



JINDALEE
RESOURCES LIMITED

ACN 064 121 133

Half Yearly Financial Report

31 December 2011

CORPORATE DIRECTORY

DIRECTORS

Mark Richard Scott
Non-Executive Chairman

Lindsay George Dudfield
Managing Director

Patricia Anne Farr
Executive Director/Joint Company Secretary

REGISTERED OFFICE

Level 2, 18 Kings Park Road
WEST PERTH WA 6005

POSTAL ADDRESS

PO Box 1033
WEST PERTH WA 6872

AUDITORS

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

SHARE REGISTRY

Advanced Share Registry Pty Ltd
Unit 2, 150 Stirling Highway
NEDLANDS WA 6009
Telephone: + 61 8 9389 8033
Facsimile: + 61 8 9389 7871

STOCK EXCHANGE LISTING

Australian Securities Exchange Limited
ASX Code: **JRL**
The home exchange is Perth

CONTACT DETAILS

Website: www.jindalee.net

Email enquiry@jindalee.net

Telephone: + 61 8 9321 7550
Facsimile: + 61 8 9321 7950

COMPANY SECRETARY

Ross Gregory Ledger

BANKERS

National Australia Bank Limited
100 St Georges Terrace
PERTH WA 6000

SOLICITORS

Steinepreis Paganin
Level 4, 16 Milligan Street
PERTH WA 6000

THE DIRECTORS' REPORT

Your Directors present the financial report 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 2011.

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 (64) *MSc, MComm (Hons)*
Lindsay Dudfield (55) *B.Sc.*
Patricia Farr (40) *GradCertProfAcc. GAICD*

REVIEW OF OPERATIONS

The principal 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 numerous advanced projects in both Australia and overseas during the period and will continue to appraise suitable opportunities to grow the Consolidated Entity and create wealth for shareholders.

The Consolidated Entity incurred an operating loss after income tax for the half year ended 31 December 2011 of \$407,618 (half year ended 31 December 2010: operating profit after income tax of \$54,093).

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 11 of 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
12 March 2012

DIRECTORS' DECLARATION

In the opinion of the Directors of Jindalee Resources Limited:

- a) the financial statements, and notes set out on pages 4 to 10, are in accordance with the *Corporations Act 2001*, including:
 - i) Giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2011 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
 - ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
- b) there are reasonable grounds to believe that the Consolidated Entity 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
12 March 2012

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the half-year ended 31 December 2011

	Notes	<i>Consolidated</i>	
		31 December 2011 \$	31 December 2010 \$
Revenue from continuing operations		253,038	525,165
Gain on disposal of AFS assets		-	313,679
Exploration Expenditure		(127,851)	-
Depreciation expenses		(16,031)	(16,675)
Corporate regulatory expenses		(65,861)	(42,036)
Employee benefits expenses		(157,930)	(191,453)
Exploration expenditure written off		(284,946)	(372,135)
Administration expenses		(182,393)	(129,370)
Finance cost		(931)	-
(Loss)/profit before income tax		(582,905)	87,175
Income tax (expense)/benefit		175,287	(33,082)
(Loss)/profit for the half-year		(407,618)	54,093
Other comprehensive income			
Revaluation of investments taken to equity		(1,050,068)	5,377,213
Other comprehensive income for the period		(1,050,068)	5,377,213
Total comprehensive income for the period		(1,457,686)	5,431,306
Basic earnings per share (cents)	5	(1.17)	0.16
Diluted earnings per share (cents)	5	(1.17)	0.16

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 2011

	Notes	<i>Consolidated</i>	
		31 December 2011 \$	30 June 2011 \$
CURRENT ASSETS			
Cash and cash equivalents		7,487,081	8,089,708
Trade and other receivables		31,782	17,891
TOTAL CURRENT ASSETS		7,518,863	8,107,599
NON CURRENT ASSETS			
Property, plant & equipment		69,640	83,227
Exploration and evaluation expenditure		156,113	427,438
Available for sale financial assets	3	5,877,815	7,377,910
TOTAL NON CURRENT ASSETS		6,103,568	7,888,575
TOTAL ASSETS		13,622,431	15,996,174
CURRENT LIABILITIES			
Trade and other payables		17,008	82
Dividend payable		95,543	125,663
Provision for annual leave		24,069	18,859
Current tax liabilities		-	283,757
TOTAL CURRENT LIABILITIES		136,620	428,361
Provision for long service leave		19,000	18,000
Deferred tax liabilities		1,442,730	2,068,046
NON-CURRENT LIABILITIES		1,461,730	2,086,046
TOTAL LIABILITIES		1,598,350	2,514,407
NET ASSETS		12,024,081	13,481,767
EQUITY			
Contributed equity	4	7,207,254	7,207,254
Retained earnings		3,371,225	3,778,842
Reserves		1,445,603	2,495,671
TOTAL EQUITY		12,024,081	13,481,767

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 2011

	<i>Consolidated</i>	
	31 December 2011 \$	31 December 2010 \$
Cash flows from operating activities		
Payments in the course of operations	(508,819)	(444,478)
Interest received	223,444	466,184
Interest paid	(931)	-
Income tax paid	(283,757)	(8,340,159)
Net cash (outflow) from operating activities	(570,063)	(8,318,453)
Cash flows from investing activities		
Payments for exploration, evaluation & development expenditure	-	(124,530)
Payments for property, plant & equipment	(2,444)	(8,136)
Receipts from sale of investments	-	363,679
Payment for equity investments	-	(81,930)
Net cash inflow/(outflow) from investing activities	(2,444)	149,083
Cash flows from financing activities		
Payment of dividend	(30,120)	(18,940,524)
Proceeds from issue of shares net of costs	-	675,000
Net cash inflow/(outflow) from financing activities	(30,120)	(18,265,524)
Net (decrease) in cash and cash equivalents held	(602,627)	(26,434,894)
Cash and cash equivalents at the beginning of reporting period	8,089,708	33,276,710
Cash and cash equivalents at the end of reporting period	7,487,081	6,841,816

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 2011

	Contributed equity	Share-based payment reserve	Available for sale investments revaluation reserve	Retained earnings/accumulated losses	Total equity
	\$	\$	\$	\$	\$
At 30 June 2011	7,207,254	1,900,250	595,421	3,778,842	13,481,767
Total comprehensive income for the half-year:					
Loss for the half-year	-	-	-	(407,618)	(407,618)
<i>Other comprehensive income</i>					
Revaluation of investments	-	-	(1,050,068)	-	(1,050,068)
Total comprehensive income for the half-year	-	-	(1,050,068)	(407,618)	(1,457,686)
At 31 December 2011	7,207,254	1,900,250	(454,647)	3,371,224	12,024,081
At 1 July 2010	6,532,254	1,589,600	3,183,567	3,290,623	14,596,044
Total comprehensive income for the half-year:					
Profit for the half-year	-	-	-	54,093	54,093
<i>Other comprehensive income</i>					
Revaluation of investments	-	-	5,377,213	-	5,377,213
Total comprehensive income for the half-year	-	-	5,377,213	54,093	5,431,306
Transactions with owners in their capacity as owners					
Issue of shares	675,000	-	-	-	675,000
At 31 December 2010	7,207,254	1,589,600	8,560,780	3,344,716	20,702,350

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 report

This general purpose financial report for the half-year reporting period ended 31 December 2011 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Act 2001.

This half yearly financial report does not include all the notes of the type normally included in the annual financial statements. Accordingly, this report is to be read in conjunction with the annual financial statements for the year ended 30 June 2011 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.

New or revised Standards and Interpretations that are first effective in the current reporting period

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current reporting period. None of the new and revised standards and interpretations adopted during the period had a material impact nor did they result in any changes to the Group's presentation of, or disclosure in, its half-year financial report.

New Accounting Standards for Application in Future Periods

There are no new and revised Standards and amendments thereof and Interpretations effective for future reporting periods issued during the current report period that are relevant to the Group.

2. Segment Information

Management has determined that the Group has one reportable segment, being mineral exploration in Australia. 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.

	Jindalee	Total
	\$	\$
Half-year ended 31 December 2011		
<i>Reconciliation of segment revenue to Group revenue</i>		
Revenue from external sources	-	-
Unallocated revenue	-	253,038
Total revenue	-	253,038
 <i>Reconciliation of segment result to Group profit</i>		
Segment result	(587,688)	(587,688)
Unallocated	-	253,038
- Interest revenue	-	253,038
- Corporate expenses and other costs	-	(248,255)
Loss before tax	(587,688)	(582,905)
 As at 31 December 2011		
<i>Reconciliation of segment assets to Group assets</i>		
Segment assets	13,622,431	13,622,431
Intersegment eliminations	-	-
Total assets	13,622,431	13,622,431
 Half-year ended 31 December 2010		
<i>Reconciliation of segment revenue to Group revenue</i>		
Revenue from external sources	-	-
Unallocated revenue	-	525,165
Total revenue	-	525,165
 <i>Reconciliation of segment result to Group profit</i>		
Segment result	(282,886)	(282,886)
Unallocated	-	525,165
- Interest revenue	-	525,165
- Corporate expenses and other costs	-	(155,105)
Profit before tax	(282,886)	87,175
 As at 31 December 2010		
<i>Reconciliation of segment assets to Group assets</i>		
Segment assets	26,363,131	26,363,131
Intersegment eliminations	-	-
Total assets	26,363,131	26,363,131

3. Available for Sale Financial Assets

	31 December 2011	30 June 2011
	\$	\$
Shares in listed corporations	5,877,815	7,377,910

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

4. Contributed Equity

There were no movements in the ordinary share capital of the Company in the current reporting period. (2010: issue 1,500,000 ordinary shares for \$675,000 on exercise of share options).

5. Earnings Per Share

	31 December 2011 \$	31 December 2010 \$
(Loss)/profit used in calculation of basic and diluted earnings per share	(407,618)	54,092
Basic earnings per share (cents per share)	(1.17)	0.16
Diluted earnings per share (cents per share)	(1.17)	0.16
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted earnings per share and diluted earnings per share.	34,794,775	34,704,611

6. Contingencies and Commitments

There has been no change in contingent liabilities, contingent assets or commitments since the last annual reporting date, 30 June 2011.

7. Events Occurring After Reporting Date

As announced to ASX on 13 January 2012, Jindalee Resources Limited entered into an Underwriting Agreement with Alchemy Resources Limited to jointly underwrite Alchemy's 1 for 3 rights issue to raise approximately \$4.2 million.

Pursuant to the underwriting agreement, Jindalee as joint underwriter to the issue having taken up its full entitlement under the offer also subscribed for its 50% share of the remaining shortfall being 8,803,092 shares at \$0.13 for a total cost of \$1,144,402.

As disclosed in a Substantial Shareholder notice lodged with ASX on 2 March 2012, following an off-market transfer of 4,400,000 Alchemy shares for a total consideration of \$572,000 Jindalee currently holds 17,469,759 Alchemy shares representing 11.14% of Alchemy's issued capital.

Other than the events disclosed above, there are no additional subsequent events.

12 March 2012

Jindalee Resources Ltd
The Board of Directors
Level 2
18 Kings Park Road
WEST PERTH WA 6005

Dear Sirs,

**DECLARATION OF INDEPENDENCE BY GLYN O'BRIEN TO THE DIRECTORS OF
JINDALEE RESOURCES LIMITED**

As lead auditor for the review of Jindalee Resources Limited for the half-year ended 31 December 2011, 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 entity it controlled during the period.



Glyn O'Brien
Director

BDO Audit (WA) Pty Ltd
Perth, Western Australia

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

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 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a statement of accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the disclosing entity and the entity it controlled at the half-year's 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 of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

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 a Financial Report 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 half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2011 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*, which has been given to the directors of Jindalee Resources Limited, would be in the same terms if given to the directors as at the time of this auditor's report.



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 2011 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

A handwritten signature in blue ink, consisting of the letters 'BDO' above a stylized signature that appears to read 'Glyn O'Brien'.

Glyn O'Brien
Director

Perth, Western Australia
Dated this 12th day of March 2012