

# JINDALEE

Resources Limited  
ABN 52 064 121 133

## QUARTERLY REPORT TO SHAREHOLDERS

for the three months  
ended 31 December 2008.

### 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

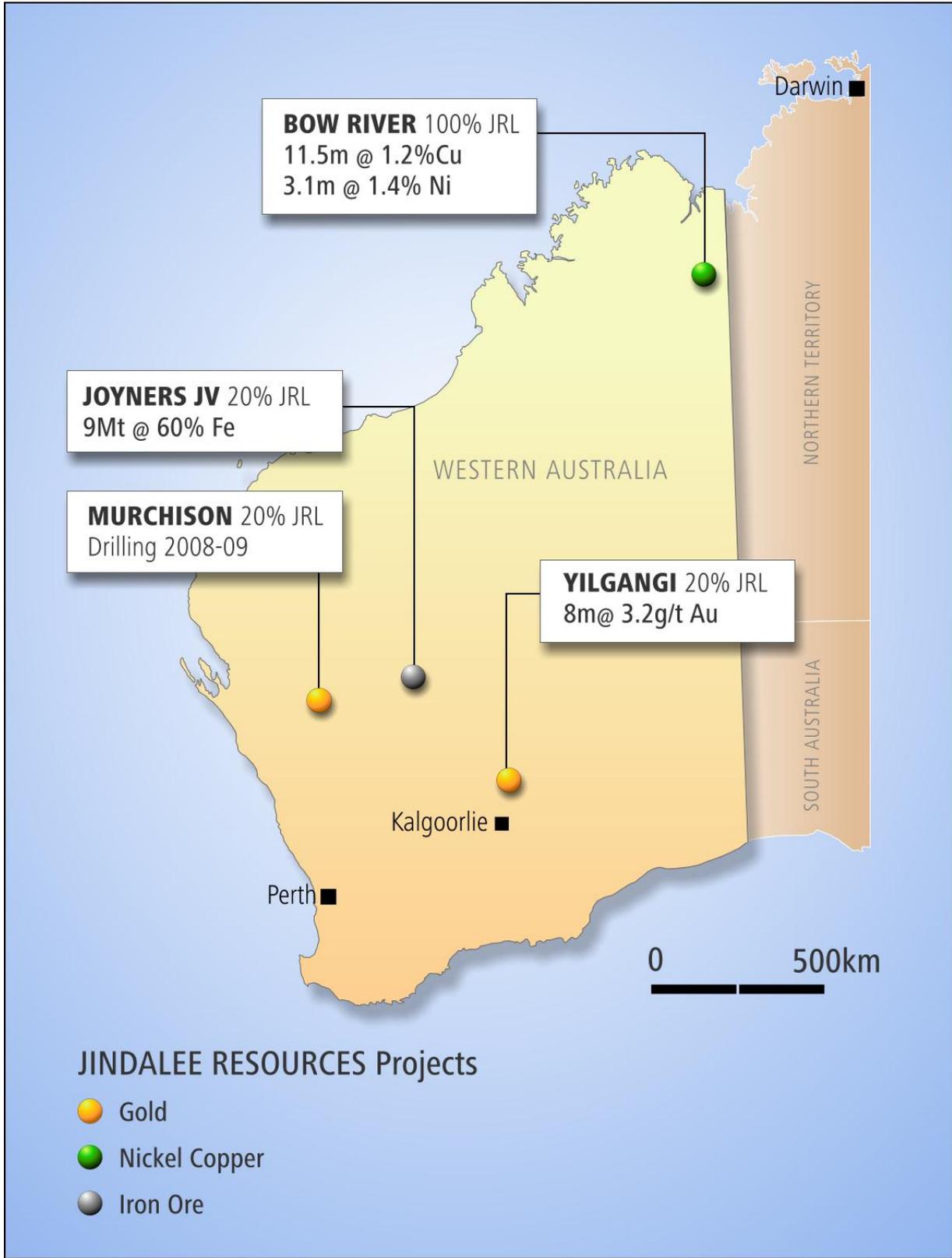
- \* **Energy Metals** (JRL 40%) confirms shallow, high grade intersections from infill drilling at Bigryli including:
  - 5m @ 0.48% U<sub>3</sub>O<sub>8</sub> 0.48% V<sub>2</sub>O<sub>5</sub> from 80m
  - 6m @ 0.26% U<sub>3</sub>O<sub>8</sub> 0.79% V<sub>2</sub>O<sub>5</sub> from 37m
  - 4m @ 0.44% U<sub>3</sub>O<sub>8</sub> 1.22% V<sub>2</sub>O<sub>5</sub> from 114m
- \* Encouraging drill results from Energy Metals 100% owned projects in WA & NT
- \* Infill soil sampling at **Burtville East** (JRL 100%) confirms untested gold anomaly
- \* Nickel exploration commences at the **Mt Korong** project (JRL 50%), near Laverton.

## FINANCIAL

- \* The Company has a total of 32 million shares and 3.2 million unlisted options on issue
- \* At 31 December 2008 Jindalee had no debt and held cash and shares worth approximately \$20M (equivalent to **\$0.62 per share** fully diluted)

A handwritten signature in black ink, appearing to read "Lindsay Dudfield".

Lindsay Dudfield  
Managing Director  
30 January 2009



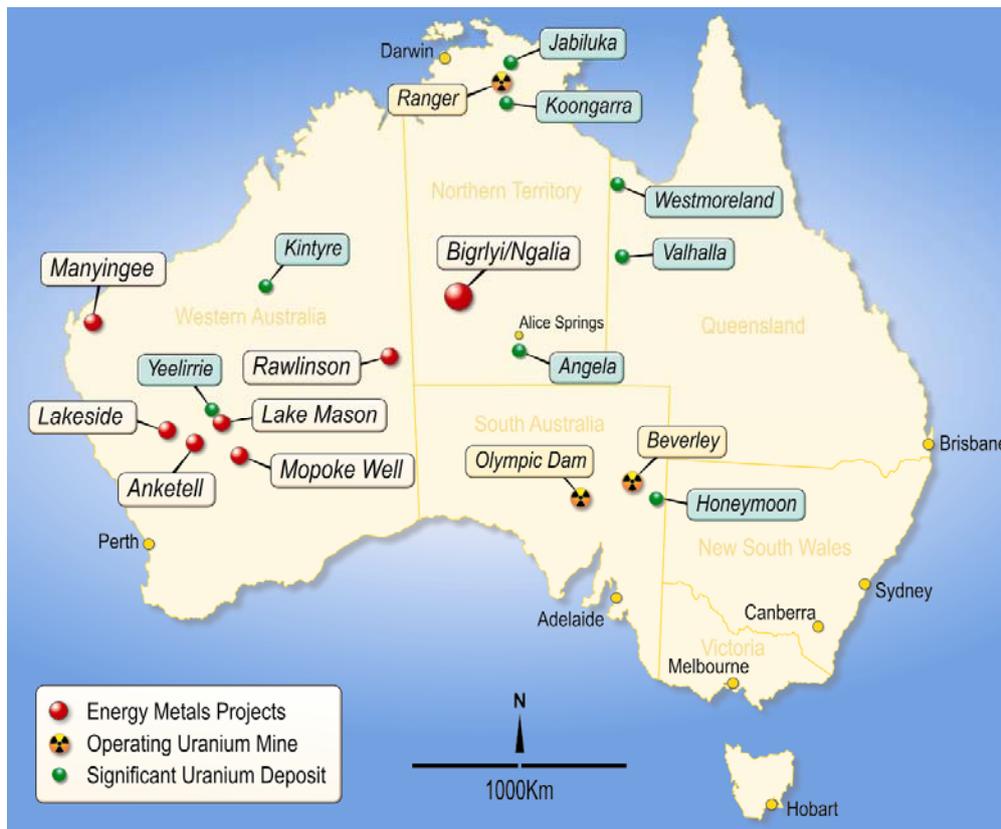
*Jindalee Resources – Lead Projects*

## URANIUM

### Energy Metals (Jindalee 39.9% of issued capital)

Jindalee holds 46.8 million Energy Metals shares, providing Jindalee shareholders with continued exposure to Energy Metals' portfolio of exciting uranium projects.

Energy Metals controls 8 projects (total area >4,000 km<sup>2</sup>) located in the Ngalia Basin in the Northern Territory and in Western Australia, with six of the projects containing uranium mineralisation discovered in the 1970's. Exploration has focussed on the **Bigrlyi Project** in NT (53.7% owned by Energy Metals), where resource drilling has returned relatively high grade intercepts and testwork has confirmed excellent metallurgical recoveries. Current (March 2008) resources at Bigrlyi are 23.4M pounds (lbs) of U<sub>3</sub>O<sub>8</sub> with significant associated V<sub>2</sub>O<sub>5</sub> (43.7M lbs).



A substantial RC and diamond drilling program (89 holes for 16,385m) was completed at Bigrlyi during the quarter. This program was designed to further evaluate the known mineralisation and test other prospective targets in the project area. Energy Metals announced preliminary gamma log results for the majority of drillholes during the quarter, as well as the final laboratory assay results for many of the anomalous intersections. These results have highlighted significant potential for a further resource upgrade, once all results have been incorporated into the resource model.

Geochemical assay results reported include intercepts of 6m @ 0.26% U<sub>3</sub>O<sub>8</sub> and 0.79% V<sub>2</sub>O<sub>5</sub> from 37m in drillhole B08004; 5m @ 0.48% U<sub>3</sub>O<sub>8</sub> and 0.50% V<sub>2</sub>O<sub>5</sub> from 80m in drillhole B08008, and 4m @ 0.44% U<sub>3</sub>O<sub>8</sub> and 1.22% V<sub>2</sub>O<sub>5</sub> from 80m in drillhole B08021.

Elsewhere, Energy Metals reported anomalous results from drilling programs on 100% owned projects in both NT and WA, including encouraging shallow intercepts from broad spaced drilling at the Cappers prospect, located 200km southeast of Bigryli and 20km northeast of Toro Energy's Napperby deposit.

### Uran (Jindalee 4.9% of issued capital)

Jindalee holds approximately 2.5 million Uran Limited shares, representing almost 5% of issued capital. Uran is predominantly a uranium company, focused on advanced projects in Eastern Europe, but more recently have diversified their commodity base through the acquisition of the Finley Basin tungsten project in the United States.

In their December 2008 quarterly report, Uran revealed a deal to acquire a 65% interest in a uranium project, located in the Grants Ridge region of the United States. This district is noted for the presence of a number of significant high-grade uranium resources and has a history of uranium production.

Uran also announced the deferral of activity on their Ukrainian projects, citing the current political uncertainty in that country. However, they stated that they would continue to progress exploration licence applications, covering highly prospective target areas in the Czech Republic.

## 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 \$3.8M on exploration. Newcrest holds an 80% interest in the project with Jindalee's 20% participatory interest loan-carried to a Decision to Mine.

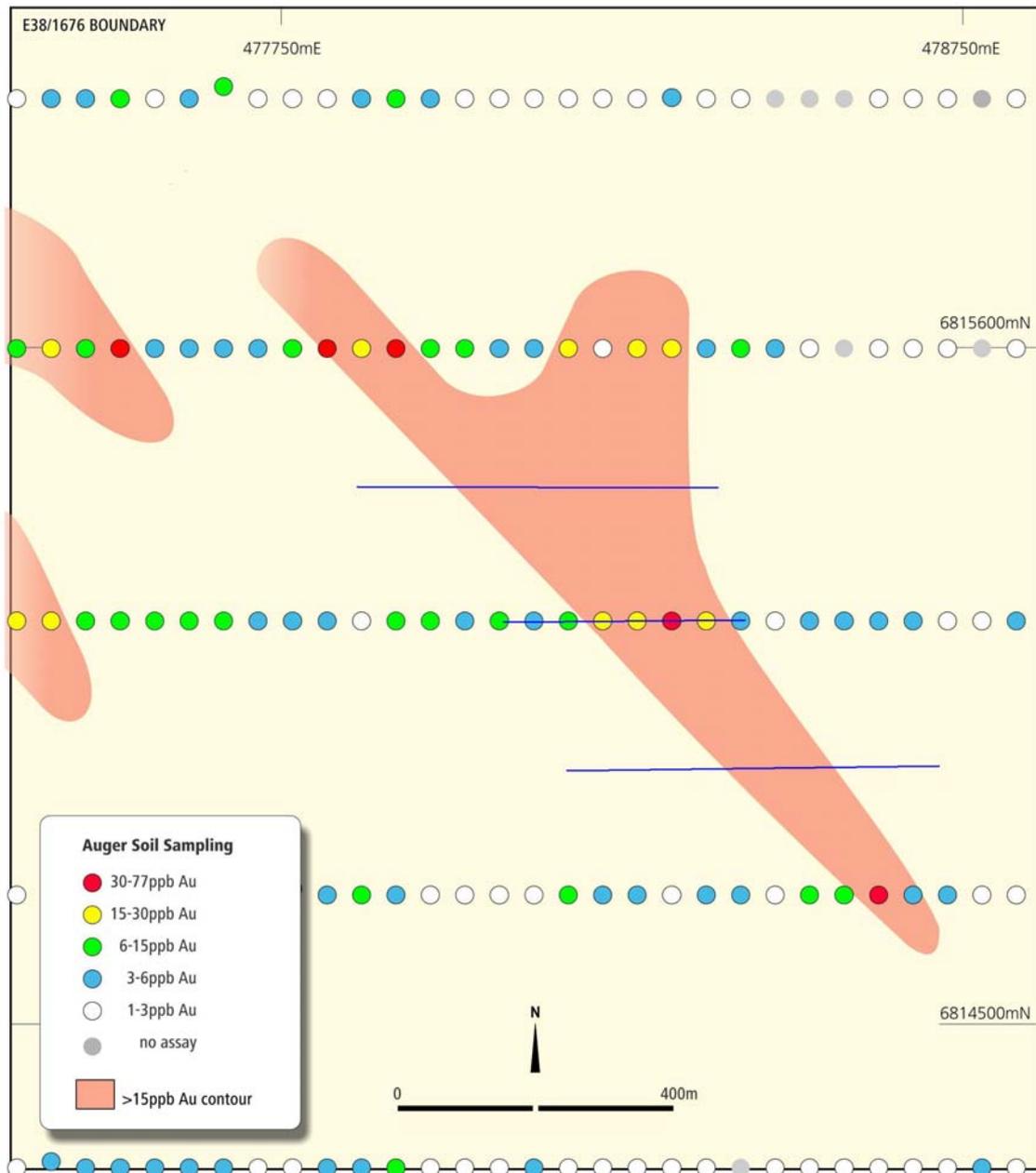
A review of the advanced Hobbes prospect was carried out during the quarter. Gold mineralization at Hobbes is mainly hosted by volcanoclastic metasediments, adjacent to zones of magnetite and pyrrhotite development. Previous RC and diamond drilling had returned numerous broad intersections (eg: 41m at 1.4g/t gold in NHRC044) that include more localised higher-grade zones. It is expected that the improved understanding of the controls on gold mineralization, achieved as a result of the review, will improve targeting for high-grade mineralization.

A geological block model is currently being constructed that will aid in planning future drill programs.

### Burtville East (Jindalee 100%)

Jindalee's Burtville East project is located 40 kilometres east southeast of Laverton in the Northeastern Goldfields of Western Australia and nine kilometres southeast along strike from A1 Minerals' 134,000 ounce Brightstar Alpha deposit. The Laverton district is host to several of the Goldfields largest gold deposits, including Anglogold's Sunrise mine and Barrick's Granny Smith operations.

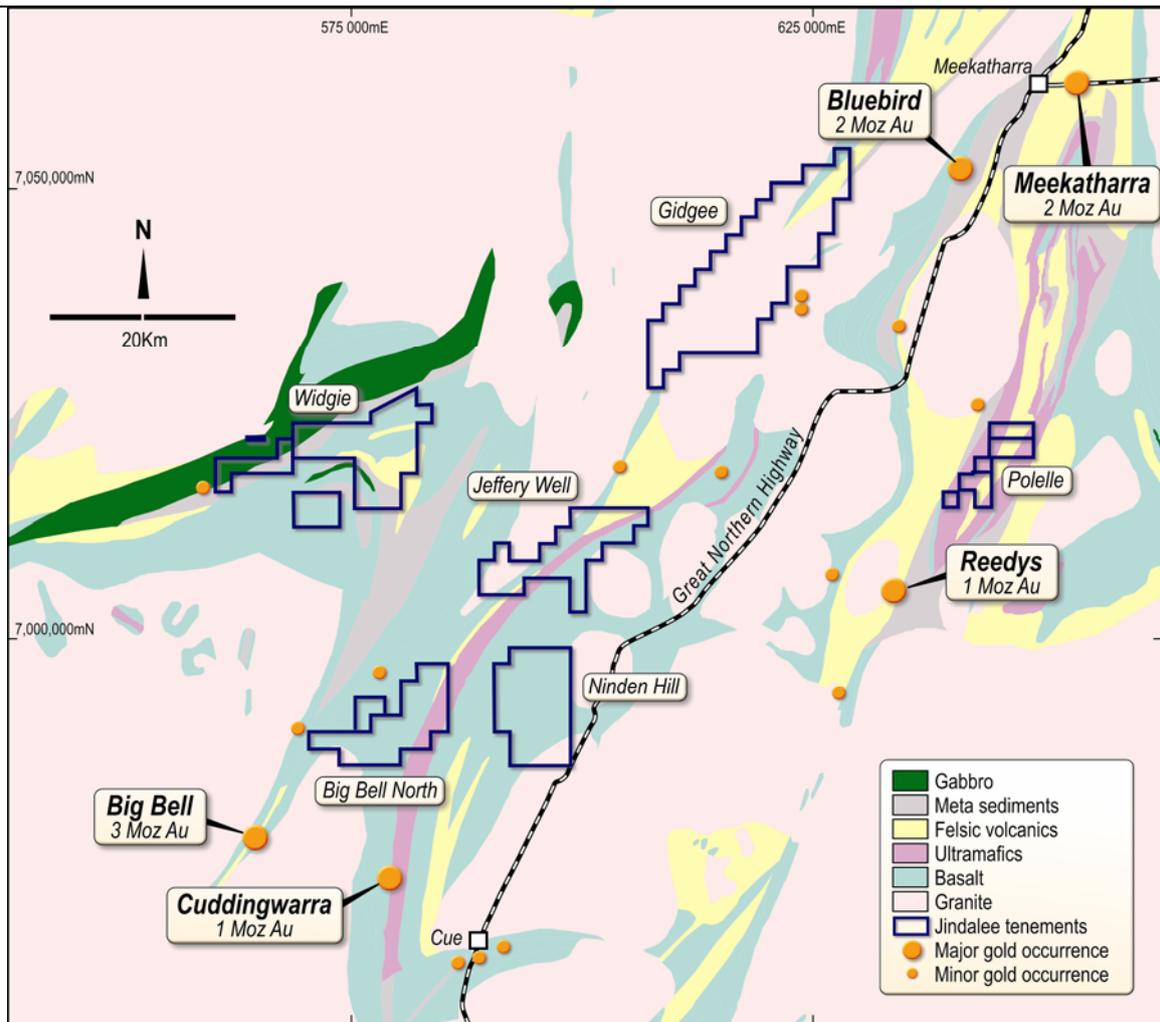
During the quarter, an infill soil sampling program designed to establish continuity of the gold anomalism, as defined by the previous auger survey was conducted on the tenement. In general, the conventional near-surface soil values support the earlier subsurface auger results and confirm the validity of this untested gold anomaly, developed over a 1,000m strike length.



*Burtville East gold anomaly showing the location of the infill soil lines (blue lines).*

**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 with Jindalee’s 20% interest free carried to completion of a Bankable Feasibility Study. Jindalee also holds 10 million Alchemy shares, representing approximately 23.5% of Alchemy’s issued capital and providing Jindalee’s shareholders with exposure to Alchemy’s expanded portfolio of projects.



*Murchison Project – tenement locations and regional geology*

Alchemy is planning to undertake significant programs of drilling on the Murchison and other projects in their portfolio during the year ahead. Approval to undertake an extensive aircore drilling program, comprising 119 holes over the Big Bell North, Gidgee and Wydgee Projects in the Murchison District has been received from the Department of Mines and Petroleum. The drilling program is seeking to locate large shear or vein- hosted gold deposits, grading over 2g/t, and suitable for open pit mining, or >8g/t gold deposits suitable for underground mining.

At the Big Bell North Project, 5 targets will be evaluated with 30 holes to be drilled on E20/594. At the Gidgee Project, 8 targets will be evaluated with 49 holes and at the Wydgee Project 7 targets will be evaluated with 40 drillholes. Drilling is scheduled to commence in the third week in January 2009 with a further round of drilling scheduled for mid-year.

At the Big Bell North Project on ELA20/667, 3 targets have been defined to be tested with 30 holes, with drilling to commence once this tenement is granted.

**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.

During the December quarter, Navigator has advanced planning for a drilling program to further evaluate mineralisation, previously defined within the joint venture tenements. Exploration success within the project area is likely to add to Navigator’s Cardinia resource base.

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

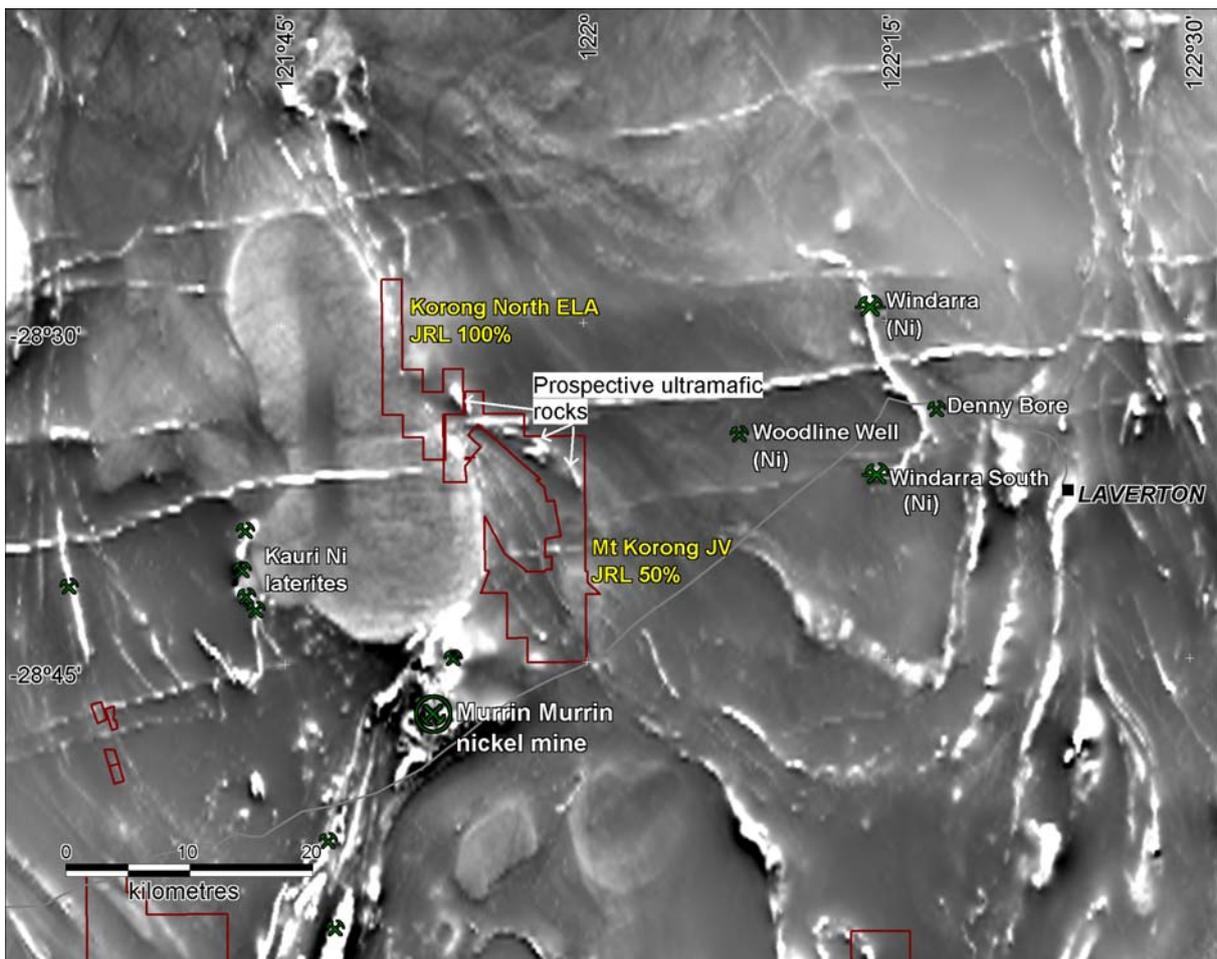
Anchor Resources Limited is exploring a portfolio of projects located in Eastern Australia that are prospective for gold, antimony, copper, uranium and base metals. Jindalee is Anchor’s fifth largest shareholder with 1.2 million shares, acquired through the sale of its Birdwood project in northern NSW,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

During the quarter, Anchor announced plans to commence RC drill testing of priority geophysical and geochemical targets located at their Windella copper prospect near Nyngan in NSW.

**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.



*Mt Korong project location on regional greyscale aeromagnetic image.*

Jindalee has also applied for the Korong North project (JRL 100%), located immediately to the northwest of the Mt Korong joint venture.

A review of historical exploration in the project area has highlighted potential for the discovery of sulphide or lateritic nickel mineralisation, associated with an ultramafic unit in the northeast of the project tenement. Reconnaissance aircore drilling, completed by a previous explorer during the 1990's, reportedly returned strongly anomalous nickel values within the laterite profile, including best results of 10m at 0.86%Ni from 6m depth and 7m at 0.85%Ni from 12m.

Exploration has commenced with the completion of a 200m by 50m grid soil sampling program, targeting sections of the ultramafic that are most amenable to this low cost reconnaissance exploration technique. Results of the sampling are expected to be available during the March 2009 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 further work was undertaken during the quarter with drill testing of priority geophysical targets planned to commence after the northern wet season.

### **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. During the previous quarter, Jindalee announced the sale of its remaining 20 percent interest in the Mt Gibb project tenements to Great Western for 2 million shares and 2 million unlisted options in the company.

Great Western is continuing exploration at Mt Gibb and other projects.

Late in the quarter, Great Western announced an option to acquire a project west of Menzies (WA) that is considered highly prospective for uranium mineralisation. The vendors reportedly achieved strongly elevated radiation levels, using a handheld scintillometer during preliminary reconnaissance traverses over exposed granite in the area. These preliminary results suggest potential exists to discover secondary uranium deposits in downstream drainage channels, or possibly even primary uranium accumulations within the granite.

## **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 their 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 period, final assay results were received from the RC drilling, completed during the previous quarter over the Joyners South area. No significant results were reported. Exploration is continuing.

## **CORPORATE**

Jindalee has no debt, and with exploration on core projects being funded by joint venture partners and tight control being maintained on all expenditure, the Company is well positioned to ride out the current global downturn.

As part of this strategy directors and senior management have agreed to salary cuts in order to preserve working capital. Furthermore, a program of tenement rationalisation has been implemented to ensure that available funds are being directed towards those projects with the greatest chance of success and in the identification of new opportunities that have the potential to add substantial additional value to the Company.

Note: 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.