

JINDALEE

Resources Limited
ABN 52 064 121 133

QUARTERLY REPORT TO SHAREHOLDERS

for the three months
ended 30 June 2011.

ASX Code - JRL

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

www.jindalee.net



HIGHLIGHTS

- * Energy Metals (JRL 9.1%) intersects 6m @ 1,940ppm eU₃O₈ from drilling at the Anomaly 15 East target near Biglyi.
- * Infill aircore drilling, targeting high grade gold shoots underway at Jeffrey Well project (JRL 20%).

FINANCIAL

- * The Company has a total of 34.8 million shares on issue.
- * At 30 June 2011 Jindalee had no debt and held cash and shares worth \$15.3M before tax (equivalent to **\$0.44 per share**).

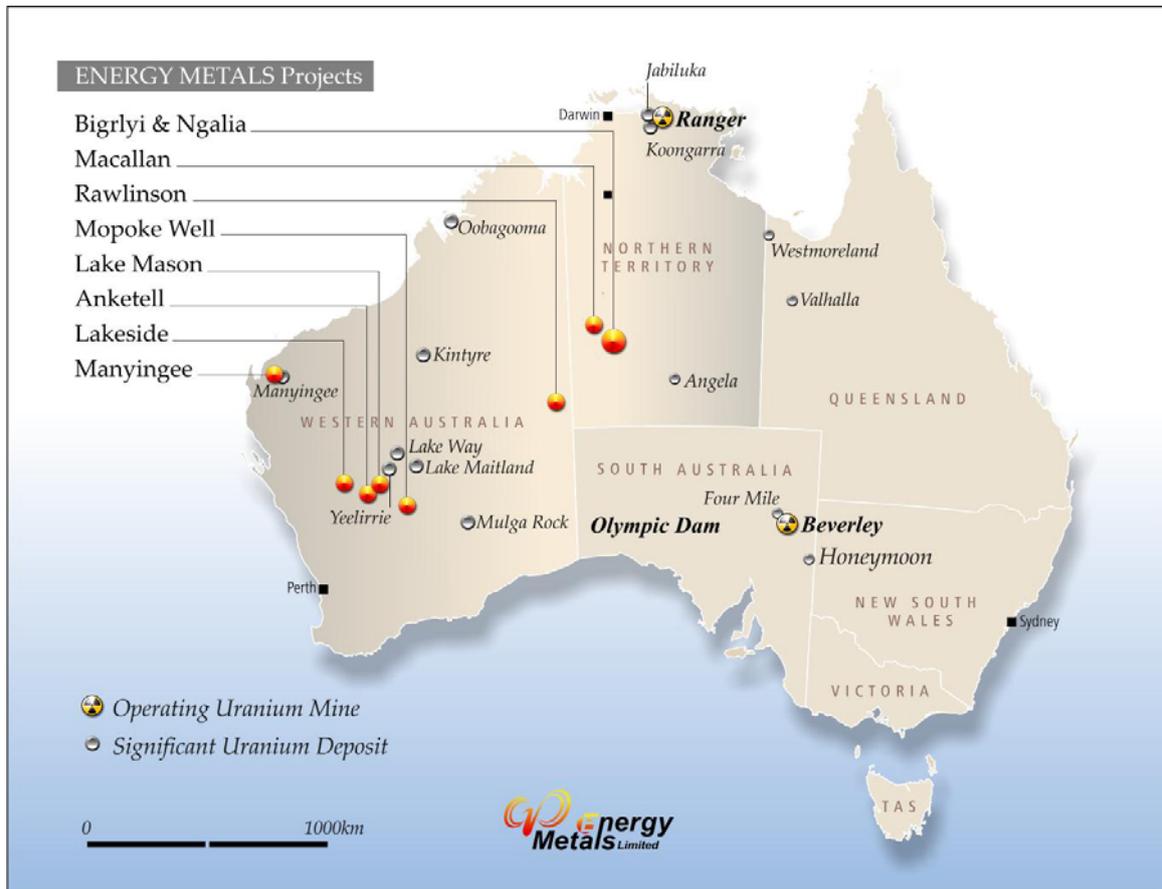
A handwritten signature in black ink that reads "Lindsay Dudfield".

Lindsay Dudfield
Managing Director
25 July 2011

URANIUM

Energy Metals (Jindalee 9.1% 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 controls 9 projects (total area >4,000km²) located in the Ngalia Basin in the Northern Territory (NT) and in Western Australia (WA), with 6 of the projects containing uranium mineralisation discovered in the 1970's. Initial exploration has concentrated on the Bigrlyi Project in NT (53.3% owned by Energy Metals), where previous drilling returned relatively high grade intercepts with excellent metallurgical recoveries. The uranium mineralisation at Bigrlyi is accompanied by economically significant vanadium values.

During the quarter, Energy Metals announced the results of a pre-feasibility study and a revised resource estimate for the Bigrlyi deposit. At a cut-off grade of 250ppm U₃O₈, the published June 2011 Bigrlyi resource (indicated and inferred) totals 27 million pounds (Mlb) of U₃O₈, as summarised below:

Resource Category	Tonnes (Millions)	U ₃ O ₈ (ppm)	V ₂ O ₅ (ppm)	U ₃ O ₈ (tonnes)	V ₂ O ₅ (tonnes)	U ₃ O ₈ (Mlb)	V ₂ O ₅ (Mlb)
Indicated	8.8	890	1026	7,800	9,000	17.3	19.9
Inferred	6.2	715	805	4,400	5,000	9.7	10.9
Total	15.0	818	935	12,200	14,000	27.0	30.8

Tonnes are metric (2204.62 pounds); minor rounding errors may apply

The Pre-Feasibility study indicated that the project economics could be improved through an increase in the resource base. Programs of focused drilling have been planned to test the depth extent of the known mineralisation below several of the planned pits, as well as targeted exploration on several of Energy Metals' 100% owned tenements in the region.

Subsequent to the end of the quarter Energy Metals released preliminary downhole gamma probe results from the first 25 drillholes into the Anomaly 15 East target. This prospect covers the extensions of the Bigrlyi host rock sequence to the immediate east of the joint venture project and lies within tenements 100% owned by Energy Metals. Results included a high grade intersection of 1.5m @ 6,980ppm eU₃O₈ within a 6m zone averaging 1,940ppm eU₃O₈.

Further details of this drilling, the revised Bigrlyi resource and other information about that company's activities can be found on Energy Metals' website: www.energymetals.net.

GOLD

Mt Korong JV (Jindalee 87%)

The Mt Korong project is located in the northern Eastern Goldfields between the townships of Leonora and Laverton and in close proximity to Minara Resources' Murrin Murrin lateritic nickel operation. The project is a joint venture between Jindalee and Golden State Resources in which Jindalee is the manager.

A total of 31 aircore holes for 2,087 metres were drilled during the quarter to follow-up gold anomalism outlined from a RAB drilling program completed late last year. The latest program was aimed at testing the potential for relatively small, but possibly high grade shoots, similar in style to the Craic and Ramornie deposits at Mt Morgans, located to the southeast of the project area. Infill angled drilling on a general 80m by 40m pattern was conducted in the vicinity of drillhole KOR052, which had intersected 4m at 1.2g/t from 40m depth within a broader downhole interval totalling 28m averaging 559ppb (0.56 g/t) gold.

Narrow zones of supergene and bedrock mineralisation were intersected in two adjacent drillholes in the immediate vicinity of KOR052, confirming and slightly extending the zone of mineralisation. However, the drilling failed to significantly improve on the previous results or define any new zones with drillholes on adjacent lines to the north and south returning only weakly anomalous and patchy values over narrow intervals.

Downhole gold intersections from the latest round of drilling above a nominal 1g/t cut-off are summarised in the following table:

Table 1. Significant Downhole Gold Intersections (May 2011 aircore program).

Drillhole	Northing	Easting	Depth m	From m	To m	Interval m	Grade g/t
KOA092	6826000	397510	75	38	40	2	1.37
KOA092	and			52	58	6	1.25
KOA092	including			52	54	2	1.89
KOA093	6826000	397550	90	76	80	4	1.70

Notes:

- * Hole collars positioned using handheld GPS (GDA94 Zone 51 grid system)
- * Holes inclined at -60 degrees to grid west

- * Quoted intervals are downhole intervals, not true width
- * Results are based on assaying 2m composite samples
- * Sample assaying performed by Quantum Analytical Services, Perth, using a 25g aqua regia digest
- * Gold results in ppb have been converted to g/t. (1g/t is equivalent to 1ppm and equals 1,000ppb).

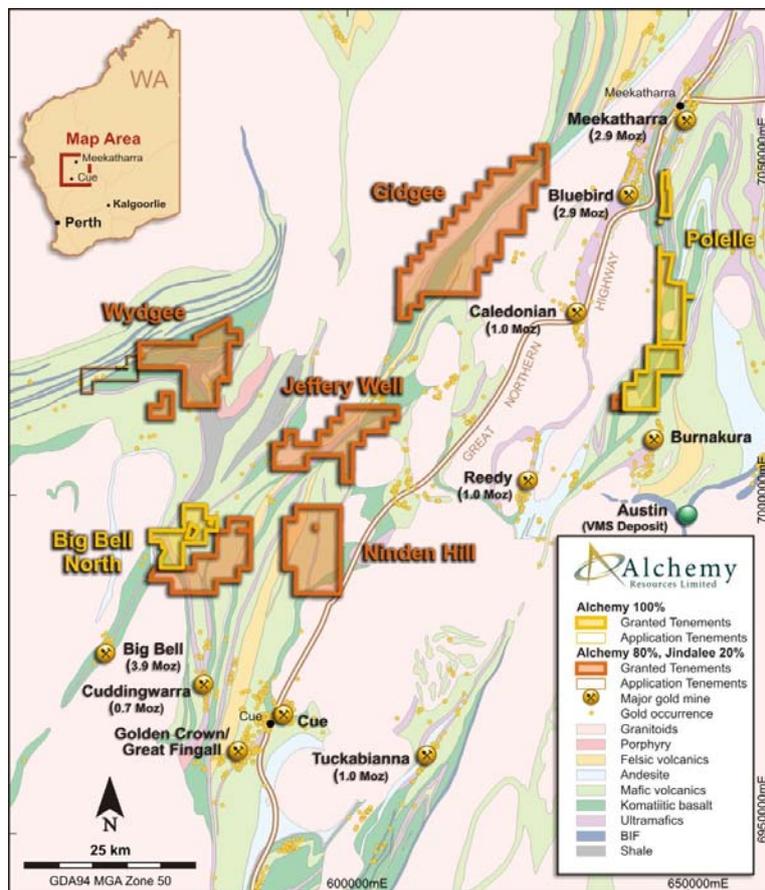
Yilgangi (Jindalee 20 % loan-carried)

The Yilgangi project is located in the Eastern Goldfields, approximately 120 km northeast of Kalgoorlie. Newcrest Operations Limited (a subsidiary of Newcrest Mining Limited) farmed into Yilgangi in March 2004 and to date has spent more than \$4M on exploration. Newcrest holds an 80% interest in the project with Jindalee's 20% participatory interest, loan-carried through to a Decision to Mine.

No field work was conducted during the period. The joint venture is examining various options for this project.

Murchison (Jindalee 20% free carried)

The Murchison Project comprises over 600 km² of prospective greenstone, mostly located between the Big Bell Mine (2.8M oz) and Paddys Flat (2M oz). The Project is a Joint Venture with Alchemy Resources (Alchemy) with Jindalee's 20% interest free carried to completion of a Bankable Feasibility Study.



Murchison Project Areas on Regional Geology

Assessment of the Murchison tenements continued during the quarter with planning of a follow-up drill program at Jeffrey Well, field evaluation of parts of the Wydgee and Ninden Hill projects and commencement of surface geochemistry at Wydgee.

At Jeffrey Well, a 3,600 metre aircore drilling program is scheduled to be completed during the September quarter to test for high-grade, vein-style gold mineralisation within a regional gold corridor, outlined by aircore drilling undertaken in November 2010. The results of the November drill program (as reported in an Alchemy ASX Announcement dated 24 January 2011) included several strongly anomalous intersections and featured one intersection of 2m @ 15.27g/t gold.

A re-assessment of the Wydgee and Ninden Hill projects has highlighted the base metal prospectivity of these project areas. Mapping by the Geological Survey of Western Australia, in combination with discovery of base metal mineralisation by Silver Swan Group at Austin, Reed Resources at Chunderloo and Silver Lake Resources at Eelya, indicates that the northern Murchison district hosts volcanic sequences with significant base metal potential. Field assessment of the Ninden Hill (E20/536) and central part of the Wydgee (E51/1048) projects was completed in June and indicates the possible continuation of prospective volcanic sequences into these project areas.

A surface geochemistry program over the central part of the Wydgee Project commenced in June and is expected to be completed during the September quarter. Any areas of base metal anomalism will be subjected to further exploration including drill testing.

At Ninden Hill, field mapping and rock chip sampling of a sequence of graphitic metasedimentary and felsic volcanic rocks in the north-central part of the project area showed that the sequence contains elevated base (>800 ppm zinc; >75ppm lead) and precious (>1.0g/t silver; 0.44g/t gold) metal values. A surface geochemistry program is planned to be undertaken over this area during the September quarter.

Alchemy Resources (Jindalee 10% of issued capital)

In addition to the joint venture interest in the Murchison projects, Jindalee also holds 9.8 million Alchemy Resources shares, providing Jindalee's shareholders with exposure to Alchemy's expanded portfolio of projects, including Alchemy's Hermes gold and Magnus copper-gold projects, located 120km northeast of Meekatharra. The Magnus copper-gold project covers the extensions of the favourable Narracoota Formation volcanics to the west of Sandfire Resources' Doolgunna project tenements.

Alchemy continues to target the gold potential at the Central Bore prospect within the Magnus project. Previous drilling has returned a number of broad gold intersections, associated with quartz veining in a granite host, including several higher grade intercepts, such as 9 metres at 7.2g/t, 9 metres at 7.8g/t and 3 metres at 10.3g/t. Further diamond drill results announced during the quarter included one intersection of 4m @ 25.8g/t from 125m depth in drillhole CBDD002, which further highlights the potential to outline significant high grade shoots at this prospect. Reconnaissance aircore drilling along strike approximately one kilometre west of Central Bore also returned some highly encouraging results, including intersections of 3m @ 5.94g/t and 1m @ 9.6g/t gold.

A re-evaluation of geophysical results covering the Magnus copper project has successfully identified new drill targets. This area still remains highly prospective for the discovery of base metal mineralisation, similar to that found on the adjacent Sandfire Resources' ground.

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 Navigator Resources' extensive Leonora project holdings. Jindalee's interest in the Cardinia joint venture ground is free carried through to completion of a Bankable Feasibility Study.

There were no developments reported for the Cardinia JV tenements during the quarter.

IRON ORE

Joyners

(Jindalee 20% free carried)

The Joyners project is a joint venture with Golden West Resources Limited and forms a part of Golden West's much larger Wiluna West project. Golden West has earned an 80% interest in the joint venture tenements with Jindalee maintaining a 20% equity position, free-carried through to completion of a Bankable Feasibility Study. The joint venture tenements contain indicated and inferred iron oxide resources (Joyners North) estimated to total 7.9 million tonnes at 62.2% iron.

No additional work was undertaken on the joint venture ground over the quarter. Golden West is currently working toward preparing a reserve estimate covering the entire iron ore project, including the mineralisation defined within the joint venture ground. At this stage the reserve estimate is expected to be released in the latter part of the September quarter.

CORPORATE

During the quarter Jindalee accepted a cash takeover offer in respect of its 5.19% shareholding in Anchor Resources Limited held by Jindalee's wholly owned subsidiary Eastmin Pty Ltd, realising approximately \$777,750, before tax.

At 30 June 2011 Jindalee held cash and shares worth approximately \$15.3M (or \$12.6M after provision for future tax liabilities). These assets, combined with our tight capital structure (34.8M shares on issue) provide a strong base for leverage into new opportunities.

A number of promising advanced project opportunities, both within Australia and in mining friendly overseas countries were examined during the quarter, including a site visit to one overseas project. The acquisition of projects with the potential to provide significant growth for shareholders remains our primary focus.

A meeting of Shareholders in June overwhelming approved the grant of Director Options and updates to Jindalee's Constitution and Employee Share Option Plan (ESOP) to reflect recent changes to the Corporations Act and ASX Listing Rules. As a result, "out of the money" options have been issued to employees, directors and key consultant as an incentive to encourage them to have a greater involvement in achieving the Company's objectives.

Notes: 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 an employee of 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 2004 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 include forward-looking statements. Forward-looking statements include, but are not limited to statements concerning Jindalee Resources Limited's (Jindalee) planned exploration program and other statements that are not historical facts. When used in this document, the words such as "could", "plan", "estimate", "expect", "intend", "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 involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements