



Resources Limited
ACN 064 121 133

Jindalee Resources Limited
ABN 52 064 121 133
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West Perth WA 6872
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Web: www.jindalee.net

Notice of Annual General Meeting and Explanatory Statement

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 Friday 19th November 2010 at 10.00am (Western Standard Time), for the purpose of transacting the following business:

BUSINESS

Financial Statements and Reports

The Company's 2010 Annual Report (including the financial, directors' and auditors' report for the year ended 30 June 2010) will be tabled.

Resolution 1 – Adoption of the Remuneration Report for the year ended 30 June 2010

To consider and, if thought fit, to pass the following resolution as a non-binding ordinary resolution:

"That, pursuant to and in accordance with section 250R(2) of the Corporations Act, the Directors' Remuneration Report for the financial year ended 30 June 2010 as set out in the Director's Report in the Company's 2010 Annual Report be adopted."

Note: The vote on this resolution is advisory only and does not bind the directors of the Company or the Company.

Resolution 2 - Re-election of Mr Mark Richard Scott as a Director

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

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

Resolution 3 – Non-Executive Directors Remuneration

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

"That, in accordance with Listing Rule 10.17 of the ASX and clause 13.8 of the Company's Constitution, the maximum aggregate remuneration payable out of the funds of the Company to non-executive directors of the Company for their services as directors be increased by \$100,000 to \$200,000 per annum in such proportions between the non-executive directors as the directors shall from time to time determine."

Resolution 4 – Adoption of New Constitution

To consider and, if thought fit, to pass the following resolution as a special resolution:

"That, pursuant to section 136(2) of the Corporations Act and for all other purposes, the Company adopts a new constitution in the form as signed by the Chairman of the General Meeting for identification purposes, in lieu of the existing constitution of the Company, at the close of the General Meeting."

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.

Please note defined terms used in this Notice have the same meanings set out in the glossary of the Explanatory Memorandum.

By Order of the Board

PATRICIA FARR
Company Secretary
8 October 2010

Proxies

Please note that:

- A shareholder entitled to attend and vote at the above meeting may appoint not more than two proxies to attend and vote at this meeting. Each proxy will have the right to vote on a poll and also to speak at a meeting. Where there is a vote taken by a show of hands, if a shareholder has appointed two proxies, neither of those proxies may vote;
- Where more than one proxy is appointed, each proxy must be appointed to represent a specified proportion of the shareholder's voting rights;
- A proxy may but need not be a shareholder of the Company;
- A Shareholder may appoint a body corporate or an individual as its proxy;
- The instrument appointing the proxy must be in writing, executed by the appointor or his attorney duly authorised in writing or, if such appointor is a corporation, either under seal or under hand of an officer of his attorney duly authorised;
- The instrument of proxy (and the power of attorney or other authority, if any, under which it is signed) must be lodged by person, post, courier or facsimile and reach the Registered Office of the Company at least 48 hours prior to the meeting.

The enclosed proxy form provides further details on appointing proxies and lodging proxy forms. If a Shareholder appoints a body corporate as its proxy and the body corporate wishes to appoint an individual as its representative, the enclosed certificate of appointment of corporate representative should be completed and lodged in the manner specified.

Entitlement to Vote

In accordance with Regulation 7.11.37 of the Corporations Regulations 2001, the Directors' have set a time to determine the identity of those entitled to attend and vote at the Meeting. The time is 7.00p.m. Sydney time on 17th November 2010. Accordingly, transactions registered after that time will be disregarded in determining Shareholders' entitlement to attend and vote at the Annual General Meeting.

Corporate Representative

Any Corporate Shareholder who has appointed a person to act as its Corporate Representative at the Annual General Meeting should provide that person with a certificate or letter executed in accordance with the Corporations Act authorising him or her to act as that company's representative. The authority may be sent to the Company in advance of the Annual General Meeting or handed in at the Annual General Meeting when registering as a corporate representative. An appointment of Corporate Representative form is enclosed if required.

EXPLANATORY MEMORANDUM

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

Shareholders are specifically referred to the Glossary in the Explanatory Memorandum which contains definitions of capitalised terms used in this Notice of Annual General Meeting and the Explanatory Memorandum.

The Directors recommend shareholders read this Explanatory Memorandum 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:

Financial Statements and Reports

The *Corporations Act 2001 (Cth)* ("Corporations Act") requires the Company's financial report (which includes the financial statements and the directors' declaration), the directors' report and the auditor's report for the year ended 30 June 2010 to be laid before the annual general meeting. Shareholders will be provided with a reasonable opportunity to ask questions about the reports. There is no requirement either in the Corporations Act or the Company's constitution that shareholders vote on or approve those reports.

Shareholders can access a copy of the Company's financial report, directors' report and auditors report for the year ended 30 June 2010 (which form part of the Company's 2010 Annual Report) on the Company's website: www.jindalee.net

Shareholders may elect to receive, free of charge, a physical copy of the reports for each financial year. A physical copy of the reports has been sent to shareholders who have previously made this election. Shareholders who have not received a physical copy of the reports but wish to do so should contact the Company's Share Registry to obtain information about making the necessary election.

Resolution 1 – Adoption of the Remuneration Report for year ended 30 June 2010

The Corporations Act requires the Company to include, in the directors' report for the year ended 30 June 2010, a detailed remuneration report setting out certain prescribed information relating to the remuneration of the directors and certain members of the Company's senior management, and to submit this for adoption by resolution of the shareholders at the annual general meeting. The vote on the resolution is advisory only and does not bind the directors of the Company or the Company.

The directors recommend that shareholders vote in favour of adopting the Remuneration Report.

Resolution 2 - Re-election of Mr Mark Richard Scott as a Director

Resolution 2 seeks approval for the re-election of Mr Scott as a director of the Company with effect from the end of the meeting.

Mr Scott 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 Scott 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:

Mark Richard Scott *MSc, MCom (Hons)*

Non-executive Director

Mr Scott has a background in finance and investment banking with formal qualifications in commerce and accounting. Over his career he has held senior positions in both private and public companies involved in the area of stockbroking and investments. Mr Scott is a founding director of Jindalee Resources Limited and was appointed as Chairman of the Board in 2008. Age 63.

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

Resolution 3 – Non-Executive Directors Remuneration

In accordance with the Listing Rules of the ASX and the Company's Constitution, the remuneration of Non-Executive Directors shall not be increased except pursuant to a resolution passed by Shareholders at a general meeting of the Company.

Currently, the maximum annual aggregate amount which may be provided as remuneration to all Non-Executive Directors of the Company for their services as Directors out of the funds of the Company is \$100,000.

Fees paid to Non-Executive Directors are reported both in the Directors' Report and in a Note to the Financial Statements.

Shareholder approval is now sought for an increase of \$100,000 in the maximum annual aggregate amount of remuneration that may be provided to Non-Executive Directors, taking the maximum annual aggregate amount to \$200,000. This increase will:

- permit an increase in Directors fees consistent with current market rates;
- enable appropriate succession at the Board; and
- ensure the Board (and the establishment of any Committee's) continue to have available Directors with the appropriate mix of skills, expertise and experience, along with the flexibility to ensure a Board of the appropriate size is in place to serve the Company and its Shareholders effectively.

The Board does not propose at this stage to further increase the number of directors however an increase to the remuneration pool will allow the Board to continue to retain and attract appropriately qualified directors and provide the Board with the flexibility to manage any future changes in its membership and composition as appropriate.

For the reasons noted above the Board recommends that Shareholders vote in favour of resolution 3.

Important Note

The Company will disregard any votes cast on this resolution by a director or by an associate of a director.

However, the Company will not disregard a vote if:

- it is cast by a director (including the Chairman of the meeting) or an associate of a director, as a proxy for a Shareholder entitled to vote, in accordance with the directions on the proxy form, or
- it is cast by the Chairman of the meeting, as a proxy for a Shareholder entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

A reference to a Director includes all Company directors, including directors who are standing for re-election at the annual general meeting.

Resolution 4 – Adoption of new Constitution

General

Resolution 4 is a special resolution which will enable the Company to adopt a new constitution. The existing constitution was adopted in 2000 under the former “Corporations Law” and the Directors considered it appropriate to review the existing constitution to ensure it reflected the present provisions of the Corporations Act and the Listing Rules. As a result of a number of changes to the Corporations Act and the Listing Rules over time, parts of the constitution require minor amendments to ensure consistency. The Directors believe that it is preferable in the circumstances to replace the existing constitution with a new constitution (**Proposed Constitution**) rather than to amend and insert a multitude of specific provisions.

The Proposed Constitution is broadly consistent with the provisions of the existing constitution. Many of the proposed changes are administrative or minor in nature and the Directors believe they are not material nor will they have any significant impact on shareholders.

It is not practicable to list all of the changes to the Constitution in this explanatory statement but a summary of the proposed material changes is set out below. A copy of the Proposed Constitution is available for review by Shareholders at the office of the Company and at the Company’s website - www.jindalee.net. A copy of the Proposed Constitution can also be sent to shareholders upon request to the Company Secretary ((+61 8) 9321 7550)). Shareholders are invited to contact the Company if they have any queries or concerns.

Summary of material proposed changes

- **References to the Corporations Act**

The terminology in the Proposed Constitution refers to the Corporations Act rather than the former “Corporations Law”, and to the corresponding provisions therein.

- **References to ASX Settlement Rules**

The terminology in the Proposed Constitution refers to the “ASX Settlement Rules” (until recently, the “ASTC Settlement Rules”) rather than the former “SCH Business Rules”, and to the corresponding provisions therein.

- **Postponement of general meeting of shareholders**

The Proposed Constitution provides at clause 11.2 that the Directors may, subject to the Corporations Act and the ASX Listing Rules, postpone a meeting of Shareholders or change the place for a general meeting of shareholders by giving written notice to ASX. If a meeting of shareholders is postponed for one month or more, the Company must give new notice of the postponed meeting.

- **Dividends**

There have been recent changes to the dividend payment provisions of the Corporations Act which came into effect on 28 June 2010. A new section 254T has been included in the Corporations Act which introduces a three-tiered test that a company will need to satisfy before paying a dividend. This replaces the previous test that the company may only pay dividends from profits.

The new section 254T provides that a company must not pay a dividend unless:

- a) the company's assets exceed its liabilities immediately before the dividend is declared and the excess is sufficient for the payment of the dividend;
- b) the payment of the dividend is fair and reasonable to the company's shareholders as a whole; and
- c) the payment of the dividend does not materially prejudice the company's ability to pay its creditors.

The existing constitution of the Company currently reflects the former profits test and restricts the dividends to be paid only out of the profits of the Company. The Proposed Constitution does not contain the profits test and enables the Company to pay dividends in accordance with the new position under the Corporations Act. The Directors consider it appropriate for the constitution of the Company to reflect the recently amended Corporations Act to allow more flexibility in the payment of dividends.

- **Directors access to information**

The Proposed Constitution at clause 28 provides that where the Directors consider it appropriate, the Company may:

- a) give a former Director access to certain papers, including documents provided or available to the Directors and other papers referred to in those documents; and
- b) bind itself in any contract with a Director or former Director to give the access.

This specific provision reflects the statutory right in section 198F of the Corporations Act authorising the Company to enter into contracts with Directors agreeing to provide continued access to Board papers.

- **Proportional takeover provisions**

The Proposed Constitution contains proportional takeover provisions. Please refer to the discussion below regarding the incorporation of proportional takeover provisions within the Proposed Constitution, together with the information required to be provided by section 648G of the Corporations Act.

Proportional Takeover Provisions of the Proposed Constitution

Pursuant to section 648G of the Corporations Act, the Company has included in the Proposed Constitution a provision whereby a proportional takeover bid for shares in the Company may only proceed after the bid has been approved by a meeting of members held in accordance with the terms set out in the Corporations Act. This provision is made in clause 35 of the Proposed Constitution.

This clause will cease to have effect on the third anniversary of the date of the adoption of last renewal of the clause.

A proportional takeover bid is a takeover bid where the offer made to each shareholder is only for a proportion of that shareholder's shares.

Section 648G of the Corporations Act requires certain information to be included in the notice of meeting where the approval of members is sought to adopt proportional takeover provisions. That information is set out below:

- **Effect of proposed takeover provisions**

The effect of the proposed provision is that where offers have been made under an off market bid in respect of shares included in a class of shares in the Company, the registration of a transfer giving effect to a contract resulting from the acceptance of an offer made under the off market bid is prohibited unless and until a resolution to approve an off market bid is passed.

- **Reasons for proportional takeover provisions**

A proportional takeover bid may result in control of the Company changing without shareholders having the opportunity to dispose of all their shares. By making a partial bid, a bidder can obtain practical control of the Company by acquiring less than a majority interest. Shareholders are exposed to the risk of being left as a minority in the Company and the risk of the bidder being able to acquire control of the Company without payment of an adequate control premium. These provisions allow shareholders to decide whether a proportional takeover bid is acceptable in principle, and assist in ensuring that any partial bid is appropriately priced.

- **Potential advantages and disadvantages**

The Directors consider that the proportional takeover provisions have no potential advantages or disadvantages for them and that they remain free to make a recommendation on whether an offer under a proportional takeover bid should be accepted.

The potential advantages for shareholders include the following:

- a) Shareholders have the right to decide by majority vote whether an offer under a proportional takeover bid should proceed;
- b) They may assist shareholders from being locked in as a minority;
- c) They increase the bargaining power of shareholders and may assist in ensuring that any proportional takeover bid is adequately priced; and
- d) Each individual shareholder may better assess the likely outcome of the proportional takeover bid by knowing the view of the majority of shareholders and assist in deciding whether to accept or reject an offer under the takeover bid.

The potential disadvantages for shareholders include the following:

- a) Proportional takeover bids for shares in the Company may be discouraged;
- b) Shareholders may lose an opportunity to sell some of their shares as a premium; and
- c) The likelihood of a proportional takeover bid succeeding may be reduced.

The Directors do not believe the potential disadvantages outweigh the potential advantages of adopting the proportional takeover provisions.

- **Knowledge of any acquisition proposals**

As at the date on which the notice of meeting was prepared, no Director of the Company is aware of any proposal to any person to acquire or to increase the extent of a substantial interest in the Company.

- **Recommendation of the Board**

The Directors consider that the proposed proportional takeover provision in the constitution is in the interest of shareholders and unanimously recommend that shareholders vote in favour of Resolution 4.

The Board recommends that shareholders vote in favour of resolution 4.

GLOSSARY

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

“**ASIC**” means the Australian Securities and Investments Commission;

“**ASX**” means ASX Limited or the Australian Securities Exchange, as the context requires;

“**Board**” means the Directors acting as the board of directors of the Company or a committee appointed by such board of directors;

“**Company**” or “**Jindalee Resources**” means Jindalee Resources Limited ACN 064 121 133;

“**Corporations Act**” means the Corporations Act 2001 (Cth);

“**Director**” means a Director of the Company;

“**Listing Rules**” means the Listing Rules of the ASX; and

“**Notice**” means the notice of meeting accompanying this Explanatory Memorandum.

Shareholder/Corporate Proxy Details

This is to certify that by a resolution of the Directors of:

..... (Company)

Insert name of shareholder company / corporate proxy

the Company has appointed:

..... ,

Insert name of corporate representative

In accordance with the provisions of section 250D of the Corporations Act 2001, to act as the body corporate representative of that company at the meeting of the members of Jindalee Resources Limited to be held on Friday 19th November 2010 and at any adjournments of that meeting/all meetings of the members of Jindalee Resources Limited.

DATED..... 2010

Please sign here

Executed by the Company)
In accordance with its constituent documents)

.....
Signed by authorised representative

.....
Signed by authorised representative

.....
Name of authorised representative (print)

.....
Name of authorised representative (print)

.....
Position of authorised representative (print)

.....
Position of authorised representative (print)

Instructions for Completion

1. Insert name of appointor company and the name or position of the appointee (eg. "John Smith" or "each director of the company").
2. Execute the certificate following the procedure required by your constitution or other constituent documents.
3. Print the name and position (eg. Director) of each company officer who signs this Certificate on behalf of the Company.
4. Insert the date of execution where indicated.
5. Send or deliver the Certificate to Jindalee Resources Limited registered office or fax the Certificate to the registered office at 61 8 9321 7950.

PROXY FORM

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

I/We (name of shareholder)
of (address)

being a member/members of Jindalee Resources Limited ("Company")

holding shares in the Company

HEREBY APPOINT

(proxy's name)

of (proxy's address)

and/or failing him (name)

of (address)

or failing that person then the Chairman of the Annual General Meeting as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held at Level 2, 18 Kings Park Road, West Perth, Western Australia on 19th November 2010 at 10.00am WST and at any adjournment of the meeting.

☐ If the Chair of the Annual General Meeting is appointed as your proxy, or may be appointed by default, and you do **not** wish to direct your proxy how to vote as your proxy in respect of **Resolution 3** please place a mark in this box.

By marking this box, you acknowledge that the Chair of the Annual General Meeting may exercise your proxy even if he has an interest in the outcome of Resolution 3 and that votes cast by the Chair of the Annual General Meeting for Resolution 3 other than as proxy holder will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chair will not cast your votes on Resolution 3 and your votes will not be counted in calculating the required majority if a poll is called on Resolution 3.

OR

Should you so desire to direct the Proxy how to vote, you should place a cross in the appropriate box(es) below:

I/We direct my/our Proxy to vote in the following manner:

	For	Against	Abstain
Resolution 1 – To adopt the remuneration report for the year ended 30 June 2010	☐	☐	☐
Resolution 2 – Re-election of Mr Mark Richard Scott as Director	☐	☐	☐
Resolution 3 – Non-executive Directors remuneration	☐	☐	☐
Resolution 4 – Adoption of new constitution	☐	☐	☐

If no directions are given my proxy may vote as the proxy thinks fit or may abstain.

This Proxy is appointed to represent _____% of my voting right, or if 2 proxies are appointed Proxy 1 represents _____% and Proxy 2 represents _____% of my total votes. My total voting right is _____ shares

SIGNATURE OF SECURITY HOLDERS – THIS MUST BE COMPLETED

If the Shareholder is an individual

Name: _____

Signed: _____

If the Shareholder is a company:

Affix common seal (if required by articles)

If the Shareholder acts as a Trustee of Superfund

Name: _____

Signed: _____

Name: _____

Signed: _____

Sole Director/Director

Name: _____

Signed: _____

Name: _____

Signed: _____

Director/Secretary

Dated: 2010.

INSTRUCTIONS FOR APPOINTMENT OF PROXY

1. A shareholder entitled to attend and vote is entitled to appoint no more than two proxies to attend and vote at this Annual General Meeting as the shareholder's proxy. A proxy need not be a shareholder of the Company.
2. Where more than one proxy is appointed, each proxy must be appointed to represent a specific proportion of the shareholder's voting rights. If such appointment is not made then each proxy may exercise half of the shareholder's voting rights. Fractions shall be disregarded.
3. The proxy form must be signed personally by the shareholder or his or her attorney, duly authorised in writing. If a proxy is given by a corporation, the proxy must be executed under either the common seal of the corporation or under the hand of an officer of the company or its duly authorised attorney. In the case of joint shareholders, this proxy must be signed by at least one of the joint shareholders, personally or by a duly authorised attorney.
4. If a proxy is executed by an attorney of a shareholder, then the original of the relevant power of attorney or a certified copy of the relevant power of attorney, if it has not already been noted by the Company, must accompany the proxy form.
5. To be effective, forms to appoint proxies must be received by the Company no later than 48 hours before the time appointed for the holding of this Annual General Meeting, **that is by 10.00am (WST) on 17th November 2010** by post, facsimile or email to the respective addresses stipulated in this proxy form.
6. If the proxy form specifies a way in which the proxy is to vote on any of the resolutions stated above, then the following applies:
 - (a) the proxy need not vote on a show of hands, but if the proxy does so, the proxy must vote that way; and
 - (b) if the proxy has 2 or more appointments that specify different ways to vote on the resolution, the proxy must not vote on a show of hands; and
 - (c) if the proxy is the Chairman, the proxy must vote on a poll and must vote that way, and
 - (d) if the proxy is not the Chairman, the proxy need not vote on a poll, but if the proxy does so, the proxy must vote that way.

If a proxy is also a shareholder, the proxy can cast any votes the proxy holds as a shareholder in any way that the proxy sees fit.