

JINDALEE

Resources Limited
ABN 52 064 121 133

QUARTERLY REPORT

for the three months ended
30 June 2017

ASX Code - JRL

For further information,
contact:

Mr Lindsay Dudfield
Jindalee Resources Limited

Telephone: 61 8 9321 7550
Facsimile: 61 8 9321 7950
Email: enquiry@jindalee.net

Level 2
9 Havelock Street
West Perth WA 6005

PO Box 1033
West Perth WA 6872

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

www.jindalee.net



Lindsay Dudfield
Managing Director
31 July 2017

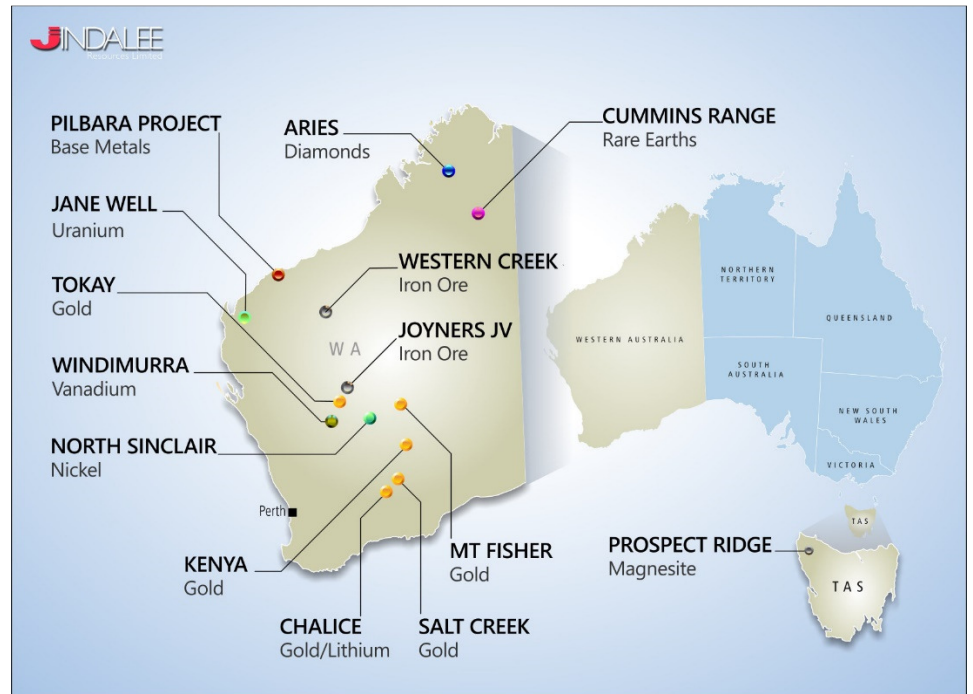


Figure 1 - Project Location Plan

HIGHLIGHTS

- * Prospect Ridge – 100kg of drill core from Arthur River deposit despatched to the lab with metallurgical testwork now underway
- * Jindalee wins ballot for Western Creek iron ore deposit
- * Additional tenement applications lodged over areas in WA prospective for gold, nickel and rare earths
- * Jindalee sells its 11% interest in the Cardinia JV to Kin Mining
- * Alchemy (JRL 5.1%) raises \$1.67M to test gold targets along strike of Breaker Resources' Bombora discovery, with drilling expected to commence next month

FINANCIAL

- * The Company has a total of 34.9 million shares on issue
- * At 30 June 2017, Jindalee had no debt and held cash and shares worth \$5.4M (equivalent to \$0.15 per share).

MAGNESITE

Prospect Ridge Project (Jindalee 100%)

The Prospect Ridge Project comprises one Exploration Licence (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 in November 2016.

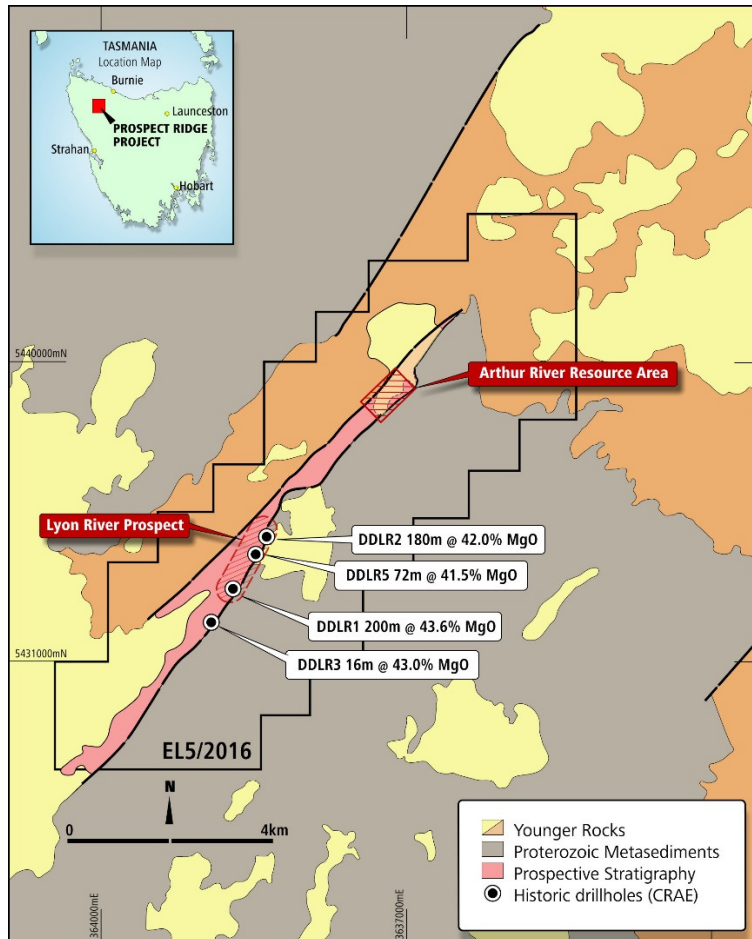


Figure 2 – Prospect Ridge Project. Location plan and Simplified Geology.

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. In May 2016 the Toyota Research Institute announced a breakthrough which could lead to magnesium eventually replacing lithium as a safer, more energy dense option for rechargeable batteries.

Both magnesite and magnesium are included on the EU’s latest list of 20 critical materials.

Although there has been historic metallurgical testwork conducted on the magnesite mineralisation at Prospect Ridge, no recent studies have looked at optimising the processing route for the production of commercial grade magnesia products for both oxide and fresh magnesite ores.

During the period Jindalee collected two bulk metallurgical composite samples from the Arthur River deposit, comprising ~30kg of oxidised mineralisation and ~70kg of largely fresh magnesite. The two samples (each averaging >40% MgO) were collected from historic drill core and are considered to be representative of typical oxide and fresh mineralisation within the upper 70m of the deposit.

The samples will be calcined (heated to between 700°C and 1000°C) to produce caustic-calcined magnesia (CCM). Applications for CCM include water treatment, acid neutralisation and the production of feed stock, fertilizers, and some cosmetics. The calcined magnesia product is also an intermediate stage in the production of a range of other magnesia products.

In addition to the calcination testwork, the metallurgical program will also examine the further use of flotation, both prior to the calcination stage and after calcination, as a method of maximising the grade of the calcined magnesia product. Results of the metallurgical program are expected in the September quarter.

GOLD

Alchemy Resources (Jindalee 5.1% of issued capital)

Jindalee is Alchemy Resources' (ASX: ALY) third largest shareholder, providing shareholders with exposure to Alchemy's high quality portfolio of projects, including Alchemy's existing Gascoyne region gold and copper-gold projects, the 100% owned Karonie gold project in WA and a joint venture with Heron Resources over 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, owner of the nearby Plutonic Gold Mine, with Billabong responsible for the ongoing exploration of the Gascoyne project tenements, not covered by the 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 project abuts Salt Lake Mining's 0.5Moz Aldiss project and features several prospects where previous drilling has returned significant bedrock gold intersections, including 8m @ 3.37g/t at Esplanade, 3m @ 14.57g/t at Batavia and 10m @ 2.55g/t at Taupo. The Karonie project is also directly along strike from Breaker Resources' (ASX: BRB) Lake Roe project, including the exciting Bombora discovery. Bombora is hosted by dolerites adjacent to the Claypan Shear, with this structure extending SE for a further 40km through Alchemy's tenements.

The joint venture with Heron Resources includes six Exploration Licences covering a combined 674km². The most advanced project is the Overflow project in the Cobar district, where a recent drilling by Alchemy returned encouraging gold-silver intercepts, including 18m @ 2.1g/t Au & 111g/t Ag from 245m and 3m @ 7.3g/t Au & 43g/t Ag from 286m.² Further drilling to test a strong EM anomaly down plunge of these intercepts is planned.

On 16 June 2017 Alchemy announced that it had raised \$1.67M (before costs) via a share placement and subsequent rights issue. The company is now sufficiently funded to accelerate exploration at both the Karonie and Overflow projects. Further information on Alchemy Resources activities can be found in their announcements and on their website, www.alchemyresources.com.au.

Cardinia JV

On 21 June 2017 Kin Mining NL (ASX: KIN) announced that it had acquired Jindalee's 11% interest in the Cardinia JV via the issue of 1M Kin fully paid shares, enabling Jindalee to retain an indirect interest in the Cardinia JV as well as gain exposure to the LPG, including the emerging Lewis South discovery where Kin has recently reported strong primary gold intercepts.

IRON ORE

Western Creek (Jindalee 100%)

The Western Creek project comprises a single Exploration Licence (E52/3520) applied for in February 2017 and located approximately 10km WSW of BHP's Mt Whaleback operations in the eastern Pilbara, and abutting BHP's tenure. The tenement covers ground previously held by Atlas Iron (ASX: AGO), and includes the Western Creek CID (detrital channel iron) deposit where Atlas has reported an inferred resource of 79Mt @ 56% Fe (50% Fe cut-off).³

Jindalee's application was subject to competing applications from three other parties, including Rio Tinto. Ballots to determine priority were held mid-July 2017 with E52/3250 gaining priority over approximately 19km², including the Western Creek deposit. The Company will now look to expedite the grant of E52/3250 so that field work can commence as soon as possible.

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.

No work was reported on the project during the period.

BASE METALS

Pilbara Project (Jindalee 100%)

The Pilbara Project comprises seven Exploration Licences and two Prospecting Licences 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.

Discussions regarding the divestment of the Pilbara Project are well advanced and it is expected that the process will be concluded in the September quarter.

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.

Access negotiations with the Traditional Owners through the Kimberley Land Council are continuing.

RARE EARTHS

Cummins Range (Jindalee 100%)

The Cummins Range project comprises a single Exploration Licence (E80/5091) applied for during the period and located approximately 125km SW of Halls Creek in the southeastern Kimberley, WA. The tenement includes the Cummins Range rare earth oxide (REO) deposit previously explored by Kimberley Rare Earths Limited (KRE). In February 2012 KRE estimated an inferred resource of 4.9Mt @ 1.74% TREO (total rare earth oxides) at a 1% cut-off.⁴

Jindalee's application is subject to competing applications from three other parties with priority likely to be determined by ballot.

URANIUM

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

CORPORATE

At 30 June 2017, Jindalee held cash and marketable securities worth approximately \$5.4M. These assets, combined with our tight capital structure (34.9M shares on issue), provide a strong base for leverage into new opportunities, with identification and acquisition of projects with the potential to transform the Company continuing to be our ongoing primary focus.

ADDITIONAL INFORMATION

Tenement Information

<i>Project</i>	<i>Tenement Reference</i>	<i>Interest at beginning of Qtr</i>	<i>Acquired/Disposed</i>	<i>Interest at end of Qtr</i>
Joyners	M53/1078-I	20%	N/A	20%
Cardinia	M37/1304	11%	Sold	0%
	P's 37/7275-76	11%	Sold	0%
	M37/646	11%	Sold	0%
	M37/1323	11%	Sold	0%
Ruth Well	ELA47/3340	100%	N/A	100%
	E47/3341	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	ELA63/1839	100%	N/A	100%
Prairie Downs	ELA52/3445	100%	N/A	100%
Aries	ELA80/5027	100%	N/A	100%
Mt Fisher	E53/1898	100%	N/A	100%
Prospect Ridge	EL5/2016**	100%	N/A	100%
Cowan	ELA15/1548	100%	N/A	100%
Planets	ELA15/1549	100%	N/A	100%
Widgie	ELA15/1552	100%	N/A	100%
Widgie	ELA15/1602	0%	N/A	100%
Wannaway	ELA15/1571	100%	Withdrawn	0%
	ELA15/1598	100%	N/A	100%
	ELA15/1614	0%	N/A	100%
Firestrike	ELA53/1911*	100%	N/A	100%
Elizabeth Hill	ELA's 47/3534-35	100%	N/A	100%
	PLA's 47/1832-33	100%	N/A	100%
Elizabeth Hill	ELA47/3537	100%	Withdrawn	0%
Belvedere	ELA47/3653	100%	Withdrawn	0%
Highway	ELA15/1563	100%	N/A	100%
	ELA's 15/1577-78	100%	N/A	100%
Railway	ELA15/1564	100%	N/A	100%
Killaloe Taipan	ELA63/1833	100%	Withdrawn	0%
	ELA's 63/1835-36	100%	N/A	100%
	ELA63/1823	100%	N/A	100%
Jeffreys	ELA63/1832	100%	N/A	100%
Higginsville	ELA15/1560	100%	N/A	100%
	ELA15/1580	100%	N/A	100%
Cheetarra*	ELA08/2872	100%	N/A	100%
Kenya	E39/1998	100%	N/A	100%
Kenya North Sinclair	E39/2005	100%	N/A	100%
	ELA36/895	100%	N/A	100%
Salt Creek	ELA25/562	100%	N/A	100%
New Bore	ELA38/3211	100%	N/A	100%
Tokay	ELA57/1061	100%	N/A	100%
Windimurra	ELA58/513	100%	N/A	100%
Westonia	ELA77/2444	100%	N/A	100%
Western Creek	ELA52/3520	100%	N/A	100%
Cummins Range*	ELA80/5091	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, HiTec Minerals Pty Ltd

Notes:

1. Reference: JRL's announcement to ASX dated 23 May 2016 and titled, "*Jindalee acquires Australia's 3rd largest Magnesite Deposit*"
2. Reference: ALY's announcement to ASX dated 29 March 2017 and titled, "*Strong Gold and Silver Intercepts from Drillhole at Overflow*"
3. Reference: Atlas Iron Limited (ASX: AGO) *2016 Annual Report to shareholders* lodged with ASX on 20 October 2016
4. Reference: Kimberley Rare Earths announcement to ASX dated 13 February 2012 and titled, "*Cummins Range update*"

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.