

JINDALEE

Resources Limited
ABN 52 064 121 133

QUARTERLY REPORT TO SHAREHOLDERS

for the three months
ended 30 September 2009.

ASX Code - JRL

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

www.jindalee.net



HIGHLIGHTS

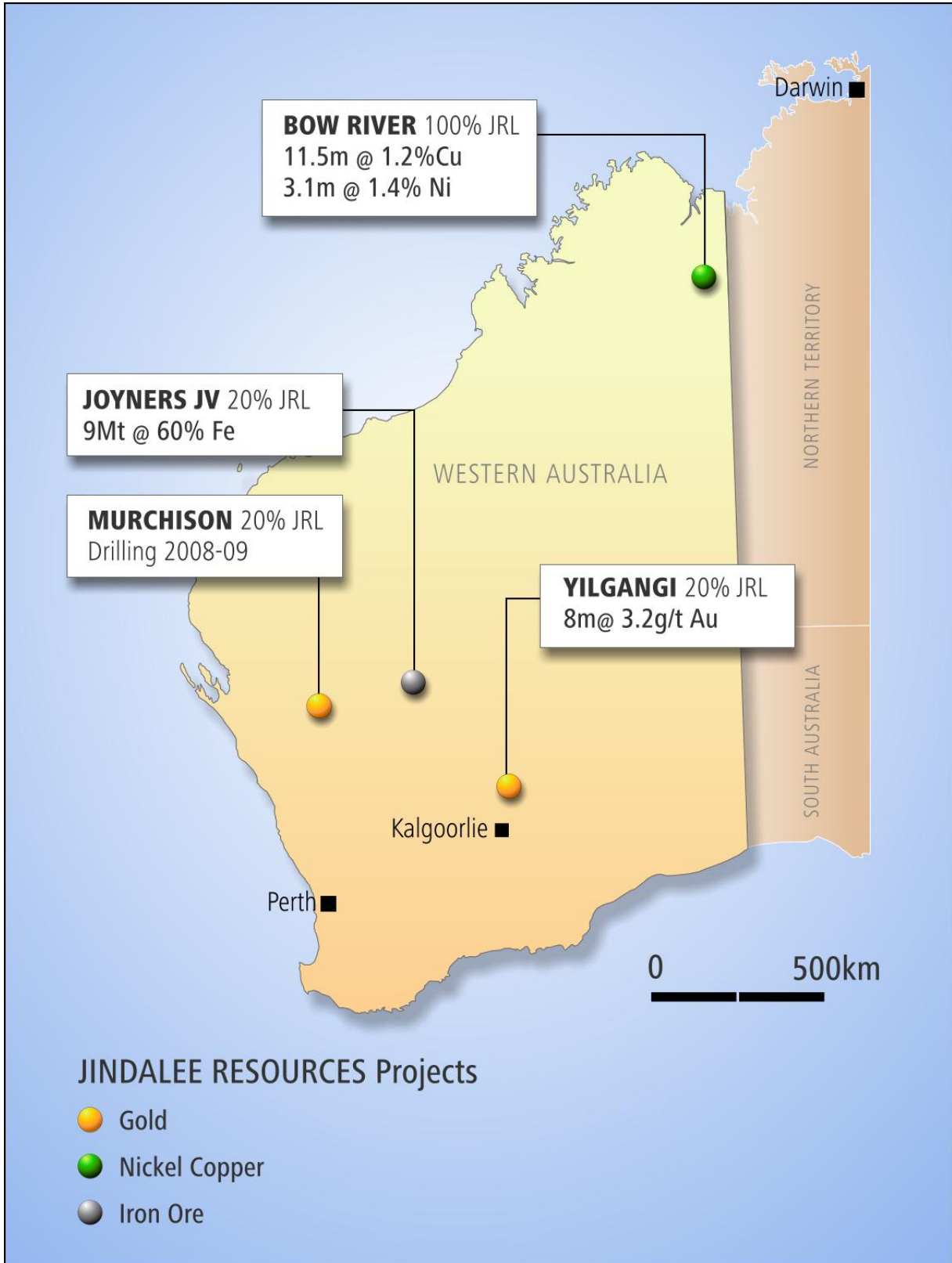
- * Jindalee set to realise \$33M (pre tax) through sale of 70% of **Energy Metals** shareholding to China Guangdong Nuclear Power Holding Co., Ltd (CGNPC).
- * **Alchemy Resources** resumes drilling of Hermes gold prospect. Mapping confirms prospective Narracoota Volcanics, host to Sandfire Resources' DeGrussa prospect, extend into Alchemy's ground.
- * RAB/aircore drilling by Newcrest at **Yilgangi** returns a best result of 1m @ 1.19g/t Au.

FINANCIAL

- * The Company has a total of 32.8 million shares and 2.0 million unlisted options on issue
- * At 30 September 2009 Jindalee had no debt and held cash and shares worth approximately \$53M (equivalent to **\$1.54 per share** fully diluted)

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

Lindsay Dudfield
Managing Director
30 October 2009



Jindalee Resources – Lead Projects

URANIUM

Energy Metals (Jindalee 39.5% of issued capital)

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

The bid, which was approved by FIRB late October, represents an opportunity for Jindalee to liquidate a portion of its holding, receiving around \$33 million (before tax). Jindalee will retain 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. During the transition period, Jindalee will continue to provide management assistance to Energy Metals.



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 (53.7% 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. At a cut-off grade of 250ppm U₃O₈, the published Bigrlyi indicated and inferred resource totals 29.4 million pounds (Mlb) of U₃O₈.

The Bigrlyi mineralisation remains open at depth and along strike with excellent potential to further increase the resource base. A drilling program, targeting extensions to the current mineralised zones, and aimed at further conversion of the resource base to the Indicated category commenced during the quarter.

Also during the period Energy Metals announced results from the first 92 holes of a 300 hole drilling program at its 100% owned Cappers prospect (located 150km SE of Bigrlyi), with numerous shallow uranium intercepts recorded from this program.

Uran (Jindalee 2.1% of issued capital)

Jindalee holds approximately 2.5 million Uran Limited shares and remains one of Uran's top 5 shareholders. Uran is predominantly a uranium company, focused on advanced projects in the United States and Eastern Europe. The company also controls the Finley Basin tungsten project in the United States.

Uran's current focus is on their 65% owned joint venture ground within the highly prospective Grants Ridge district in the US state of New Mexico. Assay values obtained from the sampling program at the Armijo project, one of several historically-mined deposits and prospects at Grants Ridge, reportedly averaged 548ppm U₃O₈.

Uran anticipates commencing drill testing of two of the key prospects during the December quarter.

GOLD

Yilgangi (Jindalee 20 % project 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, project-carried to a Decision to Mine.

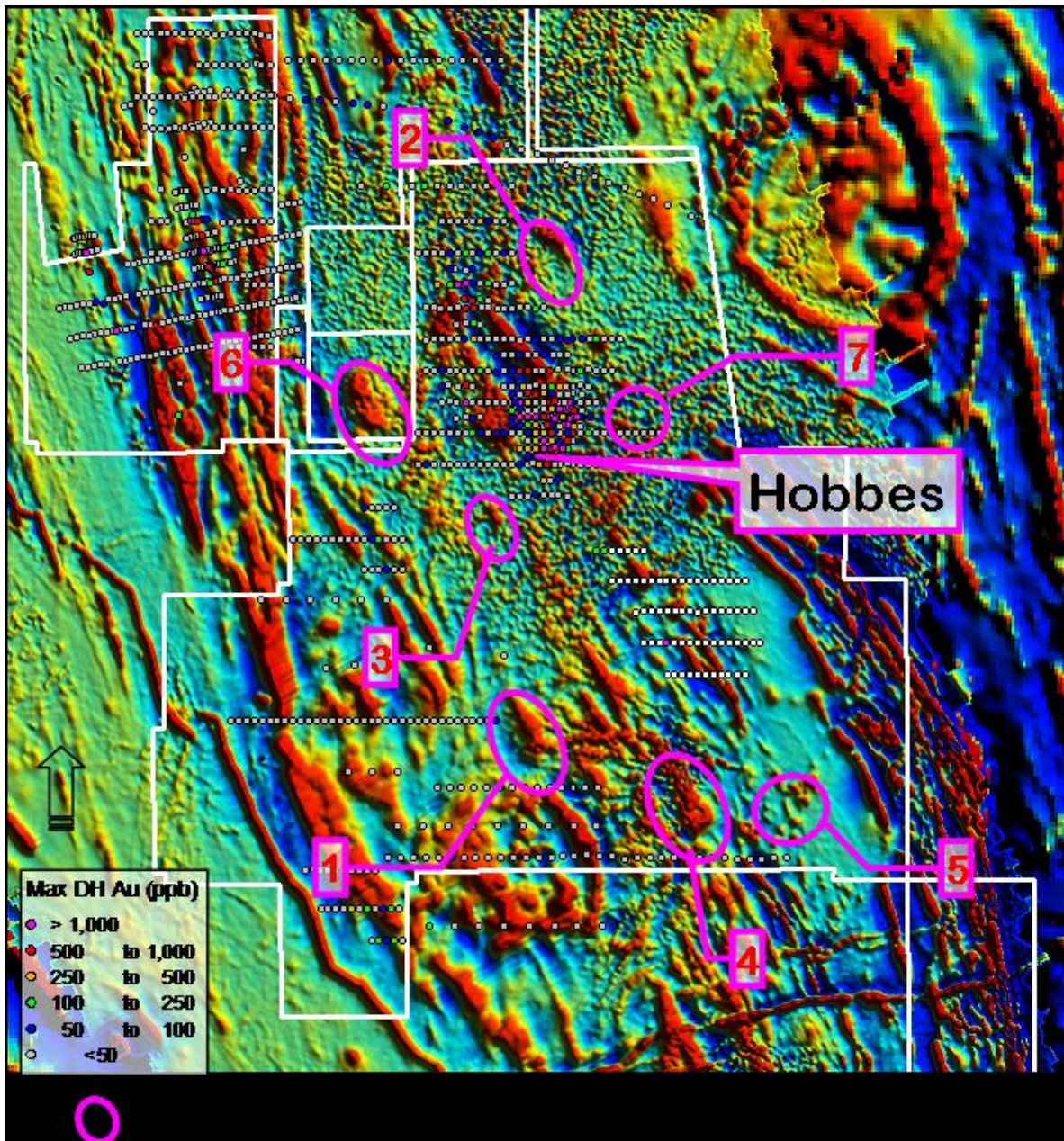
RAB/AC drilling, targeting previously untested aeromagnetic anomalies was undertaken during the quarter. A total of 135 holes for 5,985m were drilled on seven discrete target areas with the objective of identifying gold systems of similar style to the Hobbes prospect, or a Wallaby-style target associated with felsic intrusives.

Best intersection came from drillhole NYRB596 at anomaly 4 which returned 1m @ 1192ppb (1.19g/t) Au from 46m to the end of hole. Mineralisation in this drillhole is located at the peak of the associated aeromagnetic anomaly and occurs within a volcanoclastic sedimentary unit.

Significant assay results arising from the program above a 100ppb lower gold cutoff are tabulated below:

Hole ID	Hole Type	Easting MGA (m)	Northing MGA (m)	Total Depth (m)	Azimuth magnetic	Dip	From (m)	To (m)	Interval (m)	Au Grade ppb
NYAC535	AC	426798	6703800	108	360	-90	72	76	4	114
NYAC583	AC	426107	6697800	78	360	-90	76	77	1	164
NYAC584	AC	426202	6697800	61	360	-90	0	1	1	128
NYRB596	RAB	427703	6696796	47	360	-90	46	47	1	1192

Further analysis of the results of the drilling will be undertaken over the coming quarter.



Aeromagnetic image of the Yilgarni project showing the location of target areas (purple outlines) tested during the quarter relative to the Hobbes prospect. (Recent drillhole collars not shown).

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 with Jindalee's 20% interest free carried to completion of a Bankable Feasibility Study.

The next phase of exploration drilling on the Murchison project tenements is scheduled to commence during the December 2009 quarter with the costs of the drill program partially offset by a grant under the WA government's co-funded Government-Industry drilling program initiative.

Alchemy Resources**(Jindalee 16% of issued capital)**

In addition to the joint venture interest in the Murchison projects, Jindalee also holds 9.8 million Alchemy Resources shares (approximately 16% of Alchemy's issued), providing Jindalee's shareholders with exposure to Alchemy's expanded portfolio of projects, including Alchemy's exciting Hermes gold project, located 120km northeast of Meekatharra.

During the quarter, Alchemy completed a thorough review of the further gold potential of the Hermes project with field mapping locating areas of previously undrilled alteration and surficial gold mineralisation. Target areas, situated between, and adjacent to, the known deposits at Trapper and Hawkeye will be progressively tested by RC and aircore drill programs during the December 2009 quarter.

Additionally, the Hermes project tenements are located to the west of, and along strike from Sandfire Resources NL's Doolgunna project, which contains the DeGrussa and Conductor 1 copper-gold discoveries. Recent mapping has confirmed that the Narracoota volcanics (host rock to the DeGrussa and Conductor 1 mineralisation) are present on Alchemy's tenements with follow up of potential copper-gold targets planned.

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.

BASE METALS**Mt Korong Joint Venture** **(Jindalee 50% and Manager)**

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 an equal joint venture between Jindalee and Golden State Resources, with the project being managed by Jindalee. The project is prospective for nickel laterite mineralization with historic wide-spaced drilling returning shallow nickel intersections of 10m at 0.86%Ni from 6m and 7m at 0.85% from 12m.

No work was undertaken on the project during the quarter.

Bow River**(Jindalee 100%)**

This project is located in the East Kimberley region; 80 km south of Kununurra and 60 km northeast along strike from the Savannah nickel mine. Previous drilling at Bow River intersected massive sulphides with a number of significant copper and nickel intersections, including 3.12m @ 1.45% Ni and 0.47% Cu, and 11.5m @ 1.2% Cu and 0.5% Ni. The mineralisation occurs in a differentiated mafic-ultramafic intrusion, similar to the host rock at the Savannah mine.

No work was undertaken on the project during the quarter.

Great Western Exploration (Jindalee 4.9% of issued capital)

Great Western Exploration Limited's Mt Gibb project is located at the southern end of the Forrestania greenstone belt, along strike from Western Areas' Flying Fox and Digger Rocks nickel deposits. Great Western has also applied for 1700 km² of ground in the Doolgunna area, 140 km NE of Meekatharra. Great Western is reportedly targeting massive sulphide mineralisation, similar to the style of mineralization being explored for by Sandfire Resources at their DeGrussa and Conductor 1 prospects in the same region.

Anchor**(Jindalee 3.9% of issued capital)**

Anchor Resources Limited is exploring a portfolio of projects located in Eastern Australia that are prospective for gold, antimony, copper and base metals. Jindalee is Anchor's fifth largest shareholder with 1.2 million shares, acquired through the sale of its Birdwood project in northern NSW prior to Anchor listing on the ASX.

During the quarter, Anchor completed a program of 10 diamond holes that confirmed the presence of depth and strike extensions to the antimony mineralisation at the Wild Cattle Creek deposit. This project forms part of their Biesdown project, located 40 km west of Coffs Harbour in northern NSW.

Drilling returned a number of high-grade intersections, including 7m @ 6.04% antimony (Sb) and 4.4m @ 5.0% Sb, together with elevated gold and tungsten values. Deposit modeling and resource re-estimation studies will be undertaken by Anchor during the December 2009 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. Golden West is currently progressing the project through a pre-feasibility study.

The joint venture tenements contain inferred iron oxide resources totalling 9.2 million tonnes at 60.5% iron. Although commodity prices have softened from recent highs, Jindalee's 20% share of this resource still represents significant value without impacting on the Company's ability to finance its other projects.

During the quarter one metallurgical HQ diamond hole (66m) was completed at Joyners and 10 RC holes were drilled on E53/1089 (Joyners South). No significant iron ore intercepts were returned from the RC drilling. Exploration at Joyners is continuing.

CORPORATE

As noted previously, the current bid by CGNPC for Energy Metals will, if successful, result in Jindalee receiving around \$33 million in cash, before tax. This, together with our retained cash and share investments (worth a further \$22 million late October 2009), places Jindalee in a strong position to assess new opportunities to create wealth for our shareholders, and this will be our primary focus over the coming period. As previously foreshadowed Jindalee will also look to return a significant portion of the liquid assets held by the Company to shareholders in a tax effective manner.

The 2009 Annual Report was forwarded to shareholders mid October 2009, together with the Notice of Meeting and proxy form for the Annual General Meeting to be held 20 November 2009.

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.