

3 December 2014

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Dear Fellow Shareholder

Last week Jindalee held its Annual General Meeting and shareholders who attended were able to hear about recent developments and ask questions of the Board. However many shareholders were unable to attend the meeting and your Directors felt it important that all shareholders were updated on the Company's activities.

Since listing in 2002 Jindalee's strategy has been to exploit the cyclic nature of the resources sector for the benefit of our shareholders by adopting a contrarian approach ("buying straw hats in winter"). The Company took advantage of a "quiet period" from 2002 to 2005 to build a portfolio of projects which were then either farmed out or sold over the next 4 years, culminating in the payment of a \$0.55 special dividend to shareholders in July 2010. Indeed, Jindalee still retains interests in several assets generated during this period, including our substantial shareholdings in Energy Metals (ASX: EME) and Alchemy Resources (ASX: ALY), which we will look to monetise when appropriate.

We are now entering another "quiet period" for the resources sector with signs of a protracted downturn: mines are closing, companies are divesting non-core assets, company liquidations are rising and the majority of juniors are low on cash and in survival mode – the "mining boom" is over.

Our aim is to take advantage of this downturn to acquire a significant project with the potential to further transform Jindalee and create substantial value for our shareholders when the cycle turns. We are well positioned to achieve this objective; at 30 September 2014 we held around \$7.4m in liquid assets (including \$5.1m in cash), at a time when more than 70% of ASX listed explorers had cash reserves of less than \$2m.

We continue to review projects across a wide range of commodities and jurisdictions. To date none have met Jindalee's strict investment criteria but as the downturn deepens the number of quality projects appearing on our radar is increasing and we are confident that it is just a matter of time before the right opportunity is secured and the Company is re-rated.

However this strategy takes discipline and patience and could not be achieved without the backing and support of our shareholders. Your Directors greatly appreciate this support and we look forward to updating you on our progress over the coming period.

To this end, we encourage shareholders with access to the internet to elect to receive electronic copies of ASX announcements and reports. For further information, please visit the Company's website www.jindalee.net

Yours faithfully

A handwritten signature in black ink, appearing to read 'Lindsay Dudfield'.

Lindsay Dudfield
Managing Director