

# JINDALEE

Resources Limited  
ABN 52 064 121 133

## QUARTERLY REPORT TO SHAREHOLDERS

for the three months  
ended 31 March 2014.

### ASX Code - JRL

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This report and further information are  
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[www.jindalee.net](http://www.jindalee.net)



## HIGHLIGHTS

- \* Energy Metals (JRL holds 6.7%) announces maiden resource estimates for three satellite deposits within the Ngalia Basin project<sup>1</sup>
- \* Alchemy (JRL holds 9.4%) reports results from follow-up RC drilling at the Seaborg gold prospect, Bryah Basin project, including 2m @ 14.5g/t gold<sup>4</sup>
- \* Jindalee well positioned to capitalise on opportunities becoming available as the resources downturn deepens

## FINANCIAL

- \* The Company has a total of 34.8 million shares on issue
- \* At 31 March 2014 Jindalee had no debt and held cash and shares worth \$8.1M before tax, (equivalent to **\$0.23 per share**)

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

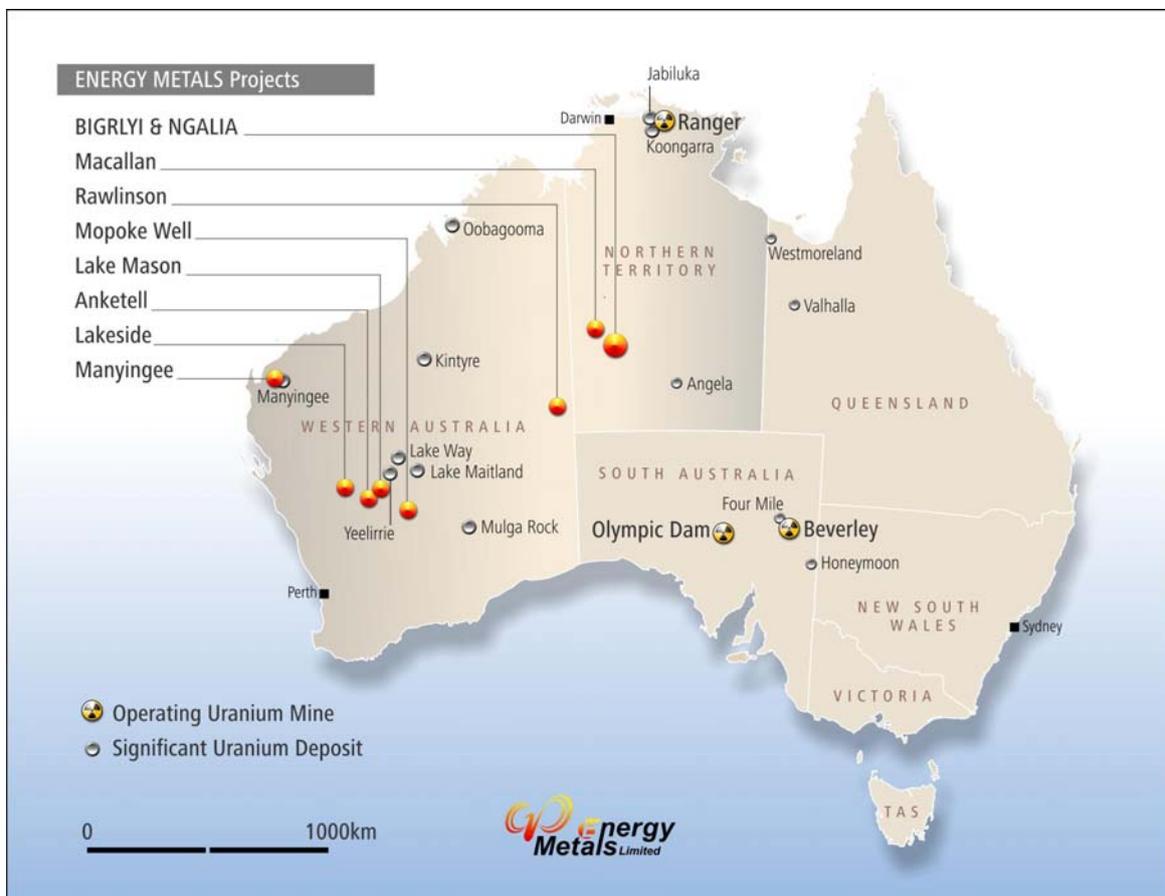
**Lindsay Dudfield**  
Executive Chairman and Managing Director  
29 April 2014

## URANIUM

### Energy Metals (Jindalee 6.7% of issued capital)

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

Energy Metals controls 9 projects (total area >4,000km<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 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.



Energy Metals Projects

In mid February 2014, Energy Metals announced maiden inferred uranium resource estimates for three wholly-owned Ngalia Basin deposits; Camel Flat (211,000t at 1,384ppm U<sub>3</sub>O<sub>8</sub>), Anomaly 15 East (142,000t at 1,320ppm U<sub>3</sub>O<sub>8</sub>) and Big West (211,000t at 1,384ppm U<sub>3</sub>O<sub>8</sub>)<sup>1</sup>. Energy Metals believes that these satellite resources, located in proximity to the core Bigrlyi JV deposit, will not only make a valuable contribution to the available resource base, but could also potentially enhance the economics of any future mining operation. Further information on Energy Metals' activities and current resource estimates can be found on their website, [www.energymetals.net](http://www.energymetals.net).

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## **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 (Alchemy) with Jindalee's 20% interest free carried to completion of a Bankable Feasibility Study.

No exploration was undertaken on the Murchison tenements over the quarter.

### **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 are the project operators. Jindalee retains a 20% participatory loan-carried interest through to a Decision to Mine.

Renaissance's efforts at Yilgangi are focused on the advanced Hobbes prospect, where previous drilling by Newcrest established a more than three kilometre-long zone of gold anomalism. Limited infill drilling undertaken by Renaissance during 2012 was reasonably successful in establishing continuity of the shallow supergene gold mineralization. Encouraging results announced by Renaissance included 15m at 2.37g/t gold from 37m and 10m at 2.47g/t gold from 54m depth<sup>2</sup>.

No field exploration was undertaken at Yilgangi during the quarter. Renaissance has previously announced that it is seeking to divest and/or joint venture its Eastern Goldfields projects, including Yilgangi. Jindalee retains a pre-emptive right over the Yilgangi tenements.

### **Alchemy Resources**

**(Jindalee 9.4% of issued capital)**

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

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 host Sandfire's high grade DeGrussa copper-gold mine. Independence Group, a well-regarded and successful nickel, base metal and gold producer and explorer is farming into Alchemy's base metal-prospective Bryah Basin tenements, committing to spend a minimum of \$6.5M over a six year period in order to earn an 80% interest. The agreement with Independence does not include Alchemy's gold prospective tenements, where Alchemy retains a 100% interest. Alchemy has already defined indicated gold resources totalling 300,000oz at the Hermes and Wilgeena gold prospects<sup>3</sup>, and continues to explore a number of other advanced gold prospects throughout its extensive ground holding.

Subsequent to the end of the quarter, Alchemy announced the results of a four hole RC drill program, designed to follow-up initial highly encouraging shallow RAB results obtained at the Seaborg prospect. Highlighted intersections, as reported by Alchemy from the latest Seaborg drilling, included 6m at 4.17g/t gold and 2m at 14.46g/t gold<sup>4</sup>. Further work is planned.

Further information on Alchemy Resources activities can be found on their website, [www.alchemyresources.com.au](http://www.alchemyresources.com.au).

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

On 8 April 2014, ASX-listed Kin Mining announced the signing of a deal to acquire Navigator's Leonora gold assets. Should the sale proceed, it is anticipated that Kin Mining would recommence exploration of the project tenements, including those forming the Cardinia joint venture. In Navigator's December 2012 quarterly report, the company announced anomalous results had been returned from shallow hand auger soil sampling over two joint venture tenements, P's 37/7275 & 37/7276. Drilling will be required to further investigate the significance of these anomalies.

## IRON ORE

### Joyners

**(Jindalee 20% free carried)**

The Joyners project is a joint venture with GWR Group Limited (formerly Golden West Resources Limited) and forms a part of GWR's much larger Wiluna West project. GWR Group 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 7.2 million tonnes at 63% iron<sup>56</sup>.

During the quarter, GWR Group drilled a further five RC holes, targeting the westernmost banded iron horizon within the southern joint venture tenement (E53/1089) for its magnetite potential.

## CORPORATE

At 31 March 2014 Jindalee held liquid assets (cash and shares) worth approximately \$8.1M, including \$5.3M in cash. 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 transform the Company continues to be our ongoing primary focus. Throughout the quarter, further advanced project opportunities, situated both within Australia and in mining friendly overseas countries were examined, but none passed Jindalee's strict investment criteria. The ongoing deterioration in the resources sector has yielded a significant improvement in the quality of projects becoming available, further increasing the prospect of acquiring a meaningful project on favourable terms in the near future.

**Additional information for Quarter ended 31 March 2014.**

<b>Project</b>	<b>Tenement Reference</b>	<b>Interest at beginning of Qtr</b>	<b>Acquired/ Disposed</b>	<b>Interest at end of Qtr</b>
Joyners	M53/1078-I	20%	N/A	20%
	E53/1089-I	20%	N/A	20%
Cardinia	P37/7274	11%	N/A	11%
	P37/7275	11%	N/A	11%
	P37/7276	11%	N/A	11%
	M37/646	11%	N/A	11%
Wydgee	E20/610	20%	N/A	20%
Jeffrey Well	E20/507	20%	N/A	20%
Big Bell North	E20/594	20%	N/A	20%
Yilgangi	E31/597	20%	N/A	20%
Mt Josephine	ELA80/4853*	0%	100%	100%

\* Tenement application applied for by JRL'S wholly-owned subsidiary, Eastmin Pty Ltd

**Notes:**

- Reference: ASX Announcement by Energy Metals Limited dated 13<sup>th</sup> February 2014, titled, "626 tonne U3O8 combined maiden resource Bigryli Satellite Deposits."
- Reference: ASX Announcement by Renaissance Minerals Limited dated 31<sup>st</sup> October 2012 titled, "Drill Results at Yilgangi Project Eastern Goldfields WA, including 15m @ 2.4g/t and 20m @ 2.2g/t".
- Reference: ASX announcement by Alchemy Resources dated 22<sup>nd</sup> October 2012 titled, "Bryah Basin gold resource update".
- Reference: ASX Announcement by Alchemy Resources Limited dated 17<sup>th</sup> April 2014 titled, "Drilling delivers high grade gold at Seaborg".
- reference: ASX Announcement by Golden West Resources dated 18th July 2011 titled, "Wiluna West Hematite Project Iron Resource Update".
- In relation to the Statement of Mineral Resources provided for the Joyners Joint Venture project, Jindalee Resources is not aware of any new information that materially affects the information included in this report and that all material assumptions and technical parameters, underpinning the estimate contained in GWR's original market announcement and any subsequent disclosures continue to apply and have not materially changed. Furthermore, Jindalee confirms that the form and context in which the relevant Competent Person's findings are presented have not been materially modified.

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 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 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.