

# JINDALEE RESOURCES LTD

(ACN 064 121 133)

## CHAIRMAN'S ADDRESS

### 2008 ANNUAL GENERAL MEETING OF JINDALEE RESOURCES LTD

Held at Level 2, 18 Kings Park Road, West Perth at 10am on 27 November 2008

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Fellow Shareholders

Welcome to the 2008 Annual General Meeting of Jindalee Resources Ltd. You will be well aware of the difficult times the world economies are experiencing and the negative impact this has on capital markets, company valuations and stock prices. Clearly Jindalee Resources Ltd has not escaped this carnage as we see our market capitalisation down 80% over the year. While this is a significant wealth loss, there are positives to come out of the economic turmoil.

Jindalee Resources Ltd is a company which searches for investments in the resources sector that offer abnormal prospective value. Over the last two years or so the search process has uncovered many interesting opportunities but the entry prices have been far too high for the risk involved. Certainly there may have been short-term gains to have, for example, joined the phosphate exploration mania, but your Board refrained in the belief that, longer term, such investments would prove to be a waste of shareholder funds due to the excessive entry prices.

With the economic crisis, such prices are falling rapidly. Investment opportunities are becoming available which, over the medium to long term, could add considerably to shareholder wealth. It is our goal, over the next year, to identify and invest in one of these opportunities with a view to adding significant value to Jindalee Resources Ltd.

Clearly to make such an investment, capital is required. Most of the Jindalee Resources Ltd's capital is already invested in the uranium exploration company, Energy Metals Ltd. However your Board believes this investment will be realised over the coming year, thereby, providing the requisite capital for new investment. This belief is based on the fact that, contrary to the price of most commodities, the market price of uranium is on the rise. Forecasters continually refer to the shortage of uranium caused by supply difficulties and expanding demand for uranium by energy providers. This expected shortage will not only lead to significant increases in the price of uranium but also to increased pressure to capture supply. Accordingly a company such as Energy Metals Ltd, which controls (via a 53.7% ownership) an established resource of 23.4m lbs (and growing), is of considerable interest to both end-users and other corporates. Moreover, through the combined shareholding in Energy Metals Ltd of Jindalee Resources and its Directors, an appropriate sale of

the company can be effected. As a result, Jindalee Resources Ltd will have the capital resources available to capture the expected opportunities that emanate from the current economic turmoil.

Shareholders should be aware that if the above scenario does eventuate, it is the expressed intention of your Board to return a significant portion of the proceeds to them via tax effective means such as a fully franked dividend. This would be feasible, notwithstanding the need to retain capital for opportunistic investments, due to the magnitude of the capital expected to be realised from the sale of our investment in Energy Metals Ltd. The current market capitalisation of Energy Metals Ltd does not reflect this (as indeed, neither does that of Jindalee Resources Ltd).

So while the current year is proving to be one of uncertainty and fear with respect to the world economies generally and the capital markets in particular, your Board is of the belief that shareholders in Jindalee Resources Ltd will not be so hard done by. Clearly there is no certainty in this scenario as no deal has been made with respect to our investment in Energy Metals Ltd, but the indications inherent in the broad market for uranium suggest that eventually there will be considerable interest in that investment.

Should the sale of our shareholding in Energy Metals Ltd not eventuate, it is likely we would be forced to look for joint venture partners to provide funds for the forecast opportunistic investments. This would not be such an easy task and it may be that, in this instance, we should concentrate on our major investment with a view to reaping the benefits of mining uranium in Australia.

My thanks to Lindsay Dudfield and his team for their dedication to Jindalee Resources Ltd and their untiring efforts to protect and manage our investment.

Mark Scott  
Chairman, Jindalee Resources Ltd  
27 November 2008