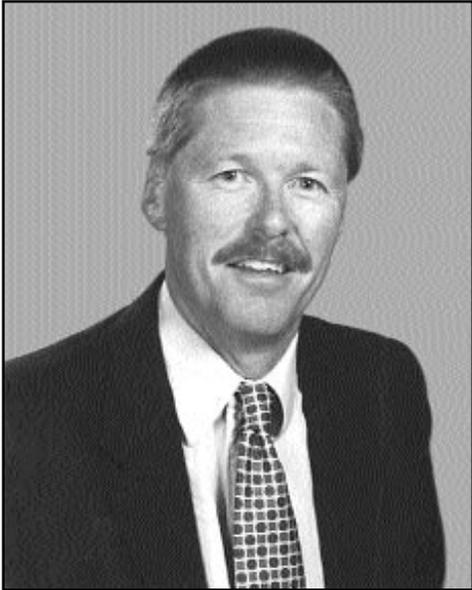


JV to see Jindalee projects advance



*Jindalee's managing director
Lindsay Dudfield.*

Jindalee Resources Limited's new joint venture with Newcrest at Yilgangi will accelerate exploration and free up Jindalee's resources to advance existing 100 per cent-owned projects and consider new opportunities, says the company's managing director Lindsay Dudfield.

Mr Dudfield said Newcrest's immediate plans at Yilgangi, which is situated 120km

north-east of Kalgoorlie, will be to drill test targets generated from interpretation of aeromagnetic data.

"The project straddles the Keith-Kilkenny tectonic zone, a major crustal scale lineament associated with significant gold deposits," Mr Dudfield said.

"Jindalee holds a large land position on the Keith-Kilkenny tectonic zone. This is a highly prospective trend with the potential to host large additional gold deposits where previous exploration has been largely ineffective due to transported cover."

Newcrest will be in the position to earn a 70 per cent interest in the new joint venture by spending \$750,000 on exploration within four years, with a minimum of \$100,000 to be spent in the first year.

Mr Dudfield said Newcrest has been interested in the area for some time because of the demonstrated potential for large gold deposits.

"Jindalee is already in joint venture with Newcrest at Irontank Well (located further north along the Keith-Kilkenny trend) and we are very happy to have Newcrest as a partner at Yilgangi."

Another recent advancement for the

company has been the completion of the sale of 80 per cent of Jindalee's Mt Gibb project to Great Western Exploration.

"This project is located at the southern end of the Forrestania greenstone belt and we sold the percentage for \$250,000 cash, 2m shares and 2m in options, with our 20 per cent free-carried to completion of a bankable feasibility study.

"This augments our working capital without diluting existing shareholders and again frees up resources for other projects and new opportunities."

Mr Dudfield said Jindalee will also manage initial exploration at Mt Gibb where the company has recently embarked upon a helicopter borne EM survey. This is expected to map the southern extensions of the Forrestania greenstone belt and locate conductors which may represent potential nickel sulfide bodies or sulfide-hosted gold mineralisation beneath soil cover.

This work will then be followed by field checking of EM anomalies, prior to ground EM surveys and drill testing of the best targets.

Jindalee is managed by a small team of experienced geologists.

Mr Dudfield held senior positions with the mineral divisions of Amoco and Exxon and was a founding director of Dalrymple Resources.

Chairperson Ross Kennedy boasts even more experience, including senior positions with Union Miniere, Rio Tinto and Resolute.

Jordan Lockett, formerly a senior geologist with AurionGold, joined the team in early 2003.

Mr Dudfield said Jindalee is in the enviable position of having a very tight capital base (only 20.8m shares on issue, including escrowed shares) and the company provides great leverage in the event of an exploration discovery or a successful acquisition.

"Our main challenge now and into the future is to preserve this tight capital base, whilst ensuring shareholders gain exposure to a broad range of active exploration programs.

"To this end, we will continue to introduce partners where appropriate and focus our efforts on a few key 100 per cent-owned tenements. We will also continue to look at new opportunities to grow the company." ■