

JINDALEE

Resources Limited
ABN 52 064 121 133

QUARTERLY REPORT

for the three months
ended 31 December 2016

ASX Code - JRL

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

www.jindalee.net



Lindsay Dudfield
Managing Director
31 January 2017

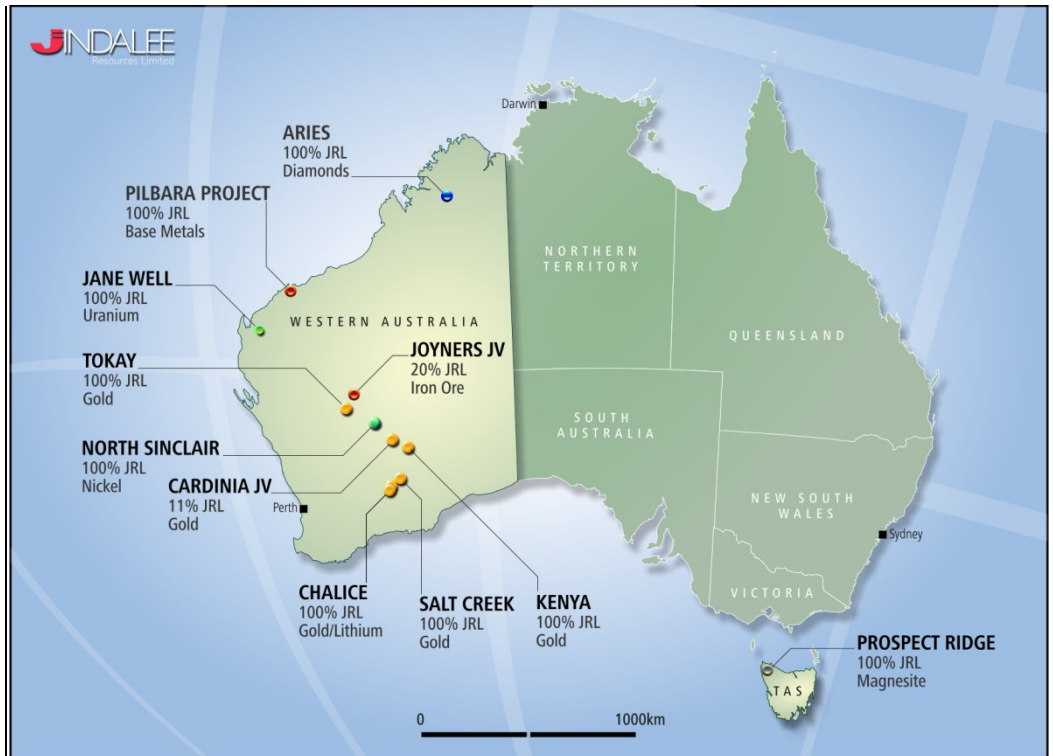


Figure 1 - Project Location Plan

HIGHLIGHTS

- * EL5/2016 (Prospect Ridge) granted late November 2016
- * Jindalee continues rebuilding its portfolio with first ranking applications lodged over areas in WA prospective for gold and base metals during the period
- * Jindalee remains well positioned to capitalise on further opportunities becoming available

FINANCIAL

- * The Company has a total of 34.8 million shares on issue
- * At 31 December 2016, Jindalee had no debt and held cash and shares worth \$5.2M (equivalent to \$0.15 per share).

MAGNESITE

Prospect Ridge Project (Jindalee 100%)

The Prospect Ridge Project comprises one Exploration Licence application (EL5/2016), covering the Arthur River and Lyons River magnesite deposits, located 55km southwest of Burnie in NW Tasmania¹ (Figure 2). Jindalee holds a 100% beneficial interest in EL5/2016, which was granted on 28 November 2016.

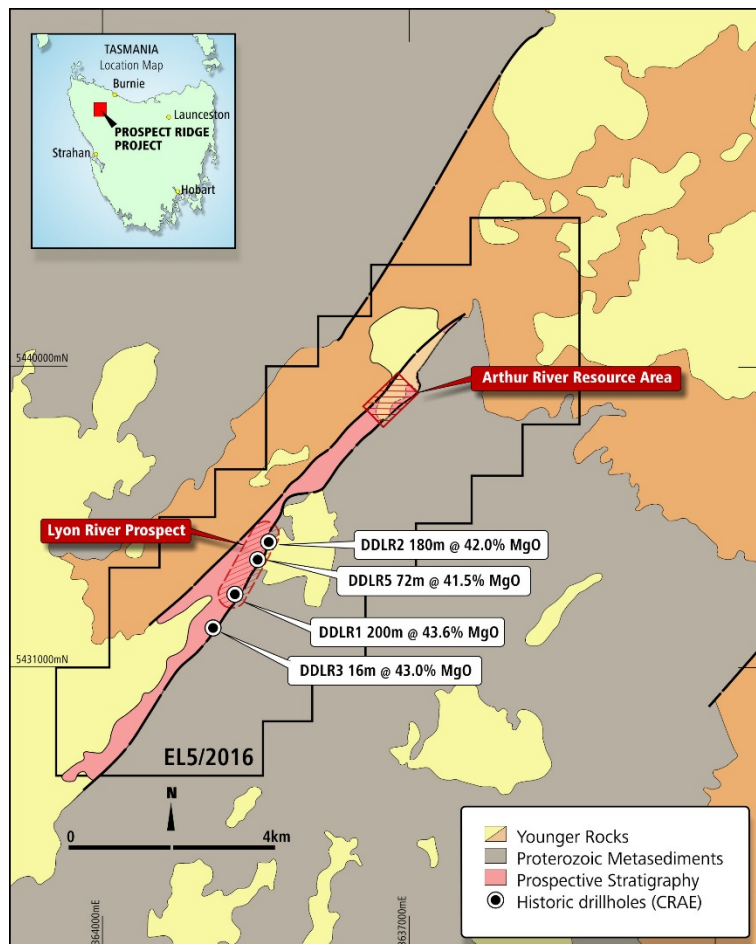


Figure 2 – Prospect Ridge Project.
Location plan and Simplified Geology.

Geoscience Australia’s website notes that the Arthur-Lyons River area covered by Jindalee’s application contains the third largest inventory of magnesite Economic Demonstrated Resources in Australia (refer www.ga.gov.au).

Magnesite is the primary source of magnesia (MgO), which is mainly used in agriculture, mineral processing, paper manufacture and refractory industries. Magnesia is also used to produce magnesium (Mg), a light metal widely used in the aerospace, automotive and electronics industries. Both magnesite and magnesium are included on the EU’s latest list of 20 critical materials.

In 2009 Beacon Hill Resources Plc acquired the Arthur River deposit for £7.5m and in May 2012 announced a JORC resource estimate². No resources were estimated for the nearby Lyons River deposit.

Based on historical exploration records, Jindalee considers there is very good potential to increase the resource base at Arthur River by drilling the extensions of this deposit. There is also excellent potential to establish JORC compliant resources at Lyons River, where historical drilling by CRAE (a subsidiary of Rio Tinto) in the early 1980’s returned wide, high-grade intercepts, including 200m @ 43.0% MgO from DDLR1, and 180m @ 42.0% MgO from DDLR2, highlighting the scope to create a much larger project than envisaged to date.

Jindalee is currently accessing and compiling the extensive database for the Project with field work scheduled to commence early 2017.

DIAMONDS

Aries Project (Jindalee 100%)

Jindalee's Aries Project is an uncontested Exploration Licence application (E80/5027) located in the central Kimberley region of Western Australia, approximately 270km east of Derby and 230km west of the Argyle diamond mine.

The project covers the Aries kimberlite cluster, including the Aries, Athena, Helena and Persephone diamondiferous kimberlite pipes. Although significant exploration was undertaken in the period from 1986 to 2005, Jindalee believes that there is very good potential to find additional diamondiferous pipes and alluvial diamond deposits in the area. Encouragingly, 95% of the diamonds recovered from the project have been gem quality. Jindalee continues to compile historical data ahead of exploration commencing as soon as E80/5027 is granted.

GOLD

Salt Creek Project (Jindalee 100%)

Jindalee's Salt Creek Project is located 65km southeast of Kalgoorlie in the Eastern Goldfields region of WA and comprises one wholly-owned Exploration Licence application (E25/562) lodged mid-December. E25/562 abuts the eastern boundary of the mining lease containing Silver Lakes' 1.2Mtpa Randall's mill.

Salt Creek covers magnetic features which may be prospective for gold mineralization. Available historical open file exploration information is currently being compiled for this project.

Tokay Project (Jindalee 100%)

The Tokay Project is located 130km southeast of Meekatharra, WA and comprises one wholly-owned Exploration Licence (E57/1061) applied for in November. The tenement abuts Horizon Gold's (ASX: HRN) Gum Creek project and is interpreted to cover the Tokay and Wilson shear zones, which are associated with gold mineralization to the north. The tenement is also prospective for base metals.

E57/1061 is subject to competing applications with priority likely to be determined by ballot.

Kenya Project (Jindalee 100%)

Jindalee's Kenya Project is located 170km northeast of Kalgoorlie in the Eastern Goldfields region of WA and comprises two wholly-owned Exploration Licence applications (E's 39/1998 & 39/2005) lodged during the period. E39/1998 abuts the northern boundary of the mining lease containing Saracen Minerals' 0.2Moz Safari Bore gold deposit, situated 3km along-strike to the south, and is 5km northwest of Saracen's Deep South underground mine, whilst E39/2005 is located a further 2km north of E39/1998.

Available historical open file exploration information is currently being compiled for this project.

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.

During the period a Mining Lease (M37/1323) was applied for to replace joint venture tenements.

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 rapidly expanding portfolio of projects, including Alchemy's existing Gascoyne region gold and copper-gold projects, the newly acquired Karonie gold project in WA and the recently announced joint venture with Heron Resources over a group of gold and base metal prospective properties in central NSW.

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.

Alchemy also has a joint venture agreement in place with Billabong Gold Pty Ltd (which acquired the Plutonic Gold Mine from Northern Star on 12 October 2016) under the terms of which Billabong 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.

The Karonie acquisition abuts Salt Lake Mining's 0.5Moz Aldiss project tenements and features several prospects where previous drilling, mostly by Integra Mining, has returned significant bedrock gold intersections, including 8m @ 3.37g/t at Little Peck, 3m @ 14.57g/t at Batavia and 10m @ 2.55g/t at Taupo. Alchemy expects key tenements at Karonie to be granted early 2017 with drill testing of key targets to commence soon after.

The joint venture agreement with Heron Resources includes six Exploration Licences covering a combined 674km². The most advanced project is the Overflow project in the Cobar district, with follow up drilling of high-grade gold intercepts now scheduled to commence February 2017.

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

NICKEL

North Sinclair Project (Jindalee 100%)

The North Sinclair Project comprises a wholly-owned Exploration Licence (E36/895) applied for late October 2016 and located 35km southeast of Leinster in the Eastern Goldfields region of WA. The Project is situated 15km north along-strike from Talisman Mining's Sinclair nickel mine and 10km southwest of Saracen Minerals' Waterloo nickel deposit, and includes the historic Sinclair North and Firefly nickel prospects. The project is also prospective for gold.

Available historical open file exploration information is currently being compiled for this project.

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 two Exploration Licence Applications (E's 08/2745 & 08/2872) applied for by Jindalee's wholly-owned subsidiary, Eastmin Pty Ltd. E08/2745 covers a section of the same Tertiary palaeochannel system that hosts Cauldron Energy Limited's Bennet Well uranium deposit whilst E08/2872, centred 17km northeast of the Jane Well prospect, abuts the eastern side of Cauldron Energy's Bennet Well project and is interpreted to cover the upstream extensions of the Bennet Well palaeochannel system.

Jindalee is currently accessing previous exploration data whilst progressing both applications to grant.

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.

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

IRON ORE

Prairie Downs (Jindalee 100%)

The Prairie Downs project comprises a single Exploration Licence Application (E52/3445) located 53km WSWE of Newman in the eastern Pilbara. The tenement covers ground, previously held by Dynasty Resources Limited (ASX: DMA), and includes the Spearhole CID (detrital channel iron) deposit for which Dynasty had previously announced a substantial resource estimate (refer www.dynastyresources.com.au).

Jindalee's application is subject to a competing application. During the period a ballot was held to determine priority with E52/3445 placing second and this tenement will be withdrawn.

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 Mining Lease with Jindalee maintaining a 20% equity position, free-carried through to completion of a Bankable Feasibility Study. The joint venture tenement contains previously published indicated and inferred iron oxide resources at Joyners North.

BASE METALS

Pilbara Project (Jindalee 100%)

The Pilbara Project comprises four Exploration Licence Applications (E's 47/3340, 47/3341, 47/3361 & 47/3390), wholly-owned by Jindalee and centred approximately 20km south of Karratha in the western Pilbara region of Western Australia. The tenements lie in close proximity to the Radio Hill nickel deposit and the Mt Scholl series of base metal deposits and are considered to be prospective for copper-lead-zinc-silver, nickel and gold mineralisation.

CORPORATE

At 31 December 2016, Jindalee held cash and marketable securities worth approximately \$5.2M. These assets, combined with our tight capital structure (34.8M shares on issue), provide a strong base for leverage into new opportunities at a low point in the cycle, with identification and acquisition of projects with the potential to transform the Company continuing to be our ongoing primary focus.

Jindalee's 2016 AGM was held at the Company's office on 23 November 2016 with all resolutions passed on a show of hands. Proxy votes representing 58.3% of issued capital were received with over 99.5% of eligible votes directed in favour of the resolutions. The Company thanks shareholders for their attendance at the meeting and for their overwhelming support for management and its strategy.

ADDITIONAL INFORMATION

Tenement Information

Project	Tenement Reference	Interest at beginning of Qtr	Acquired/Disposed	Interest at end of Qtr
Joyners	M53/1078-I	20%	N/A	20%
Cardinia	P37/7274	11%	expired	0%
	M37/1304^	11%	N/A	11%
	P's 37/7275-76	11%	N/A	11%
	M37/646	11%	N/A	11%
	M37/1323°	0%	N/A	11%
Mt Josephine	E80/4853*	100%	surrendered	0%
Ruth Well	ELA47/3340	100%	N/A	100%
	ELA47/3341	100%	N/A	100%
Jane Well	ELA08/2745*	100%	N/A	100%
Radio Hill	ELA47/3361	100%	N/A	100%
Mt Scholl	ELA47/3390	100%	N/A	100%
Chalice	ELA63/1786	100%	N/A	100%
Prairie Downs	ELA52/3445	100%	N/A	100%
Aries	ELA80/5027	100%	N/A	100%
Mt Fisher	ELA53/1898	100%	N/A	100%
Prospect Ridge	EL5/2016**	100%	N/A	100%
Cowan	ELA15/1548	0%	N/A	100%
Planets	ELA15/1549	0%	N/A	100%
Widgie	ELA15/1552	0%	N/A	100%
Wannaway	ELA15/1571	0%	N/A	100%
Firestrike	ELA53/1911*	0%	N/A	100%
Elizabeth Hill	ELA's 47/3534-37	0%	N/A	100%
	PLA's 47/1832-33	0%	N/A	100%
Highway	ELA15/1559	100%	surrendered	0%
	ELA15/1563	0%	N/A	100%
Railway	ELA15/1564	0%	N/A	100%
Killaloe	ELA63/1822	100%	surrendered	0%
	ELA63/1833	0%	N/A	100%
	ELA's 63/1835-36	0%	N/A	100%
Taipan	ELA63/1823	0%	N/A	100%
Jeffreys	ELA63/1832	0%	N/A	100%
Higginsville	ELA15/1560	0%	N/A	100%
Cheetarra*	ELA08/2872	0%	N/A	100%
Kenya	ELA39/1998	0%	N/A	100%
	ELA39/2005	0%	N/A	100%
North Sinclair	ELA36/895	0%	N/A	100%
Salt Creek	ELA25/562	0%	N/A	100%
New Bore	ELA38/3211	0%	N/A	100%
Tokay	ELA57/1061	0%	N/A	100%
Windimurra	ELA58/513	0%	N/A	100%

*Tenement held or applied for through JRL's wholly-owned subsidiary, Eastmin Pty Ltd

**Tenement held or applied for through JRL's wholly-owned subsidiary, Awesomous Pty Ltd

^Mining Lease is a conversion of P37/7274

° Mining Lease application is a conversion of P's 37/7275-76

Notes:

1. Reference: JRL's announcement to ASX dated 23 May 2016 and titled, *"Jindalee acquires Australia's third largest Magnesite Deposit"*
2. Reference: ASX Announcement by Beacon Hill Resources dated 2 May 2012 titled *"Positive Preliminary Scoping Study Results for Arthur River Magnesite Project"*

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 a consultant to 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.