

# JINDALEE

Resources Limited  
ABN 52 064 121 133

## QUARTERLY REPORT TO SHAREHOLDERS

for the three months  
ended 30 September 2012.

### ASX Code - JRL

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

[www.jindalee.net](http://www.jindalee.net)



## HIGHLIGHTS

- \* Renaissance Minerals completes first round of infill drilling at Yilgangi JV (JRL 20%).
- \* Energy Metals (JRL 9%) sells first shipment of uranium concentrates to Chinese utility CGNPC.
- \* Alchemy Resources (JRL 11%) increases Bryah Basin gold resources to 0.3Moz and accelerates exploration for DeGrussa-style copper-gold deposits.

## FINANCIAL

- \* The Company has a total of 34.8 million shares on issue.
- \* At 30 September 2012 Jindalee had no debt and held cash and shares worth \$11.7M before tax, (equivalent to **\$0.34 per share**).

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

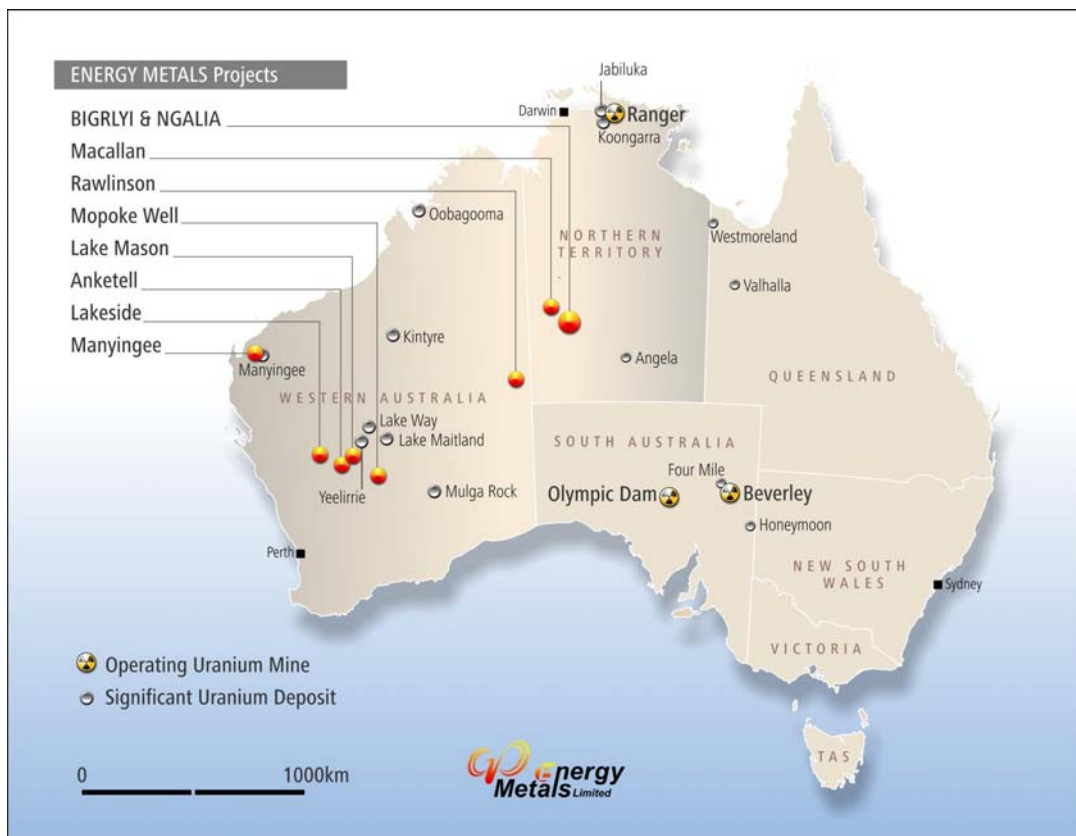
Lindsay Dudfield  
Managing Director  
31 October 2012

## URANIUM

### Energy Metals (Jindalee 9.1% of issued capital)

Jindalee holds approximately 14 million Energy Metals (ASX: EME) shares, giving shareholders continued exposure to the development of the Bigryli uranium-vanadium deposit and the potential of Energy Metals' other uranium projects.

Energy Metals controls 9 projects (total area >4,000 km<sup>2</sup>) 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 Bigryli Project in NT (53.3% owned by Energy Metals), where significant uranium resources, accompanied by economically significant vanadium values 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 Bigryli-style resources.



**Energy Metals Projects**

Energy Metals is one of a handful of Australian companies which has been granted a licence to export uranium. On 24 September 2012 Energy Metals announced that the first consignment of natural uranium concentrates under its uranium purchase and sales agreement had left Australia.

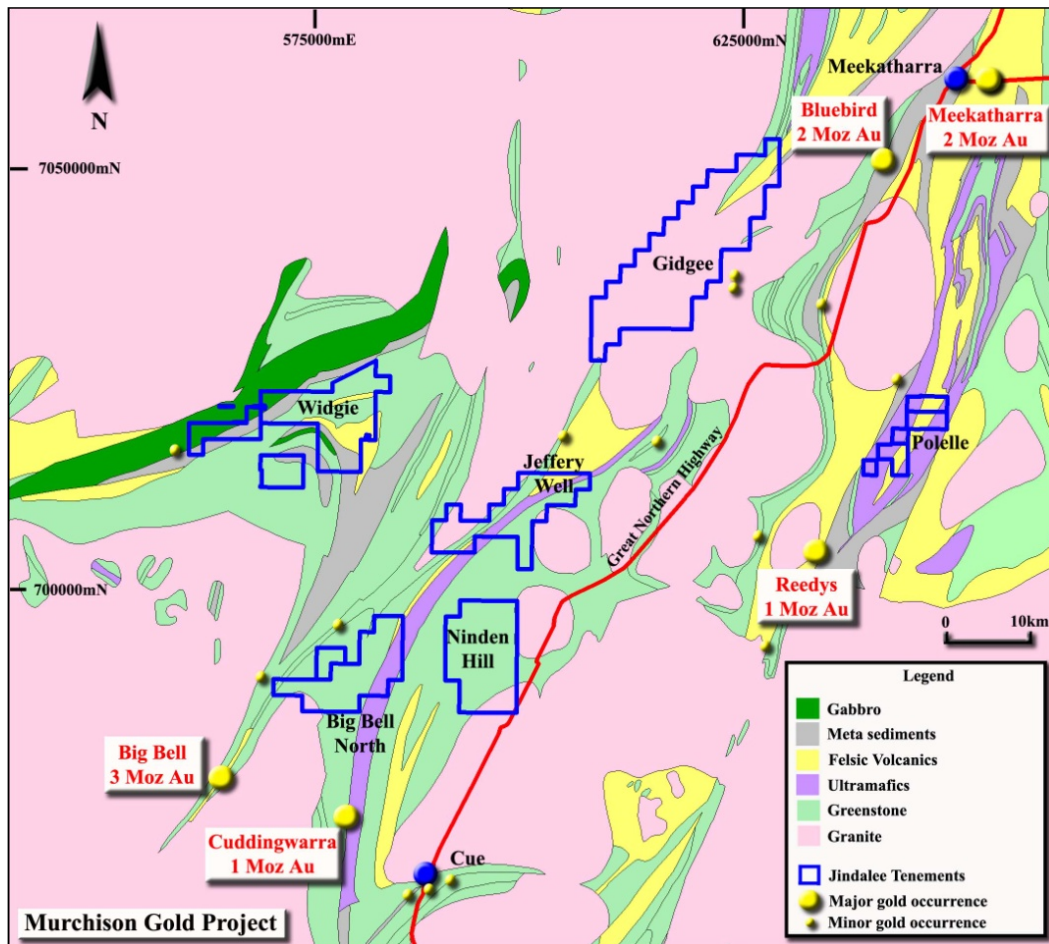
On 22 October 2012 Energy Metals advised that the concentrates had arrived in China and had been on-sold to CGNPC-URC, Energy Metals' largest shareholder. This marks the beginning of what Energy Metals believes will, be a highly successful uranium trading business capitalising on the rapidly growing demand for energy in China.

## GOLD

### Murchison

(Jindalee 20% free carried)

The Murchison Project comprises over 600 km<sup>2</sup> 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 (ASX: ALY) with Jindalee's 20% interest free carried to completion of a Bankable Feasibility Study.



*Murchison Project Areas on Regional Geology*

There was no further progress on the Murchison joint venture tenements over the quarter. Alchemy had previously announced that it was planning in-fill aircore and targeted RC drilling to test the most prospective parts of the 1500m-long gold anomalous zone, identified at Jeffery Well. Previous wide-spaced drilling at this prospect had returned several highly anomalous intersections, including one 2m interval at 10.2g/t gold within a 5m interval averaging 5g/t gold, outlining potential to locate internal high grade shoots within this mineralised structure.

### Yilgangi

(Jindalee 20 % loan-carried)

The Yilgangi project is located in the Eastern Goldfields, approximately 130 km northeast of Kalgoorlie. Renaissance Minerals Limited (ASX: RNS) holds an 80% controlling interest in the Yilgangi joint venture and is the project operator. Jindalee retains a 20% participatory loan-carried interest through to a Decision to Mine. Renaissance has committed to spending at least \$400,000 on the project over the next two years.

Renaissance's efforts are focused on the advanced Hobbes prospect, where previous drilling by Newcrest established a more than three kilometre-long zone of gold anomalism. During the quarter Renaissance successfully completed a seven hole (1400m) angled infill RC drill program at Hobbes. The holes were drilled on three adjoining 100m-spaced sections through the core of the mineralized zone and were principally designed to establish the internal continuity of the previously intersected supergene and oxide gold mineralization. Assay results from Renaissance's drill program were still pending at the date of this report.

#### **Alchemy Resources**      **(Jindalee 11.1% of issued capital)**

In addition to involvement in the Murchison joint venture projects, Jindalee holds a significant equity interest in Alchemy Resources. This provides shareholders with exposure to Alchemy's expanded portfolio of projects, including Alchemy's Bryah Basin gold and copper-gold projects, located 120 km northeast of Meekatharra. Alchemy's 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 discovery.

During the quarter, Alchemy announced further progress toward the identification of DeGrussa-style base metal targets within its expanded Bryah Basin project area. A reinterpretation of airborne geophysical data had identified 70 potential targets, of which 15 had been selected for further priority ground-based follow-up. Ground electromagnetic surveys were being progressed over these targets, in order to further refine the location and geometry of bedrock conductors prior to drill testing later in the forthcoming quarter.

Elsewhere, reconnaissance sampling of ferruginous rocks in the western and central Magnus project area returned individual assay values up to a maximum of 1600ppm copper and 1.4g/t gold. On 16 October 2012 Alchemy announced that aircore drill testing of selected Bryah Basin geochemical targets (including Magnus) had commenced.

On 22 October 2012 Alchemy announced that a resource estimation which included recent drilling at its Hermes and Wilgeena gold deposits (Bryah Basin) had increased the Indicated Resource to 4.7Mt at 2.0g/t Au (equivalent to 300,060 oz), with excellent potential to further increase gold resources in the area.

Additional details on Alchemy's exploration and development activities can be found on Alchemy Resources' website: [www.alchemyresources.com.au](http://www.alchemyresources.com.au)

#### **Cardinia**      **(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 Gold Project holdings. Jindalee's interest in the Cardinia joint venture ground is free-carried to completion of a Bankable Feasibility Study.

There were no developments reported for the Cardinia JV tenements during the quarter. Navigator has appointed PCF Capital in an advisory capacity to assist with investigating strategic alternatives for the development of their Leonora Gold Project.

## **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.

There were no developments concerning the joint venture tenements during the quarter. Further drilling within the joint venture ground is planned for the December quarter or early 2013.

## **CORPORATE**

Jindalee's Annual General Meeting will be held at the Company's registered office at 10am on 28 November 2012. The Notice of Annual General Meeting, Explanatory Statement and Proxy Form (together with a copy of the 2012 Annual Report where requested) were mailed to Shareholders on 19 October 2012. Copies of these documents are also available from the Company's website ([www.jindalee.net](http://www.jindalee.net))

At 30 September 2012 Jindalee held cash and shares worth approximately \$11.7M, including \$6.2M in cash assets. These assets, combined with our tight capital structure (34.8M shares on issue) provide a strong base for leverage into new opportunities.

The acquisition of projects with the potential to provide significant growth for shareholders continues to be our primary focus. A number of advanced project opportunities situated both within Australia and in mining friendly overseas countries were examined during the quarter, with several of these properties remaining the subject of ongoing investigations.

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.