

SYMBOL DEFINITIONS			
	EXPLORER		HIGH RISK
	CAP		\$2.3m
	CASH		\$2m
	DEBT		\$0m

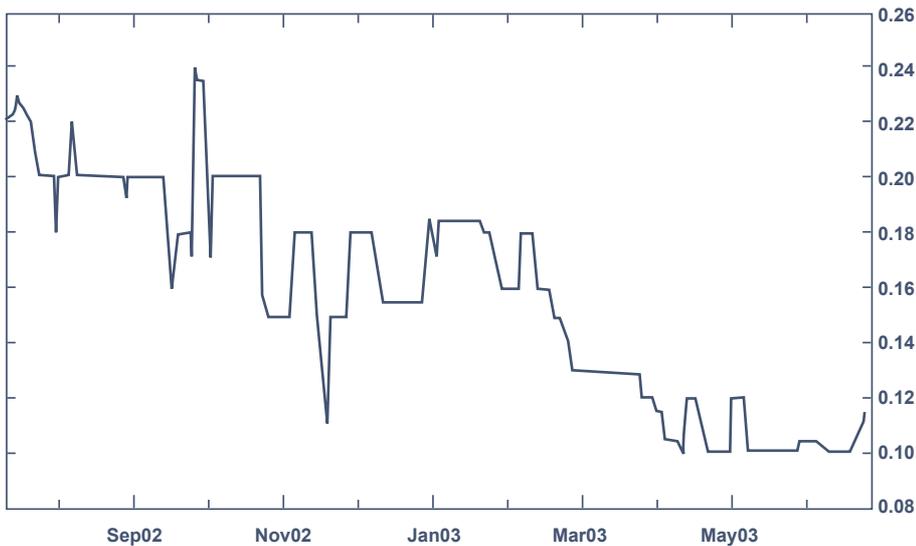
Junior explorers represent a high risk, volatile end of the equity market. Spectacular leverage can be achieved through exploration discoveries, but statistics on success rates (and cost) can be daunting. When participating in this end of the equity market we need to try and improve the odds. One way this can be achieved is by holding a diverse portfolio of "honest explorers" that are purchased during low points in their price cycle - and then be patient! One such opportunity that currently fits these criteria is Jindalee Resources.



*"Jindalee provides exposure to a broad range of exploration opportunities and gives investors a cost effective entry into the speculative end of the resources market."*

Jindalee holds a respectable portfolio of early stage exploration properties in the Yilgarn Craton of Western Australia. The management strategy is to acquire prospects cheaply, add value through geological expertise and low cost reconnaissance activity, and then diversify risk (and defray cost) by introducing joint venture partners for the higher risk and/or expensive phases of exploration. In doing so they can keep the "cash burn" rate down to less than \$500,000 pa, thus avoiding the need to frequently raise new equity. Currently Jindalee has cash reserves of around \$2m, which is almost equivalent to its market capitalisation - accordingly the exploration exposure gained by shareholders is a very cheap option.

**Jindalee Daily Share Price**



Critical to the potential success of junior explorers is the ability of the principals of the company. Managing Director, Lindsay Dudfield, is an experienced geologist who was a founding director of Dalrymple Resources. He is essentially attempting to replicate the Dalrymple success story through Jindalee. Chairman Ross Kennedy boasts even more experience, including senior positions with Union Miniere, Rio Tinto and Resolute.

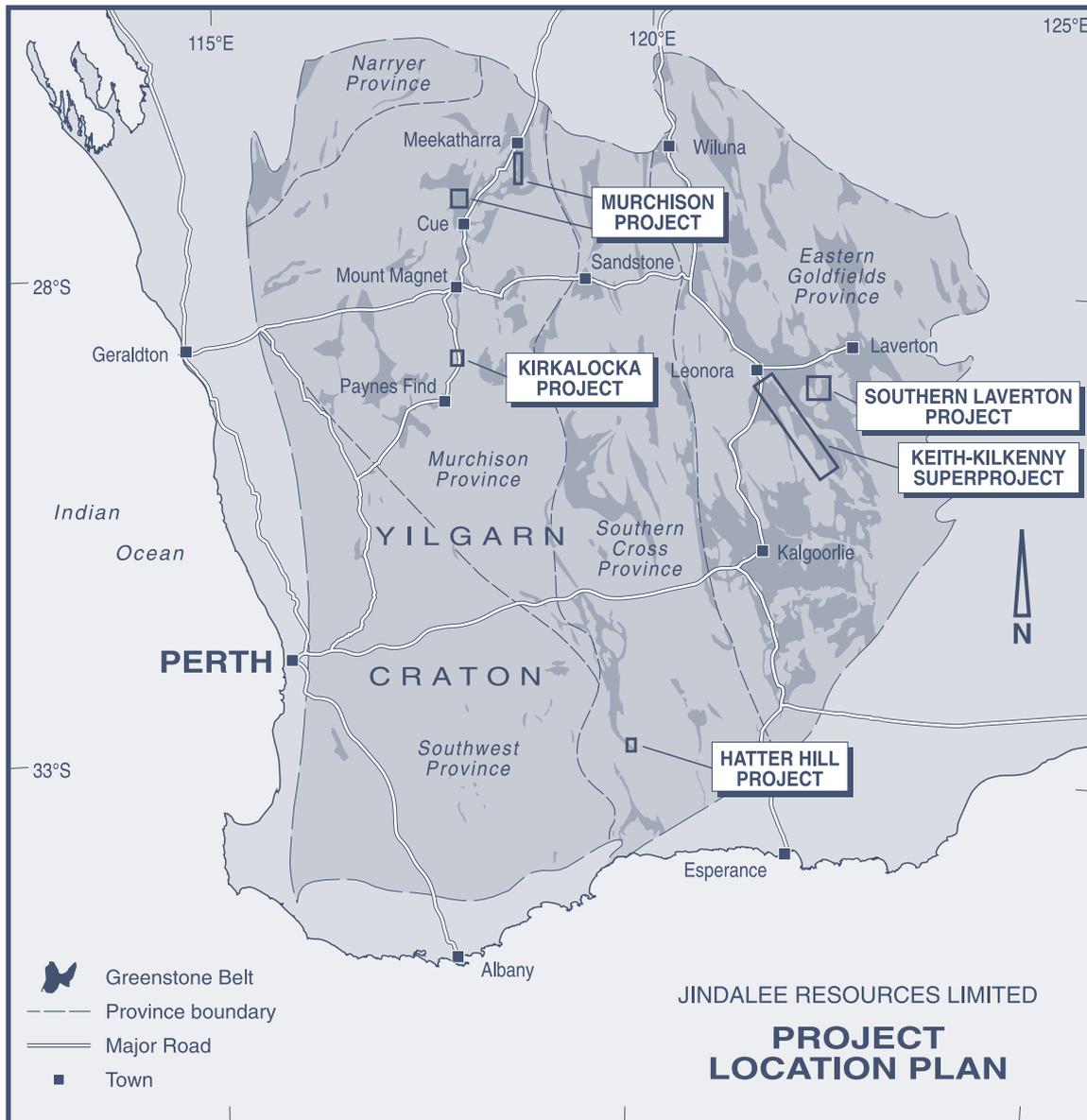
**Company Background**

Jindalee listed on the ASX on 11 July 2002 after completing a \$2.5m capital raising. The assets of the company had been nurtured through a lean period for exploration companies within the structure of Horizon Global - which itself was a product of the "tech boom". Teck Cominco, a major Canadian mining company, was introduced as a strategic shareholder in the float.

Jindalee holds significant ground positions throughout the Yilgarn Craton, and has introduced major joint venture partners to advance a number of these. Current partners include Placer, Teck Cominco and Newcrest. Joint venture partners are currently carrying out reconnaissance exploration, including RAB drilling, on several properties.

## Jindalee Tenement Position

FPM anticipates that during the remainder of the year Jindalee will continue to strengthen its land position, as well as achieve an ongoing high degree of success in introducing joint venture partners. This will allow Jindalee shareholders to gain exposure to a broad range of exploration activity, while staying within a structure that achieves a relatively low cash burn rate. At current prices Jindalee represents very good value compared to many of its peers.



## Corporate Structure

Fully paid shares	20.8m
Options at 25c	8.1m
Options at 35c	2.1m
Cash	\$2m
Directors Shareholding	26%
Teck Cominco	9.6%

Disclosure: The writer discloses that he and/or his family hold shares in Jindalee.

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