

JINDALEE

Resources Limited
ABN 52 064 121 133

QUARTERLY REPORT TO SHAREHOLDERS

for the three months
ended 31 December 2015.

ASX Code - JRL

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This report and further information are
available on Jindalee's website at:

www.jindalee.net



HIGHLIGHTS

- * Energy Metals (JRL 6.7%) announces maiden JORC resource for Walbiri uranium deposit:

7,037 t (15.5 Mlbs) U₃O₈ @ 640ppm

- * Jindalee remains well positioned to capitalise on opportunities becoming available as the resources downturn continues.

FINANCIAL

- * The Company has a total of 34.8 million shares on issue
- * At 31 December 2015, Jindalee had no debt and held cash and shares worth \$5.6M (equivalent to **\$0.16 per share**).

A handwritten signature in black ink that reads "Lindsay Dudfield".

Lindsay Dudfield
Executive Chairman and Managing Director
28 January 2016

URANIUM

Jane Well (Jindalee 100%)

The Jane Well project is located 130km south of Onslow in the west Gascoyne region of Western Australia. The project consists of a single Exploration Licence Application (ELA 08/2745) applied for by Jindalee's wholly-owned subsidiary, Eastmin Pty Ltd.

The tenement application covers a section of the same Tertiary palaeochannel system that hosts Cauldron Energy Limited's Bennet Well uranium deposit.

Eastmin's Jane Well application is subject to competing applications by third parties and it is expected that priority will be determined by ballot. Subsequently, there are no guarantees that Eastmin will be successful in securing title to the ground.

Energy Metals (Jindalee 6.7% of issued capital)

Jindalee holds approximately 14 million Energy Metals shares, giving Shareholders continued exposure to the development of the Bigrlyi uranium-vanadium deposit and the potential of Energy Metals' other uranium projects.

Energy Metals (ASX: EME) controls 8 projects (total area >4,000 km²) located in the Ngalia Basin in the Northern Territory (NT) and in Western Australia (WA), with the majority of projects containing uranium mineralization or defined resources. Exploration has largely been concentrated on the main Bigrlyi Project in NT (53.3% owned by Energy Metals), where significant uranium resources have been defined and a prefeasibility study completed. More recently, increasing attention has been turned to other wholly-owned prospects in the region, where there is demonstrated potential to define additional Bigrlyi-style resources.

During the quarter, Energy Metals announced a maiden inferred resource estimate for their 42%-owned Walbiri deposit, also located in the Ngalia Basin. Walbiri represents a potential source of satellite feed to any future operation at Bigrlyi. As reported by EME¹, at a 200ppm U₃O₈ lower cut-off, the Walbiri deposit is estimated to contain 7,456 tonnes (15.5 Mlbs) of contained uranium oxide in 12.5 million tonnes of mineralised material.

Further information on Energy Metals' activities and the Walbiri resource estimate can be found in Energy Metals ASX announcement and on their website, www.energymetals.net

GOLD

Alchemy Resources (Jindalee 7.6% of issued capital)

Jindalee holds a significant equity interest in Alchemy Resources (ASX: ALY). This provides shareholders with exposure to Alchemy's expanded portfolio of projects, including Alchemy's Gascoyne region gold and copper-gold projects, located 130 km north of Meekatharra, WA.

Alchemy's Bryah Basin copper project is located to the west of Sandfire Resources' Doolgunna project and covers the extensions of the Narracoota Volcanics, the unit which hosts Sandfire's high grade DeGrussa copper-gold mine. Independence Group (ASX: IGO), a well-regarded and successful nickel, base metal and gold producer and explorer is farming into Alchemy's base metal-prospective Bryah Basin tenements, committing to spend a minimum of \$6.5M over a six year period in order to earn an 80% interest, with Alchemy then free-carried to completion of a Pre-Feasibility Study and interest-free carried for a further \$5M thereafter.

Alchemy also has a joint venture agreement in place with Northern Star Resources (ASX: NST), under the terms of which NST is responsible for the ongoing exploration of the remaining Gascoyne project tenements, not covered by the pre-existing joint venture with IGO. This joint venture includes a number of existing gold prospects and occurrences, as well as other areas considered prospective for the discovery of further gold deposits.

Further information on Alchemy Resources activities can be found on their website, www.alchemyresources.com.au.

Cardinia JV (Jindalee 11% free carried)

Jindalee holds an 11% interest in a group of tenements at Cardinia, located 30 kilometres east of Leonora. The joint venture project forms part of Kin Mining NL's (ASX: KIN) extensive Leonora Gold Project holdings. Jindalee's interest in the Cardinia joint venture ground is free-carried to completion of a Bankable Feasibility Study. No work was reported from the Cardinia joint venture tenements during the period.

IRON ORE

Joyners (Jindalee 20% free carried)

The Joyners project is a joint venture with GWR Group Limited and forms a part of GWR's much larger Wiluna West project. GWR has earned an 80% interest in the joint venture tenements with Jindalee maintaining a 20% equity position, free-carried through to completion of a Bankable Feasibility Study. The joint venture tenements contain published indicated and inferred iron oxide resources (Joyners North) estimated to total 7.2 million tonnes at 63% iron.^{2,3}

There were no significant developments on the joint venture ground over the quarter.

RARE EARTH OXIDES

Mt Josephine (Jindalee 100%)

The Mt Josephine project is centred 120km southwest of Halls Creek in the West Kimberley Region of Western Australia. The project consists of a single Exploration Licence Application (ELA80/4853) applied for by Eastmin Pty Ltd, a wholly-owned subsidiary of Jindalee.

The tenement surrounds the Cummins Range rare earth oxide (REO) deposit, previously explored by Kimberley Rare Earths Limited (KRE). In February 2012, KRE estimated Inferred Resources² of 4.9 million tonnes at 1.74% total rare earth oxides (at a 1% cut-off).

The tenement may also retain gold potential, as it contains the projected southerly strike extensions of the regional structures and stratigraphy that host gold mineralisation further north in the Halls Creek area.

Jindalee is continuing to negotiate the grant of the Mt Josephine tenement with the Kimberley Land Council, representing the Traditional owners of the area.

BASE METALS

Ruth Well (Jindalee 100%)

The Ruth Well project is centred 15km south of Karratha in the western Pilbara region of Western Australia. The project includes two recent Exploration Licence Applications (ELAs 47/3340 & 3341), wholly-owned by Jindalee. The tenements lie to the north of Fox Resources' Mt Sholl series of base metal deposits and are considered to be prospective for copper-lead-zinc-silver and gold mineralisation.

Radio Hill (Jindalee 100%)

The Radio Hill project is also located in the western Pilbara region, a further 10km south of the Ruth Well tenements and bordering Fox Resources' formerly producing Radio Hill nickel mine. The project consists of a single Exploration Licence application (ELA47/3361), wholly-owned by Jindalee. The project is considered to be prospective for nickel and other base metals.

CORPORATE

At 31 December 2015, Jindalee held cash and marketable securities worth approximately \$5.6M. These assets, combined with our tight capital structure (34.8M shares on issue), provide a strong base for leverage into new opportunities.

The acquisition of projects with the potential to transform the Company continues to be our ongoing primary focus. Throughout the quarter, further advanced project opportunities, situated both within Australia and in mining friendly overseas countries were examined, with an offer to acquire an Australian project being submitted to the vendor. Although Jindalee was unsuccessful in this case further high-quality opportunities continue to be identified.

The ongoing deterioration in the resources sector (accounting firm BDO reported that at 30 September 2015 approximately 40% of ASX juniors had insufficient cash to survive more than two quarters at current burn rates) has yielded a significant improvement in the quality of projects becoming available, further increasing the prospect of acquiring a meaningful project on favourable terms in the coming period.

ADDITIONAL INFORMATION

Tenement Schedule

Project	Tenement Reference	Interest at beginning of Qtr	Acquired/Disposed	Interest at end of Qtr
Joyners	M53/1078-I	20%	N/A	20%
	E53/1089-I	20%	N/A	20%
Cardinia	P37/7274	11%	N/A	11%
	P37/7275	11%	N/A	11%
	P37/7276	11%	N/A	11%
	M37/646	11%	N/A	11%
Yilgangi	E31/597	20%	surrendered	0%
Mt Josephine	ELA80/4853*	100%	N/A	100%
Ruth Well	ELA47/3340	100%	N/A	100%
	ELA47/3341	100%	N/A	100%
Jane Well	ELA08/2745*	100%	N/A	100%
South Bronzewing	ELA36/0853	100%	N/A	100%
Radio Hill	ELA47/3361	100%	N/A	100%

*Tenement applied for through JRL'S wholly-owned subsidiary, Eastmin Pty Ltd

Notes:

1. Reference: ASX Announcement by Energy Metals Limited dated 27th October 2015 titled, "7,456 Tonnes U3O8 Maiden JORC Resource Walbiri and Satellite Deposits".
2. Reference: ASX Announcement by Golden West Resources dated 18th July 2011 titled, "Wiluna West Hematite Project Iron Resource Update".
3. In relation to the Statement of Mineral Resources provided for the Joyners Joint Venture project, Jindalee Resources is not aware of any new information that materially affects the information included in this report and that all material assumptions and technical parameters, underpinning the estimate, completed in accordance with the provisions of the 2004 version of the JORC code, and as documented in GWR's original market announcement and any subsequent disclosures, continue to apply and have not materially changed. Furthermore, Jindalee confirms that the form and context in which the relevant Competent Person's findings are presented have not been materially modified.

Competent Person Statement

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Terrence Peachey, who is an employee of the Company and is a member of the Australian Institute of Geoscientists. Mr Peachey has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity, which he is undertaking, to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves.' Mr Peachey consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Forward-Looking Statements

This document may contain certain forward-looking statements. Forward-looking statements include, but are not limited to statements concerning Jindalee Resources Limited's (Jindalee's) current expectations, estimates and projections about the industry in which Jindalee operates, and beliefs and assumptions regarding Jindalee's future performance. When used in this document, the words such as "anticipate", "could", "plan", "estimate", "expects", "seeks", "intends", "may", "potential", "should", and similar expressions are forward-looking statements. Although Jindalee believes that its expectations reflected in these forward-looking statements are reasonable, such statements are subject to known and unknown risks, uncertainties and other factors, some of which are beyond the control of Jindalee and no assurance can be given that actual results will be consistent with these forward-looking statements.