



JINDALEE
RESOURCES LIMITED

ACN 064 121 133

Half Yearly Financial Statements

31 December 2009

CORPORATE DIRECTORY

DIRECTORS

Mark Richard Scott
Non-Executive Chairman

Lindsay George Dudfield
Managing Director

Patricia Anne Farr
Non-Executive Director

REGISTERED OFFICE

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WEST PERTH WA 6005

POSTAL ADDRESS

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SOLICITORS

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CONTACT DETAILS

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COMPANY SECRETARY

Ross Gregory Ledger

STOCK EXCHANGE LISTING

Australian Stock Exchange Limited
ASX Code : **JRL**

AUDITORS

BDO Audit (WA) Pty Ltd
38 Station Street
SUBIACO WA 6008

BANKERS

National Australia Bank Limited
50 St Georges Terrace
PERTH WA 6000

THE DIRECTORS' REPORT

Your Directors present the financial statements for the consolidated entity consisting of Jindalee Resources Limited and the entities it controlled at the end of, or during, the half-year ended 31 December 2009.

DIRECTORS

The names of the Directors who were directors of Jindalee Resources Limited during the whole of the half-year and up to the date of this report are:

Mark Scott (62) *MSc, MComm (Hons)*

Lindsay Dudfield (53) *B.Sc.*

Patricia Farr (38) *GradCertProfAcc. GAICD*

REVIEW OF OPERATIONS

The principle activity of the Consolidated Entity is mineral exploration. The Consolidated Entity continued its strategy of acquiring prospective acreage and, where appropriate, introducing third parties to fund the higher risk and/or expensive stages of exploration, often for a significant interest in the partnering company. Management also evaluated a number of advanced projects during the period and will continue to appraise suitable opportunities to grow the Consolidated Entity.

On 8 September 2009 Energy Metals announced that it had received an offer from a subsidiary of China Guangdong Nuclear Power Holding Co., Ltd (CGNPC) to acquire 70% of its outstanding shares for \$1.02 cash per share. Jindalee Resources Limited, as Energy Metals largest shareholder, agreed to accept the offer, in the absence of a superior proposal.

On 4 December 2009 Jindalee accepted CGNPC's offer for 70% of its shareholding and two weeks later announced the receipt of \$33,411,110 from the sale of its shares. The Company retains approximately 14 million Energy Metals shares, giving shareholders exposure to the development of the Bigrlyi uranium-vanadium deposit and the potential of Energy Metals' other uranium projects.

The Consolidated Entity incurred an operating profit after income tax of \$29,877,896 (2008: loss of \$918,802).

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditors' independence declaration as required by section 307C of the Corporations Act 2001 is set out on page 16 to this half-year report.

This report is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:



LINDSAY DUDFIELD
Managing Director

PERTH
16th March 2010

DIRECTORS' DECLARATION

In the Directors' opinion:

- a) The financial statements, and notes set out on pages 5 to 15, are in accordance with the Corporations Act 2001, including:
 - i) complying with Accounting Standard AASB 134 Interim Financial Reporting, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - ii) giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and of its performance, as represented by the results of its operations, changes in equity and its cash flows, for the half year ended on that date; and

- b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:



LINDSAY DUDFIELD
Managing Director

PERTH
16th March 2010

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the half-year ended 31 December 2009

		<i>Consolidated</i>	
		31 December 2009	31 December 2008
	notes	\$	\$
Revenue from continuing operations		391,436	922,006
Gain recognised on disposal of interest in former subsidiary	3	45,195,028	-
Other income		-	4,232
Loss on disposal of AFS assets		(16,529)	-
Depreciation expenses		(36,988)	(39,858)
Corporate regulatory expenses		(703,446)	(159,565)
Employee benefits expenses		(299,511)	(214,085)
Exploration expenditure written off		(14,698)	(281,474)
Expenses related to disposal of subsidiary		(2,439,385)	-
Impairment of available for sale financial assets		-	(528,824)
Administration expenses		(223,747)	(621,234)
Profit/(loss) before income tax		41,852,160	(918,802)
Income tax expense		(11,974,264)	-
Profit/(loss) for the half-year		29,877,896	(918,802)
Other comprehensive income			
Revaluation of investments taken to equity		2,197,078	(136,354)
Other comprehensive income for the period		2,197,078	(136,354)
Total comprehensive income for the period		32,074,973	(1,055,156)
Profit/(loss) attributable to:			
Owners of the parent		31,139,102	(960,236)
Non-controlling interests		(1,261,206)	41,434
		<u>29,877,896</u>	<u>(918,802)</u>
Total comprehensive income attributable to:			
Owners of the parent		32,074,973	(1,096,590)
Non-controlling interests		-	41,434
		<u>32,074,973</u>	<u>(1,055,156)</u>
Basic earnings/(loss) per share (cents)	8	94.95	(2.8)
Diluted earnings/(loss) per share (cents)	8	92.53	n/a

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2009

	notes	<i>Consolidated</i>	
		31 December 2009 \$	30 June 2009 \$
CURRENT ASSETS			
Cash and cash equivalents		32,781,842	5,931,179
Trade and other receivables		126,254	217,617
TOTAL CURRENT ASSETS		32,908,096	6,148,796
NON CURRENT ASSETS			
Property, plant & equipment		105,965	390,812
Exploration and evaluation expenditure	4	507,137	11,358,036
Available for sale financial assets	5	17,805,894	2,249,698
TOTAL NON CURRENT ASSETS		18,418,996	13,998,546
TOTAL ASSETS		51,327,092	20,147,342
CURRENT LIABILITIES			
Trade and other payables		15,239	35,002
Provision for annual leave		20,499	17,031
Current tax liabilities		9,352,557	-
TOTAL CURRENT LIABILITIES		9,388,295	52,033
Deferred tax liabilities		3,631,198	-
Provision for long service leave		12,500	-
NON-CURRENT LIABILITIES		3,643,698	-
TOTAL LIABILITIES		13,031,993	52,033
NET ASSETS		38,295,099	20,095,309
EQUITY			
Contributed equity		6,307,254	6,307,254
Retained earnings/(accumulated losses)		26,326,392	(3,551,504)
Non-controlling interest		-	9,902,420
Reserves		5,661,454	7,437,139
TOTAL EQUITY		38,295,099	20,095,309

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the half-year ended 31 December 2009

	<i>Consolidated</i>	
	31 December 2009	31 December 2008
	\$	\$
Cash flows from operating activities		
Receipts in the course of operations	578,312	694,008
Payments in the course of operations	(2,428,708)	(920,901)
Interest received	166,789	227,320
	(1,683,607)	427
Cash flows from investing activities		
Payments for property, plant & equipment	(164,926)	(32,521)
Payments for exploration, evaluation & development expenditure	(1,505,310)	(2,243,559)
(Payment for)/proceeds from sale of subsidiaries net of subsidiary's cash disposed of	29,813,006	(279)
	28,142,770	(2,276,359)
Cash flows from financing activities		
Proceeds from issue of shares net of costs	391,500	2,311,533
	391,500	2,311,533
Net decrease in cash and cash equivalents held	26,850,663	35,601
Cash and cash equivalents at the beginning of reporting period	5,931,179	6,327,360
	32,781,842	6,362,961
Cash and cash equivalents at the end of reporting period	32,781,842	6,362,961

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the half-year ended 31 December 2009

	Contributed equity	Share-based payment reserve	Available for sale investments revaluations reserve	Investments using the entity method of accounting for dilution gains reserves	Retained earnings/accumulated losses	Non-controlling interest	Total equity
	\$	\$	\$	\$	\$	\$	\$
At 1 July 2009	6,307,254	2,910,186	1,874,776	2,652,177	(3,551,504)	9,902,420	20,095,309
Total comprehensive income for the half-year:							
Profit/(loss) for the half-year	-	-	-	-	31,139,102	(1,261,206)	29,877,896
<i>Other comprehensive income</i>							
Revaluation of investments	-	-	2,197,028	-	-	-	2,197,078
Total comprehensive income for the half-year	-	-	2,197,078	-	31,139,102	(1,261,206)	32,074,973
Transactions with owners in their capacity as owners							
Disposal of non controlling interests	-	(1,320,586)	-	(2,652,177)	(1,261,206)	(8,641,214)	(13,875,183)
At 31 December 2009	6,307,254	1,589,600	4,071,854	-	26,326,392	-	38,295,099

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the half-year ended 31 December 2009 (continued)

	Contributed equity	Share-based payment reserve	Available for sale investments revaluations reserve	Investments using the entity method of accounting for dilution gains reserves	Retained earnings/accumulated losses	Non-controlling interest	Total equity
	\$	\$	\$	\$	\$	\$	\$
At 1 July 2008	6,052,253	2,910,186	548,284	2,437,437	(2,619,540)	9,533,779	18,862,399
Total comprehensive income for the half-year:							
Loss for the half-year	-	-	-	-	(960,236)	41,434	(918,802)
<i>Other comprehensive income:</i>							
Revaluation of investments	-	-	(136,354)	-	-	-	(136,354)
Total comprehensive income for the half-year	-	-	(136,354)	-	(960,236)	41,434	(1,055,156)
Transactions with owners in their capacity as owners							
Change in ownership interests in subsidiary	-	-	-	219,825	-	318,838	538,663
At 31 December 2008	6,052,253	2,910,186	411,930	2,657,262	(3,579,776)	9,894,051	18,345,906

The above consolidated statements of changes in equity should be read in conjunction with the accompanying notes

1. Significant Accounting policies

Basis of preparation of the half-year statements

These general purpose financial statements for the half-year reporting period ended 31 December 2009 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Act 2001.

These half yearly financial statements do not include all the notes of the type normally included in the annual financial statements. Accordingly, these statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2009 and any public announcements made by Jindalee Resources Limited during the interim reporting period in accordance with continuous disclosure requirements of the Corporations Act 2001.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period except for AASB 8 (refer to note 2), AASB 101 and AASB 3 revised.

AASB 101 Revised Presentation of Financial Statements.

The revised Standard separates owner and non-owner changes in equity. The statement of changes in equity includes only details of transactions with owners, with non-owner changes in equity presented as a single line. In addition, the Standard introduces the statement of comprehensive income: it presents all items of recognised income and expense, either in one single statement, or in two linked statements. The group has elected to present one statement.

AASB 3 (revised) Business Combinations

The revised standard introduces a number of changes to the accounting for business combinations, the most significant of which allows entities a choice for each business combination entered into – to measure a non-controlling interest (formerly a minority interest) in the acquiree either at its fair value or at its proportionate interest in the acquiree's net assets. This choice will effectively result in recognising goodwill relating to 100% of the business (applying the fair value option) or recognising goodwill relating to the percentage interest acquired. The changes apply prospectively.

2. Segment Information

The Group has adopted AASB 8 Operating Segments and AASB 2008-3 Amendments to Australian Accounting Standards arising from AASB 8 with effect from 1 July 2009. AASB 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. In contrast, the predecessor standard (AASB 114 Segment Reporting) required an entity to identify two sets of segments (business and geographical), using a risks and rewards approach, with the entity's system of internal financial reporting to key management personnel serving only as the starting point for the identification of such segments. The Group's reportable segment has not changed as a result of the adoption of AASB 8.

Management has determined that the Group has one reportable segment, being mineral exploration in Australia. Prior to the loss of control of the Group's former subsidiary, the Group managed the Company and its subsidiary, Energy Metals Limited, separately hence had two reportable segments. As the Group is focused on mineral exploration, the Board periodically monitors the Group based on actual versus budgeted exploration expenditure incurred on the Group as a whole. This internal reporting framework is most relevant to assist the Board with making decisions regarding the Group and its ongoing exploration programmes and activities, while also taking into consideration the results of exploration work that has been performed to date.

2. Segment Information (continued)

	Jindalee	Energy Metals	Total
	\$	\$	\$
Half-year ended 31 December 2009			
<i>Reconciliation of segment revenue to Group revenue</i>			
Revenue from external sources	101,683	212,861	314,544
Unallocated revenue			76,892
Total revenue			<u>391,436</u>
<i>Reconciliation of segment result to Group profit</i>			
Segment result	(241,029)	-	(241,029)
Unallocated			
- Interest revenue			76,892
- Corporate expenses and other costs			(739,346)
- Gain on sale of subsidiary net of expenses			42,755,643
Profit before tax			<u>41,852,160</u>
As at 31 December 2009			
<i>Reconciliation of segment assets to Group assets</i>			
Segment assets	51,327,092	-	51,327,092
Intersegment eliminations			-
Total assets			<u>51,327,092</u>
Half-year ended 31 December 2008			
<i>Reconciliation of segment revenue to Group revenue</i>			
Revenue from external sources	91,015	812,442	903,457
Unallocated revenue			18,549
Total revenue			<u>922,006</u>
<i>Reconciliation of segment result to Group profit</i>			
Segment result	(953,286)	175,500	(777,786)
Unallocated			
- Interest revenue			18,549
- Corporate expenses			(159,565)
Loss before tax			<u>(918,802)</u>
As at 31 December 2008			
<i>Reconciliation of segment assets to Group assets</i>			
Segment assets	7,647,528	16,528,042	24,175,570
Intersegment eliminations			(4,028,228)
Total assets			<u>20,147,342</u>

3. Investment in Subsidiary

At 30 June 2009 the Group had control of Energy Metals Limited due to its 39.96% voting power and the power to cast the majority of votes at meetings of the board of directors due to two thirds of the Board of Jindalee Resources Ltd being directors of Energy Metals and accounted for the investment as a subsidiary. On 15 December 2009 the Group disposed of a 27.97% interest to a third party for proceeds of \$33,411,110. The carrying value of the investment disposed was \$643,492 and the fair value of the remaining Energy Metals investment after the transaction was \$12,143,114. The transaction has resulted in the deconsolidation of the Energy Metals Group from Jindalee Resources Limited and all reserves and non-controlling interest has been removed from the statement of financial position. The Group has retained the remaining 11.61% interest, and from the date of disposing of the 27.97% interest, recognises the investment as an available-for-sale financial asset.

4. Exploration and Evaluation Expenditure

	31 December 2009	30 June 2009
	\$	\$
Balance at beginning of period	11,358,036	8,621,943
Exploration expenditure incurred	76,312	2,986,701
Exploration expenditure written off	(14,698)	(250,608)
Exploration expenditure of former subsidiary (refer note 3)	(10,912,513)	-
Balance at the end of the period	<u>507,137</u>	<u>11,358,036</u>

The balance carried forward represents projects in the exploration and evaluation phase.

Ultimate recoupment of exploration expenditure carried forward is dependent on successful development and commercial exploitation, or alternatively, sale of respective areas.

5. Available for Sale Financial Assets

	31 December 2009	30 June 2009
	\$	\$
Shares in listed corporations	17,805,894	2,249,698

The fair value of listed available-for-sale investments has been determined directly by reference to published price quotations in an active market.

During the period the Company disposed of part of its shareholding in its former subsidiary Energy Metals Limited ("EME") and as a result of this ceased accounting for its interest in EME as a subsidiary (refer to note 3). The Company accounts for its remaining interest as an available for sale financial asset. At 31 December 2009 the market value of the Company's shareholding in EME was \$10,598,903 (June 2009: \$24,099,051).

6. Contributed Equity

There were no movements in the ordinary share capital of the company in the current reporting period.

7. Dividends

No dividends have been paid or declared and no dividends have been recommended by the Directors at this time.

8. Earnings Per Share

	31 December 2009	31 December 2008
	\$	\$
Profit/(loss) used in calculation of basic and diluted earnings/(loss) per share	31,139,102	(960,236)
Basic earnings/(loss) per share (cents per share)	94.95	(2.8)
Diluted earnings/(loss) per share (cents per share)	92.53	n/a
Weighted average number of ordinary shares used as the denominator in calculating basic earnings/(loss) per share and diluted earnings/(loss) per share.	32,794,775	31,944,775
Adjustments for calculation of diluted earnings/(loss) per share:		
Options	858,983	-
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings/(loss) per share	33,653,758	31,944,775

Options on issue in the prior period were not considered to be dilutive as their impact would have been to decrease the loss per share.

9. Contingencies and Commitments

There has been no change in contingent liabilities, contingent assets or commitments since the last annual reporting date, 30 June 2009.

10. Events Occurring After Balance Date

There are no events subsequent to the end of the financial period that would have a material effect on these financial statements.

16 March 2010

Jindalee Resources Limited
18 Kings Park Road
West Perth WA 6005

Dear Sirs

**DECLARATION OF INDEPENDENCE BY CHRIS BURTON TO THE DIRECTORS OF
JINDALEE RESOURCES LIMITED**

As lead auditor of Jindalee Resources Limited for the half-year ended 31 December 2009, I declare that to the best of my knowledge and belief, there have been:

- No contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Jindalee Resources Limited and the entities it controlled during the period.



Chris Burton
Director



BDO Audit (WA) Pty Ltd
Perth, Western Australia

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF JINDALEE RESOURCES LIMITED

Matters Relating to the Electronic Presentation of the Half-Year Financial Report

This auditor's report relates to the half-year financial report of Jindalee Resources Limited for the period ended 31 December 2009 included on Jindalee Resources Limited's web site. The disclosing entity's directors are responsible for the integrity of Jindalee Resources Limited's web site. We have not been engaged to report on the integrity of Jindalee Resources Limited's web site. The auditor's review report refers only to the statements named below. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of this half-year report are concerned with the inherent risks arising from electronic data communications, they are advised to refer to the hard copy of the reviewed half-year financial report to confirm the information included in the reviewed half-year financial report presented on this web site.

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Jindalee Resources Limited, which comprises the statement of financial position as at 31 December 2009, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration of the consolidated entity comprising the disclosing entity and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the disclosing entity are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim and Other Financial Reports Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the disclosing entity's financial position as at 31 December 2009 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Jindalee Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence


In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001* would be in the same terms if it had been given to the directors at the time that this auditor's review report was made.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Jindalee Resources Limited is not in accordance with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2009 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and Corporations Regulations 2001.

BDO Audit (WA) Pty Ltd

BDO Audit


Chris Burton
Director

Signed in Perth, Western Australia
Dated this 16th day of March 2010.