



**Resources Limited**  
**ACN 064 121 133**

**Jindalee Resources Limited**  
ABN 52 064 121 133  
Level 2, 18 Kings Park Road  
West Perth WA 6005  
PO Box 1033  
West Perth WA 6872  
Telephone: 08 9321 7550  
Facsimile: 08 9321 7950  
Web: [www.jindalee.net](http://www.jindalee.net)

# Notice of Annual General Meeting

## Explanatory Statement

### Proxy Form

This Notice of Annual General Meeting and Explanatory Statement should be read in its entirety.  
If Shareholders are in doubt as to how they should vote, they should seek advice from their accountant,  
solicitor or other professional advisor without delay.

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of Shareholders of Jindalee Resources Limited will be held at Level 2, 18 Kings Park Road, West Perth, Western Australia on Thursday 28<sup>th</sup> November 2013 at 10.00am (Western Standard Time), for the purpose of transacting the business referred to in this Notice of Annual General Meeting (“Notice”).

An Explanatory Statement containing information in relation to the following Resolutions and a Proxy Form accompany this Notice and are hereby incorporated in and comprise part of this Notice of Meeting. Please note capitalised terms used in this Notice have the meanings set out in the glossary of the Explanatory Statement.

## **AGENDA**

### **Ordinary Business**

#### **Annual Report**

To receive and consider the Company’s Financial Report, Directors’ Report and Auditors’ Report for the financial year ended 30 June 2013 (“2013 Annual Report”).

#### **Resolution 1 – Adoption of the Remuneration Report for the year ended 30 June 2013**

To consider and, if thought fit, to pass the following resolution as an advisory only resolution:

*"That for the purposes of section 250R(2) of the Corporations Act and for all other purposes, Shareholders adopt the Remuneration Report as set out in the Annual Report for the year ended 30 June 2013."*

**Note:** In accordance with the Corporations Act, the vote on this resolution is advisory only and does not bind the Directors or the Company. Shareholders are encouraged to read the Explanatory Statement for further details on the consequences of voting on this Resolution.

#### **Voting Exclusion:**

A vote in respect of Resolution 1 must not be cast (in any capacity) by or on behalf of any of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person described above may vote on this Resolution 1 as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on the resolution; or
- (b) the voter is the chair of the meeting and the appointment of the chair as proxy:
  - (i) does not specify the way the proxy is to vote on the resolution; and
  - (ii) expressly authorises the chair to exercise the proxy even if the resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.

## Resolution 2 - Re-election of Mrs Patricia Anne Farr as a Director

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

*"That, Mrs Patricia Anne Farr, being a Director of the Company who retires in accordance with clause 13.2 of the Company's Constitution, be re-elected."*

## Resolution 3 – To confirm appointment of Mr Justin Mannolini as a Director

To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

*"That, for the purpose of section 201H(3) of the Corporations Act, section 13.4 of the Constitution and all other purposes, the Company approve and confirm the appointment of Mr Justin Mannolini as a Director of the Company on 30 September 2013."*

## Resolution 4 – Grant of 500,000 Director Options to Mr Justin Mannolini

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

*"That, for the purposes of ASX Listing Rule 10.11, section 208 of the Corporations Act and for all other purposes, approval is given for the Directors to issue to Mr Justin Mannolini or his nominee, up to 500,000 Director Options on the terms and conditions set out in Annexure A to the Explanatory Statement."*

The Company will in accordance with section 224 of the Corporations Act and Listing Rule 14.11 disregard any votes cast on this Resolution 2 by a person who is to receive securities in relation to the entity (Mr Mannolini (or his nominee)) or any associate of that person. However, the Company need not disregard a vote if:

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

## Other Business

To transact any other business which may be properly brought before the meeting in accordance with the Company's Constitution and the Corporations Act.

By Order of the Board.



**PATRICIA FARR**  
Company Secretary  
4 October 2013

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## HOW TO VOTE

### VOTING METHODS

Shareholders may vote by attending the meeting in person, by proxy or authorised representative.

To vote in person, attend the Meeting on the date and at the venue outlined in the Notice. The Meeting will commence at 10.00am WST.

### VOTING IN PERSON (OR BY ATTORNEY)

Shareholders, or their attorneys, who plan to attend the Meeting are asked to arrive at the venue 15 minutes prior to the time designated for the Meeting, if possible, so that their holding may be checked against the Company's share register and attendances recorded. Attorneys should bring with them an original or certified copy of the power of attorney under which they have been authorised to attend and vote at the Meeting.

### VOTING BY A CORPORATION

A Shareholder that is a corporation may elect to appoint an individual to act as its representative and vote in person at the Meeting. The appointment must comply with the requirements of section 250D of the Corporations Act. The representative should bring to the Meeting evidence of his or her appointment, including any authority under which it is signed to present to the Company before the Meeting.

### VOTING BY PROXY

A Shareholder entitled to attend and vote is entitled to appoint not more than two proxies. Each proxy will have the right to vote on a poll and also to speak at the meeting. A proxy may, but need not be, a Shareholder of the Company.

The appointment of the proxy may specify the proportion or the number of votes that the proxy may exercise. Where more than one proxy is appointed and the appointment does not specify the proportion or number of the Shareholder's votes each proxy may exercise, the votes will be divided equally among the proxies. Fractions will be disregarded.

Under amendments to the *Corporations Act* which took effect on 1 August 2011 and 27 June 2012 there are some changes to the way in which proxy votes are processed.

### DIRECTED PROXY VOTES

If you appoint someone as your proxy and give them voting instructions, the legislation provides that they must, either if they vote on a show of hands or if a poll is demanded, vote as directed. If on a poll, your appointed proxy does not vote as directed, the Chairman is taken to have been appointed as your proxy, and will vote as you have directed.

### UNDIRECTED PROXY VOTES

Shareholders are encouraged to consider how they wish to direct their proxies to vote. Other than members of Key Management Personnel or their Closely Related Parties voting as a proxy on resolution 1, if a proxy is not directed how to vote on an item of business, the proxy may vote, or abstain from voting as they see fit. Should any resolution, other than those specified in this Notice, be proposed at the meeting, a proxy may vote on that resolution as they see fit.

If you wish to appoint a Director or other member of the Key Management Personnel or their Closely Related Parties (other than the Chairman) as your proxy, you must specify how they should vote on resolution 1 by completing the "For", "Against" or "Abstain" boxes on the proxy form. If you do not do that, your proxy will be unable to vote on your behalf for that resolution.

The Chairman will be able to exercise your vote on your behalf on resolution 1 as he sees fit, if you appoint the Chairman as your proxy in accordance with Step 1 of the proxy form, but do not direct him how to vote (in which case the Chairman will vote in favour of each of those items).

If you appoint the Chairman as your proxy in relation to resolution 1, and do not complete any of the boxes “For”, “Against” or “Abstain” opposite that resolution on the proxy form, you will be expressly authorising the Chairman to vote in favour of resolution 1. If you wish to appoint the Chairman as proxy with a direction to vote against, or to abstain from voting on resolution 1, you should specify this by completing the “Against” or “Abstain” boxes on the proxy form.

To be effective, the Company must receive the completed proxy form signed by the member and, if the form is signed by the Shareholder’s attorney or authorised officer of a corporation, the authority under which the proxy form is signed (or a certified copy of the authority).

#### VOTING DEADLINES

The proxy’s appointment and, if applicable, the authority appointing an attorney, must be received **no later than 10.00am (WST) on 26<sup>th</sup> November 2013** to :

Mail	In Person	Facsimile / Email
Jindalee Resources Limited PO Box 1033 West Perth WA 6872 AUSTRALIA	Jindalee Resources Limited Level 2, 18 Kings Park Road West Perth WA 6005 AUSTRALIA	Jindalee Resources Limited (within Australia) 08 9321 7950 (outside Australia) + 61 8 9321 7950 Email: enquiry@jindalee.net

#### VOTING ENTITLEMENTS

In accordance with regulation 7.11.37 of the Corporations Regulations 2001, the Board has determined that a person’s entitlement to vote at the Annual General Meeting will be the entitlement of that person set out in the Register of Shareholders as at 5.00 pm (WST) on 26<sup>th</sup> November 2013. Accordingly, transactions registered after this time will be disregarded in determining Shareholders entitlements to attend and vote at the Meeting.

**Your proxy form is enclosed.**

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## EXPLANATORY STATEMENT

This Explanatory Statement is intended to provide Shareholders with sufficient information to assess the merits of the Resolutions contained in the accompanying Notice of Annual General Meeting of the Company.

The Directors recommend Shareholders read this Explanatory Statement in full before making any decision in relation to the resolutions.

The following information should be noted in respect of the various matters contained in the accompanying Notice of Meeting:

### **Annual Report**

The first item of the Notice of Meeting deals with the presentation of the 2013 Annual Report, including the Financial Report for the year ended 30 June 2013 together with the Directors' Declaration and Report in relation to that financial year and the Auditors' Report on the Company's financial statements. Shareholders should consider these documents and raise any matters of interest with the Directors when this item is being considered. The reports are available on the Company's website at [www.jindalee.net](http://www.jindalee.net)

No resolution is required to be moved in respect of this item.

Shareholders will be given a reasonable opportunity at the Meeting to ask questions and make comments on the accounts and on the business, operations and management of the Company and ask the auditor questions about the conduct of the audit and the preparation and content of the auditor's report.

The Chairman will also provide Shareholders a reasonable opportunity to ask the Company's Auditor questions relevant to:

- the conduct of the audit;
- the preparation and content of the independent audit report;
- the accounting policies adopted by the Company in relation to the preparation of accounts; and
- the independence of the Auditor in relation to the conduct of the audit.

In addition to taking questions at the Meeting, written questions to the Company's auditor about:

- the content of the auditor's report to be considered at the Meeting; and
  - the conduct of the audit of the annual financial report to be considered at the Meeting,
- may be submitted no later than 5 business days before the Meeting to the Company Secretary at the Company's registered office.

### **Resolution 1 – Adoption of the Remuneration Report for year ended 30 June 2013**

In accordance with section 250R(2) of the Corporations Act the Company is required to present to its Shareholders the Remuneration Report as disclosed in the Company's 2013 Annual Report. Section 250R(3) of the Corporations Act expressly provides that the vote is advisory only and is not binding on the Directors or the Company. The Remuneration Report is set out in the Company's 2013 Annual Report, a copy of which is available on the Company's website ([www.jindalee.net](http://www.jindalee.net)).

The Remuneration Report sets out the Company's remuneration arrangements for Directors and Senior Management of the Company. The Remuneration Report is part of the directors' report contained in the Annual Financial Report of the Company for the financial year ending 2013.

A reasonable opportunity will be provided at this Meeting for discussion of the Remuneration Report at the Annual General Meeting.

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## The Corporations Act

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the Shareholders. However, such a resolution is advisory only and does not bind the Directors or the Company.

In accordance with Division 9 of Part 2G.2 of the Corporations Act, if at least 25% of the votes cast on Resolution 1 are voted against adoption of the Remuneration Report at this Annual General Meeting, and then again at the Company's 2014 Annual General Meeting, the Company will be required to put to shareholders a resolution proposing the calling of another meeting of members to consider the appointment of directors of the Company (**Spill Resolution**).

If more than 50% of shareholders vote in favour of the Spill Resolution, the Company must convene the another meeting of members (**Spill Meeting**) within 90 days of the Company's 2014 Annual General Meeting. All of the Directors who were in office when the Company's 2014 Directors' Report was approved, other than the Managing Director of the Company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting. Following the Spill Meeting those persons whose election or re-election as directors is approved will be the directors of the Company.

### **Resolution 2 - Re-election of Mrs Patricia Anne Farr as a Director**

Resolution 2 seeks approval for the re-election of Mrs Farr as a Director of the Company with effect from the end of the Meeting.

Mrs Farr is required to retire pursuant to the rotation of Directors' rule in clause 13.2 of the Company's Constitution. That clause provides that at each Annual General Meeting one-third of the Directors (other than Alternate Directors or the Managing Director), or, if their number is not a multiple of three, then the nearest to but not more than one-third of the Directors must retire from office.

Mrs Farr retires from office in accordance with this requirement and, being eligible, has offered herself for re-election as a Director of the Company.

Details of this candidate are as follows:

Patricia Anne Farr *GradCertProfAcc, GAICD*

Executive Director/Company Secretary

Age 41.

Mrs Farr joined Jindalee Resources in July 2002 and has been closely involved with the Company since its listing on ASX. She is an experienced company administrator with over 15 years experience in the mining industry. Mrs Farr was also the Company Secretary of uranium junior Energy Metals Limited from 2005 to 2010. Mrs Farr was appointed to the Jindalee Board in 2008.

The Directors unanimously support the re-election of Mrs Farr as a Director of the Company (with Mrs Farr abstaining).

### **Resolution 3 – To confirm the appointment of Mr Justin Mannolini as a Director**

Pursuant to section 201H(3) of the Corporations Act, if a person is appointed by the other Directors as a director of a public company, the Company must confirm the appointment by resolution at the Company's next Annual General Meeting. If the appointment is not confirmed, the person ceases to be a director of the company at the end of the Annual General Meeting.

In accordance with clause 13.4 of the Constitution, on 30 September 2013, the Directors appointed Mr Justin Mannolini as a Non-Executive Director of the Company. Also in accordance with clause 13.4 of the Constitution Mr Mannolini holds office only until this AGM.

Section 201H(3) of the Corporations Act also requires the appointment of Mr Mannolini as a Director to be confirmed by ordinary resolution. If such resolution is not obtained, Mr Mannolini's appointment will cease at the end of the Annual General Meeting.

Details of this candidate are as follows:

Justin Mannolini.

*B.Com/LL (Hons), LLM (Law)*

Non-executive Director

Age 44.

Justin has been an Executive Director with Macquarie Capital, the investment banking division of the Macquarie Group, since March 2013, and is responsible for cross-industry coverage of the Western Australian market.

Prior to joining Macquarie, Justin had been Managing Director and head of Gresham Advisory Partners' Perth office, and before that, a partner in the mergers and acquisitions group of leading Australian law firm Freehills, in both the Sydney and Perth offices.

As a lawyer and banker, Justin has more than 18 years experience in corporate finance, ranging across industry sectors and product lines. He has led or acted on several landmark mergers and acquisitions transactions and has also undertaken a broad range of equity capital markets and general strategic advisory mandates for small and mid-cap companies in the energy and resources, real estate, engineering, construction, brewing and technology sectors.

Justin has a combined degree in Commerce and Law (with Honours) from the University of Western Australia and a Master of Laws from the University of Cambridge (Queens College). He was the recipient of a Cambridge Commonwealth Trust Scholarship and is a Fellow of the Cambridge Australia Scholarship Trust. He is also a Fellow of FINSIA, a member of the inaugural Advisory Board of the Curtin University Law School, and a member of the Board of Governors of the Western Australian Museum Foundation.

The Board recommends that Shareholders vote in favour of this Resolution.

#### **Resolution 4 – Grant of 500,000 Director Options to Mr Justin Mannolini**

##### **Background**

The Board has resolved, subject to obtaining Shareholder approval, to issue a total of 500,000 Director Options to Mr Mannolini (**Related Party**) on the terms and conditions set out below.

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in Sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in Sections 210 to 216 of the Corporations Act.



In addition, ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

The grant of the Director Options to the Related Party requires the Company to obtain Shareholder approval because the grant of Director Options constitutes giving a financial benefit and as a Director, Mr Mannolini is a related party of the Company.

The Directors (other than Mr Mannolini) believe that the issue of the Director Options are reasonable remuneration in accordance with Section 211 of the Corporations Act, however, as a matter of good corporate governance the Directors (other than Mr Mannolini) have decided to seek Shareholder approval and will not issue the Director Options unless Shareholder approval is granted. Accordingly, Shareholder approval is sought for the grant of Director Options to the Related Party.

The offer of Director Options to the Related Party forms part of the Company's long term incentive objectives to encourage Directors to have a greater involvement in the achievement of the Company's objectives and to provide an incentive to strive to that end by participating in the future growth and prosperity of the Company through share ownership.

The number of Director Options to be issued to directors is determined based on factors such as length of service of each director, continuity of executive management, significant contribution to the Company's success and to provide ongoing equity incentives to advance the Company and its assets. Furthermore, the grant of Director Options, are viewed as a cost effective and efficient reward and incentive of the Company as opposed to alternative forms of incentive, such as the payment of additional cash compensation to Directors.

The Board (other than Mr Mannolini) considers the number of options issued to Mr Mannolini will ensure that overall Director emoluments remain competitive with market standards.

#### **INFORMATION REQUIREMENTS (CHAPTER 2E OF THE CORPORATIONS ACT AND ASX LISTING RULE 10.11)**

Pursuant to and in accordance with the requirements of Sections 217 to 227 of the Corporations Act and ASX Listing Rule 10.13, the following information is provided in relation to the proposed grant of Director Options:

- (a) the related party is Mr Mannolini and he is a related party by virtue of being a Director;
- (b) the maximum number of Director Options (being the nature of the financial benefit being provided) to be granted to Mr Mannolini is 500,000;
- (c) the Director Options will be granted to the Related Party no later than 1 month after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Director Options will be issued on one date;
- (d) the Director Options will be granted for nil cash consideration, accordingly no funds will be raised;
- (e) the terms and conditions of the Director Options are set out in Annexure A;
- (f) the value of the Director Options and the pricing methodology is set out in Annexure B;
- (g) the relevant interests of the Related Party in securities of the Company are set out below;

Director	Number of Shares	Number of Options
Mr Mannolini	Nil	Nil

- (h) the remuneration and emoluments from the Company to the Related Party for the previous financial year and the proposed remuneration and emoluments for the current financial year are set out below:

Related Party	Current Financial Year	Previous Financial Year
Mr Mannolini	\$43,700	Nil

- (i) if the Director Options granted to the Related Parties are exercised, a total of 500,000 Shares would be issued. This will increase the number of Shares on issue from 34,794,775 to 35,294,775 (assuming that no other Options are exercised and no other Shares are issued) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 1.44%.

The market price for Shares during the term of the Director Options would normally determine whether or not the Director Options are exercised. If, at any time any of the Director Options are exercised and the Shares are trading on ASX at a price that is higher than the exercise price of the Director Options, there may be a perceived cost to the Company.

- (j) the trading history of the Shares on ASX in the 12 months before the date of this Notice of General Meeting is set out below:

	Price	Date
Highest	\$0.30	22 February 2013
Lowest	\$0.165	21 June 2013
Last	\$0.24	4 October 2013

- (k) the primary purpose of the grant of Director Options to the Related Party is to provide cost effective consideration to the Related Parties for their ongoing commitment and contribution to the Company in their respective roles as Directors. The Board does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Director Options upon the terms proposed;
- (l) the Board acknowledges the grant of Director Options to Mr Mannolini is contrary to Recommendation 8.2 of the ASX Corporate Governance Principles and Recommendations. However, the Board considers the grant of Director Options to Mr Mannolini reasonable in the circumstances, given the necessity to attract the highest calibre of professionals to the Company, whilst maintaining the Company's cash reserves;
- (m) Mr Mannolini declines to make a recommendation to Shareholders in relation to Resolution 4 due to his material personal interest in the outcome of the Resolution. The other Directors, who do not have a material interest in the outcome of Resolution 4, recommend that Shareholders vote in favour of Resolution 4. The Board (other than Mr Mannolini) is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass the Resolution.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Director Options to the Related Parties as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Director Options to the Related Parties will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

## GLOSSARY

The following terms have the following meanings in this Explanatory Statement:

Annual General Meeting or Meeting or AGM	Annual General Meeting of Shareholders or any meeting adjourned thereof, convened by the Notice.
Annual Report	The Company's annual report including the reports of the Directors and the auditor and the financial statements of the Company of the year ended 30 June 2013 which can be downloaded from the Company's website at <a href="http://www.jindalee.net">www.jindalee.net</a>
ASX	ASX Limited.
ASX Listing rules or Listing Rules	The Listing Rules of the ASX.
Board	The board of Directors of the Company.
Business Day	Means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.
Closely Related Party of a member of the Key Management Personnel	<ul style="list-style-type: none"> <li>• a spouse or child of the member;</li> <li>• a child of the member's spouse;</li> <li>• a dependent of the member or the member's spouse;</li> <li>• anyone else who is one of the member's family and may be expected to influence the member, or be influenced by the member, in the member's dealing with the entity;</li> <li>• a company the member controls; or</li> <li>• a person prescribed by the Corporations Regulations 2001 (Cth).</li> </ul>
Company or Jindalee Resources	Jindalee Resources Limited ACN 064 121 133.
Constitution	The Company's constitution.
Corporations Act	The <i>Corporations Act 2001 (Cth)</i> .
Director	A director of the Company.
Explanatory Statement	This explanatory memorandum which accompanies and forms part of the Notice of Annual General Meeting.
Key Management Personnel	Those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise).
Managing Director	The managing director of the Company, (currently Mr Lindsay Dudfield).
Notice and Notice of Meeting	The Notice of Annual General Meeting which accompanies this Explanatory Memorandum.
Option	An option to acquire a Share.
Optionholder	A holder of an Option or Director Option as the context requires.

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## GLOSSARY

Proxy Form	The proxy form accompanying this Notice.
Remuneration Report	The remuneration report set out in the Directors' Report section of the Company's annual financial report for the year ended 30 June 2013.
Resolution	A resolution referred to in the Notice of Meeting.
Share	A fully paid ordinary share in the capital of the Company.
Shareholder	A registered holder of a Share.
WST	Western Standard Time.

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**ANNEXURE A**

The Director Options entitle the holder to subscribe for Shares on the following terms and conditions:

- (a) Each Director Option gives the Optionholder the right to subscribe for one Share.
- (b) The Director Options will expire at 5.00pm (WST) on 30 June 2017 (**Expiry Date**). Any Director Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (c) The amount payable upon exercise of each Director Option will be at a price equal to the higher of:
  - (i) \$0.50; and
  - (ii) 150% of the prevailing market price of the Shares on ASX on the day of the Meeting,  
**(Exercise Price)**.
- (d) The Director Options held by each Optionholder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.
- (e) An Optionholder may exercise their Director Options by lodging with the Company, before the Expiry Date:
  - (i) a written notice of exercise of Director Options specifying the number of Director Options being exercised; and
  - (ii) a cheque or electronic funds transfer for the Exercise Price for the number of Director Options being exercised;  
**(Exercise Notice)**.
- (f) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (g) Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will issue the number of Shares required under these terms and conditions in respect of the number of Director Options specified in the Exercise Notice.
- (h) The Director Options may be transferable subject to Board approval and compliance with the Corporations Act and the ASX Listing Rules (where applicable).
- (i) If any of the following events occur (**Trigger Event**):
  - (i) the Company is subject to a takeover bid;
  - (ii) the Company proposes a scheme of arrangement with its members under Part 5.1 of the Corporations Act; or
  - (iii) a person, or group of associated persons, becomes entitled to sufficient Shares to give him or them the ability, in general meeting, to replace all or a majority of the Board, where such ability was not already held by a person associated with such a person or group of persons,

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then the Board may:

- (iv) determine that Scheme Options may be exercised at any time from the date of such event so as to permit the holder to participate in the change of control arising from the event; or
  - (v) use its reasonable endeavours to procure that an offer is made to holder of Scheme Options on like terms to the terms proposed in such event.
- (j) All Shares issued upon the exercise of Director Options will upon issue rank pari passu in all respects with other Shares.
- (k) The Company will not apply for quotation of the Director Options on ASX. However, the Company will apply for quotation of all Shares issued pursuant to the exercise of Director Options on ASX on or before the issue date of those Shares. To the extent any Shareholder or regulatory approval is required by the Company for the issue of any Shares the subject of any exercise notice (**Approval**), the Company shall use its best endeavours to seek the Approval and upon receipt, the Company will issue the relevant Shares within five (5) Business Days following Approval.
- (l) If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (m) There are no participating rights or entitlements inherent in the Director Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Director Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 6 Business Days after the issue is announced. This will give Optionholders the opportunity to exercise their Director Options prior to the date for determining entitlements to participate in any such issue.
- (n) A Director Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Director Option can be exercised.

## ANNEXURE B

### Valuation of Director Options

## Stantons International Securities

PO Box 1908  
West Perth WA 6872  
Australia  
Level 2, 1 Walker Avenue  
West Perth WA 6005  
Australia  
Tel: +61 8 9481 3188  
Fax: +61 8 9321 1204  
ABN: 84 144 581 519  
AFS Licence No: 418019  
www.stantons.com.au

4 October 2013

The Directors  
Jindalee Resources Limited  
Level 2, 18 Kings Park Road  
WEST PERTH WA 6005

Dear Sirs

At the request of Patricia Farr on behalf of Jindalee Resources Limited (“JRL” or “the Company”) received on 4 October 2013, Stantons International Securities hereby set out our technical valuation of 500,000 share options (“Options”) to be granted to a director of JRL subject to shareholders’ approval to be obtained in its annual general meeting held on 28 November 2013. This valuation is made for the inclusion in the notice of the annual general meeting.

In arriving at the below mentioned valuations, we have used the following assumptions.

1. The Black Scholes Option Valuation methodology has been used with the expectation that the majority of these Options will be exercised towards the expiry date.
2. The date of the valuation has been set as at the grant date being 28 November 2013 based on the last sale price of a JRL share as traded on ASX, but for the purpose of this Option valuation we have used the spot price of 4 October 2013) for the valuation purpose. This valuation is made for the purpose of its inclusion in the notice of the annual general meeting; hence these Options need to be re-valued on their grant date i.e. the date of the general meeting.
3. The closing market price of a listed JRL share as at the close of the last trading day i.e. 4 October 2013 was 24.0 cents.
4. The exercise price of the Options is the higher of 50 cents and 150% of the prevailing market price of the shares on ASX of the day of issue i.e. 36 cents (150% of 24.0 cents) based on the share price as at 4 October 2013. The deemed exercise price calculated on the above basis for the purpose of this valuation is 50.0 cents as this is higher than the 36 cents noted above
5. The Options will expire on 30 June 2017 i.e. the term of approximately 43.5 months from 28 November 2013.
6. The risk free bond rate of the Reserve Bank of Australia for a five year term approximates 3.23%.
7. The Options will be issued without any consideration and will vest immediately.
8. No dividends are expected to be declared or paid by the Company.

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- 9 We note that the one year high for the Company's share price was 30 cents (22/02/2013) and the one year low share price was 17 cents (24/06/2013) and the annualised volatility to 4 October 2013 has been calculated using the volatility calculator is 55.74%.

JRL's share price is very sensitive to announcements made by it on its mineral interests. It is not uncommon for listed mineral exploration companies to have volatilities in the range of 50% to 100% with some companies falling outside that normal range. In our view after taking into account the above factors, the volatility calculator and the general trend in most shares trading on the ASX over the past 4 and 12 months, we are of the view that the fair volatility factor for the purpose of valuation as at 4 October 2013 should be 60%. As this report is for a Notice of Meeting, we have also used volatilities at 50% and 75%. You may wish to report valuations of Options using 60%, 50% and 75%.

10. The valuations noted below are not necessarily the market price that the Options could be traded at and it is not automatically the market price for taxation purposes. The recipients of the Options in the Company should seek their own tax advice as to the tax treatment of receiving Options in JRL and the value for taxation purposes.
11. It is common practice to discount the technical value arrived at by Binomial or Black Scholes on unlisted share options as the "market value" of an unlisted security is arguably less than a listed security. This is supported by Lonergan in his book on valuations. It is common that the discount is in the range of 20% to 50%. In our view a discount of 20% is considered reasonable as these Options are not transferable at any time prior to expiry date. However, you should seek your auditors' opinion on applying the discount.

**12. Based on the above assumptions, the value of one of the Options noted above is as follows:**

**5.0489 cents (pre discount 6.3112 cents) – Preferred Valuation (60% volatility)**

3.6042 cents (pre discount 4.5053 cents) – Low Valuation (50% volatility)

7.1944 cents (pre discount 8.993 cents) – High Valuation (75% volatility)

Should you wish to discuss the above, do not hesitate to contact me.

Yours faithfully

**STANTONS INTERNATIONAL AUDIT AND CONSULTING PTY LTD**  
**(Trading as Stantons International Securities)**



**John P Van Dieren - FCA**  
**Director**



The Company Secretary  
 Jindalee Resources Limited  
**Registered Office Address:**  
 Level 2, 18 Kings Park Road  
 West Perth  
 WA 6005  
**Postal Address:**  
 PO Box 1033  
 West Perth  
 Western Australia 6872

**Telephone:** (08) 9321 7550  
**Facsimile:** (08) 9321 7950  
**Email:** enquiry@jindalee.net

**PROXY FORM**

Please mark  to indicate your directions

**Step 1: Appoint a Proxy to Vote on Your Behalf**

I/We being a member/s of Jindalee Resources Limited hereby appoint

**The Chairman of the Meeting** OR

**PLEASE NOTE:** Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Annual General Meeting of the Company to be held at Level 2, 18 Kings Park Road, West Perth, Western Australia on 28<sup>th</sup> November 2013 at 10.00am (WST) and at any adjournment of that meeting.

**Chairman authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolution 1 (to adopt the Remuneration Report) (except where I/we have indicated a different voting intention below) even though Resolution 1 (to adopt the Remuneration Report) is connected directly with the remuneration of a member of key management personnel for the Company, which includes the Chairman.

**Important Note:** If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolution 1 (to adopt the Remuneration Report) by marking in the appropriate box below.

**Step 2: Items of Business**

**PLEASE NOTE:** If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

**ORDINARY BUSINESS**

	<b>For</b>	<b>Against</b>	<b>Abstain</b>
Resolution 1 – To adopt the remuneration report for the year ended 30 June 2013	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 – Re-election of Mrs Patricia Anne Farr as Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 – Confirm the appointment of Mr Justin Mannolini as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 – Approve issue of 500,000 Director options to Mr Justin Mannolini	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business.

**Step 3: Signature of Securityholder(s)**

*This section MUST be completed*

<b>Individual or Securityholder 1</b>	<b>Securityholder 2</b>	<b>Securityholder 3</b>
Sole Director and Sole Company Secretary	Director	Director/Company Secretary

**Contact Name:** \_\_\_\_\_ **Contact Daytime Telephone:** \_\_\_\_\_ **Date** \_\_\_\_/\_\_\_\_/\_\_\_\_

## Instructions for Completion of the Proxy Form

For your vote to be effective it must be received by **10.00am (WST) on 26<sup>th</sup> November 2013** by post, facsimile or email to the respective addresses stipulated in this proxy form.

### How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

### Appointment of Proxy

A Shareholder entitled to attend and vote at the Meeting is entitled to appoint not more than two other persons (whether Shareholders or not) as proxy or proxies to attend in the Shareholder's place at the Meeting. The proxy has the same right as the Shareholder to speak and vote at the Meeting. If you leave this section blank, the Chairman of the Meeting will be your proxy to vote your shares. The Chairman intends to vote in favour of all resolutions set out in the Notice of Meeting.

**Voting 100% of your holding:** Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote as they choose. If you mark more than one box on an item your vote will be invalid on that item.

**Voting a portion of your holding:** Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

**Appointing a second proxy:** You are entitled to appoint up to two proxies to attend the meeting and vote. Completion of a proxy form will not prevent individual Shareholders from attending the Meeting in person if they wish. Where a Shareholder completes and lodges a valid proxy form and attends the Meeting in person, then the proxy's authority to speak and vote for that Shareholder is suspended while the Shareholder is present at the Meeting.

A proxy need not be a securityholder of the Company.

### Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate evidence of appointment.

If you have any questions or comments for the Company, please write them on a separate sheet of paper and return with this form.

### Contact Telephone Number

If you provide your contact telephone number, we can contact you if there are any problems with your proxy form (although the Company is not under an obligation to do so).

### Signature(s)

The proxy form must be personally signed by the Shareholder or the Shareholder's attorney. Proxies given by corporations must be executed in accordance with the Corporations Act. You must sign this form as follows in the spaces provided:

**Individual:** Where the holding is in one name, the security holder must sign.

**Joint Holding:** Where the holding is in more than one name, all of the security holders should sign.

**Power of Attorney:** If you are signing under a Power of Attorney, you must lodge an original or certified photocopy of the appropriate Power of Attorney with your completed Proxy Form.

**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 sign the appropriate place to indicate the office held. Delete titles as applicable.