusion

We have considered the terms of the Proposed Transaction as outlined in the body of this report and have concluded that the Demerger Scheme is in the best interests of Shareholders.

11. Sources of information

This report has been based on the following information:

- Draft Demerger Scheme Booklet on or about the date of this report;
- Audited financial statements of Gindalbie ;
- Financial information in respect of Coda;
- Share registry information;
- Bloomberg;
- Consensus Economics Forecasts;
- Information in the public domain; and
- Discussions with Directors and Management of Gindalbie.

12. Independence

BDO Corporate Finance (WA) Pty Ltd is entitled to receive a fee of \$50,000 (excluding GST and reimbursement of out of pocket expenses) which covers this IER and our IER relating to the Demerger Scheme. Our fee is not contingent on the conclusion, content or future use of this Report. Except for this fee, BDO Corporate Finance (WA) Pty Ltd has not received and will not receive any pecuniary or other benefit whether direct or indirect in connection with the preparation of this Report.

BDO Corporate Finance (WA) Pty Ltd has been indemnified by Gindalbie Metals Limited in respect of any claim arising from BDO Corporate Finance (WA) Pty Ltd's reliance on information provided by the Gindalbie Metals Limited, including the non provision of material information, in relation to the preparation of this Report.

Prior to accepting this engagement BDO Corporate Finance (WA) Pty Ltd has considered its independence with respect to Gindalbie Metals Limited and Angang Group Hong Kong (Holdings) Limited and any of their respective associates with reference to ASIC Regulatory Guide 112 'Independence of Experts'. In BDO Corporate Finance (WA) Pty Ltd's opinion it is independent of Gindalbie Metals Limited and Angang Group Hong Kong (Holdings) Limited and their respective associates.

Within the past two years, neither the two signatories to this report nor BDO Corporate Finance (WA) Pty Ltd have had any professional relationship with Gindalbie Metals Limited or their associates, other than in connection with the preparation of this Report,

A draft of this Report was provided to Gindalbie Metals Limited and its advisors for confirmation of the factual accuracy of its contents. No significant changes were made to this Report as a result of this review.

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13. Qualifications

BDO Corporate Finance (WA) Pty Ltd has extensive experience in the provision of corporate finance advice, particularly in respect of takeovers, mergers and acquisitions.

BDO Corporate Finance (WA) Pty Ltd holds an Australian Financial Services Licence issued by the Australian Securities and Investment Commission for giving expert reports pursuant to the Listing rules of the ASX and the Corporations Act.

The persons specifically involved in preparing and reviewing this report were Adam Myers and Sherif Andrawes of BDO Corporate Finance (WA) Pty Ltd. They have significant experience in the preparation of independent expert reports, valuations and mergers and acquisitions advice across a wide range of industries in Australia and were supported by other BDO staff.

Adam Myers is a member of Chartered Accountants Australia & New Zealand. Adam's career spans 20 years in the Audit and Assurance and Corporate Finance areas. Adam is a CA BV Specialist and has considerable experience in the preparation of independent expert reports and valuations in general for companies in a wide number of industry sectors.

Sherif Andrawes is a Fellow of the Institute of Chartered Accountants in England & Wales and a Fellow of Chartered Accountants Australia & New Zealand. He has over 30 years' experience working in the audit and corporate finance fields with BDO and its predecessor firms in London and Perth. He has been responsible for over 300 public company independent expert's reports under the Corporations Act or ASX Listing Rules and is a CA BV Specialist. These experts' reports cover a wide range of industries in Australia with a focus on companies in the natural resources sector. Sherif Andrawes is the Corporate Finance Practice Group Leader of BDO in Western Australia, the Global Natural Resources Leader for BDO and a former Chairman of BDO in Western Australia.

14. Disclaimers and consents

This report has been prepared at the request of Gindalbie for inclusion in the Demerger Scheme Booklet which will be sent to all Gindalbie Shareholders. Gindalbie engaged BDO Corporate Finance (WA) Pty Ltd to prepare an independent expert's report to consider Demerger Scheme.

BDO Corporate Finance (WA) Pty Ltd hereby consents to this report accompanying the above Demerger Scheme Booklet. Apart from such use, neither the whole nor any part of this report, nor any reference thereto may be included in or with, or attached to any document, circular resolution, statement or letter without the prior written consent of BDO Corporate Finance (WA) Pty Ltd.

BDO Corporate Finance (WA) Pty Ltd takes no responsibility for the contents of the Demerger Scheme Booklet other than this report.

We have no reason to believe that any of the information or explanations supplied to us are false or that material information has been withheld. It is not the role of BDO Corporate Finance (WA) Pty Ltd acting as an independent expert to perform any due diligence procedures on behalf of the Company. The Directors of the Company are responsible for conducting appropriate due diligence in relation to the Demerger Scheme. BDO Corporate Finance (WA) Pty Ltd provides no warranty as to the adequacy, effectiveness or completeness of the due diligence process.

The opinion of BDO Corporate Finance (WA) Pty Ltd is based on the market, economic and other conditions prevailing at the date of this report. Such conditions can change significantly over short periods of time.

The forecasts provided to BDO Corporate Finance (WA) Pty Ltd by Gindalbie and its advisers are based upon assumptions about events and circumstances that have not yet occurred. Accordingly, BDO Corporate Finance (WA) Pty Ltd cannot provide any assurance that the forecasts will be representative of results that will actually be achieved. We note that the forecasts provided do not include estimates as to the effect of any future emissions trading scheme should it be introduced as it is unable to estimate the effects of such a scheme at this time.

With respect to taxation implications it is recommended that individual Shareholders obtain their own taxation advice, in respect of the Demerger Scheme, tailored to their own particular circumstances. Furthermore, the advice provided in this report does not constitute legal or taxation advice to the Shareholders of Gindalbie, or any other party.

The statements and opinions included in this report are given in good faith and in the belief that they are not false, misleading or incomplete.

The terms of this engagement are such that BDO Corporate Finance (WA) Pty Ltd is required to provide a supplementary report if we become aware of a significant change affecting the information in this report arising between the date of this report and prior to the date of the meeting or during the offer period.

Yours faithfully

BDO CORPORATE FINANCE (WA) PTY LTD



Adam Myers

Director



Sherif Andrawes

Director

Appendix 1 - Glossary of Terms

Reference	Definition
\$	Australian Dollars
The Act	The Corporations Act 2001 Cth
Ansteel	Angang Group Hong Kong (Holdings) Limited
Acquisition Scheme	Scheme of arrangement under which Ansteel has agreed to acquire all the remaining issued capital of Gindalbie it does not already own
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
BDO	BDO Corporate Finance (WA) Pty Ltd
Coda	Coda Minerals Limited
The Company	Gindalbie Metals Limited
Consideration	Cash consideration of \$0.026 for each share held in Gindalbie as part of the Acquisition Scheme
Corporations Act	The Corporations Act 2001 Cth
Demerger Scheme	Scheme of arrangement under which Gindalbie will demerge its wholly owned subsidiary Coda which holds exploration assets located in South Australia via a capital reduction
FOS	Financial Ombudsman Service
Gindalbie	Gindalbie Metals Limited
Ineligible Foreign Shareholders	Certain Gindalbie shareholders with foreign registrations that meet the conditions of an Ineligible Foreign Shareholder as defined in the Demerger Scheme Booklet
JORC Code	The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2012 Edition)
The Nominee	An appropriately licensed person nominated by Gindalbie to sell or facilitate the transfer of the Coda shares attributed to Ineligible Foreign Shareholders under the Demerger Scheme

Reference	Definition
Proposed Transaction	The Acquisition Scheme and the Demerger Scheme as announced by Gindalbie on 11 March 2019
RBA	Reserve Bank of Australia
Regulations	Corporations Act Regulations 2001 (Cth)
Our Report	This Independent Expert's Report prepared by BDO
RG 60	Schemes of arrangement (September 2011)
RG 111	Content of expert reports (March 2011)
RG 112	Independence of experts (March 2011)
Section 411	Section 411 of the Corporations Act
Shareholders	Shareholders of Gindalbie not associated with Ansteel
US\$	United States Dollars

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The Directors

BDO Corporate Finance (WA) Pty Ltd

38 Station Street

SUBIACO, WA 6008

Australia

Appendix 2 - Independent Technical Assessment Report by SRK Consulting (Australasia) Pty Ltd

Independent Specialist Report – Mt Gunson Project, South Australia

Report Prepared for

**Gindalbie Metals Ltd and BDO Corporate
Finance (WA) Pty Ltd**

Report Prepared by



SRK Consulting (Australasia) Pty Ltd

GIN003

May 2019

Independent Specialist Report – Mt Gunson Project, South Australia

Gindalbie Metals Ltd

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SRK Project Number: GIN001

May 2019

Compiled by

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Peer Reviewed by

Jeames McKibben
Principal Consultant

Authors:

Leesa Collin, Karen Lloyd

Executive Summary

Gindalbie Metals Limited (Gindalbie or the Company) has proposed to demerge its wholly owned subsidiary, Coda Minerals Ltd (Coda), to Gindalbie shareholders (Proposed Transaction). After implementation of the Proposed Transaction, the Company intends that Coda will be an exploration company focused on the Mt Gunson Cu-Co Project (Mt Gunson Project or the Project). Coda currently holds an interest in three tenements in South Australia under the Mt Gunson Farm-in Agreement. Gindalbie announced its entry into the Mt Gunson Farm-in Agreement to the ASX on 17 March 2017, and the Agreement was subsequently novated to Kobalamin Ltd (now Coda) on 21 May 2018.

BDO has been appointed by Gindalbie to provide an Independent Expert Report (IER) for inclusion in documentation associated with the transaction. SRK Consulting (Australasia) Pty Ltd (SRK), as Technical Specialist, has been requested by BDO to provide an Independent Specialist Report (Report) to inform the IER, and SRK understands that its Report may be included as an appendix to BDO's IER, which provides comment on the fairness and reasonableness of the Proposed Transaction.

Summary of principal objectives

The objective of this Report is to provide an independent assessment of the technical assumptions that would likely be considered by the market as part of a potential investment or transaction process involving the Project and the Project's tenure.

Outline of work program

SRK has completed a review and assessment of the recent technical work conducted at the Project to determine its reasonableness.

The work program comprised:

- Discussion and enquiry with key personnel from Gindalbie
- A review and assessment of all material technical reports and supporting documentation prepared by and/ or on behalf of Gindalbie to determine its reasonableness for use
- Preparation of an Independent Specialist Report on the Project

This Report has been prepared in accordance with the Australasian Code for Public Reporting of Technical Assessment and Valuation of Mineral Assets – VALMIN Code (2015), which incorporates the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves – JORC Code (2012).

This Report has adopted an effective date of 2 April 2019.

Overview

SRK has completed an assessment of the reported Mineral Resource estimates and exploration and mining studies for the Project.

In SRK's opinion, these Mineral Resource estimates for the Project have been prepared to a sufficient quality standard, reported in accordance with the guidelines of the JORC Code (2012) and are considered to be reasonable as a global representation of tonnes and grade (Table ES-1). SRK has not performed, nor does it accept the responsibilities of a Competent Person as defined by the JORC Code (2012) in respect of the Mineral Resource estimates presented in this Report.

Table ES-1: Mineral Resource estimates for Mt Gunson Project, January 2018

Table 1. Windabout Indicated Resource									
Cu_Eq > 0.5% cut-off					Cu-Eq > 1.0% cut-off				
Mt	Cu (%)	Co (ppm)	Ag (g/t)	Cu-Eq (%)	Mt	Cu (%)	Co (ppm)	Ag (g/t)	Cu-Eq (%)
17.67	0.77	492	8	1.41	11.86	0.95	599	10	1.73

Table 2. MG14 Indicated Resource									
Cu_Eq > 0.5% cut-off					Cu-Eq > 1.0% cut-off				
Mt	Cu (%)	Co (ppm)	Ag (g/t)	Cu-Eq (%)	Mt	Cu (%)	Co (ppm)	Ag (g/t)	Cu-Eq (%)
1.83	1.24	334	14	1.67	1.59	1.33	360	15	1.8

Source: Gindalbie, ASX release dated 19 January 2018

Notes: Tonnes have been rounded. Discrepancies in totals may exist due to rounding. Copper equivalent has been calculated from copper and cobalt metal selling prices, recoveries and other assumptions contained in the Mineral Resource estimate report.

In SRK's opinion, the exploration potential near the MG14 and Windabout deposits for additional stratabound, sediment-hosted copper-style mineralisation is high based on its assessment of the study by International Geoscience and an assessment of the results from the historical drilling programs.

In SRK's opinion, there is exploration potential for iron oxide-copper-gold (IOCG) mineralisation to be discovered at the Project, although this mineralisation is likely to be hosted in the basement volcanic rocks which are covered by sediments of up to 1km in depth.

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Disclaimer

The opinions expressed in this Report have been based on the information supplied to SRK Consulting (Australasia) Pty Ltd (SRK) by Gindalbie Metals Limited (Gindalbie) and BDO Corporate Finance (WA) Pty Ltd (BDO). The opinions in this Report are provided in response to a specific request from BDO to do so. SRK has exercised all due care in reviewing the supplied information. While SRK has compared key supplied data with expected values, the accuracy of the results and conclusions from the review are entirely reliant on the accuracy and completeness of the supplied data. SRK does not accept responsibility for any errors or omissions in the supplied information and does not accept any consequential liability arising from commercial decisions or actions resulting from them. Opinions presented in this Report apply to the site conditions and features as they existed at the time of SRK's investigations, and those reasonably foreseeable. These opinions do not necessarily apply to conditions and features that may arise after the date of this Report, about which SRK had no prior knowledge nor had the opportunity to evaluate.

1 Introduction and Scope of Report

Gindalbie Metals Limited (Gindalbie or Company) has proposed to demerge its wholly owned subsidiary, Coda Minerals Ltd (Coda), to Gindalbie shareholders (Proposed Transaction). After implementation of the Proposed Transaction, the Company intends that Coda will be an exploration company focused on the Mt Gunson Cu-Co Project (Mt Gunson Project or Project). Coda currently holds an interest in three tenements in South Australia under the Mt Gunson Farm-in Agreement. Gindalbie reported its entry into the Mt Gunson Farm-in Agreement to the ASX on 17 March 2017, and the Agreement was subsequently novated to Kobalamin Ltd (now named Coda Minerals Ltd) on 21 May 2018.

BDO Corporate Finance (WA) Pty Ltd (BDO) has been appointed by Gindalbie to provide an Independent Expert Report (IER) for inclusion in documentation associated with the Proposed Transaction. SRK Consulting (Australasia) Pty Ltd (SRK), as Technical Specialist, has been requested by BDO to provide an Independent Specialist Report (Report) to inform the IER, and SRK understands that its Report may be included as an appendix to BDO's IER, which provides comment on the fairness and reasonableness of the Proposed Transaction.

As defined in the VALMIN Code (2015), mineral assets comprise all property including (but not limited to) tangible property, intellectual property, mining and exploration tenure and other rights held or acquired in relation to the exploration, development of and production from those tenures. This may include plant, equipment and infrastructure owned or acquired for the development, extraction and processing of Minerals relating to that tenure.

For this Report, the Project and tenure was classified in accordance with the categories outlined in the VALMIN Code (2015), these being:

- **Early Stage Exploration Projects** – Tenure holdings where mineralisation may or may not have been identified, but where Mineral Resources have not been identified.
- **Advanced Exploration Projects** – Tenure holdings where considerable exploration has been undertaken and specific targets have been identified that warrant further detailed evaluation, usually by drill testing, trenching or some other form of detailed geological sampling. A Mineral Resource estimate may or may not have been made, but sufficient work will have been undertaken on at least one prospect to provide both a good understanding of the type of mineralisation present and encouragement that further work will elevate one or more of the prospects to the Mineral Resources category.
- **Pre-Development Projects** – Tenure holdings where Mineral Resources have been identified and their extent estimated (possibly incompletely), but where a decision to proceed with development has not been made. Properties at the early assessment stage, properties for which a decision has been made not to proceed with development, properties on care and maintenance and properties held on retention titles are included in this category if Mineral Resources have been identified, even if no further work is being undertaken.
- **Development Projects** – Tenure holdings for which a decision has been made to proceed with construction or production or both, but which are not yet commissioned or operating at design levels. Economic viability of Development Projects will be proven by at least a pre-feasibility study (PFS).
- **Production Projects** – Tenure holdings – particularly mines, wellfields and processing plants that have been commissioned and are in production.

SRK has classified the Mineral Resources at Mt Gunson Project at a Pre-Development stage and its tenure at an Advanced Exploration stage in line with the classifications set out in the VALMIN Code (2015).

1.1 Nature of the brief and summary of principal objectives

SRK was instructed to prepare the Report by BDO. The Report may be included as an appendix to BDO's IER, which will provide an opinion on the fairness and reasonableness of the Proposed Transaction. The objective of this Report is to provide an independent technical assessment of the Mt Gunson Project and its tenure.

Key areas reviewed by SRK include:

- Mineral Resources currently defined at Mt Gunson
- Exploration tenure outside of the defined Mineral Resource area.

This Report expresses an opinion regarding the technical merits of the Project's assets. This Report does not comment on the 'fairness and reasonableness' of any transaction between the owners of these mineral interests and any other parties.

1.2 Reporting standard

This Report has been prepared to the standard of, and is considered by SRK to be, a Technical Assessment under the guidelines of the VALMIN Code (2015). It should be noted that the authors of this Report are Members or Fellows of either the Australasian Institute of Mining and Metallurgy (AusIMM) or the Australian Institute of Geoscientists (AIG) and, as such, are bound by both the VALMIN and JORC Codes. For the avoidance of doubt, this report has been prepared according to:

- The 2015 edition of the Australasian Code for Public Reporting of Technical Assessments and Valuations of Mineral Assets (VALMIN Code)
- The 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code).

As per the VALMIN Code (2015), a first draft of the report was supplied to BDO and Gindalbie to check for material error, factual accuracy and omissions before the final report was issued. SRK's scope of work was limited to the second draft of the Report after a round of edits by BDO and Gindalbie. The final report was issued following review of any comments by the project team.

1.3 Work program

This assignment commenced in March 2019, with a technical assessment of publicly available data, reports and other information sourced from subscription databases such as S&P Market Intelligence database services. A review and assessment of all material technical reports and supporting documentation prepared by and/ or on behalf of Gindalbie was then undertaken to determine its reasonableness for use. Further to this review and assessment this Report was prepared by SRK.

In accordance with the VALMIN Code (2015) Section 11.1 a site inspection to the Project was not undertaken by SRK as the Project is considered to be an Advanced Exploration Project where a site visit was not likely to reveal additional information which was material to the Report. Legal matters

1.3.1 Legal matters

SRK has not been engaged to comment on any legal matters. SRK notes that it is not qualified to make legal representations as to the ownership and legal standing of the mineral tenements that are the subject of this Report. SRK has not attempted to confirm the legal status of the tenements with respect to joint venture agreements, local heritage or potential environmental or land access restrictions.

SRK has sighted documentation supplied by Gindalbie from relevant Government Agencies and Clayton Utz, an independent legal firm, which indicates that Gindalbie has legal rights to the minerals that are the subject of this Report. SRK has relied on the accuracy and completeness of the technical documentation supplied to it by Gindalbie. SRK has made all reasonable enquiries into this status as at 2 April 2019.

1.4 Key data sources

The public reporting of key data to the Australian Securities Exchange (ASX) and information relating to the Project, as used by SRK during the preparation of this Report are noted in the Report.

1.5 Effective date

The effective date of this Report is 2 April 2019.

1.6 Project team

This Report has been prepared by a team of consultants from SRK's offices within Australia. Details of the qualifications and experience of the consultants who have carried out the work in this Report, who have extensive experience in the mining industry and are members in good standing of appropriate professional institutions, are set out below.

Leesa Collin, Senior Consultant (Resources and Project Valuation), BSc AppSci (Geophys), GDip AppSci (Economic Geol), MAusIMM

Leesa Collin is a geologist with 22 years' experience working on mineral exploration, resource development and project evaluation. She has experience across multiple commodities including battery minerals, precious metals, base metals and bulk commodities. Leesa has undertaken prospectus development for multiple listings and Independent Technical Expert reporting for merger and acquisition activity. She has specific expertise in assessing and articulating the risk profile of opportunities on behalf of mining, banking and investment houses for project financing and mergers and acquisitions.

Leesa is a Member of the Australasian Institute of Mining and Metallurgy and has the appropriate relevant qualifications, experience, competence and independence to be considered a 'Specialist', 'Competent Person', and 'Qualified Person' under the VALMIN (2015) and JORC (2012) Codes respectively.

Karen Lloyd, Associate Principal Consultant (Project Evaluation), BSc (Hons), MBA, FAusIMM

Karen has more than 20 years international resource industry experience gained with some of the major mining, consulting and investment houses globally. She specialises in independent reporting, mineral asset valuation, project due diligence, and corporate advisory services. Karen has worked in funds management and analysis for debt, mezzanine and equity financing and provides consulting and advisory in support of project finance. She has been responsible for multi-disciplinary teams covering precious metals, base metals, industrial minerals and bulk commodities in Australia, Asia, Africa, the Americas and Europe. Karen has the appropriate relevant qualifications, experience,

competence and independence to be considered a 'Specialist' and 'Competent Person' under the VALMIN (2015) and JORC (2012) Codes, respectively.

Jeames McKibben, Principal Consultant (Project Evaluation), BSc(Hons), MBA, MAusIMM(CP), MAIG, MRICS

Jeames is an experienced international mining professional having operated in a variety of roles including consultant, project manager, geologist and analyst over more than 24 years. He has a strong record in mineral asset valuation, project due diligence, independent technical review and deposit evaluation. As a consultant, he specialises in mineral asset valuations and Independent Technical Reports for equity transactions and in support of project finance. Jeames has been responsible for multi-disciplinary teams covering precious metals, base metals, bulk commodities (ferrous and energy), industrial minerals and other minerals in Australia, Asia, Africa, North and South America and Europe. He has assisted numerous mineral companies, financial, accounting and legal institutions and has been actively involved in arbitration and litigation proceedings. Jeames has experience in the geological evaluation and valuation of mineral projects worldwide. He is a Member of the Australasian Institute of Mining and Metallurgy (MAusIMM), a Member of the Australian Institute of Geoscientists (MAIG), and a Member of the Royal Institution of Chartered Surveyors (MRICS). James has the appropriate relevant qualifications, experience, competence and independence to be considered a 'Specialist' and 'Competent Person' under the VALMIN (2015) and JORC (2012) Codes, respectively.

1.7 Limitations, reliance on information, declaration and consent

1.7.1 Limitations

SRK's opinion contained herein is based on information provided to SRK by Gindalbie throughout the course of SRK's assessment as described in this Report, which in turn reflects various technical and economic conditions at the time of writing. Such technical information as provided by Gindalbie was taken in good faith by SRK. SRK has not independently verified Mineral Resources or Ore Reserve estimates by means of recalculation.

This report includes technical information, which requires subsequent calculations to derive subtotals, totals, averages and weighted averages. Such calculations may involve a degree of rounding. Where such rounding occurs, SRK does not consider them to be material.

As far as SRK has been able to ascertain, the information provided by Gindalbie was complete and not incorrect, misleading or irrelevant in any material aspect.

Gindalbie has confirmed in writing to SRK that full disclosure has been made of all material information and that to the best of its knowledge and understanding, the information provided by Gindalbie was complete, accurate and true and not incorrect, misleading or irrelevant in any material aspect. SRK has no reason to believe that any material facts have been withheld.

1.7.2 Statement of SRK independence

Neither SRK, nor any of the authors of this Report, has any material present or contingent interest in the outcome of this Report, nor any pecuniary or other interest that could be reasonably regarded as capable of affecting the independence of SRK. SRK has no prior association with Gindalbie regarding the Project. SRK, nor any of the authors of this Report has no beneficial interest in the outcome of the technical assessment capable of affecting its independence.

1.7.3 Indemnities

As recommended by the VALMIN Code (2015), Gindalbie has provided SRK with an indemnity under which SRK is to be compensated for any liability and/ or any additional work or expenditure resulting from any additional work required:

- which results from SRK's reliance on information provided by Gindalbie or not providing material information; or
- which relates to any consequential extension workload through queries, questions or public hearings arising from this Report.

1.7.4 Consent

SRK consents to this Report being included, in full, in BDO's documents in the form and context in which the technical assessment is provided, and not for any other purpose. SRK provides this consent on the basis that the technical assessment expressed in the Summary and in the individual sections of this Report is considered with, and not independently of, the information set out in the complete report.

1.7.5 Consulting fees

SRK's estimated fee for completing this Report is based on its normal professional daily rates plus reimbursement of incidental expenses. The fees are agreed based on the complexity of the assignment, SRK's knowledge of the assets and availability of data. The fee payable to SRK for this engagement is estimated at approximately A\$15,120. The payment of this professional fee is not contingent upon the outcome of this Report.

2 Mt Gunson Copper-Cobalt Project

2.1 Location, access and climate

The Project is centred approximately 35 km south-east of the town of Woomera and 135 km north-west of Port Augusta in South Australia. The Project covers 739 square kilometres in the Olympic Dam Copper Province. The Project is located 100 km south of BHP Billiton's Olympic Dam copper-gold-uranium mine and 50 km west of OZ Minerals' Carrapateena copper-gold project.

The Project is accessed from Woomera via the Stuart Highway and then 10 km is established unsealed roads. The main transcontinental railway (Adelaide to Perth, and Adelaide to Darwin) railway runs parallel to the Stuart Highway and electrical grid power and scheme water are connected to the Project. The nearest regional airports are Roxby Downs and Port Augusta which are regularly serviced from the South Australian state capital of Adelaide. An airstrip for light aircraft is located at the Project. Accommodation facilities and local labour are sourced from the regional town of Woomera.



Figure 2-1: Location of Mt Gunson Project¹

¹ Torrens Mining Limited, 2016. Mt Gunson – South Australia's next Copper-cobalt Mine. Corporate Presentation. <http://www.saexplorers.com.au/archive/2016/16shedden.pdf>

Woomera experiences an arid climate with hot, dry summers and cool, mostly dry winters. The hottest months are January and February, with temperatures over 34°C. On average, there are two days a month with rainfall in excess of 1 mm. Exploration activities can be undertaken unencumbered year-round.

2.2 Project metrics

Summary Project metrics are:

- 1 The Project comprises three granted exploration leases; EL 5635, EL 6141 and EL 6265, totalling 739 km².
- 2 The Windabout and MG14 prospects have a total Indicated Mineral Resources reported in accordance with the JORC Code (2012) guidelines of 19.5 Mt at 0.81% Cu, 477 ppm Co, 8.6 g/t Ag, 1.43 % Cu-Eq (using 0.5 % Cu-Eq grade cut-off).

2.3 Ownership and tenements

SRK has sighted documentation prepared by Clayton Utz, an independent legal firm appointed by Gindalbie. The documentation indicates that, as at 2 April 2019, Terrace Mining Pty Ltd (Terrace), a wholly owned subsidiary of Torrens Mining Limited (Torrens) is the registered holder and legal and beneficial owner of all shares in three contiguous granted Exploration Licences, EL 5635, EL 6141 and EL 6265 which comprise the Project. The Exploration Licences cover a total area of 73,900 ha (739 km²). SRK has made all reasonable enquiries into the tenure status as at 2 April 2019 and has relied on this information for the purpose of this Report.

Figure 2-2 and Table 2-1 present a summary of the ownership and tenure status at 2 April 2019.

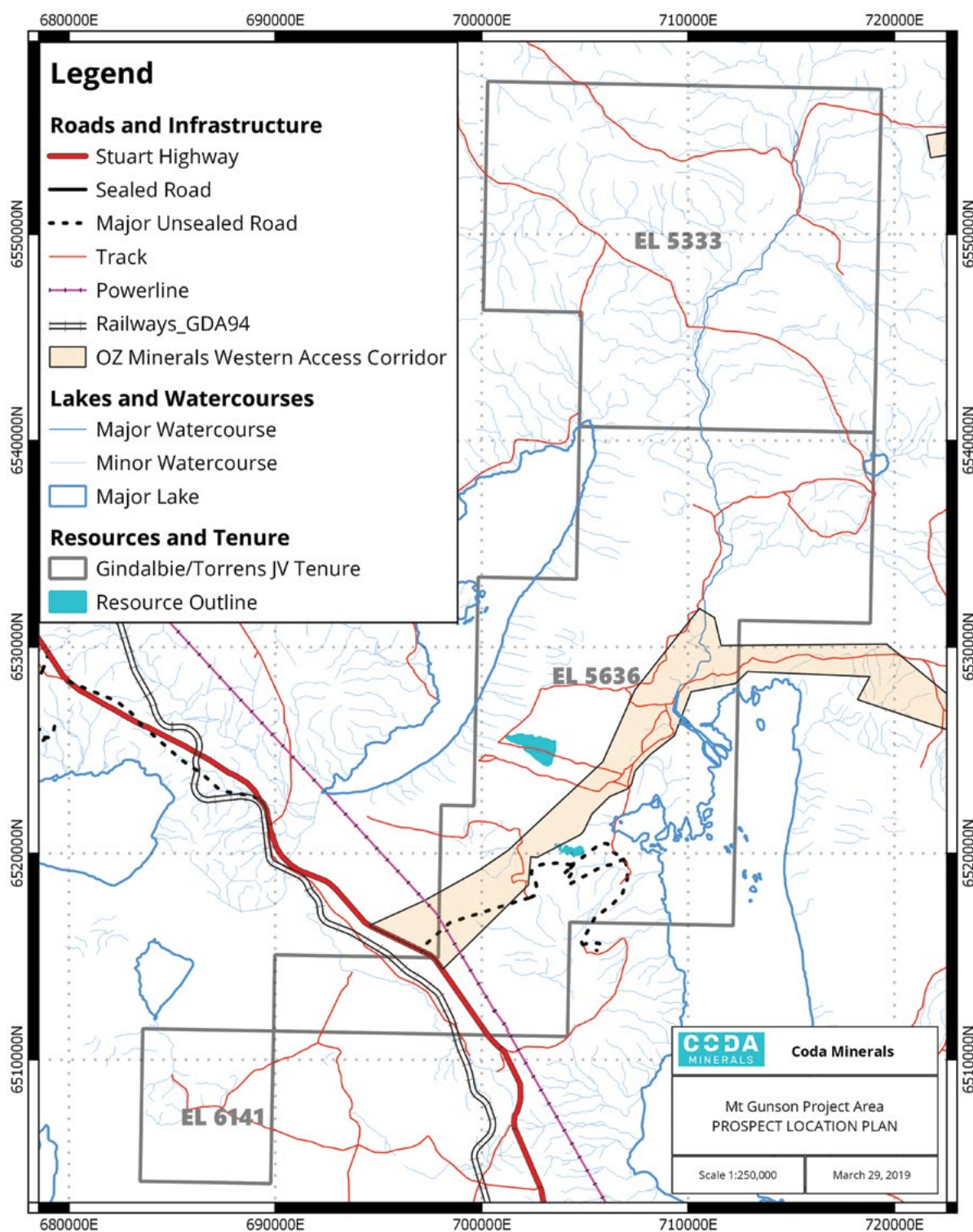


Figure 2-2: Mt Gunson Project tenure and infrastructure

Source: Gindalbie

Table 2-1: Tenement schedule

Tenement	Registered Holder / Applicant	Percentage Held	Grant Date	Expiry Date	Commodities Permitted	Area (km ²)	Current Bond	Minimum Expenditure (A\$)	Registered Encumbrances	Native Title
EL 5636*	Terrace Mining Pty Ltd (ACN 161 377 340)	100%	25/03/2015	24/03/2020	Silver, cobalt, gold and copper	401	A\$10,000 cash bond (Bond 1069)	A\$900,000 during the period 25/03/2017 to 24/03/2020	Farm-in/Joint Venture 41502	Kokatha People (Part A) Native Title determination (SCD2014/004) Kokatha Native Title Claim Settlement ILUA (SI2014/011) NTMA381 - Mining Native Title Agreement for Exploration Mining Native Title Agreement 47 - Access Inspection Agreement Two registered Aboriginal sites within the boundary.
EL 6141	Terrace Mining Pty Ltd (ACN 161 377 340)	100%	29/10/2017	28/10/2019	Silver, cobalt, gold, copper and uranium	47	N/A	A\$280,000 during the period 29/10/2017 to 28/10/2019	Farm-In/Joint Venture 41502	Kokatha People (Part A) Native Title determination (SCD2014/004) Kokatha Native Title Claim Settlement ILUA (SI2014/011) NTMA381 - Mining Native Title Agreement for Exploration
EL 6265	Terrace Mining Pty Ltd (ACN 161 377 340)	100%	07/10/2018	06/10/2020	Gold and copper	291	N/A	A\$960,000 during the period 07/10/2018 to 06/10/2020	Farm-in/Joint Venture 41502	Kokatha People (Part A) Native Title determination (SCD2014/004) Kokatha Native Title Claim Settlement ILUA (SI2014/011) NTMA381 - Mining Native Title Agreement for Exploration

*EL 5636 is overlapped by tenements jointly held and operated by OZM Carrapateena Pty Ltd/ OZ Minerals Carrapateena Pty Ltd being MPL 152, EML 6480, EML 6481, EML 6482. This overlap is managed in accordance with the Dual Tenement Agreement (Section 2.3.2).

EL 5636 is also overlapped by MPL 1, ML 5598, ML 5599, ML 3718, ML 3719, ML 3720, ML 3721, ML 3717 which are tenements held and operated by A & MJ Musolino Pty Ltd and EML 6192 which is held by A & MJ Musolino Pty Ltd and operated by Hornet Resource Assessment Services Pty Ltd. These tenements were excluded from the area of grant for EL 5636.

2.4 Registered Encumbrances and Material Contracts

2.4.1 Farm-in and Joint Venture 41502

Gindalbie entered into a Farm-in and Joint Venture Agreement with Terrace Mining Pty Ltd in March 2017 to earn up to a 75% interest in the Project via staged expenditure requirements as presented in Figure 2-3. Gindalbie's interests in the Agreement were novated to its wholly owned subsidiary, Coda Minerals Ltd.

Stage 1	Stage 2	Stage 3	Other
- Gindalbie commits to fund mining and processing studies identified in the Scoping Study as critical next steps - Gindalbie may exit the Farm-in retaining 25% after completion of Stage 1	- Gindalbie commits to fund feasibility and development work up to a total of A\$2.50M in order to earn 51% - If Gindalbie elects to exit the Farm in after the completion of Stage 2 then it will retain 49% of the total Project area - Stage 2 work must be completed within 4 years of the farm-in commencement date	- Gindalbie may elect to fund further feasibility work to achieve a Decision to Mine up to a total of A\$2.75M at which point it will automatically earn 70% of the total Project assets - If a decision to mine is achieved prior to total farm-in expenditure of A\$6.62M then Gindalbie will pay the difference to Torrens - Stage 3 work must be completed within a maximum of 6 years from the farm-in commencement date	- Funds and timeframes are indicative only of Gindalbie's commitments and may not reflect actual feasibility costs and timeframes - On completion of Stage 3, Gindalbie will have the option to purchase a further 5% of the project for A\$1.50M - If a Decision to Mine has not been reached on total expenditure of A\$6.62M then Torrens will be free-carried up to a total of A\$8.62M after which they will be liable for their share of feasibility and development expenditure
Project interest: 25% earned on expenditure of A\$1.37M	Project interest: 51% earned on expenditure of A\$2.50M in addition to Stage 1	Project interest: 70% earned on expenditure of A\$2.75M in addition to Stage 2	- Free carry to A\$8.62M in total feasibility expenditure - Option to acquire an additional 5% for A\$1.50M

Figure 2-3: March 2017 Project farm-in process

On 18 August 2018, Gindalbie reported to the ASX that it had satisfied the Stage 1 expenditure commitment to allow transfer of the initial 25% interest in the Project to Coda from Terrace Mining.

2.4.2 Dual Tenement Agreement

- A. Under a Dual Tenement Agreement dated 11 May 2017 between OZ Minerals Carrapateena Pty Ltd (OZ Minerals), OZM Carrapateena Pty Ltd (OZM) and Terrace Mining (Dual Tenement Agreement), Terrace Mining granted consent to OZ Minerals and OZM to jointly apply for:
- up to 10 miscellaneous purposes licences in relation to a mineral lease applied for by OZ Minerals and OZM jointly for an east/ west site access and haulage road, power transmission line with access corridors and associated infrastructure
 - up to 10 miscellaneous purposes licences in relation to a mineral lease applied for by OZ Minerals and OZM jointly, within the area of an exploration licence tenement (or tenements) held by them, for bore fields, pipelines and access roads and associated infrastructure
 - mineral claims for up to 25 extractive minerals leases to be applied for by OZ Minerals and OZM jointly; and
 - up to 25 extractive minerals leases to be applied for by OZ Minerals and OZM jointly,
- over an area to the east of EL 5636 and EL 6252 held by Terrace Mining for the purpose of the Carrapateena copper-gold project.
- B. Since the commencement of the Dual Tenement Agreement, OZ Minerals and OZM have jointly been granted MPL 152, EML 6480, EML 6481 and EML 6482 (OZ Tenements). The OZ Tenements are overlapped by the area of EL 5636 held by Terrace Mining.

- C. The Dual Tenement Agreement regulates the respective mining operations of the common operations areas the subject to both of the OZ Tenements and EL 5636 to the extent of any overlap.
- D. Key relevant provisions of the Dual Tenement Agreement include:
 - 1 Terrace Mining must seek written consent from OZ Minerals and OZM prior to conducting any drilling, exploration activity or other mining operations as permitted under the grant of EL 5636 and EL 6252 that occurs within 100 m of any infrastructure constructed by or on behalf of the OZ Minerals and OZM located within the area of the granted mineral purposes licence (being MPL 152).
 - 2 Each party acknowledges that the other party has a right to carry on mining operations within the common operations area provided that OZ Minerals and OZM are not in breach of any material provision of the Dual Tenement Agreement, OZ Minerals and OZM have a right to carry on mining operations with the common operations area pursuant to the instruments of grant for the OZ Tenements in priority to Terrace Mining pursuant to the instruments of grant for EL 5636 and EL 6252.
 - 3 The parties have agreed to use best endeavours to minimise interference caused by their operations in the common operations area and co-operate to reduce or minimise capital and operational costs.
 - 4 Terrace Mining has a right of first refusal in circumstances where OZ Minerals and OZM propose or decide to dispose of infrastructure located within the area of the OZ Tenements, subject to requirements under any applicable laws or conditions of the OZ Tenements to remove or dispose of the infrastructure.
 - 5 Agreement by the parties that their rights, interests or obligations under the Dual Tenement Agreement may only be assigned with written consent of the other party (which must not be unreasonably withheld) and the assignor must procure that the assignee enter into a deed of assumption that covenants that the assignee is bound to the obligations of the assignor and the terms and conditions of the Dual Tenement Agreement.

2.4.3 Glycine Licence

Under a Licence Agreement dated 4 May 2017 between Mining & Process Solutions (MPS), Terrace Mining and Gindalbie (Glycine Licence), MPS granted non-transferable, non-exclusive intellectual property licences (including patent rights and know-how) relating to the processing of copper, cobalt and silver ores and concentrates thereof, and secondary processing of other metals that occur naturally, to Terrace and Gindalbie for use on EL 5636, EL 5333 (now EL 6252) and EL 5108 (now EL 6141).

Terrace Mining and Gindalbie must pay licence fees to MPS and comply with the terms and conditions set out in the agreement, including in relation to sub-licensing. Gindalbie may sub-licence some or all of its rights under the Glycine Licence by written agreement and with prior notice to MPS.

The term of the Glycine Licence expires if Terrace Mining and Gindalbie have not entered into a binding unconditional contract with one or more contractors to build an operating plant on or before 14 February 2024, or otherwise the date that is the later of 4 May 2032 and the date upon which the first granted patent expires.

Curtin University, a body corporate established under the *Curtin University of Technology Act 1966* (WA) of Kent Street, Bentley, Western Australia (Curtin), entered into a contract with MPS dated 12 April 2017 pursuant to which Curtin authorised MPS to perform certain activities involving inventions (Technology) which are the subject of patent rights owned by Curtin (Curtin Contract).

Under the Curtin Contract, MPS is authorised to sub-licence the Technology to third parties, one such example being the Glycine Licence. While Curtin has a right to terminate the Curtin Contract (Termination Right), under deeds of covenant between Curtin, Gindalbie and Terrace Mining dated 4 May 2017 and between Curtin and Gindalbie dated 4 May 2017, Curtin provided covenants to Gindalbie and Terrace Mining and Gindalbie (respectively) that in the event that Curtin exercises its Termination Right, Curtin's rights under the Glycine Licence will continue.

2.5 Native Title

A Native Title mining agreement, dated 2016, is registered in respect of the Project. The agreement is made pursuant to Part 9B of the *Mining Act* and has been entered into between Terrace Mining and Kokatha Aboriginal Corporation RNTBC (Kokatha RNTBC) (Native Title Agreement). Kokatha RNTBC, which holds the determined Native Title rights and interests in trust for the Kokatha People Native Title holders, has provided a warranty that it has the authority to execute the agreement on behalf of the Native Title holders.

The registered Native Title Agreement provides a process for clearance by the Kokatha RNTBC and to authorise the mining exploration operations. With respect to conduct of activities under the agreement, Terrace Mining is not liable for the personal health or safety or otherwise of persons engaged by Kokatha RNTBC except in cases of negligence or wilful misconduct.

In documentation prepared by Clayton Utz, it is noted that although this is not an Aboriginal heritage agreement under the *Aboriginal Heritage Act 1998 (SA)* (the AH Act), there is an obligation on Terrace Mining to comply with the AH Act and there are provisions relating to the treatment of areas of significance or Aboriginal objects.

Assignment of the agreement can occur subject to the acquiring party signing a deed of assignment and assumption assuming obligations under and being bound by the terms and conditions of the agreement.

While there is no compensation regime under this Native Title Agreement, Terrace Mining does have an obligation to pay for various costs relating to Clearance Work. There is also an obligation on Terrace Mining to use reasonable endeavours to engage and offer employment opportunities to the Native Title holders.

2.6 Royalties

Royalties will be distributed to the South Australian Government at the rate of 5.0% of the royalty value of any concentrate material produced from the Project should the Project progress through feasibility studies and processing commences. This rate is the *ad valorem* rate which applies to concentrate material as outlined in section 17(5) of the *Mining Act 1971*.

Under the terms of the Sale & Purchase Agreement between Terrace and Strandline Resources Limited (Strandline) dated 14 December 2015, Strandline is eligible to receive a deferred cash payment of A\$1.00M should a formal decision to mine in connection with the Project be made. In the event of substantially all the ownership of the Project being acquired by a third party prior to a decision to mine being made, A\$250,000 of the deferred cash consideration is payable. The balance will be converted to a 2% Net Smelter Royalty (NSR) capped at A\$1.25M, with the option at Terrace's election to buy back the Royalty at any time for A\$750,000.

SRK understands that under the terms of the Sale & Purchase Agreement, the deferred cash payment will be retained as a Terrace liability should the Proposed Transaction proceed.

2.7 History

2.7.1 Mining history

The mining history surrounding the Project has been summarised from Ken F. Bampton's article 'Copper mining and treatment in South Australia' (MESA Journal 28, 2003). This history relates to the MPL 1, ML 5599, ML 5598, ML 3718, ML 3719, ML 3720, ML 3721, ML 3717 which are tenements held and operated by A & MJ Musolino Pty Ltd and EML 6192 which is held by A & MJ Musolino Pty Ltd as noted in Section 2.2 of this Report.

Economic mineralisation was discovered at Mount Gunson in 1875 and production was first recorded in 1899. A smelter was erected in the Main Open Cut (MOC) area in 1904 and a leach and cementation plant was commissioned in 1915. Rio Tinto Southern mined 32 000 t of 3.5% Cu and 14 g/t Ag from the MOC during the period 1941–1943.

The Cattlegrid prospect was developed from 1974 to 1986, where 7.2 Mt of 1.9% Cu was produced from the Cattlegrid Mine. From 1987 to 2003, the Adelaide Chemical Company (ACC) produced 14,000 t of copper in cement and it is understood that this copper in cement was transported by road to the Burra cupric oxide plant. This copper in cement was sourced from the heap leaching of 1.2 Mt of 1.3% Cu oxide ore from the MOC area, Gunyot, House and Core Shed prospects and 2,000 t from in-place leaching (after blasting) of low-grade (0.4% Cu) chalcocite remnants on the Cattlegrid Mine pit floor.

Both sandstone-hosted and shale-hosted mineralisation types occur at Mt Gunson. Only the former was mined historically, with the principal economic copper-bearing mineral being chalcocite. Bornite and chalcopyrite occur locally along with accessory carrollite, galena and sphalerite. Historical mining locations and deposit areas are shown in Figure 2-4.

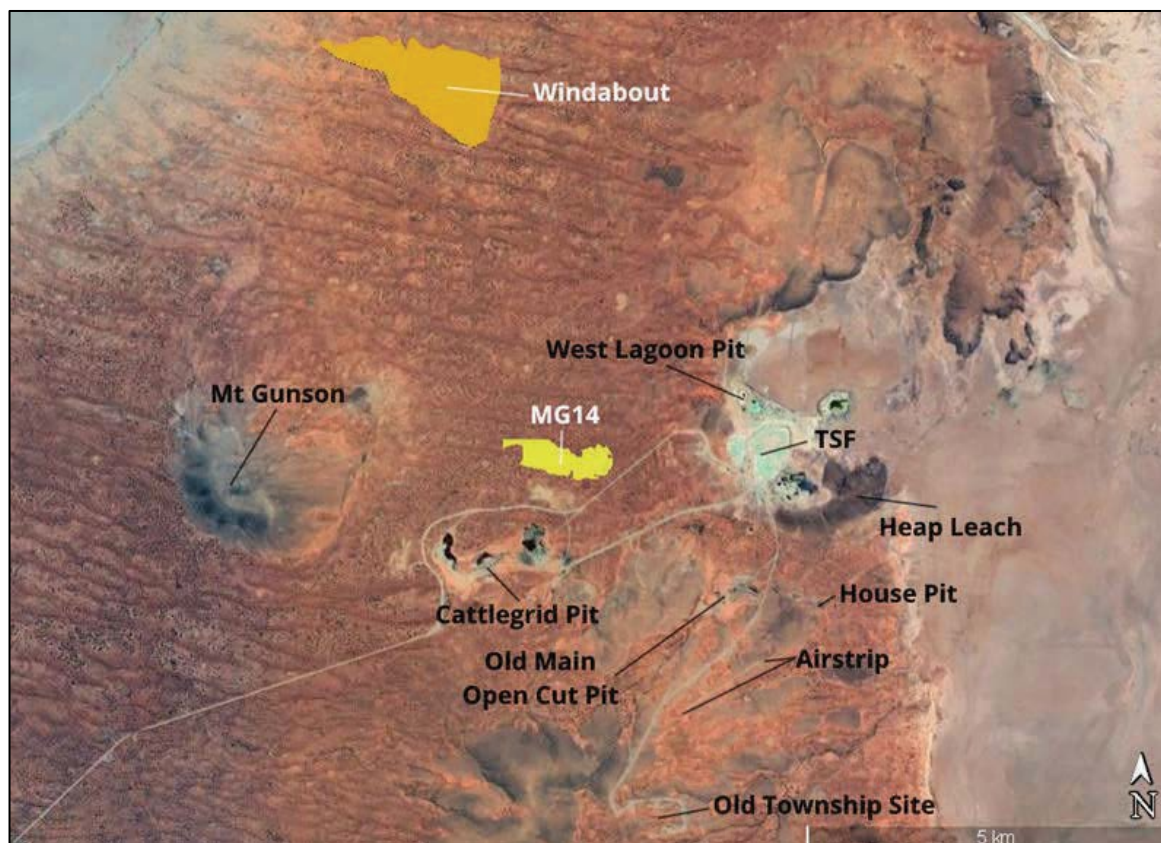


Figure 2-4: Location of historical mining and deposit areas

Source: Gindalbie

2.7.2 Modern exploration history

The summary below of the exploration history for the Project has been derived from S&P Global's Market Intelligence database on the Mount Gunson Work History².

Modern exploration at the Project commenced in the 1960s with Pacminex (CSR) discovering both the MG14 prospect and mineralisation 1.6 km south of the Cattlegrid historical workings (Cattlegrid South) in the early 1970s. In early 1990, ACC further defined the MG14 mineralisation. Mineralisation at the Windabout prospect was discovered during this time. Between 1984 and 1995, Carpentaria Exploration and MIM Exploration drilled 15 deep drill holes 40 km to the north of the historical workings, and discovered the Emmie Bluff prospect. From July 1995 Stuart Metals (Stuart) progressed technical studies on the Windabout prospect however these studies were not finalised as a result of low copper metal prices in 1996.

In February 2000 Gunson Resources Ltd (Gunson) acquired tenements which cover the Project area. From 2000 to 2012 Gunson's regional exploration campaigns, in Joint Venture with BHP Billiton and Noranda Pacific) were focussed on the potential discovery of iron oxide-copper-gold (IOCG) targets. These Joint Venture agreements reflected the positive sentiment for IOCG prospectivity in the region at that time.

The South Australian Resources Information Geoserver (SARIG) drill holes geospatial data layer reflecting the 2000 to 2012 exploration drill holes over the Project area is shown in Figure 2-5.

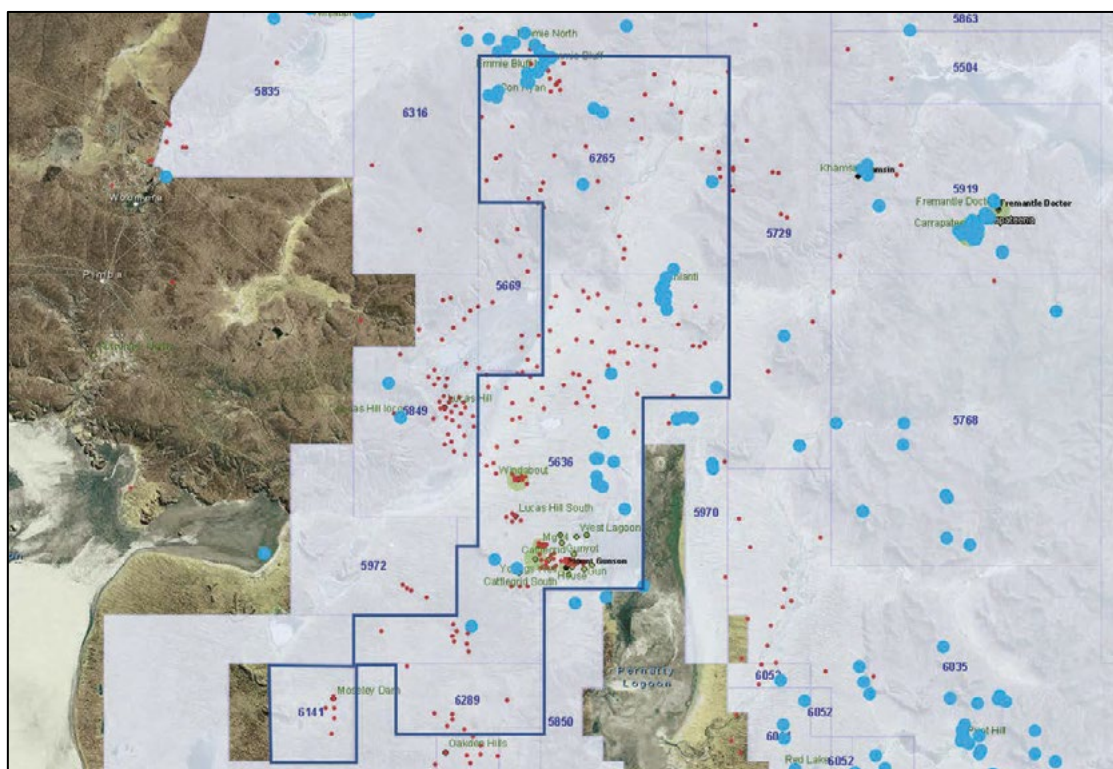


Figure 2-5: Location of historical drill locations highlighting holes deeper than 600 m³

² S&P Global, 2019. Market Intelligence, Mount Gunson, Work History.
<https://www.snl.com/web/client?auth=inherit#metalsAndMiningProperty/workHistory?ID=27734>,
 accessed 10/04/2019

³ Government of South Australia, 2019. South Australian Resources Information Gateway (SARIG),
http://www.energymining.sa.gov.au/minerals/online_tools accessed 29/03/2019

In December 2013, Gunson (now named Strandline Resources) announced a farm-in agreement with Terrace Mining Pty Ltd, a wholly owned subsidiary of Torrens Mining Limited (Torrens). Torrens completed an initial scoping study at the MG14 and Windabout prospects at Mt Gunson. Testwork indicated that using sodium cyanide leaching could yield copper recoveries of 80% to 85%, with upside potential of over 90% based on the cyanide-soluble copper in the leach residue. On 30 September 2015, Strandline reported to the ASX an updated Mineral Resource estimate for the MG14 prospect in accordance to the JORC Code (2012) guidelines. The estimate was prepared at a 0.5% Cu cut-off, with Indicated and Inferred Mineral Resources totalling 2.05 Mt grading 1.3% Cu, 371 ppm Co and 14 g/t Ag.

In March 2016, Torrens acquired a 100% interest in the Project from Strandline. Torrens progressed feasibility studies on the Project. These studies included hydrometallurgical test work, mining studies and updated Mineral Resource estimates (See Section 2.10.1 of this Report).

As discussed in Section 2.2 of this Report, Gindalbie entered into a farm-in agreement, with Torrens to acquire up to 75% interest in the Project in March 2017. Gindalbie has undertaken reverse circulation and diamond core drilling at the MG14, Windabout and Emmie Bluff prospects, updated the Mineral Resource estimates and furthered metallurgical and mining studies.

2.8 Geological setting

2.8.1 Regional geology

The Project is located within the Stuart Shelf, a Neoproterozoic sedimentary sequence covering an extensive region of eastern South Australia. In the local Project area the volcano-sedimentary units of the Wilpena and Umbertana groups unconformably overly the much older (Meso-Palaeoproterozoic) Pandurra Formation. This formation has been uplifted by the Pernatty Upwarp, a large horst structure which directly underlies the Mt Gunson copper prospects. The Project area is almost entirely covered by Quaternary cover, primarily in the form of aeolian dune sands, lake sediments and fluvial sands, with only minor outcrop to be found⁴ (Figure 2-6).

⁴ Gindalbie, 2019. Mt Gunson Project Geology Summary notes provided by Gindalbie (per comms Chris Stevens, CEO. 09/04/2019)

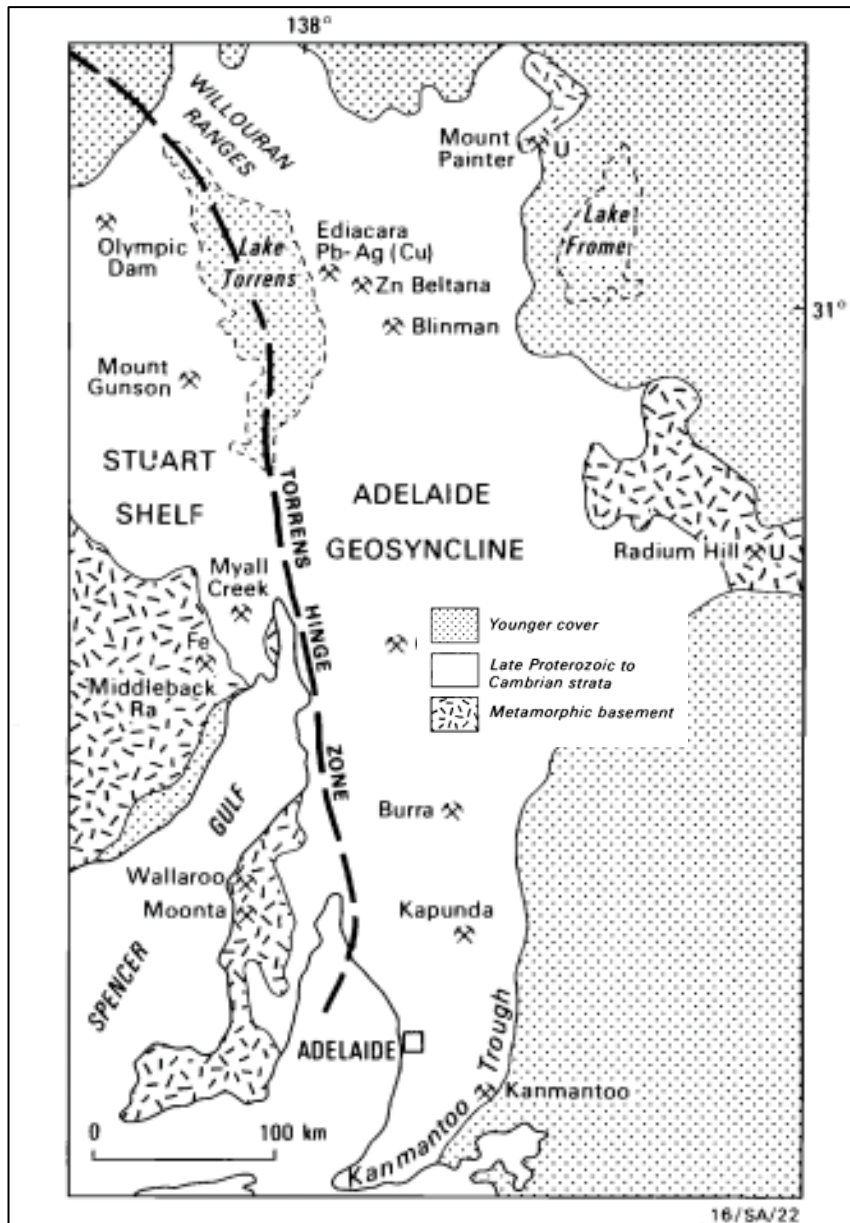


Figure 2-6: Regional geology with copper prospect location⁵

The stratigraphic location of copper prospects identified in the Stuart Shelf and adjacent Adelaide Geosyncline are shown in Figure 2-7. The locations identified in the figure are: 1 = Moonta and Wallaroo (early and middle Proterozoic host rocks), 2 = Olympic Dam, 3 = Mt Gunson altered volcano-sedimentary sequence, 4 = Mt Gunson, Cattle Grid (middle and late Proterozoic host rocks), 5 = Mt Gunson, Tapley Hill Formation prospects, 6 = Myall Creek, 7 = Mount Painter (early to middle Proterozoic and early Paleozoic host rocks), 8 = Blinman, 9 = Copper Claim, 10 = Burra, 11 = Kapunda, 12 = Kanmantoo⁵.

⁵ Lambert, B, et al., 1987. Stuart Shelf-Adelaide Geosyncline Copper Province, South Australia, Economic Geology Vol. 82.

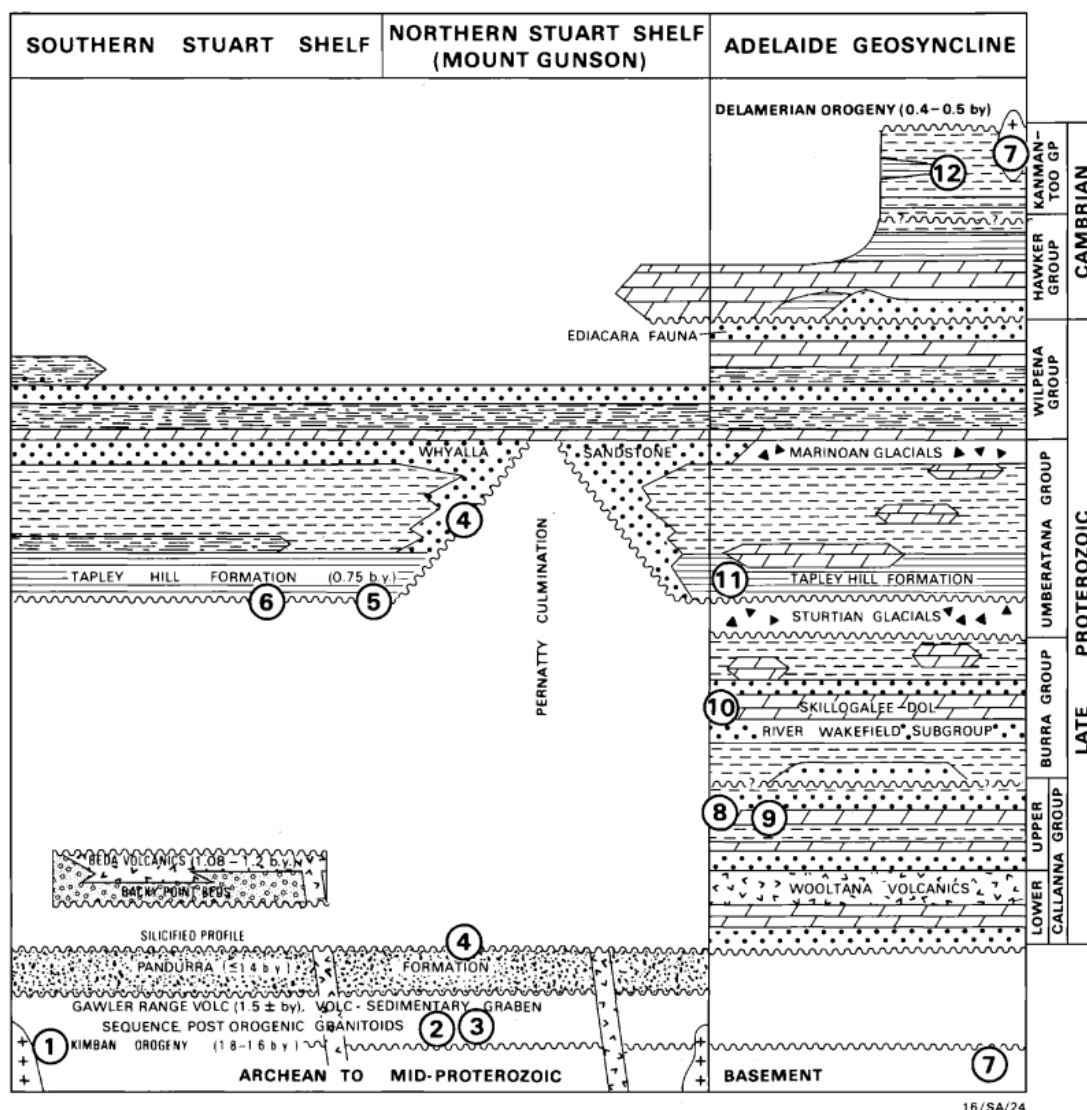


Figure 2-7: Stratigraphic locations of copper mineralisation associated with Stuart Shelf and Adelaide Geosyncline⁵

The stratigraphic locations of the copper mineralisation at the Project are listed below and shown in Figure 2-7.

IOCG type mineralisation (Location 3)

Hydrothermal stratabound and transgressive mineralisation in Proterozoic volcano-sedimentary graben sequence dominated by polymict and granitic breccias. The deepest mineralisation at Emmie Bluff may be an example of this style of mineralisation.

Sediment-hosted stratabound (sandstone) type mineralisation (Location 4)

Copper-silver-cobalt mineralisation found at the unconformable contact between the Pandurra Formation and the Whyalla Sandstone and hosted primarily in the brecciated Pandurra sandstones. Examples include the Cattlegrid and Main Open Cut historical workings and Cattlegrid South mineralisation.

Sediment-hosted stratabound (shale) type mineralisation (Location 5)

Stratabound copper-cobalt-silver mineralisation hosted in the dolomitic shales of the Tapley Hill Formation, primarily in the top and bottom several metres adjacent to the contacts with overlying Whyalla Sandstone and underlying Pandurra Formation. The MG14, Windabout and the upper mineralisation at Emmie Bluff prospects are examples of this style of mineralisation.

2.8.2 Mt Gunston Project geology

MG14 prospect

Discovered in 1973 and first defined in 1983, the MG14 mineralisation is hosted in shale at the top of the Tapley Hill Formation. The mineralisation is essentially flat lying between 20m and 30 m depth with average dimensions of 800 m × 200 m × 2.5 m and is oriented east–west. The top of the mineralisation is the Whyalla Sandstone-Tapley Hill Formation interface with a diffuse lower grade boundary as the lower contact. There is an inconsistent, thin lower mineralised horizon near the base of the Tapley Hill Formation. A prominent, northwest trending dolerite dyke transects the basement of the mineralisation.

Windabout prospect

The Windabout mineralisation is hosted in shale at the top and bottom of the Tapley Hill Formation. The upper mineralised zone on the Tapley Hill Formation-Whyalla Sandstone contact is best mineralised although mineralisation also increases towards the base of the Tapley Hill Formation near its contact with the underlying Pandurra formation. A flat-lying body hosts disseminated copper sulphide mineralisation in two zones (upper and lower) dipping at about 5° to the north-west and varying in depth from 55 m to 80 m. The flat-lying body is elongated east–west and is about 2,000 m long by 1,000 m wide. The upper mineralised zone varies from 3 m to 8 m in thickness, while the lower varies between 2 m and 6 m.

Emmie Bluff prospect

The Emmie Bluff prospect is located in the north-west corner of the Project and hosts both shallow stratabound Cu (Co-Ag) and Pb-Zn mineralisation in black shales of the Late Proterozoic Tapley Hill Formation, at 400 m below the surface, as well as deeper iron oxide copper-gold-silver-uranium mineralisation at about 1,000 m below surface in deformed Early to Middle Proterozoic volcanics, sediments and granites.

2.9 Exploration potential

The Project area has two copper mineralisation styles (Figure 2-8):

1. Sediment-hosted stratabound copper (SSC) mineralisation in the cover sequence
2. IOCG mineralisation in basement rocks up to 1 km deep

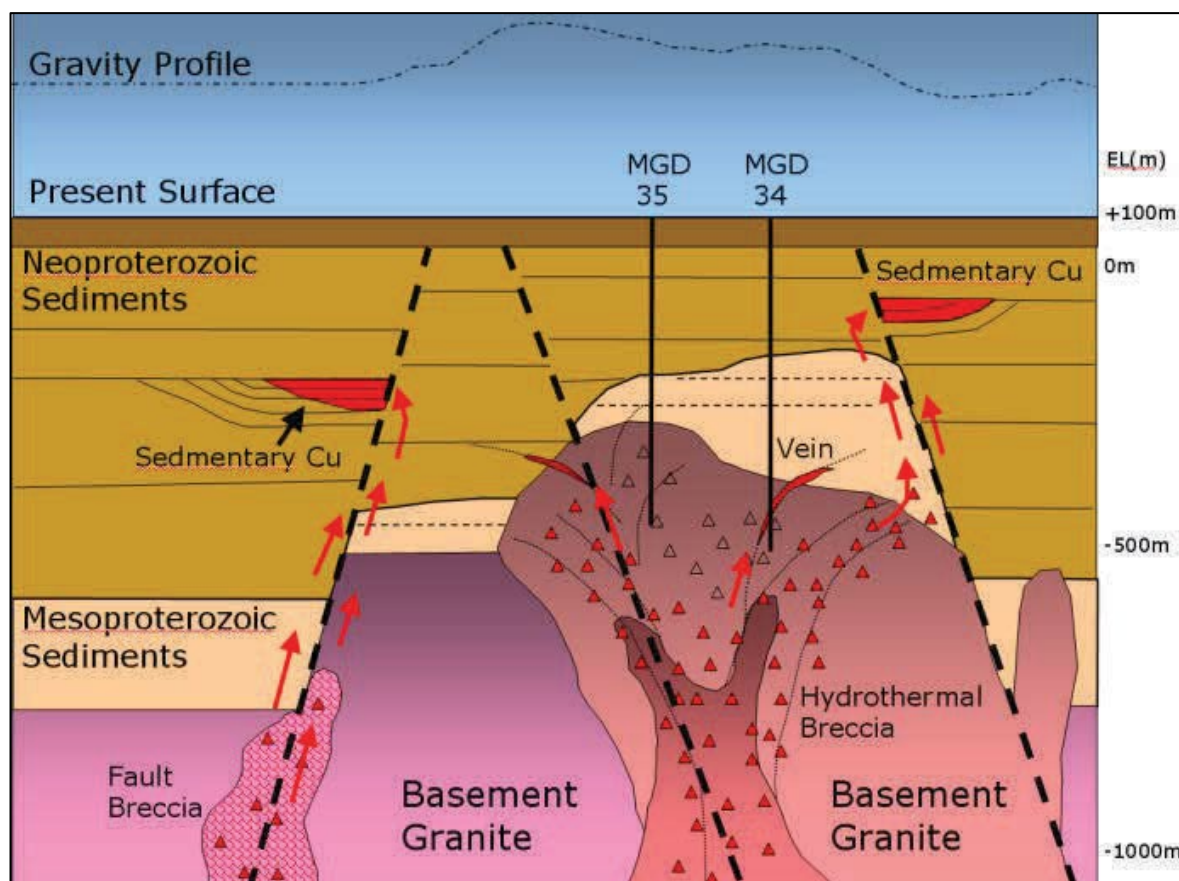


Figure 2-8: Copper mineralisation models at Mt Gunson Project⁶

As reported to the ASX on 29 October 2018, Gindalbie contracted International Geoscience to develop a coherent basement architecture model to identify macro scale features relating to the movement of metal bearing fluids for both the IOCG and SSC styles of mineralisation⁷.

The targeting criteria developed by International Geoscience for SSC mineralisation in the Project area is proximal to the NNE-SSW and NW-SE conjugate structure sets that flank the Pernatty culmination which allowed for both lateral and vertical fluid flow. These structures were active (or reactivated) in the Neoproterozoic when the primary metal source(s) were being emplaced via the Hiltaba Suite Granites (Figure 2-11).

IOCG development requires the emplacement of Neoproterozoic Hiltaba Suite Granites or equivalent, which in turn SRK postulates require the exploitation of dilational zones along the western contact of the rigid Donington Suite with the Hutchison Group. International Geoscience identified two areas in the north of the project with 20 km of strike of Donington margin that has seen Mesoproterozoic sinistral reactivation and thus suggest potential for Hiltaba emplacement (Figure 2-12).

In SRK's opinion, the exploration potential near the MG14 and Windabout deposits for further SSC style mineralisation is high based on the study by International Geoscience and limited drilling over the targets identified by International Geoscience, particularly to the south of the MG14 deposit.

⁶ Torrens Mining Limited, 2016. Mt Gunson – South Australia's next Copper-cobalt Mine. Corporate Presentation. <http://www.saexplorers.com.au/archive/2016/16shedden.pdf>

⁷ International Geoscience, 2018. Lithostructural Mapping & Basement Architecture Modelling Mt Gunson Project

The targets identified by International Geoscience near Emmie Bluff, 40 km north of the historical SSC mining area, along the Donington margin have the potential for Hiltaba emplacement that is associated with IOCG mineralisation. These targets have some historical deep (greater than 600 m) drilling that intersected the basement volcanics, but they are not coincident with the gravity anomaly intensity (15 milligals to 30 milligals) associated with larger IOCG deposits found in the Grawler Craton. Gindalbie reported to the ASX on 23 May 2018 an initial concept study to assess the Emmie Bluff copper-cobalt-silver prospect had been completed and they are progressing with further study. SRK notes the study assessed the SSC style mineralisation, at 400 m depth, not the much deeper IOCG-style mineralisation that had been intersected by deep historical drilling. In SRK's opinion, the exploration potential for economic IOCG mineralisation is still positive, but historically these are difficult and expensive targets to explore as they are located up to 1 km under cover.

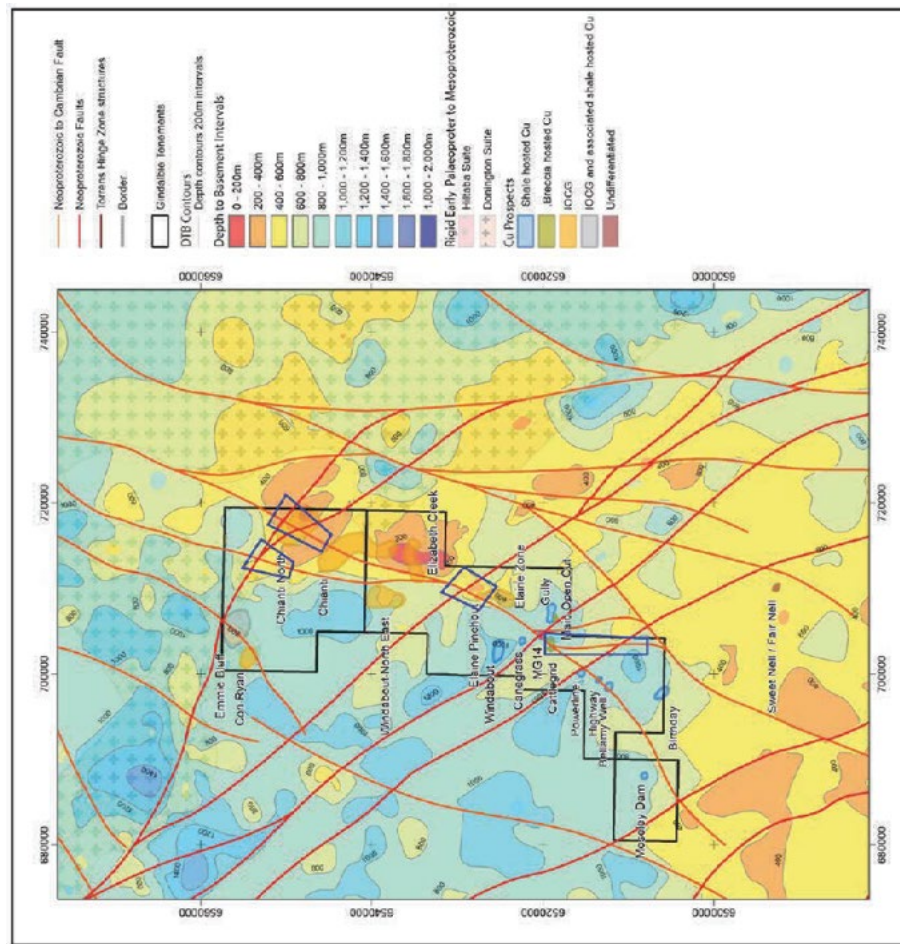


Figure 2-9: Sediment-hosted stratabound copper targets within the Project tenure⁷

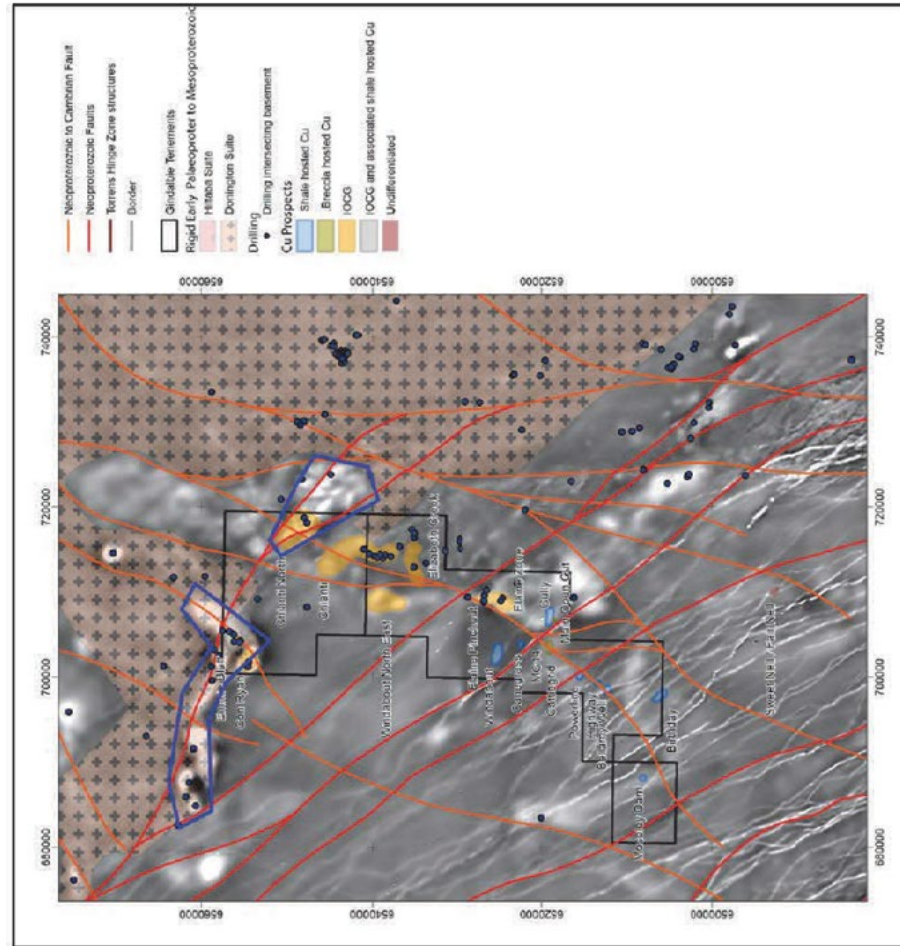


Figure 2-10: Iron oxide-copper-gold targets within the Project tenure⁷

2.10 Mineral Resources

2.10.1 Historical Mineral Resources

Historical Mineral Resource estimates for the area now partially covered by the Project were reported to the ASX on 30 September 2015 by Strandline Resources Ltd (Table 2-3). These Mineral Resource estimates are provided for the purpose of providing historical context only and are not considered to be reasonable given the lack quality and transparency in the supporting documentation.

Table 2-2: Mineral Resources, Mt Gunson Project, June 2015⁸

MOUNT GUNSON COPPER PROJECT, SOUTH AUSTRALIA								
1. Resources								
Prospect	Category	Mineralisation Type	Cut-Off Grade (% Copper)	Resource (Million Tonnes)	Copper (%)	Cobalt (%)	Silver (g/t)	Contained Copper (Tonnes)
Windabout	Indicated	Sulphide	0.5	18.7	1.0	0.05	10	187,000
MG14	Indicated	Sulphide	0.5	1.6	1.4	0.04	14	22,680
Cattlegrid South	Inferred	Sulphide	0.5	0.7	1.7	-	10	11,900
Sweet Nell	Inferred	Sulphide	0.5	0.35	1.2	-	12	4,200
Tailings Dams	Inferred	Sulphide	-	7.2	0.14	0.01*	-	10,080
Emmie Bluff*	Inferred	Sulphide	0.5	24.0	1.3	0.06	10	312,000
TOTAL				52.55				547,860
Notes:								
* Cobalt grade regarded as a low estimate as a result of inadequate sampling.								
• Resource stated relates only to that portion of the upper copper deposit which lies within EL 5333.								

2.10.2 Current Mineral Resources

In December 2017, Gindalbie commissioned Tim Callaghan to prepare Mineral Resource estimates for the Windabout and MG14 prospects which were reported to the ASX on 19 January 2018 (Table 2-4).

In SRK's opinion, these Mineral Resource estimates for the Project have been prepared to a sufficient quality standard, reported in accordance with the guidelines of the JORC Code (2012) and are considered to be reasonable as a global representation of tonnes and grade.

Table 2-3: Mineral Resource estimates for Mt Gunson Project, January 2018

Table 1. Windabout Indicated Resource									
Cu_Eq > 0.5% cut-off					Cu-Eq > 1.0% cut-off				
Mt	Cu (%)	Co (ppm)	Ag (g/t)	Cu-Eq (%)	Mt	Cu (%)	Co (ppm)	Ag (g/t)	Cu-Eq (%)
17.67	0.77	492	8	1.41	11.86	0.95	599	10	1.73
Table 2. MG14 Indicated Resource									
Cu_Eq > 0.5% cut-off					Cu-Eq > 1.0% cut-off				
Mt	Cu (%)	Co (ppm)	Ag (g/t)	Cu-Eq (%)	Mt	Cu (%)	Co (ppm)	Ag (g/t)	Cu-Eq (%)
1.83	1.24	334	14	1.67	1.59	1.33	360	15	1.8

Source: Gindalbie, ASX release dated 19 January 2018

⁸ Strandline Resources Limited, 2015. Annual Report for the year ended June 2015.

Notes: Tonnes have been rounded. Discrepancies in totals may exist due to rounding. Cu-Eq has been calculated from copper and cobalt metal selling prices, recoveries and other assumptions contained in the Mineral Resource estimation report.

The technical information summarised below is from Callaghan's technical report and JORC Code Table 1 that was appended to the Gindalbie's ASX announcement on 19 January 2018.

Geological interpretation

The Windabout and MG14 prospects comprise sediment-hosted copper-cobalt-silver sulphide mineralisation formed through the replacement of diagenetic pyrite within dolomitic shales of the Tapley Hill Formation.

Resource drilling history

The Windabout and MG14 mineralisation has been delineated by diamond and RC drilling. Numerous drilling campaigns were completed between 1970 and 1995 by CSR, ACC, Pacminex and Stuart Metals. Drilling after 2007 was completed by Gunson and Gindalbie. Drilling statistics are listed as follows:

- Windabout pre-2007 drilling – 198 drill holes for 16,933 m
- Windabout post-2007 drilling – 23 drill holes for 1,384 m
- MG14 pre-2007 drilling – 185 drill holes for 6,865 m
- MG14 post-2007 drilling – 25 drill holes for 904 m.

Samples from within the Tapley Hill Formation and lower Whyalla Sandstone were selected for geochemical analysis. Typically, 0.5 m samples of 1–2 kg were taken from diamond saw-cut drill core or riffle-split RC samples while respecting geological boundaries.

Estimation domains

The estimation domains were modelled as tabular, horizontal, triangular sheets for both deposits. Minimum width of the domain was 1 m downhole at 0.5% Cu-Eq with internal dilution restricted to 1 m to allow for geological continuity. The dimensions of the domains and depth undercover the cover sequence of semi-consolidated Whyalla Sandstone for each deposit is compared in Table 2-4.

Table 2-4: Dimension of Windabout and MG14 mineralisation domains

Mineralisation dimensions	Windabout	MG14
East-west extent (km)	2	1.4
Northern extent (km)	1	0.4
Thickness (m)	2-8	3-8
Depth undercover (m)	55-85	20-25

Estimation methodology

Mineral Resource estimation was undertaken using ordinary kriging for Cu, Co and Ag constrained by a geology solid model. Ag was estimated by regression analysis of Cu-Ag for the Windabout deposit. The data was composited on 0.5 m intervals including Cu, Co, Ag, S, Pb, Zn, total C. Top-cutting, based on coefficient of variation (CV) and grade histograms, of Co to 2,555 ppm was undertaken for the Windabout domain. The block size for both deposits is 25 mE by 25 mN by 0.5 mRL with sub-celling to 6.25 mE by 6.25 mN by 0.5 mRL.

Cut-off grade

Gindalbie and Torrens state that copper and cobalt are both recoverable and can be sold. As such, a copper equivalent cut-off grade of 0.5% Cu-Eq has been selected and reported. Table 2-6 lists the inputs used by Gindalbie to derive the $\text{Cu-Eq} = \text{Cu}\% + (\text{Co ppm} \times 0.0012)$ formula.

Table 2-5: Factors used to determine Cu-Eq formula

		Cu	Co
Metal price (US\$/t)		6,600.00	55,000.00
Exchange rate (A\$/US\$)	0.73		
Metallurgical recoveries		60%	85%
Payable metal factors		70%	75%
Calculated metal equivalent (t)		3,797.26	48,030.82
Factor copper relative to cobalt		1 %	0.0012 ppm

Modifying factors, mining and metallurgy

The commentary regarding the modifying factors, mining and metallurgy presented in the JORC Code Table 1 accompanying the January 2018 Mineral Resource estimation report for the Windabout and MG14 deposits has been superseded by studies undertaken by Gindalbie in late 2017 and 2018.

SRK understand that Gindalbie is undertaking sufficient study work to address all material modifying factors required for the conversion of the Mineral Resource estimate into an Ore Reserve estimate. To date, SRK is aware the studies listed in Table 2-7 have been completed.

Table 2-6: Mining Studies commissioned by Gindalbie for MG14 and Windabout deposits

Report date and Company	Report Title
July 2017 - MPS	Mt Gunson Project Process Options Study – GlyLeach™
July 2017 - Strategic Metallurgy	Option Study for the Mt Gunson Copper and Cobalt Project
July 2017 - Strategic Metallurgy	Mt Gunson Project - Metallurgy Option Study Results Summary
August 2017 - Strategic Metallurgy	Cobalt Concentrate Specification
April 2018 - Strategic Metallurgy	Order of Magnitude Capital and Operating Cost Estimate for the Mt Gunson Copper and Cobalt Project
April 2018 - Strategic Metallurgy	Order of Magnitude Study for the Production of Cobalt Sulfate from Mt Gunson Concentrate
May 2018 - Strategic Metallurgy	Mt Gunson Copper-Cobalt Project Beneficiation and Flotation Testing

Mining studies completed for Gindalbie up to mid-2018 reported the following:

- Preliminary testwork support the further evaluation of a conventional flotation-based circuit as a base case producing copper and cobalt concentrates from both MG14 and Windabout
- Mining & Process Solutions (MPS) identified a preliminary base case using conventional truck-and-shovel for mining of both MG14 and Windabout.

MPS also completed an initial Mining Concept Study to assess the Emmie Bluff copper-cobalt-silver prospect, based on historical drilling data and a historical resource estimate which is not compliant with JORC Code 2012 standards. Gindalbie state it plans to progress studies on Emmie Bluff⁹.

⁹ MPS, 2018. Mining Concept Study for Emmie Bluff

3 Project Risks

SRK is conscious of the technical risks associated with Advanced Exploration and Pre-Development stage assets. SRK notes that there are always inherent risks for exploration properties given the level of uncertainty present. The key risks include but are not limited to mineralisation prospectivity, Mineral Resources and Ore Reserves, environmental and land access considerations.

In SRK's opinion, the understanding of the local SSC mineralisation by Gindalbie and the prospectivity targets identified by International Geoscience are reasonable. SRK deems the prospectivity target to Exploration Target range or Mineral Resources conversion to be medium risk for the SSC targets identified along strike from the MG14 and Windabout deposits, and high risk for the other SCC targets and all IOGC targets. These risks are inherent in exploration, especially as the depth of cover material increases.

Mineral Resources prepared under the JORC Code (2012) are best estimates based on individual judgement and reliance upon knowledge and experience using industry standards and the available database. The Mineral Resource estimates for the Project have been prepared to a sufficient quality standard and reported in accordance with the guidelines of the JORC Code (2012) and are considered to be reasonable estimates.

SRK considers the environmental and land access risk at the Project to be low, given the appropriate approvals and permits are in place.

The facts and opinions presented in this Report are current at the effective date of 2 April 2019.

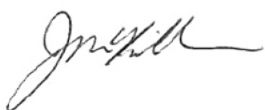
Compiled by



Leesa Collin

Senior Consultant

Peer Reviewed by



Jeames McKibben

Principal Consultant

SRK Report Client Distribution Record

Project Number: GIN003

Report Title: Independent Specialist Report – Mt Gunson Project, South Australia

Date Issued: 23 May 2019

Name/Title	Company
Sherif Andrawes, BDO Global Natural Resources Leader	BDO Corporate Finance (WA) Pty Ltd
Chris Stevens, Chief Executive Officer	Gindalbie Metals Limited

Rev No.	Date	Revised By	Revision Details
0	15/04/2019	Leesa Collin	Draft Report
1	01/05/2019	Leesa Collin	Final Report
2	23/05/2019	Karen Lloyd	Final Report – Scheme Booklet

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D Annexure Investigating Accountant's Report



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The Directors
Gindalbie Metals Limited
6 Altona Street
West Perth WA 6005

Our ref 36537878_1

24 May 2019

Dear Directors

Limited Assurance Investigating Accountant's Report and Financial Services Guide

Investigating Accountant's Report

1 Introduction

KPMG Financial Advisory Services (Australia) Pty Ltd (of which KPMG Transaction Services is a division) ("KPMG Transaction Services") has been engaged by Gindalbie Metals Limited ("Gindalbie") to prepare this report for inclusion in the Demerger Scheme Booklet to be dated 24 May 2019 ("Demerger Scheme Booklet"), and to be issued by Gindalbie, in respect of the proposed demerger of its wholly owned subsidiary Coda Minerals Limited ("Coda") ("Demerger Scheme").

Expressions defined in the Demerger Scheme Booklet have the same meaning in this report.

This Investigating Accountant's Report should be read in conjunction with the KPMG Transaction Services Financial Services Guide included in the Demerger Scheme Booklet as an attachment to this letter.

2 Scope

You have requested KPMG Transaction Services to perform a limited assurance engagement in relation to the historical and pro forma historical financial information described below and disclosed in the Demerger Scheme Booklet.

The historical and pro forma historical financial information is presented in the Demerger Scheme Booklet in an abbreviated form, insofar as it does not include all of the presentation and disclosures required by Australian Accounting Standards and other mandatory professional reporting requirements applicable to general purpose financial reports prepared in accordance with the *Corporations Act 2001*.

2.1 Statutory Historical Financial Information

You have requested KPMG Transaction Services to perform limited assurance procedures in relation to the Statement of Financial Position as at 31 December 2018 (the "Statutory Historical Financial Information") of Coda. Coda does not prepare interim financial statements. The Statutory Historical Financial Information has been extracted from the unaudited management accounts of Coda for the six months ended 31 December 2018. Coda's results and financial position are consolidated by Gindalbie for which interim financial statements at 31 December 2018 were prepared by Gindalbie and which were reviewed by KPMG in accordance with Australian Auditing Standards. KPMG issued an unmodified review conclusion on the financial report. However included within KPMG's report was an emphasis of matter highlighting a material uncertainty related to going concern "that may cast significant doubt on the Gindalbie's ability to continue as a going concern and, therefore, whether it will realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the Interim Financial Report".

For the purposes of preparing this report we have performed limited assurance procedures in relation to the Statutory Historical Financial Information in order to state whether, on the basis of the procedures described, anything has come to our attention that causes us to believe that the Statutory Historical Financial Information is not prepared, in all material respects, in accordance with the recognition and measurement principles contained in Australian Accounting Standards and Coda's accounting policies, as described in the Demerger Scheme Booklet.

We have conducted our procedures in accordance with the Standard on Assurance Engagements ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*. We made such enquiries and performed such procedures as we, in our professional judgement, considered reasonable in the circumstances.

The procedures performed in a limited assurance engagement vary in nature from, and are less in extent than for, an audit. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed an audit. Accordingly, we do not express an audit opinion in relation to the Statutory Historical Financial Information.

2.2 Pro Forma Historical Financial Information

You have requested KPMG Transaction Services to perform limited assurance procedures in relation to the pro forma historical financial information of Coda (the responsible party) included in the Demerger Scheme Booklet.

The pro forma historical financial information has been derived from the Statutory Historical Financial Information of Coda, after adjusting for the effects of pro forma adjustments described in section 5.8(d) of the Demerger Scheme Booklet. The pro forma financial information consists of Coda's pro forma historical Statement of

Financial Position as at 31 December 2018 as set out in section 5.8 of the Demerger Scheme Booklet (collectively the "Pro Forma Historical Financial Information"). The stated basis of preparation is the recognition and measurement principles contained in Australian Accounting Standards other mandatory professional reporting requirements and Coda's adopted accounting policies applied to the historical financial information and the event(s) or transaction(s) to which the pro forma adjustments relate, as described in section 5.8(d) of the Demerger Scheme Booklet. Due to its nature, the Pro Forma Historical Financial Information does not represent Coda's actual or prospective financial position.

The Pro Forma Historical Financial Information has been compiled by Gindalbie to illustrate the impact of the event(s) or transaction(s) described in section 5.8(d) of the Demerger Scheme Booklet on Coda's financial position as at 31 December 2018. As part of this process, information about Coda's financial position has been extracted by Gindalbie from Coda's unaudited management accounts for the six months ended 31 December 2018 as noted above in section 3.1.

For the purposes of preparing this report we have performed limited assurance procedures in relation to Pro Forma Historical Financial Information in order to state whether, on the basis of the procedures described, anything comes to our attention that would cause us to believe that the Pro Forma Historical Financial Information is not prepared or presented fairly, in all material respects, by the directors in accordance with the stated basis of preparation as set out in section 5.8 of the Demerger Scheme Booklet.

We have conducted our engagement in accordance with the Standard on Assurance Engagements ASAE 3450 *Assurance Engagements involving Corporate Fundraisings and/or Prospective Financial Information*.

The procedures performed in a limited assurance engagement vary in nature from, and are less in extent than for, an audit. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed an audit. Accordingly, we do not express an audit opinion about whether the Pro Forma Historical Financial Information is prepared, in all material respects, by the directors in accordance with the stated basis of preparation.

3 Directors' responsibilities

The directors of Gindalbie and Coda are responsible for the preparation of:

- the Statutory Historical Financial Information; and
- the Pro Forma Historical Financial Information, including the selection and determination of the pro forma transactions and/or adjustments made to the historical financial information and included in the Pro Forma Historical Information.

The directors' responsibility includes establishing and maintaining such internal controls as the directors determine are necessary to enable the preparation of financial information that is free from material misstatement, whether due to fraud or error.

4 Conclusions

4.1 *Review statement on the Statutory Historical Financial Information*

Based on our procedures, which are not an audit, nothing has come to our attention that causes us to believe that the Statutory Historical Financial Information, as set out in section 5.8(d) of the Demerger Scheme Booklet, comprising the Statutory Historical Statement of Financial Position of Coda as at 31 December 2018, is not prepared or presented fairly, in all material respects, in accordance with the recognition and measurement principles contained in Australian Accounting Standards and Coda's accounting policies.

We draw attention to the note headed "Going Concern" in Section 5.8(e) in the Financial Information section which indicates that until such time as Coda is demerged pursuant to the steps set out in the Demerger Scheme Booklet a material uncertainty exists that may cast significant doubt on its ability to continue as a going concern and, therefore, whether it will realise its assets and discharge its liabilities in the normal course of business, and at the amounts stated in the Historical Statement of Financial Position in Section 5.8. Our conclusion is not modified in respect of this matter.

4.2 *Review statement on the Pro Forma Historical Financial Information*

Based on our procedures, which are not an audit, nothing has come to our attention that causes us to believe that the Pro Forma Historical Financial Information, as set out in section 5.8(d) of the Demerger Scheme Booklet, comprising the Pro Forma Historical Statement of Financial Position of Coda as at 31 December 2018, is not prepared or presented fairly, in all material respects, on the basis of the pro forma transactions and/or adjustments described in section 5.8(d) of the Demerger Scheme Booklet, and in accordance with the recognition and measurement principles prescribed in Australian Accounting Standards, and Coda's accounting policies.

5 Independence

KPMG Transaction Services does not have any interest in the outcome of the proposed Demerger Scheme, other than in connection with the preparation of this report and participation in due diligence procedures for which normal professional fees will be received. KPMG is the auditor of Gindalbie, of whose consolidated group Coda forms a part, and from time to time, KPMG also provides Gindalbie and Coda with certain other professional services for which normal professional fees are received.

6 General advice warning

This report has been prepared, and included in the Demerger Scheme Booklet, to provide investors with general information only and does not take into account the

objectives, financial situation or needs of any specific investor. It is not intended to take the place of professional advice and investors should not make specific investment decisions in reliance on the information contained in this report. Before acting or relying on any information, an investor should consider whether it is appropriate for their circumstances having regard to their objectives, financial situation or needs.

7 Restriction on use

Without modifying our conclusions, we draw attention to section 5.8(a) of the Demerger Scheme Booklet, which describes the purpose of the financial information, being for inclusion in the Demerger Scheme Booklet. As a result, the financial information may not be suitable for use for another purpose. We disclaim any assumption of responsibility for any reliance on this report, or on the financial information to which it relates, for any purpose other than that for which it was prepared.

KPMG Transaction Services has consented to the inclusion of this Investigating Accountant's Report in the Demerger Scheme Booklet in the form and context in which it is so included, but has not authorised the issue of the Demerger Scheme Booklet. Accordingly, KPMG Transaction Services makes no representation regarding, and takes no responsibility for, any other statements, or material in, or omissions from, the Demerger Scheme Booklet.

Yours faithfully



Matthew Kelly
Representative



KPMG Financial Advisory Services (Australia) Pty Ltd

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Australia

Financial Services Guide

Dated 24 May 2019

What is a Financial Services Guide (FSG)?

This FSG is designed to help you to decide whether to use any of the general financial product advice provided by **KPMG Financial Advisory Services (Australia) Pty Ltd ABN 43 007 363 215**, Australian Financial Services Licence Number 246901 (of which KPMG Transaction Services is a division) ('**KPMG Transaction Services**'), and Matthew Kelly as an authorised representative of KPMG Transaction Services, authorised representative number 000404260 (**Authorised Representative**).

This FSG includes information about:

- KPMG Transaction Services and its Authorised Representative and how they can be contacted
- the services KPMG Transaction Services and its Authorised Representative are authorised to provide
- how KPMG Transaction Services and its Authorised Representative are paid
- any relevant associations or relationships of KPMG Transaction Services and its Authorised Representative
- how complaints are dealt with as well as information about internal and external dispute resolution systems and how you can access them; and
- the compensation arrangements that KPMG Transaction Services has in place.

The distribution of this FSG by the Authorised Representative has been authorised by KPMG Transaction Services. This FSG forms part of an Investigating Accountant's Report (Report) which has been prepared for inclusion in a disclosure document or, if you are offered a financial product for issue or sale, a Product Disclosure Statement (PDS). The purpose of the disclosure document or PDS is to help you make an informed decision in relation to a financial product. The contents of the disclosure document or PDS, as relevant, will include details such as the risks, benefits and costs of acquiring the particular financial product.

Financial services that KPMG Transaction Services and the Authorised Representative are authorised to provide

KPMG Transaction Services holds an Australian Financial Services Licence, which authorises it to provide, amongst other services, financial product advice for the following classes of financial products:

- deposit and non-cash payment products;
- derivatives;

- foreign exchange contracts;
- government debentures, stocks or bonds;
- interests in managed investments schemes including investor directed portfolio services;
- securities;
- superannuation;
- carbon units;
- Australian carbon credit units; and
- eligible international emissions units,

to retail and wholesale clients. We provide financial product advice when engaged to prepare a report in relation to a transaction relating to one of these types of financial products. The Authorised Representative is authorised by KPMG Transaction Services to provide financial product advice on KPMG Transaction Services' behalf.

KPMG Transaction Services and the Authorised Representative's responsibility to you

KPMG Transaction Services has been engaged by Gindalbie Metals Limited (Client) to provide general financial product advice in the form of a Report to be included in the Demerger Scheme Booklet (Document) prepared by Gindalbie in relation to the proposed demerger of its wholly owned subsidiary, Coda Minerals Limited (Transaction).

You have not engaged KPMG Transaction Services or the Authorised Representative directly but have received a copy of the Report because you have been provided with a copy of the Document. Neither KPMG Transaction Services nor the Authorised Representative are acting for any person other than the Client.

KPMG Transaction Services and the Authorised Representative are responsible and accountable to you for ensuring that there is a reasonable basis for the conclusions in the Report.

General Advice

As KPMG Transaction Services has been engaged by the Client, the Report only contains general advice as it has been prepared without taking into account your personal objectives, financial situation or needs.

You should consider the appropriateness of the general advice in the Report having regard to your circumstances before you act on the general advice contained in the Report.

You should also consider the other parts of the Document before making any decision in relation to the Transaction.

Fees KPMG Transaction Services may receive and remuneration or other benefits received by our representatives

KPMG Transaction Services charges fees for preparing reports. These fees will usually be agreed with, and paid

by, the Client. Fees are agreed on either a fixed fee or a time cost basis. In this instance, the Client has agreed to pay KPMG Transaction Services \$68,500 for preparing the Report. KPMG Transaction Services and its officers, representatives, related entities and associates will not receive any other fee or benefit in connection with the provision of the Report.

KPMG Transaction Services officers and representatives (including the Authorised Representative) receive a salary or a partnership distribution from KPMG's Australian professional advisory and accounting practice (the KPMG Partnership). KPMG Transaction Services' representatives (including the Authorised Representative) are eligible for bonuses based on overall productivity. Bonuses and other remuneration and benefits are not provided directly in connection with any engagement for the provision of general financial product advice in the Report.

Further details may be provided on request.

Referrals

Neither KPMG Transaction Services nor the Authorised Representative pay commissions or provide any other benefits to any person for referring customers to them in connection with a Report.

Associations and relationships

Through a variety of corporate and trust structures KPMG Transaction Services is controlled by and operates as part of the KPMG Partnership. KPMG Transaction Services' directors and Authorised Representatives may be partners in the KPMG Partnership. The Authorised Representative is a partner in the KPMG Partnership. The financial product advice in the Report is provided by KPMG Transaction Services and the Authorised Representative and not by the KPMG Partnership.

From time to time KPMG Transaction Services, the KPMG Partnership and related entities (KPMG entities) may provide professional services, including audit, tax and financial advisory services, to companies and issuers of financial products in the ordinary course of their businesses.

No individual involved in the preparation of this Report holds a substantial interest in, or is a substantial creditor of, the Client or has other material financial interests in the transaction.

Complaints resolution

Internal complaints resolution process

If you have a complaint, please let either KPMG Transaction Services or the Authorised Representative know. Formal complaints should be sent in writing to The Complaints Officer, KPMG, PO Box H67, Australia Square, Sydney NSW 1213. If you have difficulty in putting your complaint in writing, please telephone the Complaints Officer on 02 9335 7000 and they will assist you in documenting your complaint.

Written complaints are recorded, acknowledged within 5 days and investigated. As soon as practical, and not more than 45 days after receiving the written complaint, the response to your complaint will be advised in writing.

External complaints resolution process

If KPMG Transaction Services or the Authorised Representative cannot resolve your complaint to your satisfaction within 45 days, you can refer the matter to the Financial Ombudsman Service (FOS). FOS is an independent company that has been established to provide free advice and assistance to consumers to help in resolving complaints relating to the financial services industry.

Further details about FOS are available at the FOS website www.fos.org.au or by contacting them directly at:

Address: Financial Ombudsman Service Limited, GPO
Box 3, Melbourne Victoria 3001

Telephone: 1300 78 08 08
Facsimile: (03) 9613 6399
Email: info@fos.org.au.

The Australian Securities and Investments Commission also has a freecall infoline on 1300 300 630 which you may use to obtain information about your rights.

Compensation arrangements

KPMG Transaction Services has professional indemnity insurance cover as required by the Corporations Act 2001(Cth).

Contact Details

You may contact KPMG Transaction Services or the Authorised Representative using the contact details:

KPMG Transaction Services
A division of KPMG Financial Advisory
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NSW 1213
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Matthew Kelly
C/O KPMG
PO Box H67
Australia Square
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Telephone: (02) 9335 7000
Facsimile: (02) 9335 7200

Annexure Solicitor's Report on Tenements

E

Confidential

The Directors
Gindalbie Metals Limited
6 Altona Street
West Perth WA 6005

24 May 2019

Dear Sir

Solicitor's Report - Mining Tenements

This report (**Report**) is prepared for inclusion in a scheme booklet (**Demerger Scheme Booklet**) to be issued by Gindalbie Metals Ltd ACN 060 857 614 (**Company**) for the proposed demerger of the Company's wholly owned subsidiary, Coda Minerals Ltd ACN 625 763 957 (formerly named Kobalamin Ltd) (**Coda**).

1. Tenements

This Report relates to the following tenements granted under the *Mining Act 1971* (SA) (**Mining Act**) in Mt Gunson in South Australia, in respect of which Coda has interests:

- (a) EL 5636;
- (b) EL 6141; and
- (c) EL 6265,

(together, the **Tenements**).

Details of the Tenements as disclosed by our searches are set out in Schedule 1.

This Report also contains information regarding the native title and other interests affecting the Tenements.

Details of the material contracts which affect the Tenements are set out in section 4(d) of this Report and in section 5.7 of the Demerger Scheme Booklet (**Material Contracts**).

2. Searches

We have conducted and considered the following searches and enquires in respect of the Tenements:

- (a) the SARIG register maintained by the South Australian Department for Energy and Mining (**SADEM**) pursuant to the Mining Act. The searches were conducted on 28 March 2019 and updated on 26 April 2019 and on 21 May 2019;
- (b) the SAILIS database maintained by Land Services SA in connection with land interests held by any third party in the land underlying the Tenements. The searches were conducted on 5 April 2019 (**Title Searches**);
- (c) results of searches conducted by the National Native Title Tribunal (**NNTT**) of the Register of Native Title claims maintained by the NNTT in respect of the land covered by the Tenements. The searches were conducted on 1 April 2019;

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- (d) the NNTT's 'Native Title Vision' mapping database, in respect of the land covered by the Tenements, to determine whether the Tenements are affected by Native Title. The searches were conducted on 2 April 2019; and
- (e) a search of the Register of Aboriginal Sites and Objects kept under the *Aboriginal Heritage Act 1988* (SA) and maintained by the South Australian Department of the Premier and Cabinet for any Aboriginal sites registered over the Tenements (**Heritage Searches**). The searches were requested on 1 April 2019 and returned on 15 April 2019.

(together, the **Searches**).

3. **Opinion**

As a result of our Searches, but subject to the assumptions and qualifications set out in this Report, we are of the view that, as at the date of the relevant Searches, this Report provides an accurate statement as to:

- (a) (**Coda's interest**): Coda's interest in the Tenements; and
- (b) (**Good standing**): the validity and good standing of the Tenements.

4. **Results of searches**

We have summarised the results of the Searches in Schedule 1.

As a result of the Searches, and subject to the statements set out in this Report, we are satisfied that the information and particulars included in this Report in relation to the Tenements (including in Schedule 1), comprise an accurate statement of the status of the Tenements as at the date the Searches were conducted.

(a) **Ownership**

The Searches indicate that Coda is the registered holder of 25% of each of the Tenements, as set out in Schedule 1. Under the Farm In Agreement, Coda is also entitled to earn up to a further 50% interest in the Tenements (i.e. an aggregate 75% interest in the Tenements), subject to further expenditure of \$6.75 million.

The Farm In Agreement is registered as an encumbrance/dealing against each of the Tenements.

(b) **Encumbrances**

The Searches indicate that Tenement EL 5636 is subject to Bond 1069 (as set out in Schedule 1) (**Bond**). The Bond is granted pursuant to section 62 of the Mining Act by Terrace Mining to the Minister for Mineral Resources and Energy (**Minister**) in respect of any civil or statutory liability likely to be incurred by Terrace Mining in the course of carrying out mining operations on EL 5636, as well as any present and future obligations of Terrace Mining in relation to the rehabilitation of the land disturbed by mining operations. The Bond is granted subject to various terms and conditions, including:

- (i) Terrace Mining paying the sum of \$10,000 to the Minister;

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- (ii) any alteration to EL 5636 by Terrace Mining will not impair or discharge its liability under the Bond; and
- (iii) the Bond remains in force until either the Minister refunds the sum paid (or any remaining part) by Terrace Mining, or the Minister has expended the whole of the sum of \$10,000.

(c) **Tenement conditions**

Conditions are imposed on the grant of exploration licences in South Australia. These include conditions relating to the environment, payment of annual rent, and required minimum expenditure established pursuant to the Mining Act. In addition, more particular conditions are imposed on specific tenements. The conditions imposed on the Tenements as indicated from the Searches are set out Schedule 1.

If the tenement conditions are not complied with, the tenement may be liable to forfeiture.

(d) **Material Contracts**

- (i) *Farm In Agreement*
 - A. Under the Farm In Agreement Coda may, subject to satisfying certain conditions and obligations, obtain an interest of up to 75% in the Tenements. As at the date of this Report, the Company has satisfied the stage 1 expenditure commitments under the Farm In Agreement and the initial 25% interest in the Tenements has been transferred to Coda from Terrace Mining. Coda has also notified Terrace Mining of its election to proceed with the second stage of activities under the Farm In Agreement which will, subject to Coda spending a further \$2.5 million, entitle Coda to a further 26% interest in the Tenements (i.e. an aggregate 51% interest in the Tenements). Following the stage 2 farm-in, Coda is entitled to acquire a further 19% interest in the Tenements (aggregate 70% interest) by spending an additional \$2.75 million. Following the stage 3 farm-in Coda will have the option of acquiring an additional 5% interest in the Tenements (aggregate 75% interest) for a purchase price of \$1.5 million.
 - B. In August 2018, the Foreign Investment Review Board (**FIRB**) approved the novation of the Farm In Agreement from the Company to Coda subject to a number of conditions pursuant to s 74(2) of the *Foreign Acquisitions and Takeovers Act 1975* (Cth) (**FATA**). The FIRB approval is subject to a number of conditions, being:
 - 1) the acquisition of up to a 75% interest in the Tenements must be made before the end of 12 months after 16 August 2018, i.e. by 15 August 2019;

24 May 2019

- 2) there being no material change altering the proposal for the acquisition;
- 3) conditions relating to the Woomera Prohibited Area as set out in Schedule 2; and
- 4) tax conditions as set out in Schedule 2.

(ii) *Glycine Licence*

- A. Under the Licence Agreement dated 4 May 2017 between Mining and Process Solutions (**MPS**), Terrace Mining and Gindalbie (**Glycine Licence**), MPS grants non-transferable, non-exclusive intellectual property licences (including patent rights and know-how) relating to the processing of copper, cobalt and silver ores and concentrates thereof, and secondary processing of other metals that occur naturally, to Terrace and Gindalbie for use on EL 5636, EL 5333 (now EL 6252) and EL 5108 (now EL 6141).
- B. Terrace Mining and Gindalbie must pay licence fees to MPS and comply with the terms and conditions set out in the agreement, including in relation to sublicensing. Gindalbie may sub-licence some or all of its rights under the Glycine Licence by written agreement and with prior notice to MPS.
- C. The term of the Glycine Licence expires if Terrace Mining and Gindalbie have not entered into a binding unconditional contract with one or more contractors to build an operating plant on or before 14 February 2024, or otherwise the date that is the later of 4 May 2032 and the date upon which the first granted patent expires.
- D. Curtin University, a body corporate established under the *Curtin University of Technology Act 1966* (WA) of Kent Street, Bentley, Western Australia (**Curtin**) entered into a contract with MPS dated 12 April 2017 pursuant to which Curtin authorised MPS to perform certain activities involving inventions (**Technology**) which are the subject of patent rights owned by Curtin (**Curtin Contract**). Under the Curtin Contract, MPS is authorised to sub-licence the Technology to third parties, one such example being the Glycine Licence. Curtin has a right to terminate the Curtin Contract (**Termination Right**), however under deeds of covenant between Curtin, Gindalbie and Terrace Mining dated 4 May 2017 and between Curtin and Gindalbie dated 4 May 2017, Curtin provided covenants to Gindalbie and Terrace Mining and Gindalbie (respectively) that in the event that Curtin exercises its Termination Right, their rights under the Glycine Licence will continue. We have not sighted a signed copy of the Curtin Contract.

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(iii) *Dual Tenement Agreement*

- A. Under the Dual Tenement Agreement dated 11 May 2017 between OZ Minerals Carrapateena Pty Ltd (**OZ Minerals**), OZM Carrapateena Pty Ltd (**OZM**) and Terrace Mining (**Dual Tenement Agreement**), Terrace Mining granted consent to OZ Minerals and OZM to jointly apply for:
- 1) up to 10 miscellaneous purposes licences in relation to a mineral lease applied for by OZ Minerals and OZM jointly for an east/west site access and haulage road, power transmission line with access corridors and associated infrastructure;
 - 2) up to 10 miscellaneous purposes licences in relation to a mineral lease applied for by OZ Minerals and OZM jointly, within the area of an exploration licence tenement (or tenements) held by them, for bore fields, pipelines and access roads and associated infrastructure;
 - 3) mineral claims for up to 25 extractive minerals leases to be applied for by OZ Minerals and OZM jointly; and
 - 4) up to 25 extractive minerals leases to be applied for by OZ Minerals and OZM jointly,
- over an area to the east of EL 5636 and EL 6252 (formerly EL 5333) held by Terrace Mining for the purpose of the Carrapateena copper/gold project.
- B. Since the commencement of the Dual Tenement Agreement, OZ Minerals and OZM have jointly been granted the following tenements: MPL 152, EML 6480, EML 6481 and EML 6482 (**OZ Tenements**). The OZ Tenements are overlapped by the area of EL 5636 held by Terrace Mining.
- C. As a consequence, currently the Dual Tenement Agreement regulates the respective mining operations of the common operations areas the subject to both of the OZ Tenements and EL 5636 to the extent of any overlap.
- D. Key relevant provisions of the Dual Tenement Agreement include:
- 1) Terrace Mining must seek written consent from OZ Minerals and OZM prior to conducting any drilling, exploration activity or other mining operations as permitted under the grant of EL 5636 and EL 6252 that occurs within 100 metres of any infrastructure constructed by or on behalf of the OZ Minerals and OZM located within the area

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of the granted mineral purposes licence (being MPL 152);

- 2) each party acknowledges that the other party has a right to carry on mining operations within the common operations area provided that OZ Minerals and OZM are not in breach of any material provision of the Dual Tenement Agreement, OZ Minerals and OZM have a right to carry on mining operations with the common operations area pursuant to the instruments of grant for the OZ Tenements in priority to Terrace Mining pursuant to the instruments of grant for EL 5636 and EL 6252;
- 3) the parties have agreed to use best endeavours to minimise interference caused by their operations in the common operations area and co-operate to reduce or minimise capital and operational costs;
- 4) Terrace Mining has a right of first refusal in circumstances where OZ Minerals and OZM propose or decide to dispose of infrastructure located within the area of the OZ Tenements, subject to requirements under any applicable laws or conditions of the OZ Tenements to remove or dispose of the infrastructure; and
- 5) agreement by the parties that their rights, interests or obligations under the Dual Tenement Agreement may only be assigned with written consent of the other party (which must not be unreasonably withheld) and the assignor must procure that the assignee enter into a deed of assumption that covenants that the assignee is bound to the obligations of the assignor and the terms and conditions of the Dual Tenement Agreement.

5. South Australian mining law

Each of the tenements are exploration licences, which are subject to standard provisions under the Mining Act and the and the *Mining Regulations 2011* (SA) (**Mining Regulations**). Outlined below is a summary of the key provisions that relate to mineral exploration licences within South Australia:

- (a) **Rights:** An exploration licence authorises the licensee to carry out exploratory operations of a kind described in the licence in respect of the land described, or referred to, in the licence. The licensee is, however, not permitted to carry out exploratory operations for precious stones on land within a precious stones field that is outside an opal development area.
- (b) **Term:** An exploration licence may be granted for an initial term not exceeding 5 years, which term may be extended at the discretion of the responsible Minister but

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not such that the aggregate term of the licence exceeds 5 years. If the licence is renewed, the terms and conditions may be varied, revoked or added to and the licence area may be reduced.

The SA Minister may, on the expiration of an exploration licence's 5 year term, or aggregate 5 year term, grant to the licensee an exploration licence over the area of land (or part thereof) to which the former licence applied. The subsequent tenement may be granted for a period of up to 5 years and will be subject to conditions in accordance with the Mining Act.

- (c) **Area:** The area of an exploration licence must not exceed 1,000 square kilometres unless the Minister considers there are justifiable reasons to allow a larger area.
- (d) **Conditions:** An exploration licence may be granted, subject to such conditions as the Minister determines. Exploration licences are also issued subject to a standard schedule of general exclusions and conditions under the Mining Act including environmental conditions, payment of rent, compliance with minimum expenditure and reporting requirements. These standard conditions are detailed in the notes of Schedule 1 of this Report.

A failure to comply with these conditions or obtain an exemption from compliance may lead to cancellation of the exploration licence. Where a licence is suspended or cancelled, the licence holder may, within 28 days after the cancellation or suspension, appeal to the Environmental, Resources and Development Court (**ERD**) and the ERD may, if it is satisfied that there is no proper ground for the cancellation or suspension, declare that cancellation or suspension void.

The Tenements are also subject to statutory requirements of certain other Acts including Aboriginal heritage legislation, environmental protection legislation and rights in water legislation.

- (e) **Transfer:** An exploration licence may not be assigned, transferred, mortgaged, sublet, or made the subject of any trust or other dealing, either directly or indirectly, without the written consent of the Minister. The term 'dealing' is not defined by the Mining Act. The *Statutes Amendment (Mineral Resources) Bill 2018* (which is yet to be introduced), proposes to clarify the Mining Act by requiring Ministerial consent to a legal or proprietary interest in a lease or licence being assigned, transferred, mortgaged, sublet, or made the subject of any trust, either directly or indirectly. This means that Ministerial consent is not required for a contractual interest in a licence or lease to be assigned, transferred or otherwise deal with.

Schedule 1 attached to this Report describes any exclusions, encumbrances and other specific conditions which attach to the Tenements.

6. Native title

(a) Searches

The Searches reveal that the Tenements overlap with the following:

- (i) Kokatha People (Part A) Native Title determination (SCD2014/004):

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The Federal Court determined on 1 September 2014 that Native Title exists in part of the determination area. The registered Native Title Body Corporate for the claim is Kokatha Aboriginal Corporation RNTBC.

- (ii) Kokatha Native Title Claim Settlement ILUA (SI2014/011) registered on 2 December 2014.

The ILUA is between the following parties:

- A. Attorney-General and the Minister for Mineral Resources and Energy on behalf of the State of South Australia;
- B. Kokatha Aboriginal Corporation RNTBC; and
- C. BHP Billiton Olympic Dam Corporation Pty Ltd.

Although the ILUA overlaps with the Tenements, it does not expressly contemplate or affect the Tenements. One of the purposes of the ILUA, which was submitted to the NNTT for registration as part of the making of the positive determination was to effect the surrender and extinguishment of Native Title (per the meaning given to the term in the *Native Title Act 1993* (Cth)) in relation to certain areas of land and waters (**Surrender Areas**).

There are various lots listed in the Kokatha People (Part A) determination that are not included within the determination area. Specifically, there are three freehold titles which underlie the Tenements and are listed within Schedule 5 of the determination as being areas where native title has been extinguished. The lots are:

- (i) Volume 6135 Folio 25;
- (ii) Volume 6058 Folio 91; and
- (iii) Volume 5864 Folio 90.

The remaining underlying land, however, is classified as either unalienated Crown Land or held as a pastoral lease - some of these lots are listed in the determination as native title land. While we have not conducted an extensive extinguishment analysis of the tenure underlying the Tenements (particularly where that tenure was granted post-determination), it is likely that native title will continue to exist over these lots.

(b) **Native Title Agreements**

Future acts comprising the right to mine (such as the grant of exploration licences in relation to land and waters where Native Title may continue to exist) will be done validly where they are done in accordance with the "right to negotiate" procedure in Part 2, Division 3, Subdivision P of the NTA.

However, South Australia has an "alternative State procedure" for the validation of these future acts, which is prescribed by Part 9B of the Mining Act. As part of this procedure, section 63F(2) of the Mining Act allows for miners to acquire the right to carry out mining operations on land affected by Native Title by entering into a Native Title mining agreement with a current Native Title party (i.e. a registered Native Title body corporate (**RNTBC**), for areas where Native Title has been determined, or a registered Native Title claimant (**RNTC**), for areas subject to a registered Native Title claim).

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A search of the Mining Register indicates that a Native Title mining agreement relating to access is registered on the title of EL 5636 with the following description:

'Access inspection agreement Between Gunson Resources Limited (assigned by Stuart Petroleum NL) and the registered representatives of SC99/2 (Kokatha).'

The agreement was made with the then RNTC for the Kokatha Native Title Claim (SC1999/002), which was discontinued in 2009, well before the grant of EL 5636 in 2015. The purpose of the agreement is to permit mining exploration activities and establish procedures to obtain clearance from the native title claimants. The agreement also seeks to ensure adherence with Aboriginal heritage requirements, as well as avoid damage to significant areas. It is likely this agreement has ceased to be in force and will not bind the current authority, given that the claim was discontinued and there has been a positive native title determination made over the area held by another claimant.

The Mining Register also contains details of a Native Title mining agreement, dated 2016, that is registered in respect of each of the Tenements. The agreement is made pursuant to Part 9B of the Mining Act and has been entered into between Terrace Mining and Kokatha Aboriginal Corporation RNTBC (**Kokatha RNTBC**) (**Native Title Agreement**). Kokatha RNTBC, which holds the determined Native Title rights and interests in trust for the Kokatha People Native Title holders, has provided a warranty that it has the authority to execute the agreement on behalf of the Native Title holders.

The registered Native Title Agreement provides a process for clearance by the Kokatha RNTBC and to authorise the mining exploration operations. With respect to conduct of activities under the agreement, Terrace Mining is not liable for the personal health or safety or otherwise of persons engaged by Kokatha RNTBC except in cases of negligence or wilful misconduct.

We note that, although this is not an Aboriginal heritage agreement under the *Aboriginal Heritage Act 1998* (SA) (**AH Act**), the provisions of the Agreement relating to the treatment of areas of significance or Aboriginal objects may assist Terrace Mining to comply with its obligations under the AH Act.

Assignment of the agreement can occur subject to the acquiring party signing a deed of assignment and assumption assuming obligations under and being bound by the terms and conditions of the agreement.

While there is no compensation regime under this Native Title Agreement, Terrace Mining does have an obligation to pay for various costs relating to Clearance Work. There is also an obligation on Terrace Mining to use reasonable endeavours to engage and offer employment opportunities to the Native Title holders.

7. **Aboriginal heritage**

Aboriginal heritage is regulated under the AH Act. Section 23 notes that a person must not, without the Minister's authority:

- (a) damage, disturb or interfere with any Aboriginal site; or
- (b) damage any Aboriginal object; or
- (c) where any Aboriginal object or remains are found—

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- (i) disturb or interfere with the object or remains; or
- (ii) remove the object or remains.

There is also a duty under section 28 on a person to take reasonable measures to protect an Aboriginal object in that person's ownership or possession as part of a public or private collection.

An Aboriginal heritage agreement may be entered into under Division 6 of the AH Act, which, once registered, will be noted on the relevant instrument. A search of the Mining Register conducted on 1 April 2019 confirms there are no registered Aboriginal heritage agreements with respect to the Tenements.

A search of the Register of Aboriginal Sites and Objects indicates that there are no entries on the register within 100m of EL6141 and EL6265. We note that while the register contains no entries relating to Aboriginal cultural heritage, there may still be sites and objects of Aboriginal cultural significance on these sites.

There are, however, two registered cultural heritage sites within the boundaries of EL5636, being:

Site Number	Site Type
1693	Painting
1694	Archaeological

The Kokatha Aboriginal Corporation is listed as a party that may have an interest in the registered sites. As noted above, while the Native Title Agreement is not an Aboriginal heritage agreement under the AH Act, the provisions of the Agreement relating to the treatment of areas of significance or Aboriginal objects may assist Terrace Mining to comply with its obligations under the AH Act.

8. Land use

The land comprising the Tenements is used for mineral exploration and pastoral purposes.

The following relevant interests are registered on the land underlying the Tenements:

- (a) licence number OL055857 grants an annual licence to OZ Minerals Services Pty Ltd (ACN 629 461 481) (**OZ Minerals Services**) for infrastructure purposes commencing on 20/02/2019 and expiring on 19/02/2029, in relation to CL 6211/35; and
- (b) licence number OL055858 grants an annual licence to OZ Minerals Services for infrastructure purposes commencing on 4/02/2019 and expiring on 3/02/2029, in relation to CL 5435/35.

Licences numbered OL055857 and OL055858 appear consistent with the Dual Tenement Agreement referred to in section 4(d)(iii) above.

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9. **Woomera Restricted Airspace**

The Tenements are located within the Woomera Restricted Airspace zones R273 and R22D. Although the Tenements are not actually located within the Woomera Prohibited Area (which is a "Defence Premise" in respect of which access is restricted under the *Defence Act 1903* (Cth) and the *Woomera Prohibited Area Rule 2014*), the conditions of FIRB approval for the novation of the Farm In Agreement to Coda include certain conditions relating to the Woomera Prohibited Area (refer to Schedule 2).

10. **Relevant jurisdictions and limitations to opinion**

This opinion relates only to the statute laws of South Australia and the federal laws of the Commonwealth of Australia in force at, and to court decisions reported prior to, the date of this opinion.

We express no opinion:

- (a) as to the laws of any other jurisdiction;
- (b) as to factual matters;
- (c) as to the exact interpretation which would be placed by a court upon any particular wording in a Material Contract or any other document to which any relevant entity is a party or in some way connected; or
- (d) on any other document or agreement referred to in the Material Contracts or on the rights and obligations of the parties under such documents or agreements.

This opinion is strictly limited to the matters stated in it and does not apply by implication to other matters.

11. **Assumptions and qualifications**

Our Report is based on, and subject to, the assumptions and qualifications set out below and as otherwise specified elsewhere in this Report:

- (a) We have relied upon information provided by third parties, including the SADEM, in response to searches made, or caused to be made, by us and have relied upon that information being accurate, complete and up to date. We cannot comment on whether any changes have occurred in respect of the Tenements between the date on which the searches were conducted and the date of the Demerger Scheme Booklet.
 - (b) We have relied upon information provided by third parties, including the Company and its representatives and agents, in response to investigations and searches made, or caused to be made, by us and have relied upon that information as being accurate, complete and up to date. We cannot comment on whether any changes have occurred in respect of the Tenements between the date on which the information was provided to us and the date of the Demerger Scheme Booklet.
 - (c) Where dealings, interest or agreements have not been registered in relation to granted Tenements, we express no opinion as to whether such registration may be effected, or the consequences of non-registration.
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- (d) Where Ministerial consent is required in relation to any agreements or to the transfer of any granted Tenements, we express no opinion as to whether such consent will be granted, or the consequences of consent being refused, although we are not aware of any specific matter which would cause consent to be refused.
- (e) We have assumed that we have been provided with copies of all the material agreements in respect of the Tenements and express no opinion as to whether any additional agreements in respect of the Tenements exist.
- (f) We have not investigated whether a tenement holder is or may be in breach of any tenement conditions (other than to the extent that such breach may be disclosed in the Searches).
- (g) Where compliance with the terms and conditions of any Tenement and the provisions of the Mining Act and the Mining Regulations, including requirements necessary to maintain the Tenements in good standing, or a possible claim in relation to the Tenements by third parties is not disclosed on the face of the searches referred to in section 2 above, we express no opinion as to such compliance or claim.
- (h) We have assumed that the seals and signatures on all the Material Contracts are authentic, and that the Material Contracts were within the capacity and powers of, and validly authorised, executed and delivered by and are binding on, the parties to them and comprise the entire agreement of the parties to each of them with respect to their respective subject matters.
- (i) We have assumed that the parties to each of the Material Contracts are complying with and will continue to comply with and fulfil the terms of the Material Contracts and that the representations made by third parties (including the Company, its representatives and agents) in relation to the Material Contracts are true and correct.
- (j) Native title or Aboriginal heritage sites or objects may exist in the areas covered by the Tenements. Whilst we have conducted searches to ascertain what native title claims and heritage sites have been registered over these areas, we have not conducted any independent investigations regarding the likely existence or non-existence of native title or Aboriginal heritage sites or objects.
- (k) Save as set out in this Report, we have not undertaken any independent investigation as to whether the granted Tenements have been validly granted in relation to native title considerations.

12. **Consent**

Clayton Utz has given, and has not, before the lodgement of the Demerger Scheme Booklet, withdrawn its consent to the issue of this Demerger Scheme Booklet with this Report.

Clayton Utz was involved in the preparation of only this Report and, notwithstanding that it may be referred to elsewhere in the Demerger Scheme Booklet, it shall not be taken to have authorised or caused the issue of any other part of the Demerger Scheme Booklet.

24 May 2019

Yours sincerely



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Our ref 14396/18448/80193939

Schedule 1 - Schedule of Tenements

Tenement	Registered Holder / Applicant	% Held	Grant Date	Expiry Date	Commodities Permitted	Area	Current Bond	Minimum Expenditure (\$)	Registered Encumbrances / Dealings	Native Title	Notes and Conditions
EL 5636 (formerly EL 4460)	Terrace Mining Pty Ltd (ACN 161 377 340)	75%	25 March 2015	24 March 2020	Silver, cobalt, gold and copper	401 square kilometres	\$10,000 cash bond (Bond 1069)	\$900,000 during the period 25 March 2017 to 24 March 2020	Farm In/Joint Venture 41502 Appointment of Torrens Mining Limited as agent for certain provisions of the Mining Act	Kokatha People (Part A) Native Title determination (SCD2014/004)	1-18 and 19 - 26
	Coda Minerals Ltd (ACN 625 763 957)	25%								Kokatha Native Title Claim Settlement ILUA (SI2014/011)	
										NTMA381 - Mining Native Title Agreement for Exploration	
										Mining Native Title Agreement 47 - Access Inspection Agreement	
										2 registered Aboriginal sites within the boundary.	

Tenement	Registered Holder / Applicant	% Held	Grant Date	Expiry Date	Commodities Permitted	Area	Current Bond	Minimum Expenditure (\$)	Registered Encumbrances / Dealings	Native Title	Notes and Conditions
EL 6141 (formerly EL 5108)	Terrace Mining Pty Ltd (ACN 161 377 340) Coda Minerals Ltd (ACN 625 763 957)	75% 25%	29 October 2017	28 October 2019	Silver, cobalt, gold, copper and uranium	47 square kilometres	N/A	\$280,000 during the period 29 October 2017 to 28 October 2019	Farm In/Joint Venture 41502 Appointment of Torrens Mining Limited as agent for certain provisions of the Mining Act	Kokatha People (Part A) Native Title determination (SCD2014/004) Kokatha Native Title Claim Settlement ILUA (SI2014/011) NTMA381 - Mining Native Title Agreement for Exploration	1-18 and 27-34
EL 6265 (formerly EL 5333)	Terrace Mining Pty Ltd (ACN 161 377 340) Coda Minerals Ltd (ACN 625 763 957)	75% 25%	7 October 2018	6 October 2020	Gold and copper	291 square kilometres	N/A	\$960,000 during the period 7 October 2018 to 6 October 2020	Farm In/Joint Venture 41502 Appointment of Torrens Mining Limited as agent for certain provisions of the Mining Act	Kokatha People (Part A) Native Title determination (SCD2014/004) Kokatha Native Title Claim Settlement ILUA (SI2014/011) NTMA381 - Mining Native Title Agreement	1-18 and 35-41

Tenement	Registered Holder / Applicant	% Held	Grant Date	Expiry Date	Commodities Permitted	Area	Current Bond	Minimum Expenditure (\$)	Registered Encumbrances / Dealings	Native Title	Notes and Conditions
										for Exploration	

Notes:**General:**

1. Licences EL 5636, EL 6141 and EL 6265 cannot be granted for an aggregate term exceeding 5 years. Upon the expiration of the 5 year term, and if the respective Licensee wants to extend the term of the exploration licence for a period greater than 5 years, the Licensee must apply for a new exploration tenement over the relevant land.
2. The Minister may, at any time, require the holders of Licences EL 5636, EL 6141 and EL 6265 to pay to any person an amount of compensation, stipulated by the Minister, to which that person is, in the opinion of the Minister, entitled in consequence of loss or damage suffered by him as a result of operations conducted in pursuance of the respective licence.
3. The Licensees of EL 5636, EL 6141 and EL 6265 must, as soon as reasonably practicable, report to the Director the discovery on the land of minerals potentially capable of economic production.
4. The Licensees of EL 5636, EL 6141 and EL 6265 must give written notice to the Director of any proposal to carry out an airborne survey of the land or proposal to investigate the use of groundwater on the land for the purpose of water supplies, de-watering, in-situ leaching, waste disposal or other purpose.
5. The Licensees of EL 5636, EL 6141 and EL 6265 must within 60 days after making a request to the Minister for a reduction in the area of the land in respect of which the Licence operates submit to the Minister a technical report of the exploratory operations carried out in the area sought to be excluded from the Licence.
6. EL 5636, EL 6141 and EL 6265 confer no right on the Licensees to carry out operations on "native title land" (as defined in the *Native Title (South Australia) Act 1994*) within the area of the exploration licences other than in accordance with Part 9B of the Act.
7. Licensees EL 5636, EL 6141 and EL 6265 must conduct operations so as not to disturb the environment except in so far as it is necessary to undertake the relevant programme of exploration.
8. In the event the Licensees of EL 5636, EL 6141 and EL 6265 request the Minister to consider reducing the area of the respective licence, the Licensees must submit a Partial Surrender Report within 60 days of making its application to the Minister.

9. The Licensees of EL 5636, EL 6141 and EL 6265 must comply with the laws in force in South Australia in the course of undertaking any activities pursuant to the respective license.
10. Exploration reports, data and samples required to be submitted under the Mining Act must be in a manner and form acceptable to the Director of Mines.
11. The Licensees of EL 5636, EL 6141 and EL 6265 must conduct exploratory operations in a manner that will prevent contamination or wastage of groundwater at all exploration drill hole sites and are required to complete all exploration drill holes in accordance with *Information Sheet M21 - Mineral Exploration Drillholes - General specification for construction and backfilling*, approved by the Director of Mines.
12. In the event the Licensees of EL 5636, EL 6141 and EL 6265 encounter significant underground water during drilling operations, the Licensees must notify the exact location of such underground water to the Director of Mines and shall, if practicable, collect samples and forward to the Director of Mines.
13. Unless an exception applies, the Minister will endeavour to keep exploration reports, data and samples submitted in accordance with the EL 5636, EL 6141 and EL 6265 confidential while the respective licence or any flow-on title is in force.
14. At the planning stage of any aerial survey, the Licensees of EL 5636, EL 6141 and EL 6265 must provide details to the Director of Mines of the type of airborne survey, area to be surveyed, flight-line spacing and flight height.
15. EL 5636, EL 6141 and EL 6265 do not authorise the Licensees to undertake any activities which may significantly deleteriously affect the potential for coal seam methane drainage or in situ gasification of coal within any overlapping Exploration Licence under the *Petroleum and Geothermal Energy Act 2000*, the application for which predates the application for the licence and any former licence, without the agreement of the relevant licensee under the Petroleum and Geothermal Energy Act 2000 unless otherwise agreed by the Minister in consultation with the parties concerned.
16. Unless the Minister determines otherwise, if the expenditure commitment under EL 5636, EL 6141 and EL 6265 is not satisfied, the area of land to which the relevant licence applies shall be reduced by at least 25% by the end of the current term.
17. The Minister may request the Licensees of EL 5636, EL 6141 and EL 6265 to review and resubmit a revised Program for Environmental Protection and Rehabilitation (**PEPR**) for further approval at any time during the term of the Licence.
18. Failure to comply with an approved program or PEPR will constitute a failure to comply with the conditions of the relevant Licence.

EL 5636:

19. All low impact exploration activities must be undertaken in accordance with the Ministerial determination pursuant to *Regulation 66; Generic Program for Environmental Protection and Rehabilitation - Low Impact Mineral Exploration in South Australia (Regulation 66)*.
20. The Licensee must obtain Ministerial approval before any of the following occurs in connection with the operations conducted under the Licence:
 - a. upgrading of any existing track;
 - b. use of declared equipment; or
 - c. any other activity outside of the scope of the Ministerial determination pursuant to Regulation 66.
21. Prior to commencing construction of major campsites, intensive track networks, airstrips and other major support facilities, a Declaration of Environmental Factors (**DEF**) or PEPR must be submitted to, and approved in writing by, the Minister.
22. Licensee must provide a Six-Monthly Summary Report to the Director of Mines within thirty days after the expiry of each six month calendar month period from the grant date of the Licence.
23. The Licensee must provide an Annual Technical Report to the Director of Mines within sixty days after the expiry of each twelve calendar months from the grant date of the Licence.

24. Where a Code of Practice, guidelines or a management plan exists for the environmental management of mineral exploration in a given area, the company will be required to adopt them or provide an alternative document of the same standard as approved by the Director of Mines.
25. EL 5636 is overlapped by tenements jointly held and operated by OZM Carrapateena Pty Ltd/ OZ Minerals Carrapateena Pty Ltd being MPL 152, EML 6480, EML 6481, EML 6482. This overlap is managed in accordance with the Dual Tenement Agreement, see section 4(d)(iii) of this Report.
26. EL 5636 is also overlapped by MPL 1, ML 5599, ML 5598, ML 3718, ML 3719, ML 3720, ML 3721, ML 3717 which are tenements held and operated by A & MJ Musolino Pty Ltd and EML 6192 which is held by A & MJ Musolino Pty Ltd and operated by Hornet Resource Assessment Services Pty Ltd. These tenements were excluded from the area of grant for EL 5636.

EL 6141:

27. All low impact exploration activities must be undertaken in accordance with the Ministerial Determination 001; *Generic Program for Environmental Protection and Rehabilitation - Low Impact Mineral Exploration in South Australia (Generic Low Impact Exploration PEPR)*.
28. Prior to conducting any on-ground exploration activity outside the scope of the Generic Low Impact Exploration PEPR, an application shall be submitted to, and approved in writing by, the Minister.
29. Prior to commencing construction of major campsites, intensive track networks, airstrips and other major support facilities, a PEPR must be submitted to, and approved in writing by, the Minister.
30. At least fourteen days prior to commencing drilling operations that are likely to intersect significant groundwater the Licensee must advise the Drilling Inspector.
31. The Licensee must provide an Annual Expenditure Report to the Director of Mines within sixty days after the expiry of each twelve calendar months from the grant date of the Licence.
32. The Licensee must provide an Annual Technical Report to the Director of Mines within sixty days after the expiry of each twelve calendar months from the grant date of the Licence.
33. Representative drill hole samples are offered to the Geological Survey of South Australia on completion of the program or expiry of the tenement as per the Department's Information Sheet MG18, *Submission of Representative Samples for Mineral Exploration Drillholes*.
34. EL 6141 permits the exploration of uranium. The general condition under s 10A of the Mining Act provides that a grant of mining tenure for the mining of uranium requires consent of the Minister and the grant of an EL which permits the exploration of uranium does not automatically give rise to the grant of mining tenure for the mining of uranium.

EL 6265:

35. All low impact exploration activities must be undertaken in accordance with the Ministerial Determination 001; *Generic Low Impact Exploration PEPR*.
36. Prior to conducting any on-ground exploration activity outside the scope of the Generic Low Impact Exploration PEPR, an application shall be submitted to, and approved in writing by, the Minister.
37. Prior to commencing construction of major campsites, intensive track networks, airstrips and other major support facilities, a PEPR must be submitted to, and approved in writing by, the Minister.
38. At least fourteen days prior to commencing drilling operations that are likely to intersect significant groundwater the Licensee must advise the Drilling Inspector.

- 39. The Licensee must provide an Annual Expenditure Report to the Director of Mines within sixty days after the expiry of each twelve calendar months from the grant date of the Licence.
- 40. The Licensee must provide an Annual Technical Report to the Director of Mines within sixty days after the expiry of each twelve calendar months from the grant date of the Licence.
- 41. Representative drill hole samples are offered to the Geological Survey of South Australia on completion of the program or expiry of the tenement as per the Department's Information Sheet MG18, *Submission of Representative Samples for Mineral Exploration Drillholes*.

Schedule 2 - FIRB Conditions

Conditions relating to the Woomera Prohibited Area

1. Coda must use its best endeavours to ensure, and within its powers must ensure, that the Company does not:
 - a. appoint any representative of Anshan Iron and Steel Group Corporation (or of its subsidiaries) (**Ansteel Representative**) to the steering committee or the joint venture committee as described in the Farm In Agreement; or
 - b. allow any Ansteel Representative to exercise control over the members of those committees in the performance of their duties.
2. Coda must not use or install any security, surveillance or communications equipment or products within the area of the Tenements without prior written approval of the Department of Defence.
3. Coda must use its best endeavours to ensure, and within its powers must ensure, that entitles in its control group do not use or install any security, surveillance or communications equipment or products within the area of the Tenements without prior written approval of the Department of Defence.
4. Coda must provide an annual report to FIRB on compliance with these conditions, with the first report to be provided for the period ending June 2019 by end-July 2019.

Tax conditions

1. Coda must comply with the taxation laws of the Commonwealth of Australia in relation to the action, and any transactions, operations or assets in connection with the assets or operations acquired as a result of the action. Coda does not breach this condition if it has taken reasonable care to comply with the relevant taxation laws and has a reasonably arguable position.
2. Coda must use its best endeavours to ensure, and within its powers must ensure, that entitles in its control group comply with the taxation laws of the Commonwealth of Australia in relation to the action and any transactions, operations or assets in connection with the assets or operations acquired as a result of the action. Coda does not breach this condition if entitles in its control group have taken reasonable care to comply with the relevant taxation laws and have a reasonably arguable position.
3. Coda must provide any documents or information that is required to be provided to the Australian Taxation Office (**ATO**) in accordance with the taxation laws of the Commonwealth of Australia in relation to the action and any transactions, operations or assets in connection with assets or operations acquired as a result of the action. These documents or information must be provided within the timeframe specified by the ATO.
4. Coda must use its best endeavours to ensure, and within its powers must ensure, that entitles in its control group provide any documents or information that is required to be provided to the ATO in accordance with the taxation laws of the Commonwealth of Australia in relation to the action

and any transactions, operations or assets in connection with assets or operations acquired as a result of the action. These documents or information must be provided within the timeframe specified by the ATO.

5. Coda must pay its outstanding taxation debt under the taxation laws of the Commonwealth of Australia, and must use its best endeavours to ensure, and within its powers must ensure, that entitlements in its control group pay any outstanding taxation debt under the taxation laws of the Commonwealth of Australia, which is due and payable at the time of the proposed action. This condition does not apply to payment arrangements agreed with the ATO or where the ATO has exercised its discretion to defer part or all of the payment of a disputed amount, to the extent that those arrangements are complied with.
6. Coda must provide an annual report to FIRB on compliance with these conditions. The first report must cover the period from the date the action takes place to the end of Coda's income year for tax purposes. All subsequent reports must cover Coda's income year for tax purposes. If the action takes place less than 90 days before the end of the first income year, then that period can be incorporated in the next report. Each report must be provided by the due date for lodgement of Coda's tax return for that year.
7. Coda must advise FIRB within 60 days of taking the action that it has done so.
8. Coda must advise FIRB within 60 days of a termination event that the event has taken place.

Annexure Demerger Scheme

F

Demerger scheme of arrangement

Pursuant to section 411 of the Corporations Act

Gindalbie Metals Limited

Gindalbie

Each person registered in the Gindalbie Share Register as a holder of Demerger Scheme Shares as at the Demerger Record Date

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Demerger scheme of arrangement made under section 411 of the Corporations Act 2001 (Cth)

Date

Parties **Gindalbie Metals Limited ACN 060 857 614** of 6 Altona St, West Perth, Western Australia 6005, Australia (**Gindalbie**)

Each person registered in the Gindalbie Share Register as a holder of Demerger Scheme Shares as at the Demerger Record Date (**Demerger Scheme Shareholders**)

Background

- A. Gindalbie is a public company limited by shares and is admitted to the official list of ASX.
- B. Coda is a public company incorporated in the State of Western Australia that is, and until the Demerger Implementation Date will be, a wholly owned subsidiary of Gindalbie.
- C. Gindalbie and Coda have entered into the Demerger Implementation Agreement, pursuant to which, amongst other things, Gindalbie and Coda have agreed to implement the Demerger Capital Reduction and this Demerger Scheme on the terms and conditions of that agreement.
- D. If this Demerger Scheme is implemented, Gindalbie will reduce its share capital pursuant to the Demerger Capital Reduction and the Demerger Capital Reduction Entitlement of each Demerger Scheme Shareholder will be applied as consideration for the transfer of Coda Shares to Demerger Scheme Shareholders (or, in the case of Ineligible Overseas Shareholders, to the Nominee).
- E. Coda has entered into the Demerger Deed Poll for the purpose of covenanting in favour of the Demerger Scheme Shareholders to observe and perform its obligations under this Demerger Scheme.

Operative Provisions

1. Definitions and interpretation

1.1 Definitions

In this Demerger Scheme, unless the contrary intention appears or the context requires otherwise:

Acquisition Scheme means the scheme of arrangement under Part 5.1 of the Corporations Act between Gindalbie and "Scheme Shareholders" substantially in the form set out in Annexure A to the Scheme Implementation Agreement.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited ACN 008 624 691 or, as the context requires, the financial market operated by it known as the Australian Securities Exchange.

Average Net Sale Proceeds means an amount equal to the net proceeds of the sale by the Nominee of all Coda Shares transferred to the Nominee in accordance with clause 4.3(b)(ii) after deducting any applicable brokerage, registry fees, duties and charges divided by the total number of Coda Shares transferred to the Nominee in accordance with clause 4.3(b)(ii).

Business Day means a day that is not a Saturday, Sunday or public holiday and on which banks are open for business generally in Perth, Western Australia, Hong Kong and Beijing.

Capital Reduction Resolution means the resolution to approve the Demerger Capital Reduction, to be put to Gindalbie Shareholders at a general meeting.

CHESS means the clearing house electronic sub-register system for the electronic transfer of securities operated by ASX Settlements Pty Limited ABN 49 008 504 532.

Coda Share means a fully paid ordinary share in the capital of Coda.

Coda Share Register means the register of members of Coda maintained by or on behalf of Coda in accordance with section 168(1) of the Corporations Act.

Condition means each condition to this Demerger Scheme set out in clause 2.1.

Corporations Act means the Corporations Act 2001 (Cth).

Court means the Federal Court of Australia or such other court of competent jurisdiction as Gindalbie and Coda agree in writing.

Demerger Capital Reduction means the capital reduction to be undertaken as part of the implementation of this Demerger Scheme pursuant to section 256C of the Corporations Act in accordance with the Capital Reduction Resolution, which will result in a reduction of the share capital of Gindalbie by an amount of \$10,567,913, applied equally against each Demerger Scheme Share.

Demerger Capital Reduction Amount means the amount of the Demerger Capital Reduction divided by the number of Demerger Scheme Shares.

Demerger Capital Reduction Entitlement means, in relation to a Demerger Scheme Shareholder, the Demerger Capital Reduction Amount multiplied by the number of Demerger Scheme Shares held by the Demerger Scheme Shareholder as at the Demerger Record Date.

Demerger Deed Poll means the deed poll dated 11 March 2019 and executed by Coda in favour of the Demerger Scheme Shareholders

Demerger Implementation Agreement means the demerger implementation agreement dated 11 March 2019 between Gindalbie and Coda under which, amongst other things, Gindalbie has agreed to propose this Demerger Scheme to Gindalbie Shareholders and each of Coda and Gindalbie has agreed to take certain steps to give effect to this Demerger Scheme.

Demerger Implementation Date means the date that is 5 Business Days after the Demerger Record Date or such other time and date agreed in writing between Gindalbie and Coda.

Demerger Record Date means 5:00 pm on the date that is 5 Business Days after the Demerger Scheme Effective Date or such other time and date agreed in writing between Coda and Gindalbie.

Demerger Scheme means the scheme of arrangement under part 5.1 of the Corporations Act between Gindalbie and the Demerger Scheme Shareholders as set out in this document, subject to any alterations or conditions made or required by the Court pursuant to section 411(6) of the Corporations Act and agreed to by Coda and Gindalbie.

Demerger Scheme Effective Date means the date on which this Demerger Scheme becomes Effective.

Demerger Scheme Entitlement means one Coda Share for every 45 Demerger Scheme Shares held by a Demerger Scheme Shareholder, subject to adjustment in accordance with clause 4.6.

Demerger Scheme Meeting means the meeting of Gindalbie Shareholders to be convened by the Court in relation to this Demerger Scheme pursuant to section 411(1) of the Corporations Act.

Demerger Scheme Share means a Gindalbie Share on issue as at the Demerger Record Date.

Demerger Scheme Shareholder means each person registered in the Gindalbie Share Register as a holder of Demerger Scheme Shares as at the Demerger Record Date.

Effective means, when used in relation to this Demerger Scheme, the coming into effect, pursuant to section 411(10) of the Corporations Act, of the order of the Court made under section 411(4)(b) of the Corporations Act in relation to this Demerger Scheme.

End Date means 31 December 2019 or such other date agreed between Gindalbie and Coda in writing.

Gindalbie Share Register means the register of members of Gindalbie maintained by or on behalf of Gindalbie in accordance with section 168(1) of the Corporations Act.

Gindalbie Share Registry means Link Market Services Limited ACN 083 214 537.

Gindalbie Shareholder means a person who is registered in the Gindalbie Share Register as a holder of one or more Gindalbie Shares.

Gindalbie Shares means fully paid ordinary shares in the capital of Gindalbie.

Ineligible Overseas Shareholder means each Demerger Scheme Shareholder whose Registered Address is in any jurisdiction other than:

- (a) Australia;
- (b) Hong Kong (where the Demerger Scheme Shareholder is a "professional investors" (as defined in Section 1 of Part 1 of Schedule 1 to the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)) or in respect of non-professional Demerger Scheme Shareholders where the number of such persons does not exceed 50);
- (c) New Zealand (where the Demerger Scheme Shareholder is a "wholesale investor" (as defined in the Financial Markets Conduct Act 2013 (New Zealand)) and completes and returns a New Zealand Investor Certificate); or
- (d) any other jurisdiction in respect of which Gindalbie reasonably believes that it is not prohibited and not unduly onerous or impractical to implement this Demerger Scheme and to transfer Coda Shares to a Demerger Scheme Shareholder with a Registered Address in such jurisdiction.

Net Proceeds Entitlement means, in relation to an Ineligible Overseas Shareholder, an amount equal to the Average Net Sale Proceeds multiplied by the number of Coda Shares transferred to the Nominee under clause 4.3(b)(ii) in respect of that Ineligible Overseas Shareholder (rounded down to the nearest whole cent).

Nominee means the appropriately licensed person nominated by Gindalbie to sell or facilitate the transfer of the Coda Shares attributable to Ineligible Overseas Shareholders under the terms of this Demerger Scheme.

Registered Address means, in relation to a Gindalbie Shareholder, the address shown in the Gindalbie Share Register as at the Demerger Record Date.

Regulatory Authority means:

- (a) any government or local authority, any department, minister or agency of any government and any other governmental, administrative, fiscal, monetary or judicial body; and
- (b) any other authority, agency, commission or similar entity having powers or jurisdiction under any law or regulation or the listing rules of any recognised stock or securities exchange.

Second Court Date means the first day of the hearing of an application made to the Court for an order pursuant to section 411(4)(b) of the Corporations Act approving this Demerger Scheme or, if the hearing of such application is adjourned for any reason, means the first day of the adjourned hearing.

Scheme Implementation Agreement means the Scheme Implementation Agreement dated 11 March 2019 between Gindalbie and Angang Group Hong Kong (Holdings) Limited, Company No. 0812362 (as it may be amended from time to time).

1.2 Interpretation

In this Demerger Scheme headings and labels used for definitions are for convenience only and do not affect interpretation and, unless the contrary intention appears:

- (a) a word importing the singular includes the plural and vice versa, and a word of any gender includes the corresponding words of any other gender;
- (b) the word **including** or any other form of that word is not a word of limitation;
- (c) 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;
- (d) a reference to a **person** includes an individual, the estate of an individual, a corporation, an authority, an association or parties in a joint venture, a partnership and a trust;
- (e) a reference to 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 any substituted or additional trustee;
- (f) references to paragraphs or clauses are to a paragraph or clause of this Demerger Scheme;
- (g) a reference to a document (including this Demerger Scheme) is to that document as varied, novated, ratified or replaced from time to time;
- (h) a reference to an agency or body if that agency or body ceases to exist or is reconstituted, renamed or replaced or has its powers or function removed (obsolete body), means the agency or body which performs most closely the functions of the obsolete body;
- (i) a reference to a statute includes any regulations or other instruments made under it (delegated legislation) and a reference to a statute or delegated legislation or a

provision of either includes consolidations, amendments, re-enactments and replacements;

- (j) a reference to a date or time is to that date or time in Perth, Australia; and
- (k) this Demerger Scheme or any clause in this Demerger Scheme must not be construed adversely to a party just because that party prepared it or caused it to be prepared.

1.3 Business Day

Except where otherwise expressly provided, where under this Demerger Scheme the day on which or by which any act, matter or thing is to be done is a day other than a Business Day, such act, matter or thing shall be done on the immediately preceding Business Day.

2. Conditions

2.1 Conditions

This Demerger Scheme is conditional upon, and will have no force or effect until, the satisfaction of each of the following conditions, and the provisions of clauses 3.1, 4 and 5 will not come into effect unless and until, each of these conditions has been satisfied:

- (a) as at 8:00 am on the Second Court Date each of the conditions set out in clause 3.1 of the Demerger Implementation Agreement (other than those conditions relating to the approval of the Court set out in clauses 3.1(h), 3.1(i), 3.1(j) and (to the extent relevant) 3.1(e)) have been satisfied or waived in accordance with the terms of the Demerger Implementation Agreement;
- (b) as at 8:00 am on the Second Court Date none of the Demerger Implementation Agreement, the Demerger Deed Poll or the Scheme Implementation Agreement have been terminated;
- (c) the Court approves this Demerger Scheme under section 411(4)(b) of the Corporations Act with or without modification acceptable to Coda and Gindalbie (each acting reasonably);
- (d) such other conditions made or required by the Court under section 411(6) of the Corporations Act in relation to this Demerger Scheme as are acceptable to Coda and Gindalbie (each acting reasonably) have been satisfied or waived;
- (e) the orders of the Court made under section 411(4)(b) of the Corporations Act (and, if applicable, section 411(6) of the Corporations Act) in relation to this Demerger Scheme have come into effect, pursuant to section 411(10) of the Corporations Act; and
- (f) each of the conditions precedent in clause 2.1 of the Acquisition Scheme have been satisfied.

2.2 No waiver of certain Conditions

Except to the extent a Condition provides otherwise, the Conditions cannot be waived.

2.3 Certificates in relation to Conditions

On the Second Court Date, Gindalbie must provide to the Court, and procure that Coda provides to the Court, a certificate (or such other evidence as the Court may request) confirming (in respect of matters within its knowledge) whether or not the Conditions in clauses 2.1(a) and (b)) have been satisfied or waived.

2.4 Termination of Demerger Implementation Agreement

Without limiting any rights under the Demerger Implementation Agreement, in the event that the Demerger Implementation Agreement is terminated in accordance with its terms this Demerger Scheme will lapse and be of no force and effect, Gindalbie and Coda are each released from:

- (a) any further obligation to take steps to implement this Demerger Scheme; and
- (b) any liability with respect to this Demerger Scheme.

3. Demerger Scheme

3.1 Demerger Scheme Effective Date

Subject to clause 3.2, this Demerger Scheme will take effect on and from the Demerger Scheme Effective Date.

3.2 End Date

This Demerger Scheme will lapse and be of no further force or effect if the Demerger Scheme Effective Date has not occurred on or before the End Date, unless Gindalbie and Coda agree in writing.

4. Implementation of Demerger Scheme

4.1 Lodgement of Court Orders with ASIC

If the Conditions are satisfied (other than the Condition in clause 2.1(e)), Gindalbie must promptly lodge with ASIC in accordance with section 411(10) of the Corporations Act an office copy of the Court order approving this Demerger Scheme, and in any event by no later than 5:00 pm on the Business Day following the date on which the Court approves this Demerger Scheme or such other Business Day as Gindalbie and Coda agree in writing.

4.2 Subdivision of Coda Shares

Prior to the Demerger Implementation Date, and in any event before the implementation steps provided for in clause 4.3, Gindalbie will procure (as Coda's sole shareholder) that Coda's share capital is subdivided so that the number of Coda Shares on issue is equal to the number of Coda Shares required to be transferred to Demerger Scheme Shareholders or the Nominee in accordance with clause 4.3.

4.3 Implementation of Demerger Scheme

On the Demerger Implementation Date, without the need for any further act by a Demerger Scheme Shareholder:

- (a) Gindalbie will reduce its share capital pursuant to the Demerger Capital Reduction; and
- (b) Gindalbie will apply the Demerger Capital Reduction Entitlement of each Demerger Scheme Shareholder:
 - (i) in the case of a Demerger Scheme Shareholder (other than Ineligible Overseas Shareholders), as consideration in full for the transfer to that Demerger Scheme Shareholder of that Demerger Scheme Shareholder's Demerger Scheme Entitlement; and

- (ii) in the case of a Demerger Scheme Shareholder who is an Ineligible Overseas Shareholder, as consideration in full for the transfer to the Nominee of that Ineligible Overseas Shareholder's Demerger Scheme Entitlement,

in accordance with clause 4.4.

4.4 Transfer of Coda Shares

The obligations of Gindalbie under clause 4.3 will be discharged by:

- (a) Gindalbie executing a transfer of all Coda Shares to the Demerger Scheme Shareholders or the Nominee (in the case of Ineligible Overseas Shareholders) in accordance with clause 4.3, as the case may be, and delivering the duly executed transfer to Coda for registration on the Demerger Implementation Date; and
- (b) Gindalbie procuring Coda to enter, or procure the entry, in the Coda Share Register:
 - (i) of the name of each Demerger Scheme Shareholder (other than Ineligible Overseas Shareholders) in respect of the Coda Shares transferred to the relevant Demerger Scheme Shareholder; and
 - (ii) of the name of the Nominee in respect of those Coda Shares that would otherwise be transferred to each Demerger Scheme Shareholder who is an Ineligible Overseas Shareholder.

4.5 Dispatch of share certificates

As soon as practicable after the Demerger Implementation Date, Gindalbie will procure that Coda promptly sends or procures the dispatch to each Demerger Scheme Shareholder or the Nominee (as the case may be) by pre-paid post to their Registered Address of uncertificated holding statements or share certificates (as the case may be) for the Coda Shares transferred to the Demerger Scheme Shareholder or the Nominee (as the case may be) in accordance with this Demerger Scheme (and, in the case of Demerger Scheme Shareholders who are joint holders of Demerger Scheme Shares, uncertificated holding statements or share certificates (as the case may be) in relation to the relevant Coda Shares shall be forwarded to the holder whose name appears first in the Gindalbie Share Register as at the Demerger Record Date).

4.6 Fractional entitlements and share splitting or division

- (a) If the number of Demerger Scheme Shares held by a Demerger Scheme Shareholder at the Demerger Record Date is such that the aggregate entitlement of the Demerger Scheme Shareholder to their Demerger Scheme Entitlement results in a fractional entitlement to a Coda Share, then the entitlement of that Demerger Scheme Shareholder must be rounded up or down to the nearest Coda Share (with any such fractional entitlement of less than 0.5 being rounded down to the nearest Coda Share and any such fractional entitlement of 0.5 or more being rounded up to the nearest Coda Share).
- (b) If Gindalbie is of the opinion (acting reasonably) that two or more Demerger Scheme Shareholders (each of whom holds a number of Demerger Scheme Shares which results in rounding in accordance with clause 4.6(a)) have, before the Demerger Record Date, been party to shareholding splitting or division in an attempt to obtain unfair advantage by reference to such rounding, Gindalbie may give notice to those Demerger Scheme Shareholders:
 - (i) setting out their names and registered addresses as shown in the Gindalbie Share Register;

- (ii) stating that opinion; and
- (iii) attributing to one of them specifically identified in the notice the Demerger Scheme Shares held by all of them,

and, after such notice has been given, the Demerger Scheme Shareholder specifically identified in the notice as the deemed holder of all the specified Demerger Scheme Shares will, for the purposes of the other provisions of this Demerger Scheme, be taken to hold all of those Demerger Scheme Shares and each of the other Demerger Scheme Shareholders whose names and registered addresses are set out in the notice will, for the purposes of the other provisions of this Demerger Scheme, be taken to hold no Demerger Scheme Shares. Gindalbie in complying with the other provisions of this Demerger Scheme relating to it in respect of the Demerger Scheme Shareholder specifically identified in the notice as the deemed holder of all the specified Demerger Scheme Shares (and Coda, to the extent relevant), will be taken to have satisfied and discharged its obligations to the other Demerger Scheme Shareholders named in the notice under the terms of this Demerger Scheme.

4.7 Joint holders

In the case of Demerger Scheme Shares held in joint names:

- (a) the Coda Shares to be transferred under clauses 4.3 and 4.4 must be transferred in the names of the joint holders (if they are not transferred to the Nominee);
- (b) any cheque required to be sent to the Demerger Scheme Shareholders will be payable to the joint holders and will be forwarded to the holder whose name appears first in the Gindalbie Share Register as at the Demerger Record Date; and
- (c) any other document required to be sent under this Demerger Scheme will be issued in the names of the joint holders and will be forwarded to the holder whose name appears first in the Gindalbie Share Register as at the Demerger Record Date.

5. Ineligible Overseas Shareholders

5.1 Sale of Demerger Scheme Entitlements

- (a) As soon as reasonably practicable after the Demerger Implementation Date, Gindalbie will:
 - (i) procure that the Nominee sells on ASX or otherwise (and at the risk of the Ineligible Overseas Shareholders), for the benefit of the Ineligible Overseas Shareholders, all the Coda Shares transferred to the Nominee under clause 4 in consideration of the application of the Demerger Capital Reduction Entitlements of Ineligible Overseas Shareholders;
 - (ii) account to each Ineligible Overseas Shareholder, by remittance in accordance with clause 5.1(a)(iii), for their Net Proceeds Entitlement; and
 - (iii) remit, or procures the remittance of, the Net Proceeds Entitlement to each Ineligible Overseas Shareholder, with such remittance to be satisfied by:
 - A. where an Ineligible Overseas Shareholder has, before the Demerger Record Date, made a valid election in accordance with the requirements of the Gindalbie Share Registry to receive dividend payments from Gindalbie by electronic funds transfer to a bank nominated by that Ineligible Overseas

Shareholder, paying, or procuring the payment of, the relevant amount in Australian currency by electronic means in accordance with that election; or

- B. otherwise, whether or not an Ineligible Overseas Shareholder has made an election referred to in clause 5.1(a)(iii)A, dispatching, or procuring the dispatch of, a cheque for the relevant amount in Australian currency to the Ineligible Overseas Shareholder by prepaid post to their Registered Address (as at the Demerger Record Date), with such cheque being drawn in the name of the Ineligible Overseas Shareholder (or in the case of joint holders, in accordance with the procedures set out in clause 4.7).
- (b) If Gindalbie receives professional advice that any withholding or other tax is required by law to be withheld from a payment to an Ineligible Overseas Shareholder, made under clause 5.1(a), Gindalbie is entitled to withhold the relevant amount before the payment is made to the Ineligible Overseas Shareholder (and payment of the reduced amount shall be taken to be full payment of the relevant amount for the purposes of this Demerger Scheme). Gindalbie must pay any amount so withheld to the relevant taxation authorities within the time permitted by law, and, if requested in writing by the relevant Ineligible Overseas Shareholder, provide a receipt or other appropriate evidence of such payment (or procure the provision of such receipt or other evidence) to the relevant Ineligible Overseas Shareholder.
- (c) Gindalbie does not provide any assurance as to the price that will be achieved for the sale of Coda Shares by the Nominee described in clause 5.1(a)(i).
- (d) Each Ineligible Overseas Shareholder appoints Gindalbie as its agent to receive on its behalf any financial services guide or other notices (including any updates of those documents) that the Nominee is required to provide to the Ineligible Overseas Shareholder under the Corporations Act.
- (e) Gindalbie, in complying with the terms of this clause 5.1, in respect of an Ineligible Overseas Shareholder will be taken to have satisfied and discharged its obligations under the terms of the Demerger Capital Reduction and this Demerger Scheme. An Ineligible Overseas Shareholder will have no claim against Gindalbie for any entitlement they would have had to Coda Shares but for the terms of this Demerger Scheme.
- (f) Under this Demerger Scheme, each Ineligible Overseas Shareholder agrees and acknowledges that the sale of that person's Coda Shares by the Nominee under this Demerger Scheme by operation of this clause 5.1 constitutes satisfaction of that person's entitlements in and to that person's Coda Shares.

5.2 Unclaimed monies

- (a) Gindalbie may cancel, or procure the cancellation of, a cheque issued under this clause 5 if the cheque:
 - (i) is returned to Gindalbie; or
 - (ii) has not been presented for payment within six months after the date on which the cheque was sent.
- (b) During the period of one year commencing on the Demerger Implementation Date, on request in writing from an Ineligible Overseas Shareholder to Gindalbie (or the Gindalbie Share Registry) (which request may not be made until that date which is 30 Business Days after the Demerger Implementation Date), Gindalbie must

reissue, or procure the reissue of, a cheque that was previously cancelled under this clause 5.2.

- (c) The Unclaimed Money Act 1990 (WA) will apply in relation to any amounts which become 'unclaimed money' (as defined in section 3 of that Act).

6. Dealings in Gindalbie Shares

6.1 Dealings in Gindalbie Shares by Demerger Scheme Shareholders

For the purposes of establishing the identity of the Demerger Scheme Shareholders, dealings in Gindalbie Shares or other alterations to the Gindalbie Share Register will only be recognised by Gindalbie provided that:

- (a) in the case of dealings of the type to be effected on CHESS, the transferee is registered in the Gindalbie Share Register as the holder of the relevant Gindalbie Shares by the Demerger Record Date; and
- (b) in all other cases, registrable transfers or transmission applications in respect of those dealings are received by the Demerger Record Date at the place where the Gindalbie Share Register is kept,

and Gindalbie will not accept for registration, or recognise for any purpose, any transmission application or transfer in respect of Gindalbie Shares received on or after the Demerger Record Date, or received prior to the Demerger Record Date but not in registrable or actionable form.

6.2 Gindalbie Share Register

Gindalbie will maintain the Gindalbie Share Register in accordance with the provisions of this clause 6 and the Gindalbie Share Register in that form and the terms of this Demerger Scheme will solely determine entitlements to the Demerger Scheme Entitlement.

6.3 Registration of holdings of Coda Shares

Gindalbie must procure that Demerger Scheme Shareholders, other than Ineligible Overseas Shareholders, are registered as the holders of the Coda Shares to which they are entitled under the terms of this Demerger Scheme as soon as possible on or immediately after the Demerger Implementation Date.

7. General Demerger Scheme provisions

7.1 Agreement to become a member of Coda

Under this Demerger Scheme, each Demerger Scheme Shareholder (other than Ineligible Overseas Shareholders):

- (a) agrees to become a member of Coda and to have its name entered in the Coda Share Register and accepts the Coda Shares transferred under this Demerger Scheme on the terms and conditions of Coda's constitution; and
- (b) agrees and acknowledges that the provision to it of its Demerger Scheme Entitlement constitutes the satisfaction of all of its entitlements in and to its Demerger Capital Reduction Entitlement,

without the need for any further act by a Demerger Scheme Shareholder.

7.2 Appointment of agent and attorney

Each Demerger Scheme Shareholder, without the need for any further act, irrevocably appoints Gindalbie as its agent and attorney for the purposes of:

- (a) executing any document or doing any other act necessary to give effect to the terms of this Demerger Scheme including, without limitation, the communication of the Demerger Scheme Shareholder's agreement under clauses 7.1 and 7.6 and instructions under clause 7.4; and
- (b) enforcing the Demerger Deed Poll against Coda,

and Gindalbie accepts such appointment. Gindalbie, as agent and attorney of each Demerger Scheme Shareholder, may sub-delegate its functions, authorities or powers under this clause 7.2 to all or any of its directors and officers (jointly, severally, or jointly and severally).

7.3 Enforcement of Demerger Deed Poll

Gindalbie undertakes in favour of each Demerger Scheme Shareholder that it will enforce the Demerger Deed Poll against Coda (as applicable on behalf of and as agent and attorney for the Demerger Scheme Shareholders).

7.4 Instructions to Gindalbie

Except for a Demerger Scheme Shareholder's tax file number, all binding instructions or notifications between a Demerger Scheme Shareholder (other than an Ineligible Overseas Shareholder) and Gindalbie relating to Demerger Scheme Shares or a Demerger Scheme Shareholder's status as a Gindalbie Shareholder (including, without limitation, any instructions relating to communications from Gindalbie and whether dividends are to be paid by cheque or into a specified bank account) will, to the extent permitted, from the Demerger Record Date be deemed, by reason of this Demerger Scheme, to be similarly binding instructions or notifications to, and accepted by, Coda in respect of the Coda Shares transferred to each Demerger Scheme Shareholder until those instructions or notifications are, in each case, revoked or amended in writing addressed to Coda (at its registered address from time to time) or its share registry.

7.5 Demerger Scheme Shareholders' consent

Each Demerger Scheme Shareholder irrevocably:

- (a) consents to Gindalbie and Coda doing all things and executing all deeds, instruments, transfers or other documents as may be necessary, incidental or expedient to the implementation and performance of this Demerger Scheme; and
- (b) acknowledges that this Demerger Scheme binds Gindalbie and all of the Demerger Scheme Shareholders (including those who do not attend the Demerger Scheme Meeting, do not vote at that meeting or who vote against this Demerger Scheme).

7.6 Consent to alterations

If the Court proposes to approve this Demerger Scheme subject to any alterations or conditions, Gindalbie may, by its counsel or solicitors, and with the consent of Coda, consent on behalf of all persons concerned, including a Demerger Scheme Shareholder, to any modification of or amendment to this Demerger Scheme which the Court thinks fit to impose.

7.7 Notices

- (a) Where a notice, transfer, transmission application, direction or other communication referred to in this Demerger Scheme is sent by post to Gindalbie, it will not be deemed to be received in the ordinary course of post or on a date other than the

date (if any) on which it is actually received at Gindalbie's registered office or at the Gindalbie Share Registry (as the case may be).

- (b) The accidental omission to give notice of the Demerger Scheme Meeting or the non-receipt of such notice by a Gindalbie Shareholder will not, unless so ordered by the Court, invalidate the Demerger Scheme Meeting or the proceedings of the Demerger Scheme Meeting.

7.8 Inconsistencies

This Demerger Scheme binds Gindalbie and all Demerger Scheme Shareholders, and to the extent of any inconsistency, overrides Gindalbie's constitution.

7.9 Further assurance

Gindalbie will execute all documents and do all acts and things as may be necessary or expedient for the implementation of, and performance of its obligations under, this Demerger Scheme.

7.10 No liability when acting in good faith

Neither Gindalbie nor Coda, nor any of their respective officers or employees, will be liable for anything done or omitted to be done in the performance of this Demerger Scheme in good faith.

7.11 Stamp Duty

Gindalbie:

- (a) will pay all stamp duty and any related fines and penalties in respect of this Demerger Scheme and the Demerger Deed Poll, the performance of the Demerger Deed Poll and each transaction effected by or made under this Demerger Scheme and the Demerger Deed Poll; and
- (b) indemnifies each Demerger Scheme Shareholder against any liability arising from failure to comply with clause 7.11(a).

7.12 Deductions required by law

- (a) Without limiting clause 5.1(b), any payment (or deemed payment under law) to be made under this Demerger Scheme must be made free and clear of any set-off, deduction or withholding, except where that set-off, deduction or withholding is required or compelled by law or where that set-off, deduction or withholding relates to an amount payable under Subdivision 14-D of Schedule 1 to the *Taxation Administration Act 1953* (Cth).
- (b) Other than in the circumstances described in clause 5.1(b), if any withholding is required or compelled by law in relation to this Demerger Scheme, each Demerger Scheme Shareholder:
 - (i) directs Gindalbie to pay that withholding to the relevant Regulatory Authority on its behalf and agrees that the amount of the withholding is to be treated as a loan from Gindalbie to that Demerger Scheme Shareholder; and
 - (ii) agrees to repay that loan to Gindalbie in cash upon implementation of the Acquisition Scheme.
- (c) Each Demerger Scheme Shareholder acknowledges and agrees that:

- (i) Gindalbie has proposed the Acquisition Scheme;
- (ii) it is a "Scheme Shareholder" under the Acquisition Scheme (other than Angang Group Hong Kong (Holdings) Limited);
- (iii) if the Acquisition Scheme is implemented it will be entitled to receive the Scheme Consideration (as defined in the Acquisition Scheme), being an amount equal to \$0.026 for each Scheme Share (as defined in the Acquisition Scheme) held by it, subject to the terms of the Acquisition Scheme; and
- (iv) the terms of the Acquisition Scheme permit Gindalbie to apply such portion of the Scheme Consideration (as defined in the Acquisition Scheme) payable to it as is necessary to repay the loan referred to in clause 7.12(b).

7.13 Governing Law

- (a) This Demerger Scheme is governed by the law applying in Western Australia.
- (b) Each party irrevocably:
 - (i) submits to the non-exclusive jurisdiction of the courts of Western Australia, Commonwealth courts having jurisdiction in that state 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 Demerger Scheme; and
 - (ii) waives any objection it may now or in the future have to the venue of any proceedings, and any claim it may now or in the future have that any proceedings have been brought in an inconvenient forum, if that venue falls within clause 7.13(b)(i).

Annexure Demerger Deed Poll

G

Execution version

Demerger deed poll

(in respect of the Demerger Scheme)

Coda Minerals Ltd
Coda

In favour of each person registered in the Gindalbie Share Register as a holder of Demerger Scheme Shares as at the Demerger Record Date

Clayton Utz
Level 27 QV.1
250 St Georges Terrace
Perth WA 6000
GPO Box 9806
Perth WA 6848
Tel +61 8 9426 8000
Fax +61 8 9481 3095
www.claytonutz.com

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Demerger deed poll

Date	11 March 2019
Parties	Coda Minerals Ltd ACN 625 763 957 of 6 Altona St, West Perth, Western Australia 6005, Australia (Coda)
In favour of	Each person registered in the Gindalbie Share Register as a holder of Demerger Scheme Shares as at the Demerger Record Date (Demerger Scheme Shareholders)

Background

- A. Gindalbie and Coda have entered into the Demerger Implementation Agreement.
- B. Gindalbie has agreed in the Demerger Implementation Agreement to propose a scheme of arrangement under section 411 of the Corporations Act between Gindalbie and the Demerger Scheme Shareholders, the effect of which will be that Gindalbie demerges Coda to Demerger Scheme Shareholders, subject to the satisfaction of certain conditions.
- C. If the Demerger Scheme is implemented, Gindalbie will reduce its share capital pursuant to the Demerger Capital Reduction and the Demerger Capital Reduction Entitlement of each Demerger Scheme Shareholder will be applied as consideration for the transfer of Coda Shares to Demerger Scheme Shareholders (or, in the case of Ineligible Overseas Shareholders, to the Nominee).
- D. In accordance with clause 5.2 of the Demerger Implementation Agreement, Coda is entering into this Deed Poll to covenant in favour of the Demerger Scheme Shareholders that it will observe and perform its obligations under the Demerger Scheme.

Operative provisions

1. Definitions and interpretation

1.1 Definitions

In this deed poll:

First Court Date means the first day of the hearing of an application made to the Court for an order pursuant to section 411(1) of the Corporations Act convening the Demerger Scheme Meeting or, if the hearing of such application is adjourned for any reason, means the first day of the adjourned hearing.

Gindalbie means Gindalbie Metals Limited ACN 060 857 614 of 6 Altona St, West Perth, Western Australia 6005, Australia.

Demerger Implementation Agreement means the demerger implementation agreement dated on or about 11 March 2019 between Gindalbie and Coda under which, amongst other things, Gindalbie has agreed to propose the Demerger Scheme to Gindalbie Shareholders, and each of Gindalbie and Coda has agreed to take certain steps to give effect to the Demerger Scheme.

Demerger Scheme means the proposed scheme of arrangement under Part 5.1 of the Corporations Act between Gindalbie and the Demerger Scheme Shareholders, substantially in

the form set out in Annexure C to the Demerger Implementation Agreement or in such other form as Gindalbie and Coda agree in writing.

Capitalised terms have the meaning given to them in the Demerger Scheme, unless the context requires otherwise.

1.2 Interpretation

In this deed poll headings and labels used for definitions are for convenience only and do not affect interpretation and, unless the contrary intention appears:

- (a) a word importing the singular includes the plural and vice versa, and a word of any gender includes the corresponding words of any other gender;
- (b) the word **including** or any other form of that word is not a word of limitation;
- (c) 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;
- (d) a reference to a **person** includes an individual, the estate of an individual, a corporation, an authority, an association or parties in a joint venture, a partnership and a trust;
- (e) a reference to 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 any substituted or additional trustee;
- (f) references to paragraphs or clauses are to a paragraph or clause of this document;
- (g) a reference to a document (including this deed poll) is to that document as varied, novated, ratified or replaced from time to time;
- (h) a reference to an agency or body if that agency or body ceases to exist or is reconstituted, renamed or replaced or has its powers or function removed (obsolete body), means the agency or body which performs most closely the functions of the obsolete body;
- (i) a reference to a statute includes any regulations or other instruments made under it (delegated legislation) and a reference to a statute or delegated legislation or a provision of either includes consolidations, amendments, re-enactments and replacements;
- (j) a reference to a date or time is to that date or time in Perth, Australia; and
- (k) this deed poll or any clause in this deed poll must not be construed adversely to a party just because that party prepared it or caused it to be prepared.

1.3 Nature of deed poll

Coda acknowledges that:

- (a) this deed poll may be relied on and enforced by any Demerger Scheme Shareholder in accordance with its terms even though the Demerger Scheme Shareholders are not party to it; and
- (b) under the Demerger Scheme, each Demerger Scheme Shareholder appoints Gindalbie as its agent and attorney to enforce this deed poll against Coda.

2. Conditions

2.1 Conditions Precedent

Coda's obligations under this deed poll are subject to the Demerger Scheme becoming Effective.

2.2 Termination

Coda's obligations under this deed poll will automatically terminate and the terms of this deed poll will be of no further force or effect if the Demerger Implementation Agreement is terminated in accordance with its terms, unless Gindalbie and Coda otherwise agree in accordance with the Demerger Implementation Agreement.

2.3 Consequences of termination

If this deed poll is terminated under clause 2.2, then in addition and without prejudice to any other rights, powers or remedies available to it, Coda is released from its obligations to further perform this deed poll.

3. Demerger Scheme

3.1 Agreement to become members of Coda

Under clause 7.1 of the Demerger Scheme, each Demerger Scheme Shareholder (other than Ineligible Overseas Shareholders) agrees to become a member of Coda, to have their name entered in the Coda Share Register and to accept the Coda Shares transferred under the Demerger Scheme on the terms and conditions of the Coda's constitution.

3.2 Sub-division

Prior to the Demerger Implementation Date, Coda will take all steps necessary to ensure that Coda's share capital is subdivided so that the number of Coda Shares on issue is equal to the number of Coda Shares required to be transferred to Demerger Scheme Shareholders or the Nominee in accordance with clause 4.3 of the Demerger Scheme.

3.3 Demerger Scheme obligations

Subject to clause 2, Coda undertakes in favour of each Demerger Scheme Shareholder to undertake all actions attributed to it under, and otherwise comply with, the Demerger Scheme, as if named as a party to the Demerger Scheme, subject to and in accordance with the terms of the Demerger Scheme, including to:

- (a) procure the entry in the Coda Share Register of the name of
 - (i) each Demerger Scheme Shareholder (other than Ineligible Overseas Shareholders) in respect of the Coda Shares transferred to the relevant Demerger Scheme Shareholder; and
 - (ii) the Nominee in respect of those Coda Shares that would otherwise be transferred to each Demerger Scheme Shareholder who is an Ineligible Overseas Shareholder; and
- (b) after the Demerger Implementation Date, promptly sending or procuring the dispatch by pre-paid post to each Demerger Scheme Shareholder (to their Registered Address) or the Nominee (as the case may be) of uncertified holding statements or share certificates (as the case may be) for the Coda Shares transferred to the Demerger Scheme Shareholder or the Nominee (as the case may be) in accordance with the Demerger Scheme (and, in the case of Demerger Scheme Shareholders who are joint holders of Demerger Scheme Shares,

uncertificated holding statements or share certificates (as the case may be) in relation to the transferred Coda Shares shall be forwarded to the holder whose name appears first in the Gindalbie Share Register as at the Demerger Record Date).

4. Warranties

Coda represents and warrants that:

- (a) it is a validly existing corporation registered under the laws of its place of incorporation;
- (b) the execution and delivery by it of this deed poll has been properly authorised by all necessary corporate action and it has full corporate power and lawful authority to perform or cause to be performed its obligations under this deed poll and to carry out or cause to be carried out the transactions contemplated by this deed poll;
- (c) this deed poll constitutes legally, valid and binding obligations on it enforceable in accordance with its terms (subject to any necessary stamping) and does not conflict with or result in a breach of or default under:
 - (i) its constitution or equivalent constituent documents; or
 - (ii) any writ, order or injunction, judgment, law, rule or regulation to which it is party, or by which it is bound; and
- (d) it is solvent and no resolutions have been passed nor has any other step been taken or legal action or proceedings commenced or threatened against it for its winding up or dissolution or for the appointment of a liquidator, receiver, administrator or similar officer over any or all of its assets.

5. Continuing obligations

This deed poll is irrevocable and, subject to clause 2, remains in full force and effect until:

- (a) Coda has fully performed its obligations under this deed poll; or
- (b) the earlier termination of this deed poll under clause 2.2.

6. General

6.1 Notices

Any notice or other communication to Coda in connection with this deed poll:

- (a) may be given by personal service, post or email;
- (b) must be in English and in writing;
- (c) must be addressed as follows (or as otherwise notified by Coda from time to time):

Address: 6 Altona St,
West Perth WA 6005
Australia

Email: chris.stevens@gbgmetals.com

Attention: Chris Stevens

with a copy in each case to:

Email: mpaganin@claytonutz.com

- (d) (in the case of personal service or post) must be signed by the person making it or (on that person's behalf) by the solicitor for, or any attorney, director, secretary or authorised agent of, that person;
- (e) (in the case of email) must state that the email is a communication under this deed poll; and
- (f) must be delivered by hand or posted by prepaid post to the address or sent by email to the email address of the addressee in accordance with this clause 6.1.

6.2 When notice taken to be received

Each communication (including each notice, consent, approval, request and demand) under or in connection with this deed poll is taken to be received by the addressee:

- (a) (in the case of post) on receipt;
- (b) (in the case of delivery by hand) on delivery; and
- (c) (in the case of email) unless the person sending the email knows or reasonably ought to suspect that the email and the attached communication were not delivered to the addressee's domain specified in the email address notified for the purposes of clause 6.1, 24 hours after the email was sent,

but if the communication would otherwise be taken to be received on a day that is not a Business Day or after 5:00 pm, it is taken to be received at 9:00 am on the next Business Day.

6.3 Waiver

- (a) Waiver of any right arising from a breach of this deed poll or of any right, power, authority, discretion or remedy arising upon default under this deed poll must be in writing and signed by the party granting the waiver. A waiver is limited to the specific instance to which it relates and to the specific purpose for which it is given.
- (b) A failure or delay in exercise, partial exercise, or enforcement of:
 - (i) any right, power or remedy provided by law or under this deed poll; or
 - (ii) any right, power, authority, discretion or remedy created or arising upon default under this deed poll,

by any party will not in any way preclude, or operate as a waiver of, any exercise or enforcement, or further exercise or enforcement, of that or any other right, power or remedy provided by law or under this deed poll.
- (c) A party is not entitled to rely on a delay in the exercise or non-exercise of a right, power, authority, discretion or remedy arising from a breach of this deed poll or on a default under this deed poll as constituting a waiver of that right, power, authority, discretion or remedy.
- (d) A party may not rely on any conduct of another party as a defence to the exercise of a right, power, authority, discretion or remedy by that other party.
- (e) This clause 6.3 may not itself be waived except in writing.

6.4 Variation

A provision of this deed poll may not be varied unless:

- (a) before the First Court Date, the variation is agreed to in writing by Gindalbie and Coda; or
- (b) on or after the First Court Date, the variation is agreed to in writing by Gindalbie and Coda and the Court indicates that the variation would not preclude approval of the Demerger Scheme,

in which event Coda will enter into a further deed poll in favour of the Demerger Scheme Shareholders giving effect to such variation.

6.5 Cumulative rights

The rights, powers and remedies of Coda and each Demerger Scheme Shareholder under this deed poll are cumulative and do not exclude any other rights, powers or remedies provided by the law independently of this deed poll.

6.6 Assignment

The rights and obligations of Coda and the rights of each Demerger Scheme Shareholder under this deed poll are personal and must not be assigned, charged or otherwise dealt with at law or in equity.

6.7 Further action

Coda will, at its own expense, promptly do all things and execute and deliver all further documents required by law to give effect to this deed poll and the transactions contemplated by it.

7. Governing law and jurisdiction

- (a) This deed poll is governed by the law applying in Western Australia.
- (b) Coda irrevocably and unconditionally submits to the non-exclusive jurisdiction of the courts of Western Australia, Commonwealth courts having jurisdiction in that state and the courts competent to determine appeals from those courts, with respect to for any proceedings in connection with this deed poll.
- (c) Coda waives any objection it may now or in the future have to the venue of any proceedings, and any claim it may now or in the future have that any proceedings have been brought in an inconvenient forum, if that venue falls within clause 7(b).

Executed as a deed poll.

Executed by Coda Minerals Ltd ACN 625 763
957 in accordance with section 127 of the
Corporations Act 2001 (Cth):

Signature of director

Full name of director

Kent Jones

Signature of company secretary/director

Full name of company secretary/director

REBECCA MOYLAN

Annexure Notice of Demerger Scheme Meeting



Gindalbie Metals Limited

ACN 060 857 614

NOTICE OF DEMERGER SCHEME MEETING

Notice of Court ordered Demerger Scheme Meeting of Gindalbie Shareholders

Notice is hereby given, by an order of the Federal Court of Australia made on 24 May 2019 pursuant to section 411(1) of the Corporations Act, that a meeting of holders of ordinary shares in Gindalbie Metals Limited (**Gindalbie**) (**Gindalbie Shareholders**) will be held at 10.30 am (Perth time) on 3 July 2019 at the Perth Convention and Exhibition Centre, Meeting Room 8.

The Court has also directed that Keith Jones, or, failing him, Andrew (Robin) Marshall, act as the chairperson of the Demerger Scheme Meeting.

The purpose of the Demerger Scheme Meeting is to consider and, if thought fit, to approve a scheme of arrangement (with or without any modifications or conditions approved by the Court which are acceptable to Gindalbie and Coda) proposed to be made between Gindalbie and Gindalbie Shareholders (**Demerger Scheme**).

To enable you to make an informed voting decision, further information on the Demerger Scheme is set out in the Demerger Scheme Booklet which this notice forms part of. Unless otherwise defined, capitalised terms used in this notice have the same meaning as set out in the defined terms in Section 11 of the Demerger Scheme Booklet.

Business of the meeting

Resolution – Approval of the Demerger Scheme

To consider and, if thought fit, to pass the following resolution (**Demerger Scheme Resolution**):

“That, pursuant to and in accordance with the provisions of section 411 of the Corporations Act, the members approve the arrangement between Gindalbie and the holders of its fully paid ordinary shares, designated the “Demerger Scheme”, as contained in and more particularly described in the Demerger Scheme Booklet accompanying the Notice of Demerger Scheme Meeting with or without any modifications or conditions approved at this meeting or approved by the Federal Court of Australia after this meeting, and which are acceptable to Gindalbie and Coda Minerals Limited and, subject to approval of the Demerger Scheme by the Court, the Gindalbie Board is authorised to implement the Demerger Scheme with any such modifications or conditions.”

BY ORDER OF THE COURT

Rebecca Moylan
Company Secretary
Gindalbie Metals Limited

Dated 24 May 2019

EXPLANATORY NOTES

General

The Notice of Demerger Scheme Meeting relates to the Demerger Scheme and should be read in conjunction with the balance of the Demerger Scheme Booklet. The Demerger Scheme Booklet contains important information to assist you in determining how to vote on the Demerger Scheme, including the information prescribed by the Corporations Act and the Corporations Regulations.

A copy of the Demerger Scheme is set out in Annexure F of the Demerger Scheme Booklet.

Requisite Majorities

In accordance with section 411(4)(a)(ii) of the Corporations Act, the Demerger Scheme Resolution must be approved by:

- unless the Court orders otherwise, a majority in number (more than 50%) of Gindalbie Shareholders present and voting at the Demerger Scheme Meeting (either in person, by proxy or attorney or in the case of corporate Gindalbie Shareholders, by a duly appointed corporate representative); and
- at least 75% of the total number of votes cast on the Demerger Scheme Resolution by Gindalbie Shareholders at the Demerger Scheme Meeting.

Court approval

In accordance with section 411(4)(b) of the Corporations Act, the Demerger Scheme (with or without modification) must be approved by an order of the Court. If the resolution put to this meeting is passed by the Requisite Majorities and the other Conditions are satisfied or waived (as applicable), Gindalbie intends to apply to the Court for approval of the Demerger Scheme.

In order for the Demerger Scheme to become Effective, it must be approved by the Court and an office copy of the orders of the Court approving the Demerger Scheme must be lodged with ASIC.

VOTING

The Independent Directors believe that the Demerger is attractive and in the best interests of Gindalbie Shareholders and recommend that Gindalbie Shareholders vote in favour of the Demerger Scheme Resolution, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Demerger Scheme is in the best interests of Gindalbie Shareholders.

Each Independent Director intends to cause any Gindalbie Shares in which he has a Relevant Interest to be voted in favour of the Demerger Scheme Resolution, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude the Demerger Scheme is in the best interests of Gindalbie Shareholders.

Voting entitlement

The Independent Directors have determined pursuant to regulation 7.11.37 of the Corporations Regulations that Gindalbie Shareholders who are registered in the Gindalbie Share Register as at 5.00 pm (Perth time) on 1 July 2019 may vote at the Demerger Scheme Meeting in person, by attorney, by proxy or, in the case of a body corporate, by corporate representative.

Joint holders

In the case of Gindalbie Shares held by joint holders, only one of the joint holders is entitled to vote. If more than one Gindalbie Shareholder votes in respect of jointly held Gindalbie Shares, the vote of the senior who tenders a

vote must be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority is determined by the order in which the names stand in the Gindalbie Share Register.

How to vote

Gindalbie Shareholders can vote by either:

- attending the meeting and voting in person or by attorney or, in the case of corporate shareholders, by appointing a corporate representative to attend and vote; or
- appointing a proxy to attend and vote on their behalf using the relevant Proxy Form accompanying this Notice of Demerger Scheme Meeting and by submitting the proxy appointment and voting instructions as set out below.

Voting in person (or by attorney)

Gindalbie Shareholders, or their attorneys, who plan to attend the Demerger Scheme Meeting are asked to arrive at the venue 30 minutes prior to the time designated for the Demerger Scheme Meeting, so that their shareholding may be checked against the Gindalbie Share Register and attendance recorded.

Gindalbie Shareholders wishing to vote by attorney at the Demerger Scheme Meeting must, if they have not already presented an appropriate power of attorney to Gindalbie, deliver to the Share Registry the original instrument appointing the attorney or a certified copy of it by 10.30 am (Perth time) on 1 July 2019.

Voting by a corporation

A Gindalbie Shareholder that is a corporation may appoint an individual to act as its representative and vote in person at the meeting. The representative should bring to the meeting the appropriate "Certificate of Appointment of Corporate Representative" (which can be obtained from the Share Registry's website at www.linkmarketservices.com.au by hovering over 'Resources', clicking on 'Forms', selecting 'Holding Management' and then selecting 'Appointment of Corporate Representation').

Voting by proxy

Gindalbie Shareholders who wish to appoint a proxy to attend and vote at the Demerger Scheme Meeting must complete and return the relevant Proxy Form accompanying this Notice of Demerger Scheme Meeting to the Share Registry.

The relevant Proxy Form must be received by the Share Registry (as indicated on the Proxy Form you receive) by no later than 10.30 am (Perth time) on 1 July 2019.

You must return the relevant Proxy Form to the Share Registry by lodging, sending, delivering or faxing it as follows:

Online: lodge online at www.linkmarketservices.com.au as follows:

Select 'Investor Login' and in the "Single Holding" section enter:

- "Gindalbie Metals Ltd" or the ASX code "GBG" in the Issuer name field;
- your Holder Identification Number (HIN) or Security Reference Number (SRN) (which is shown on the front of your Proxy Forms);
- postcode; and
- security code, which is shown on the screen,

and click 'Login'.

Select the 'Voting' tab and then follow the prompts. You will be taken to have signed your Proxy Form if you lodge it in accordance with the instructions given on the website.

Mail to: Gindalbie Metals Ltd
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia

By hand: Link Market Services Limited
1A Homebush Bay Drive
Rhodes NSW 2138
Australia

Fax to: 02 9287 0309 (within Australia)
+61 2 9287 0309 (outside Australia)

A Proxy Form must be signed by the Gindalbie Shareholder or the Gindalbie Shareholder's attorney. Proxies given by a corporation must be executed in accordance with the corporation's constitution and the Corporations Act.

A Gindalbie Shareholder who wishes to submit a proxy has the right to appoint a proxy (who need not be a Gindalbie Shareholder) to represent them at the Demerger Scheme Meeting by inserting the name of their chosen proxy in the space provided for that purpose on the relevant Proxy Form.

If:

- a Gindalbie Shareholder nominates the chairperson of the Demerger Scheme Meeting as the Gindalbie Shareholder's proxy; or
- a proxy appointment is signed by a Gindalbie Shareholder but does not name the proxy or proxies in whose favour it is given or otherwise under a default appointment according to the terms of the relevant Proxy Form,

the chairperson of the Demerger Scheme Meeting will act as proxy under the appointment.

Proxy appointments in favour of the chairperson of the Demerger Scheme Meeting which do not contain a direction will be voted in favour of the Demerger Scheme Resolution at the Demerger Scheme Meeting.

A Gindalbie Shareholder entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half the votes (disregarding fractions). The Gindalbie Shares represented by proxy will be voted for or against or withheld from voting in accordance with the instructions of the Gindalbie Shareholder on any ballot that may be called for, and if the Gindalbie Shareholder specifies a choice with respect to any matter to be acted upon, the Gindalbie Shares will be voted accordingly.

A Gindalbie Shareholder who has deposited a Proxy Form may revoke it prior to its use by giving written notice to Gindalbie prior to the start of the Demerger Scheme Meeting. A Gindalbie Shareholder may also revoke a proxy in any other manner permitted by law.

Further information for Gindalbie Shareholders

If you have any questions please contact the Gindalbie Shareholder Information Line on 1300 308 375 (for callers within Australia) or +61 8 6314 6314 (for callers outside Australia) between 9.00 am and 5.00 pm (Perth time) Monday to Friday.



Annexure Notice of General Meeting

Gindalbie Metals Limited

ACN 060 857 614

NOTICE OF GENERAL MEETING

Notice of General Meeting of Gindalbie Shareholders

Notice is hereby given that a meeting of holders of ordinary shares in Gindalbie Metals Limited (**Gindalbie**) (**Gindalbie Shareholders**) will be held at 11.00 am (Perth time) (or as soon as possible thereafter following the conclusion or adjournment of the Demerger Scheme Meeting) on 3 July 2019 at the Perth Convention and Exhibition Centre, Meeting Room 8.

To enable you to make an informed voting decision, further information on the General Meeting and the Capital Reduction Resolution set out below is set out in the Demerger Scheme Booklet which this notice forms part of. Unless otherwise defined, capitalised terms used in this notice have the same meaning as set out in the defined terms in Section 11 of the Demerger Scheme Booklet.

Business of the meeting

Resolution – Approval of the Capital Reduction

To consider and, if thought fit, to pass the following resolution:

“That, subject to and conditional on the Demerger Scheme becoming Effective and for the purposes of section 256C(1) of the Corporations Act, approval be given for Gindalbie’s share capital to be reduced on the Demerger Implementation Date by the amount of the Demerger Capital Reduction (as defined in the Demerger Scheme), with the reduction to be effected and satisfied by applying the Demerger Capital Reduction Amount against each Gindalbie Share on issue on the Demerger Scheme Record Date in accordance with the Demerger Scheme.”

BY ORDER OF THE COURT

Rebecca Moylan
Company Secretary
Gindalbie Metals Limited

Dated 24 May 2019

EXPLANATORY NOTES

General

The Notice of General Meeting should be read in conjunction with the balance of the Demerger Scheme Booklet. The Demerger Scheme Booklet contains important information to assist you in determining how to vote on the Capital Reduction.

VOTING

The Independent Directors believe that the Demerger is attractive and in the best interests of Gindalbie Shareholders and recommend that Gindalbie Shareholders vote in favour of the Capital Reduction Resolution, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude that the Demerger Scheme is in the best interests of Gindalbie Shareholders.

Each Independent Director intends to cause any Gindalbie Shares in which he has a Relevant Interest to be voted in favour of the Capital Reduction Resolution, in the absence of a Superior Proposal and subject to the Independent Expert continuing to conclude the Demerger Scheme is in the best interests of Gindalbie Shareholders.

Voting entitlement

The Independent Directors have determined pursuant to regulation 7.11.37 of the Corporations Regulations that Gindalbie Shareholders who are registered in the Gindalbie Share Register as at 5.00 pm (Perth time) on 1 July 2019 may vote at the General Meeting in person, by attorney, by proxy or, in the case of a body corporate, by corporate representative.

Joint holders

In the case of Gindalbie Shares held by joint holders, only one of the joint holders is entitled to vote. If more than one Gindalbie Shareholder votes in respect of jointly held Gindalbie Shares, the vote of the senior who tenders a vote must be accepted to the exclusion of the votes of the other joint holders and, for this purpose, seniority is determined by the order in which the names stand in the Gindalbie Share Register.

How to vote

Gindalbie Shareholders can vote by either:

- attending the meeting and voting in person or by attorney or, in the case of corporate shareholders, by appointing a corporate representative to attend and vote; or
- appointing a proxy to attend and vote on their behalf using the relevant Proxy Form accompanying this Notice of General Meeting and by submitting the proxy appointment and voting instructions as set out below.

Voting in person (or by attorney)

Gindalbie Shareholders, or their attorneys, who plan to attend the General Meeting are asked to arrive at the venue 30 minutes prior to the time designated for the General Meeting, so that their shareholding may be checked against the Gindalbie Share Register and attendance recorded.

Gindalbie Shareholders wishing to vote by attorney at the General Meeting must, if they have not already presented an appropriate power of attorney to Gindalbie, deliver to the Share Registry the original instrument appointing the attorney or a certified copy of it by 11.00 am (Perth time) on 1 July 2019.

Voting by a corporation

A Gindalbie Shareholder that is a corporation may appoint an individual to act as its representative and vote in person at the meeting. The representative should bring to the meeting the appropriate "Certificate of Appointment of Corporate Representative" (which can be obtained from the Share Registry's website at www.linkmarketservices.com.au by hovering over 'Resources', clicking on 'Forms', selecting 'Holding Management' and then selecting 'Appointment of Corporate Representation') or other evidence of their appointment. The appointment must comply with section 250D of the Corporations Act.

Voting by proxy

Gindalbie Shareholders who wish to appoint a proxy to attend and vote at the General Meeting must complete and return the relevant Proxy Form accompanying this Notice of General Meeting to the Share Registry.

The relevant Proxy Form must be received by the Share Registry (as indicated on the Proxy Form you receive) by no later than 11.00 am (Perth time) on 1 July 2019.

You must return the relevant Proxy Form to the Share Registry by lodging, sending, delivering or faxing it as follows:

Online: lodge online at www.linkmarketservices.com.au as follows:

Select 'Investor Login' and in the "Single Holding" section enter:

- "Gindalbie Metals Ltd" or the ASX code "GBG" in the Issuer name field;
- your Holder Identification Number (HIN) or Security Reference Number (SRN) (which is shown on the front of your Proxy Forms);
- postcode; and
- security code, which is shown on the screen,

and click 'Login'.

Select the 'Voting' tab and then follow the prompts. You will be taken to have signed your Proxy Form if you lodge it in accordance with the instructions given on the website.

Mail to: Gindalbie Metals Ltd
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia

By hand: Link Market Services Limited
1A Homebush Bay Drive
Rhodes NSW 2138
Australia

Fax to: 02 9287 0309 (within Australia)
+61 2 9287 0309 (outside Australia)

A Proxy Form must be signed by the Gindalbie Shareholder or the Gindalbie Shareholder's attorney. Proxies given by a corporation must be executed in accordance with the corporation's constitution and the Corporations Act.

A Gindalbie Shareholder who wishes to submit a proxy has the right to appoint a proxy (who need not be a Gindalbie Shareholder) to represent them at the General Meeting by inserting the name of their chosen proxy in the space provided for that purpose on the relevant Proxy Form.

If:

- a Gindalbie Shareholder nominates the chairperson of the General Meeting as the Gindalbie Shareholder's proxy; or
- a proxy appointment is signed by a Gindalbie Shareholder but does not name the proxy or proxies in whose favour it is given or otherwise under a default appointment according to the terms of the relevant Proxy Form,

the chairperson of the General Meeting will act as proxy under the appointment.

Proxy appointments in favour of the chairperson of the General Meeting which do not contain a direction will be voted in favour of the Capital Reduction Resolution at the General Meeting.

A Gindalbie Shareholder entitled to cast two or more votes may appoint two proxies and may specify the proportion or number of votes each proxy is appointed to exercise, but where the proportion or number is not specified, each proxy may exercise half the votes (disregarding fractions). The Gindalbie Shares represented by proxy will be voted for or against or withheld from voting in accordance with the instructions of the Gindalbie Shareholder on any ballot that may be called for, and if the Gindalbie Shareholder specifies a choice with respect to any matter to be acted upon, the Gindalbie Shares will be voted accordingly.

A Gindalbie Shareholder who has deposited a Proxy Form may revoke it prior to its use by giving written notice to Gindalbie prior to the start of the General Meeting. A Gindalbie Shareholder may also revoke a proxy in any other manner permitted by law.

Further information for Gindalbie Shareholders

If you have any questions please contact the Gindalbie Shareholder Information Line on 1300 308 375 (for callers within Australia) or +61 8 6314 6314 (for callers outside Australia) between 9.00 am and 5.00 pm (Perth time) Monday to Friday.

Directory

Gindalbie Metals Limited

6 Altona Street
West Perth WA 6005
AUSTRALIA

Company Secretary

Rebecca Moylan

Share Registry

Link Market Services Limited
Level 12 QV1 Building
250 St Georges Terrace
Perth WA 6000
AUSTRALIA

Website

www.gindalbie.com.au

ASX Code

GBG

Gindalbie Shareholder Information Line

1300 308 375 (within Australia)
+61 8 6314 6314 (outside of Australia)

The Gindalbie Shareholder Information Line is open
9.00 am to 5.00 pm (Perth time) Monday to Friday.

Directors

Keith Jones
Andrew (Robin) Marshall
Paul Hallam
Ge Li
An Lin Shao

Legal Adviser to Gindalbie

Clayton Utz
Level 27 QV1 Building
250 St Georges Terrace
Perth WA 6000
AUSTRALIA

Auditor

KPMG
235 St Georges Terrace
Perth WA 6000
AUSTRALIA

Independent Expert

BDO Corporate Finance (WA) Pty Ltd
38 Station Street
Subiaco WA 6008
AUSTRALIA

Independent Technical Expert

SRK Consulting (Australasia) Pty Ltd
1/10 Richardson Street
West Perth WA 6005
AUSTRALIA

Investigating Accountant

KPMG Transaction Services, a division of KPMG
Financial Advisory Services (Australia) Pty Ltd
235 St Georges Terrace
Perth WA 6000
AUSTRALIA

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GINDALBIE.COM.AU



GINDALBIE
METALS LIMITED



GINDALBIE
METALS LTD

ABN 24 060 857 614

LODGE YOUR PROXY



ONLINE

www.linkmarketservices.com.au



BY MAIL

Gindalbie Metals Ltd
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia



BY FAX

+61 2 9287 0309



BY HAND

Link Market Services Limited
1A Homebush Bay Drive, Rhodes NSW 2138



ALL ENQUIRIES TO

Telephone: +61 1300 554 474



X99999999999

PROXY FORM

I/We being a member(s) of Gindalbie Metals Limited and entitled to attend and vote hereby appoint:

APPOINT A PROXY



the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy



or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the Demerger Scheme Meeting of the Company to be held at **10:30am (Perth, Western Australia time) on 3 July 2019 at Perth Convention and Exhibition Centre, Meeting Room 8, 21 Mounts Bay Road, Perth (the Meeting)** and at any postponement or adjournment of the Meeting.

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.*

*** In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on the resolution, in which case an ASX announcement will be made.**

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an ☒

Resolution

For Against Abstain*

1 Approval of the Demerger Scheme

☐	☐	☐
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* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)



Joint Shareholder 2 (Individual)



Joint Shareholder 3 (Individual)



Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

GBG PRX1902A



HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- return both forms together.

SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" must be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **10:30am (Perth, Western Australia time) on Monday, 1 July 2019**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your proxy. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).



BY MAIL

Gindalbie Metals Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
1A Homebush Bay Drive
Rhodes NSW 2138

* During business hours (Monday to Friday, 9:00am–5:00pm)



COMMUNICATION PREFERENCE

We encourage you to receive all your shareholder communication via email. This communication method allows us to keep you informed without delay, is environmentally friendly and reduces print and mail costs.



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Communications' and click the first button to receive all communications electronically and enter your email address. To use the online facility, securityholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE DEMERGER SCHEME MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**



GINDALBIE
METALS LTD

ABN 24 060 857 614

LODGE YOUR PROXY



ONLINE

www.linkmarketservices.com.au



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Sydney South NSW 1235 Australia



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ALL ENQUIRIES TO

Telephone: +61 1300 554 474



X99999999999

PROXY FORM

I/We being a member(s) of Gindalbie Metals Limited and entitled to attend and vote hereby appoint:

APPOINT A PROXY

☐

the Chairman of the Meeting (mark box)

OR if you are **NOT** appointing the Chairman of the Meeting as your proxy, please write the name of the person or body corporate you are appointing as your proxy

or failing the person or body corporate named, or if no person or body corporate is named, the Chairman of the Meeting, as my/our proxy to act on my/our behalf (including to vote in accordance with the following directions or, if no directions have been given and to the extent permitted by the law, as the proxy sees fit) at the General Meeting of the Company to be held at **11:00am (Perth, Western Australia time) (or as soon as possible thereafter following the conclusion or adjournment of the Demerger Scheme Meeting) on 3 July 2019 at Perth Convention and Exhibition Centre, Meeting Room 8, 21 Mounts Bay Road, Perth (the Meeting)** and at any postponement or adjournment of the Meeting.

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.*

*** In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on the resolution, in which case an ASX announcement will be made.**

VOTING DIRECTIONS

Proxies will only be valid and accepted by the Company if they are signed and received no later than 48 hours before the Meeting. Please read the voting instructions overleaf before marking any boxes with an ☒

Resolution

For Against Abstain*

1 Approval of the Capital Reduction

☐ ☐ ☐

* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, either shareholder may sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the *Corporations Act 2001* (Cth).

GBG PRX1903A

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

YOUR NAME AND ADDRESS

This is your name and address as it appears on the Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes. **Please note: you cannot change ownership of your shares using this form.**

APPOINTMENT OF PROXY

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chairman of the Meeting as your proxy, please write the name of that individual or body corporate in Step 1. A proxy need not be a shareholder of the Company.

DEFAULT TO CHAIRMAN OF THE MEETING

Any directed proxies that are not voted on a poll at the Meeting will default to the Chairman of the Meeting, who is required to vote those proxies as directed. Any undirected proxies that default to the Chairman of the Meeting will be voted according to the instructions set out in this Proxy Form.

VOTES ON ITEMS OF BUSINESS – PROXY APPOINTMENT

You may direct your proxy how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on the items of business, your proxy may vote as he or she chooses. If you mark more than one box on an item your vote on that item will be invalid.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the Meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the Company's share registry or you may copy this form and return them both together.

To appoint a second proxy you must:

- on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
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SIGNING INSTRUCTIONS

You must sign this form as follows in the spaces provided:

Individual: where the holding is in one name, the holder must sign.

Joint Holding: where the holding is in more than one name, either shareholder may sign.

Power of Attorney: to sign under Power of Attorney, you must lodge the Power of Attorney with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the *Corporations Act 2001*) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

CORPORATE REPRESENTATIVES

If a representative of the corporation is to attend the Meeting the appropriate "Certificate of Appointment of Corporate Representative" must be produced prior to admission in accordance with the Notice of Meeting. A form of the certificate may be obtained from the Company's share registry or online at www.linkmarketservices.com.au.

LODGEMENT OF A PROXY FORM

This Proxy Form (and any Power of Attorney under which it is signed) must be received at an address given below by **11:00am (Perth, Western Australia time) on Monday, 1 July 2019**, being not later than 48 hours before the commencement of the Meeting. Any Proxy Form received after that time will not be valid for the scheduled Meeting.

Proxy Forms may be lodged using the reply paid envelope or:



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Voting' and follow the prompts to lodge your proxy. To use the online lodgement facility, shareholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).



BY MAIL

Gindalbie Metals Limited
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235
Australia



BY FAX

+61 2 9287 0309



BY HAND

delivering it to Link Market Services Limited*
1A Homebush Bay Drive
Rhodes NSW 2138

* During business hours (Monday to Friday, 9:00am–5:00pm)



COMMUNICATION PREFERENCE

We encourage you to receive all your shareholder communication via email. This communication method allows us to keep you informed without delay, is environmentally friendly and reduces print and mail costs.



ONLINE

www.linkmarketservices.com.au

Login to the Link website using the holding details as shown on the Proxy Form. Select 'Communications' and click the first button to receive all communications electronically and enter your email address. To use the online facility, securityholders will need their "Holder Identifier" (Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on the front of the Proxy Form).

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE GENERAL MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**

Dear fellow Gindalbie Shareholder

Demerger of Coda Minerals Limited - New Zealand Investor Certificate

On behalf of the Independent Directors of Gindalbie Metals Limited (**Gindalbie**), I am writing to you in relation to the proposed demerger of Gindalbie's wholly owned subsidiary, Coda Minerals Limited (**Coda**) to Eligible Gindalbie Shareholders (**Demerger**).

On 11 March 2019, Gindalbie announced that it had entered into two transactions that, if implemented, will lead to the acquisition by Angang Group Hong Kong (Holdings) Limited of all of the Gindalbie Shares that it does not already own (under the Acquisition Scheme), and the demerger of Coda (under the Demerger).

Under the Demerger, Eligible Gindalbie Shareholders will receive one Coda Share for every 45 Gindalbie Shares held on the Demerger Scheme Record Date. Ineligible Foreign Shareholders will have the Coda Shares they would otherwise have received transferred to the Nominee and sold, and the proceeds of sale (net of expenses) will be remitted to them.

Information in relation to the Acquisition Scheme and the Demerger can be found in the Acquisition Scheme Booklet and the Demerger Scheme Booklet respectively, which were sent to you at the same time as this letter. All capitalised terms used in this letter have the meaning given to them in Section 11 (Glossary) of the Demerger Scheme Booklet unless otherwise defined.

Why have you received this letter?

This letter has been sent to you because records available to Gindalbie's Share Registry show that you are a Gindalbie Shareholder whose registered address on the Gindalbie Share Register is in New Zealand.

As a result, you are being sent a New Zealand Investor Certificate with this letter, which you need to complete and return if you would like to receive Coda Shares under the Demerger and are eligible to provide such a certificate.

You will be an Ineligible Foreign Shareholder if the Demerger is implemented and by the Demerger Scheme Record Date you:

- have not returned a New Zealand Investor Certificate to Gindalbie in accordance with the instructions set out below; and
- do not have a registered address on the Gindalbie Share Register in Australia or Hong Kong (please refer to Section 7.2 of the Demerger Scheme Booklet if you have a registered address in Hong Kong).

As noted above, Ineligible Foreign Shareholders will not receive Coda Shares under the Demerger. Instead the Coda Shares which they would have received will be sold by the Nominee and the average sales proceeds (net of expenses) will be paid to Ineligible Foreign Shareholders as soon as reasonably practicable. Please refer to Section 7.2 of the Demerger Scheme Booklet for further details.

Purpose of the New Zealand Investor Certificate

The purpose of the New Zealand Investor Certificate is to give you the opportunity to certify that you are a “wholesale investor” as defined in clause 3(2) of Schedule 1 to the Financial Markets Conduct Act of 2013 (New Zealand) (**FMC Act**) in order to be eligible to receive Coda Shares under the Demerger.

You should ensure that you read the New Zealand Investor Certificate in full and follow the instructions provided. It is an offence to give a New Zealand Investor Certificate knowing that it is false or misleading in a material particular. If you are in any doubt as to how to deal with this letter or the New Zealand Investor Certificate, please consult your independent financial, legal or taxation adviser immediately.

Returning a New Zealand Investor Certificate

If you are a “wholesale investor” as defined in the FMC Act, in order to ensure that your status is correctly recorded, it is important that your signed New Zealand Investor Certificate is received by the Share Registry by no later than the Demerger Scheme Record Date. The Demerger Scheme Record Date is currently expected to be 5.00 pm (Perth time) on 19 July 2019.

Your signed New Zealand Investor Certificate can be returned to Gindalbie by one of the following options:

By mail to:	By hand:	By Fax to:
Gindalbie Metals Ltd C/- Link Market Services Limited Locked Bag A14 Sydney South NSW 1235 Australia	Gindalbie Metals Ltd C/- Link Market Services Limited 1A Homebush Bay Drive Rhodes NSW 2138 Australia	Gindalbie Metals Ltd C/- Link Market Services Limited 02 9287 0309 (within Australia) +61 2 9287 0309 (outside Australia)

If you intend to return your signed New Zealand Investor Certificate by fax, you must ensure that the fax is addressed to Gindalbie Metals Ltd c/- Link Market Services Limited.

You will be an Ineligible Foreign Shareholder under the Demerger Scheme and you will not receive Coda Shares if you:

- do not return your signed New Zealand Investor Certificate by the Demerger Scheme Record Date;
- return the New Zealand Investor Certificate unsigned or incorrectly completed; or
- return the New Zealand Investor Certificate without ticking the box next to the applicable category.

Further information

The Demerger Scheme Booklet sets out important information relating to the Demerger, the reasons why the Independent Directors have recommended that Gindalbie Shareholders vote in favour of the Demerger, and the Independent Expert's Report. It also sets out some of the reasons why Gindalbie Shareholders may wish to vote against the Demerger.

If you have any questions about the Demerger, please contact the Gindalbie Shareholder Information Line on 1300 308 375 (for callers within Australia) or +61 8 6314 6314 (for callers outside Australia) between 9.00 am and 5.00 pm (Perth time) Monday to Friday.

Yours sincerely

A handwritten signature in black ink, appearing to be 'K. Jones', with a large circular flourish at the top and a long, sweeping underline.

Keith Jones
Non-Executive Chairman
Gindalbie Metals Limited

RETURN VIA:



BY MAIL

Gindalbie Metals Ltd
C/- Link Market Services Limited
Locked Bag A14
Sydney South NSW 1235 Australia



BY FAX

Gindalbie Metals Ltd
C/- Link Market Services Limited
02 9287 0309 (within Australia)
+61 2 9287 0309 (outside Australia)



BY HAND

Gindalbie Metals Ltd
C/- Link Market Services Limited
1A Homebush Bay Drive, Rhodes NSW 2138

Full Name and Address

Securityholder Reference Number/Holder Reference Number

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NEW ZEALAND INVESTOR CERTIFICATE - WHOLESALE INVESTOR

STEP 1

Each Gindalbie Shareholder who is a “wholesale investor” as defined in the Financial Markets Conduct Act of 2013 (New Zealand) must complete and return this certificate in order to be eligible to receive Coda Shares under the Demerger.

Unless otherwise defined, please refer to Section 11 (Glossary) of the Demerger Scheme Booklet accompanying this certificate for relevant defined terms used in this certificate.

The undersigned makes this certificate in connection with the Demerger and the acquisition of Coda Shares.

The undersigned certifies that it/he/she is a resident of New Zealand and is a “wholesale investor” as defined in clause 3(2) of Schedule 1 to the Financial Markets Conduct Act of 2013 (New Zealand) (**FMC Act**) by virtue of satisfying one of the following categories of “wholesale investor”.

Please read the letter to which this certificate was attached and mark one of the following boxes with an ☒.

☐

is an investment business (eg, entities whose principal business consists of investing in financial products or trading in financial products on behalf of other persons);

☐

meets certain investment activity criteria (eg, owning or acquiring a portfolio of financial products having a value of at least NZ\$1 million in the past two years);

☐

has net assets, or total turnover, of over NZ\$5 million for each of the last two years;

☐

is a government agency; or

☐

is an “eligible investor”. If you mark this box, you must also complete the Certificate of Eligible Investor, please refer overleaf.

STEP 2

If the undersigned is an “eligible investor”, then the undersigned must also complete and return the attached Certificate of Eligible Investor.

The undersigned further confirms that it/he/she is not acquiring Coda Shares with a view to dealing with them (as that term is defined in the FMC Act) and, accordingly:

- has not, and will not, directly or indirectly, sell or transfer the Coda Shares, or grant, issue or transfer interests in, or options over, the Coda Shares; and
- has not distributed and will not distribute, directly or indirectly, this document or the information contained in or accompanying this document,

in each case, in New Zealand within 12 months after the date on which the Coda Shares were acquired under the Demerger, other than to persons who are “wholesale investors” as defined in clause 3(2) of Schedule 1 to the FMC Act or in other circumstances where there is no contravention of the FMC Act.

By:

Name:

Title (if not signing as an individual):

Date



Date