

**SYMBOL DEFINITIONS**



EXPLORER



HIGH RISK

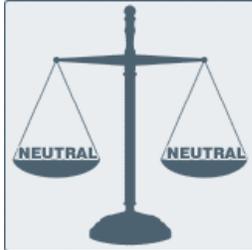


CAP  
CASH  
DEBT

\$5.6m  
-\$1.9m  
-\$0m

CLICK FOR ALL SYMBOL DEFINITIONS

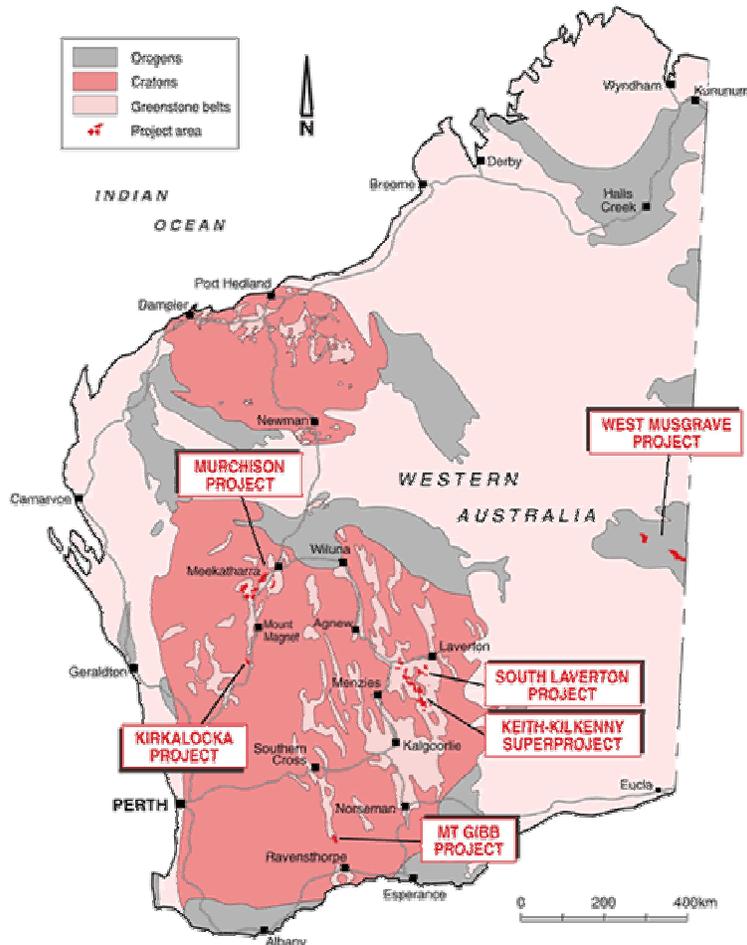
Jindalee continues to make good progress as a low cost explorer with a tight capital structure. The latest round of deals is a successful spin out of the Mt Gibb project and a new joint venture agreement with Newcrest.



*"Jindalee has completed a series of deals that will provide exposure to an increased level of exploration activities by joint venture partners. One of them, the spin out of the Mt Gibb property to Great Western Exploration, has injected a modest amount of new capital into the company without diluting the equity base."*

We expect Jindalee to continue generating early stage exploration properties and then advancing them via the introduction of third party funding at the earliest possible opportunity. As a consequence they will maintain their tight capital structure, providing good leverage to any possible discovery or acquisition.

**Location Map**



## Yilgangi Farm Out

Newcrest has farmed into Jindalee's 100% owned Yilgangi project, located in the Eastern Goldfields of WA. Under the terms of the agreement Newcrest can earn a 70% interest by spending \$750,000 on exploration within four years, with a minimum of \$100,000 to be spent in the first year. If Newcrest earns the 75% interest Jindalee has several options, including contributing pro-rata or diluting to either project carried or free carried positions.

Yilgangi straddles the Keith-Kilkenny Tectonic Zone, a major crustal scale lineament associated with significant gold deposits including Wiluna (5M oz) and Thunderbox (2M oz). Additionally, the Carosue Gold Mine (>1M oz) is located 35 kilometres along strike to the southeast. Results from past explorers includes broad gold anomalous intercepts (eg 9m @ 2.46 g/t; 25m @ 1.06 g/t) highlighting the potential for the discovery of large concealed gold deposits.

Jindalee has generated a number of targets at Yilgangi based on interpretation of aeromagnetic data and Newcrest will begin drill testing some of these in the June quarter.

## Great Western Float

Great Western Exploration has successfully floated, based largely on an 80% interest in the Mt Gibb property acquired from Jindalee for a mixture of cash and equities as follows:

- \$250,000 cash (paid)
- 2 million Great Western shares (escrowed for 12 months)
- 2 million Great Western options (exercisable at 20c within 5 years, unlisted, escrowed for 12 months)

Details of the Mt Gibb nickel and gold property were previously outlined in [FPM 36](#).

Great Western has assumed responsibility for funding of exploration and Jindalee retains a free-carried interest through to completion of a Bankable Feasibility study. Thus Jindalee has both a 20% direct interest in the project, and an indirect interest through its 7.42% equity position in Great Western.

## Other Projects

Newcrest has commenced a detailed gravity survey at Jindalee's Irontank Well project, located 25 kilometres east of Leonora. This survey will provide additional data prior to collaring several deep RC holes designed to test a zone of magnetite destruction on the margin of the Keith-Kilkenny Tectonic Zone - the target being buried gold mineralisation. Previous shallow RAB drilling by Jindalee had returned gold anomalous results at the bottom of two holes. It is anticipated that Newcrest's drilling program will be undertaken in the June quarter. Newcrest can earn a 70% interest in the project by spending \$1m.

## Corporate Structure (at 27 cents)

Jindalee's revised corporate structure following receipt of the Great Western Exploration payment and at a price of 26 cents for GWE shares is as follows:

Fully paid shares	20.8m
Options at 25c	8.1m
Options at 35c	2.4m
Diluted Market Cap	\$7.8m
Cash	\$1.9m
Investments	\$0.7m
Cash from "in the money" Options	\$2.0m
Enterprise Value	\$3.2m

NB Diluted Market Cap only reflects options that are "in the money".

We have a **Hold recommendation for Jindalee around the current price of 27 cents**. The company has a tight corporate structure, sound cash position, low enterprise value and continues to advance its growth opportunities in a cost effective manner. Members are advised that Jindalee shares frequently experience low turnover.

## JRL Share Price



Members are referred to earlier articles at [FPM 5](#), [FPM 17](#) and [FPM 36](#) for additional background on Jindalee.

Disclosure: The writer discloses that he holds shares in Jindalee.

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