



Resources Limited
ACN 064 121 133

Jindalee Resources Limited
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Level 2, 18 Kings Park Road
West Perth WA 6005
PO Box 1033
West Perth WA 6872
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Web: 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 Wednesday 26th November 2014 at 10.00am (Western Standard Time), for the purpose of transacting the business referred to in this Notice of Annual General Meeting (“Notice”).

The Explanatory Memorandum to this Notice of Meeting provides additional information on matters to be considered at the Meeting. The Explanatory Memorandum and Proxy Form form part of this Notice of Meeting. Terms and abbreviations used in this Notice and Explanatory Memorandum are defined in 1 of the Explanatory Memorandum.

Shareholders are urged to vote by attending the Meeting in person or by returning a completed Proxy Form. Instructions on how to complete a Proxy Form are set out in the Explanatory Memorandum.

Proxy Forms must be received by no later than 10.00am (WST) on 24th November 2014.

AGENDA

ANNUAL REPORT

To receive and consider the Company’s Financial Report, Directors’ Report and Auditors’ Report for the financial year ended 30 June 2014 (“2014 Annual Report”).

RESOLUTION 1 – REMUNERATION REPORT (NON-BINDING)

To consider and, if thought fit, to pass the following resolution with or without amendment as an **ordinary 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 2014."

A voting exclusion statement is set out below.

RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR JUSTIN MANNOLINI

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

"That, Mr Justin Mannolini, being a Director of the Company who retires in accordance with clause 13.2 of the Company's Constitution, be re-elected as a Director of the Company."

RESOLUTION 3 – APPROVAL OF EMPLOYEE SHARE OPTION PLAN

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

"That, for the purposes of ASX Listing Rule 7.2 Exception 9 and for all other purposes, the Company’s Employee Share Option Plan, as approved by shareholders on 20 June 2011 be approved and the grant of options from time to time under the Employee Share Option Plan as an exception to the ASX Listing Rule 7.1 be approved."

A voting exclusion statement is set out below.

RESOLUTION 4 – APPROVAL OF PROPOSED ISSUE OF OPTIONS TO EMPLOYEE

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

"That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Directors to allot and issue up to 500,000 Options on the terms and conditions set out in the Explanatory Memorandum."

A voting exclusion statement is set out below.

RESOLUTION 5 – APPROVAL OF PROPOSED ISSUE OF DIRECTOR OPTIONS TO MR LINDSAY DUDFIELD

To consider and, if thought fit, to pass with or without amendment 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 Lindsay Dudfield or his nominee, up to 1,000,000 Director Options on the terms and conditions set out in the Explanatory Memorandum."

A voting exclusion statement is set out below.

RESOLUTION 6 – APPROVAL OF PROPOSED ISSUE OF DIRECTOR OPTIONS TO MS PATRICIA FARR

To consider and, if thought fit, to pass with or without amendment 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 Mrs Patricia Farr or her nominee, up to 500,000 Director Options on the terms and conditions set out in the Explanatory Memorandum."

A voting exclusion statement is set out below.

RESOLUTION 7 – APPROVAL OF PROPOSED PLACEMENT OPTIONS

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

"That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Directors to allot and issue up to 100,000 Options on the terms and conditions set out in the Explanatory Memorandum."

A voting exclusion statement is set out below.

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.

VOTING PROHIBITION AND EXCLUSION STATEMENTS

Corporations Act

The Corporations Act prohibits votes being cast (in any capacity) on the following resolutions by the following persons:

Resolution	Persons Excluded from Voting
Resolution 1 – Remuneration Report (non-binding)	<p>A vote on this Resolution must not be cast (in any capacity) by or on behalf of the following persons:</p> <ul style="list-style-type: none"> (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 member. <p>However, a person described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:</p> <ul style="list-style-type: none"> (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or (b) the voter is the chair of the meeting and the appointment of the chair as proxy: <ul style="list-style-type: none"> (i) does not specify the way the proxy is to vote on this Resolution; and (ii) expressly authorises the chair to exercise the proxy even if this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel for the Company.

Listing Rule 14.11

Under Listing Rule 14.11, the Company will disregard any votes cast on the following Resolutions by the following persons:

Resolution	Persons Excluded from Voting
Resolution 3 – Approval of Employee Share Option Plan	A director of the entity and any associate of those persons.
Resolution 4 – Approval of proposed issue of Options to Employee	Persons who may participate in the proposed issue and persons who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed and any associate of those persons.
Resolutions 5 & 6 – Approval of proposed issue of Director Options	A person who is to receive Director Options in relation to the entity and an associate of that person.
Resolution 7 – Approval of proposed placement Options	Persons who may participate in the proposed issue and persons who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, if the resolution is passed and any associate of those persons.

However, the Company need not disregard a vote if:

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

By Order of the Board.



PATRICIA FARR
Company Secretary
25 September 2014

EXPLANATORY MEMORANDUM

1. INTRODUCTION

This Explanatory Memorandum has been prepared for the information of Shareholders in connection with the business to be conducted at the Meeting to be held at Level 2, 18 Kings Park Road, West Perth, Western Australia on Wednesday 26th November 2014 at 10.00am (WST). The purpose of this Explanatory Memorandum is to provide information to Shareholders in deciding how to vote on the Resolutions set out in the Notice.

This Explanatory Memorandum should be read in conjunction with and forms part of the accompanying Notice, and includes the following:

A Proxy Form is located at the end of the Explanatory Memorandum.

Please contact the Company Secretary on 61 8 9321 7550 or enquiry@jindalee.net if you wish to discuss any matter concerning the meeting.

2. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders should read the Notice and this Explanatory Memorandum carefully before deciding how to vote on the Resolutions.

2.1 Proxies

All Shareholders are invited and encouraged to attend the Meeting. If a Shareholder is unable to attend in person, they can appoint a proxy to attend on their behalf by signing and returning the Proxy Form (attached to the Notice) to the Company in accordance with the instructions on the Proxy Form. The Company encourages Shareholders completing a Proxy Form to direct the proxy how to vote on each resolution.

The Proxy Form must be received no later than 48 hours before the commencement of the Meeting, i.e. by no later than 10.00 am (WST) on 24th November 2014. Any Proxy Form received after that time will not be valid for the Meeting.

A Proxy Form may be lodged in the following ways:

By Mail	PO Box 1033, West Perth, Western Australia, 6872
By Facsimile	61 8 9321 7950
By Hand	Level 2, 18 Kings Park Road, West Perth, Western Australia, 6005
By Email	enquiry@jindalee.net

Shareholders lodging a Proxy Form are not precluded from attending and voting in person at the meeting.

2.2 Corporate representatives

Shareholders who are body corporate may appoint a person to act as their corporate representative at the Meeting by providing that person with a certificate or letter executive in accordance with the Corporations Act authorising him or her to act as the body corporate's representative. The authority may be sent to the Company and/or registry in advance of the Meeting or handed in at the Meeting when registering as a corporate representative.

An appointment of corporate representative form is available from the website of the Company's share registry (www.advancedshare.com.au).

2.3 Eligibility to vote

The Directors have determined that, for the purposes of voting at the Meeting, Shareholders are those persons who are registered holders of Shares at 5.00pm (WST) on 24th November 2014.

3. ANNUAL REPORT

The first item of the Notice of Meeting deals with the presentation of the 2014 Annual Report, including the Financial Report for the year ended 30 June 2014 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

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.

4. REMUNERATION REPORT

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 2014 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 2014 Annual Report, a copy of which is available on the Company's website (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 2014.

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

Under the Corporations Act, if 25% or more of votes that are cast are voted against the adoption of the Remuneration Report at two consecutive annual general meetings, Shareholders will be required to vote at the second of those annual general meetings on a resolution that a further meeting is held at which all of the Company's Directors (other than the Managing Director) must go up for re-election.

5. RE-ELECTION OF DIRECTOR

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

Mr Mannolini 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.

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

Details of this candidate are as follows:

Justin Mannolini.

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

Non-executive Director – Appointed 30 September 2013

Age 45.

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 Chairman of the Board of Governors of the Western Australian Museum Foundation.

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

6. EMPLOYEE SHARE OPTION PLAN

The Company has an existing Employee Share Option Plan (**ESOP**) which was adopted by the Board and approved by Shareholders on 20 June 2011. Resolution 3 seeks approval of the ESOP.

ASX Listing Rule 7.1 prohibits an entity from issuing or agreeing to issue equity securities in any 12 month period which amount to more than 15% of its ordinary securities without the approval of holders of its ordinary securities.

However ASX Listing Rule 7.2, exception 9(b) provides that ASX Listing Rule 7.1 does not apply in relation to, amongst other things, an issue under an employee incentive Plan if within 3 years before the date of the issue the holders of the entity's ordinary securities approve the issue of securities under the Plan as an exception to Listing Rule 7.1.

The ASX Listing Rules define “employee incentive Plan” as:

- (a) a Plan for the issue or acquisition of equity securities in an entity to be held by, or for the benefit of, participating employees or non-executive directors of the entity or a related entity or their associates; or
- (b) a Plan which, in ASX’s opinion, is an employee incentive Plan.

Under the ASX Listing Rules, equity securities include options over issued or unissued shares in an entity. The proposed ESOP is therefore an employee incentive Plan for the purposes of the ASX Listing Rules.

If this Resolution is passed, Options issued under the ESOP during the next 3 years will be excluded in determining the 15% limit under Listing Rule 7.1. This would assist the Company should it require additional fundraising flexibility.

The following information is provided for the purposes of Listing Rule 7.2 Exception 9(b):

- (a) a summary of the terms of the ESOP is outlined in Annexure A and a full copy of the ESOP is available for inspection at the Company’s registered office until the date of the General Meeting; and
- (b) a total of 750,000 Options have been issued under the Company’s existing ESOP since the date of its approval in June 2011. No shares have been issued on exercise of options issued under the Company’s existing ESOP with all 750,000 options expiring unexercised on 30 June 2014.

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

7. APPROVAL OF PROPOSED ISSUE OF OPTIONS TO EMPLOYEE

Resolution 4 seeks Shareholder approval for the issue of up to 500,000 Options to an employee of the Company.

None of the subscribers pursuant to this issue will be related parties of the Company.

A summary of ASX Listing rule 7.1 is set out above.

The effect of Resolution 4 will be to allow the Directors to issue the Options to the employee during the period of 3 months after the Meeting (or a longer period, if allowed by ASX) without using the Company’s 15% placement capacity.

Notice requirements for approval under rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the employee Options:

- (a) the maximum number of Options to be granted is 500,000;
- (b) the Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that the issue will occur on one date;
- (c) the Options will be issued for nil cash consideration;
- (d) the Options will be issued to Mr Terrence Peachey or his nominee;
- (e) the Options will be issued on the terms and conditions set out in Annexure D; and

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- (f) no funds will be raised from the Option placement, the primary purpose of the issue of the Options to Mr Peachey is to provide cost effective consideration to Mr Peachey for his ongoing commitment and contribution to the Company in his respective role as Exploration Manager.

8. APPROVAL OF PROPOSED ISSUE OF DIRECTOR OPTIONS

The Board has resolved, subject to obtaining Shareholder approval, to issue a total of 1,500,000 Director Options to Mr Dudfield and Mrs Farr (**Related Parties**) 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 Parties requires the Company to obtain Shareholder approval because the grant of Director Options constitutes giving a financial benefit and as Directors, Mr Dudfield and Mrs Farr are related parties of the Company.

The Directors 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 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 Parties.

The offer of Director Options to the Related Parties 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 Dudfield & Mrs Farr) considers the number of options issued to Mr Dudfield and Mrs Farr 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 parties are Mr Dudfield and Mrs Farr and they are related parties by virtue of being Directors;
- (b) the maximum number of Director Options (being the nature of the financial benefit being provided) to be granted to the Related Parties is:
 - (i) 1,000,000 Director Options to Mr Dudfield (Executive Chairman/Managing Director); and
 - (ii) 500,000 Director Options to Mrs Farr (Executive Director);
- (c) the Director Options will be granted to the Related Parties 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 B;
- (f) the value of the Director Options and the pricing methodology is set out in Annexure C;
- (g) the relevant interests of the Related Parties in securities of the Company are set out below;

Director	Number of Shares	Number of Options
Mr Dudfield	11,180,393	Nil
Mrs Farr	306,533	Nil

- (h) the remuneration and emoluments from the Company to the Related Parties 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 Dudfield	\$138,000	\$138,000
Mrs Farr	\$96,000	\$117,024

- (i) if the Director Options granted to the Related Parties are exercised, a total of 1,500,000 Shares would be issued. This will increase the number of Shares on issue from 34,794,775 to 36,294,775 (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 4.13%.

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	\$0.240	4 October 2013
Lowest	\$0.165	10 July 2014
Last	\$0.20	25 September 2014

- (k) the primary purpose of the grant of Director Options to the Related Parties 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) Mr Dudfield declines to make a recommendation to Shareholders in relation to Resolution 5 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 5, recommend that Shareholders vote in favour of Resolution 5 for the reasons set out above. The Board (other than Mr Dudfield) 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;
- (m) Mrs Farr declines to make a recommendation to Shareholders in relation to Resolution 6 due to her material personal interest in the outcome of the Resolution. The other Directors, who do not have a material interest in the outcome of Resolution 6, recommend that Shareholders vote in favour of Resolution 6 for the reasons set out above. The Board (other than Mrs Farr) 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.

9. APPROVAL OF PROPOSED PLACEMENT OPTIONS

Resolution 7 seeks Shareholder approval for the issue of up to 100,000 Options (Option Placement).

None of the subscribers pursuant to this issue will be related parties of the Company.

A summary of ASX Listing rule 7.1 is set out above.

The effect of Resolution 7 will be to allow the Directors to issue the Options pursuant to the Option Placement during the period of 3 months after the Meeting (or a longer period, if allowed by ASX) without using the Company's 15% placement capacity.

Notice requirements for approval under rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Option Placement:

- (a) the maximum number of Options to be granted is 100,000;
- (b) the Options will be issued no later than 3 months after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that the issue will occur on one date;

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- (c) the Options will be issued for nil cash consideration;
 - (d) the Options will be issued to Mr Greg Ledger;
 - (e) the options will be issued on the terms and conditions set out in Annexure D; and
 - (f) no funds will be raised from the Option placement, the primary purpose of the issue of the Options to Mr Ledger is to provide cost effective consideration to Mr Ledger for his ongoing commitment and contribution to the Company in his respective role as Company Secretary.

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 2014 which can be downloaded from the Company's website at www.jindalee.net .
Associated Body Corporate	Has the meaning given in the Corporations Act.
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"> • a spouse or child of the member; • a child of the member's spouse; • a dependent of the member or the member's spouse; • 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; • a company the member controls; or • a person prescribed by the Corporations Regulations 2001 (Cth).
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.
Director Options	The Options issued on the terms set out in Annexure B.
Employee Share Option Plan or ESOP or Plan	The employee share option plan summarised in Annexure A.
Explanatory Statement	This explanatory memorandum which accompanies and forms part of the Notice.
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).

GLOSSARY

Notice or 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.
Plan Options	Options issued under the Employee Share Option Plan.
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 2014.
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.

ANNEXURE A**Summary of terms of the Employee Share Option Plan****(a) ASIC Relief**

ASIC Relief means the relief from the disclosure and licensing provisions of the Corporations Act contemplated by ASIC Regulatory Guide 49 as modified from time to time and any additional relief granted by ASIC pursuant to an application made by the Company. ASIC Relief includes the relief set out in ASIC Class Order 03/184 and any future ASIC Class Order relating to ASIC Regulatory Guide 49, including the ASIC Class Order contemplated by ASIC Consultation Paper 218.

(b) Eligibility

The Board may invite any person to participate in the Plan including full, part time, casual or prospective employees, contractors, directors of the Company or an Associated Body Corporate of the Company (**Eligible Participant**).

(c) Offer of Plan Options

The Plan will be administered by the Board which may, in its absolute discretion, offer Plan Options to any Eligible Participant from time to time as determined by the Board and, in exercising that discretion, may have regard to some or all of the following considerations:

- (i) the seniority of the Eligible Participant and the position the Eligible Participant occupies with the relevant Company;
- (ii) the length of service of the Eligible Participant with the Company;
- (iii) the record of employment of the Eligible Participant with the Company;
- (iv) the potential contribution of the Eligible Participant to the growth and profitability of the Company;
- (v) the extent (if any) of the existing participation of the Eligible Participant in the Plan; and
- (vi) any other matter the Board considers relevant.

(d) Number of Plan Options

The number of Plan Options to be offered to an Eligible Participant will be determined by the Board in its discretion and in accordance with the rules of the Plan and applicable law.

(e) Conversion

Each Plan Option is exercisable into one Share in the Company ranking equally in all respect with the existing issued Shares in the Company.

(f) Consideration

Plan Options issued under the Plan will be issued for no consideration.

(g) Exercise price

The exercise price for Plan Options offered under the Plan will be determined by the Board.

(h) **Exercise conditions**

The Board may impose conditions, including performance-related conditions, on the right of a participant to exercise Plan Option granted under the Plan.

(i) **Exercise of Plan Options**

A participant in the Plan will be entitled to exercise their Plan Options in respect of which the exercise conditions have been met provided the Plan Options have not lapsed and the exercise of the Plan Options will not result in the Company contravening the ASIC Relief. A holder may exercise Plan Options by delivering an exercise notice to the Company secretary along with the Plan Options certificate, and paying the applicable exercise price of the Plan Options multiplied by the number of Plan Options proposed to be exercised.

After receipt of the required items, the Company will, subject to the ASX Listing Rules, issue to the participant the relevant number of Shares.

(j) **Cessation of employment**

If at any time before the exercise of a Plan Option, an Optionholder ceases to be an Eligible Participant:

- (i) by reason of death, disability, bona fide redundancy or other reason approved by the Board, and at that time the Eligible Participant continued to satisfy any other relevant conditions of the grant, the Board may determine the extent to which the Plan Options held by the Eligible Participant vest; and a period of time for the Plan Options to be exercised; or
- (ii) for any other reason, all Plan Options held by the Eligible Participant will automatically lapse unless the Board otherwise determines within 30 days of the Optionholder ceasing to be an Eligible Participant.

(k) **Restrictions on trading**

- (i) The Board may determine, prior to the offer of the relevant Plan Options, any restrictions upon trading in Shares issued pursuant to the exercise of a Plan Option.
- (ii) The Board must provide the Eligible Participant with details of any restrictions.
- (iii) The Company may implement any procedure it considers appropriate to restrict an Eligible Participant from trading in the relevant Shares.

(l) **Participation in Rights Issues and Bonus Issues**

The Plan Options granted under the Plan do not give the holder any right to participate in rights issues or bonus issues unless Shares are allotted pursuant to the exercise of the relevant Plan Options prior to the record date for determining entitlements to such issue. The number of Shares issued on the exercise of Plan Options will be adjusted for bonus issues made prior to the exercise of the Plan Options in accordance with the Listing Rules.

(m) **Reorganisation**

The terms upon which the Plan Options will be granted will not prevent the Plan Options being reorganised as required by the ASX Listing Rules on the reorganisation of the capital of the Company.

(n) **Limitation on offers**

If the Company makes an offer under the Plan where:

- (i) the total number of Shares to be received on exercise of Plan Options the subject of that offer exceeds the limit set out in the relevant ASIC Relief; or
- (ii) the Offer does not otherwise comply with the terms and conditions set out in the relevant ASIC Relief,

the Company must comply with Chapter 6D of the Corporations Act at the time of that offer.

(o) **Entitlement**

There are no participating rights or entitlements inherent in the Plan Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Plan Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 7 Business Days after the issue is announced. This will give Optionholders the opportunity to exercise their Plan Options prior to the date for determining entitlements to participate in any such issue.

(p) **Trigger event**

If any of the following events occur:

- (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,

then the Board may:

- (iv) determine that Plan 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 Plan Options on like terms to the terms proposed in such event.

ANNEXURE B

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,
then the Board may:
 - (iv) determine that Director 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 Director 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 C**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: 42 128 908 289
AFS Licence No: 448697
www.stantons.com.au

16 September 2014

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 16 September 2014, Stantons International Securities Pty Ltd hereby set out our technical valuation of 1,500,000 share options (“Options”) to be granted to various directors (1,000,000) and the Company Secretary (500,000) following shareholders approval expected to occur on 26 November 2014.

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 16 September 2014. It is noted that the Options will need to be formally valued for IFRS purposes following shareholder approval in late October 2014. For the purposes of valuation, we have assumed an approval date by shareholders of 26 November 2014.
3. The last closing market price of a listed JRL share was 20.5 cents (last sale before 16 September 2014 was on 19 August 2014). We have used 20.5 cents in valuing the Options.
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. As the share price as at 19 August 2014 was 20.5 cents, we have assumed the exercise price will be 50 cents per Option.
5. The Options will expire on 30 June 2017 i.e. the term of approximately 31 months. The risk free bond rate of the Reserve Bank of Australia for a 31 months term approximates 2.78%.
6. The Options will be issued without any consideration and will vest immediately.
7. No dividends are expected to be declared or paid by the Company.
8. We note that the one year high for the Company’s share price was 24 cents and the one year low share price was 16.5 cents. We note that the four months high for the Company share price was 20.5 cents and the four months low share price was 16.5 cents. The annualised volatility to 16 September 2014 has been calculated using the volatility calculator is 49.47%.

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 16 September 2014 should be 50%.

Stantons International Securities

8. 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.
9. 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. We have not applied a discount for the purposes of this report.
- 10. Based on the above assumptions, the value of one of the Options noted above is 1.903 cents.**

If a higher volatility was used of say 70%, the undiscounted value of an Option would approximate 4.244 cents.

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

Yours faithfully

STANTONS INTERNATIONAL SECURITIES PTY LTD
(Trading as Stantons International Securities)



John P Van Dieren - FCA
Director

ANNEXURE D**Placement & Employee Options**

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

- (a) Each Option gives the Optionholder the right to subscribe for one Share.
- (b) The Options will expire at 5.00pm (WST) on 30 June 2017 (**Expiry Date**). Any Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (c) The amount payable upon exercise of each 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 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 Options by lodging with the Company, before the Expiry Date:
 - (i) a written notice of exercise of Options specifying the number of Options being exercised; and
 - (ii) a cheque or electronic funds transfer for the Exercise Price for the number of 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 allot the number of Shares required under these terms and conditions in respect of the number of Options specified in the Exercise Notice.
- (h) The Options may be transferable subject to Board approval and compliance with the Corporations Act and the 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,then the Board may:
 - (iv) determine that 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 Options on like terms to the terms proposed in such event.

 - (j) All Shares allotted upon the exercise of Options will upon allotment rank pari passu in all respects with other Shares.

 - (k) The Company will not apply for quotation of the Options on ASX. However, The Company will apply for quotation of all Shares allotted pursuant to the exercise of Options on ASX, in accordance with the Listing Rules.

 - (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 Options and Optionholders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 7 Business Days after the issue is announced. This will give Optionholders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.

 - (n) An Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Option can be exercised.

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 26th November 2014 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

	For	Against	Abstain
Resolution 1 – Remuneration Report (non-binding)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 – Re-election of Director – Mr Justin Mannolini	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 – Approval of Employee Share Option Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 – Approval of proposed issue of Options to employee	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 – Approval of proposed issue of Director Options to Lindsay Dudfield	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 – Approval of proposed issue of Director Options to Patricia Farr	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7 – Approval of proposed Placement Options	<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

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

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 24th November 2014** 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.