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## CLEANSING NOTICE

### NON-RENOUNCEABLE PRO-RATA ENTITLEMENT OFFER

This notice is given by Jindalee Resources Limited (ACN 064 121 133) (**Company**) in connection with the Company's non-renounceable pro rata entitlement offer (**Entitlement Offer**) to raise up to approximately \$1 million.

Under the Entitlement Offer, 'Eligible Shareholders' (being those who are shareholders on the share register of the Company as of the Record Date with a registered address in Australia or New Zealand) will be invited to subscribe for 1 fully paid ordinary share (**New Share**) for every 10 existing fully paid ordinary shares in the Company held on the record date (**Entitlement**), being 5.00 pm (WST) on Monday, 15 July 2019 (**Record Date**), at an issue price of \$0.30 per New Share.

#### Notice under section 708AA(2)(f) of the Corporations Act

In respect of the Entitlement Offer, the Company advises:

1. The New Shares will be offered without disclosure to investors under Part 6D.2 of the Corporations Act.
2. As at the date of this notice, the Company has complied with:
  - (a) the provisions of Chapter 2M of the Corporations Act as they apply to the Company; and
  - (b) section 674 of the Corporations Act.
3. As at the date of this notice, other than the Company being in negotiations to dispose of a package of non-revenue producing royalties (for which there is no guarantee that such a transaction will transpire), there is no excluded information of the type referred to in sections 708AA(8) or 708AA(9) of the Corporations Act, which is required to be set out under section 708AA(7) of the Corporations Act.

4. The potential effect that the Entitlement Offer will have on the control of the Company will depend on the take up by Eligible Shareholders of their Entitlement.

If all Eligible Shareholders each subscribe for their full Entitlement, then each Eligible Shareholder's percentage ownership interest (and voting power) in the Company will remain the same, subject only to changes resulting from ineligible Shareholders being unable to participate in the Entitlement Offer, and there will be no effect on control of the Company.

To the extent that an Eligible Shareholder does not take up its Entitlement, the proportionate shareholding interest of that Eligible Shareholder in the Company will be diluted. The proportionate shareholding interest of the ineligible Shareholders will be diluted because those ineligible Shareholders are not entitled to participate in the Entitlement Offer.

The Company's largest Shareholder is Director, Mr Lindsay Dudfield. As at the date of this notice, Mr Dudfield and his associates hold a relevant interest in 12,480,844 Shares, giving him voting power of 35.66%. Mr Dudfield has advised the Company that, as at the date of this notice, his intention is to subscribe for part of his Entitlement.

In the unlikely event no other Eligible Shareholder other than Mr Dudfield and his associates participate in the Entitlement Offer, and assuming Mr Dudfield subscribes for his maximum Entitlement (despite Mr Dudfield's intention to only subscribe for part of his Entitlement), Mr Dudfield's interest in the voting power of the Company will increase to a maximum of 37.88%. This increase is within the '3% creep' permitted by item 9 of section 611 of the Corporations Act.

Mr Dudfield and his associates also hold a relevant interest in 1,000,000 options (**Options**). Mr Dudfield has notified the Company that he and his associates' present intention is not to exercise any Options.

Any Options held by Mr Dudfield and his associates at completion of the Entitlement Offer can only be exercised in accordance with the limitations set out in the Corporations Act, including:

- (a) where such acquisition results in no impact on Mr Dudfield's shareholding interest;
- (b) where such acquisition results in Mr Dudfield increasing its shareholding interest in the Company by no more than 3% every six months (in accordance with item 9 of section 611 of the Corporations Act); or

- (c) where the Company obtains Shareholder approval for Mr Dudfield to acquire a relevant interest that would otherwise contravene the 20% takeover threshold (i.e. where Mr Dudfield proposes to acquire an interest that is more than 3% greater than its shareholding interest held on the date six months prior).

Where the Option terms and Corporations Act permit, it is possible that Mr Dudfield may elect to transfer some or all of its Options to a person or persons who are not his associate, who may be able to exercise the Options and acquire Shares without any restrictions, provided the takeover thresholds do not affect their existing Shareholding.

No other investor or existing Shareholder will hold a voting power greater than 20% as a result of the Entitlement Offer.

**ENDS**