

JINDALEE

Resources Limited
ABN 52 064 121 133

QUARTERLY REPORT

for the three months
ended 30 June 2016.

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
18 Kings Park Road
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
26 July 2016

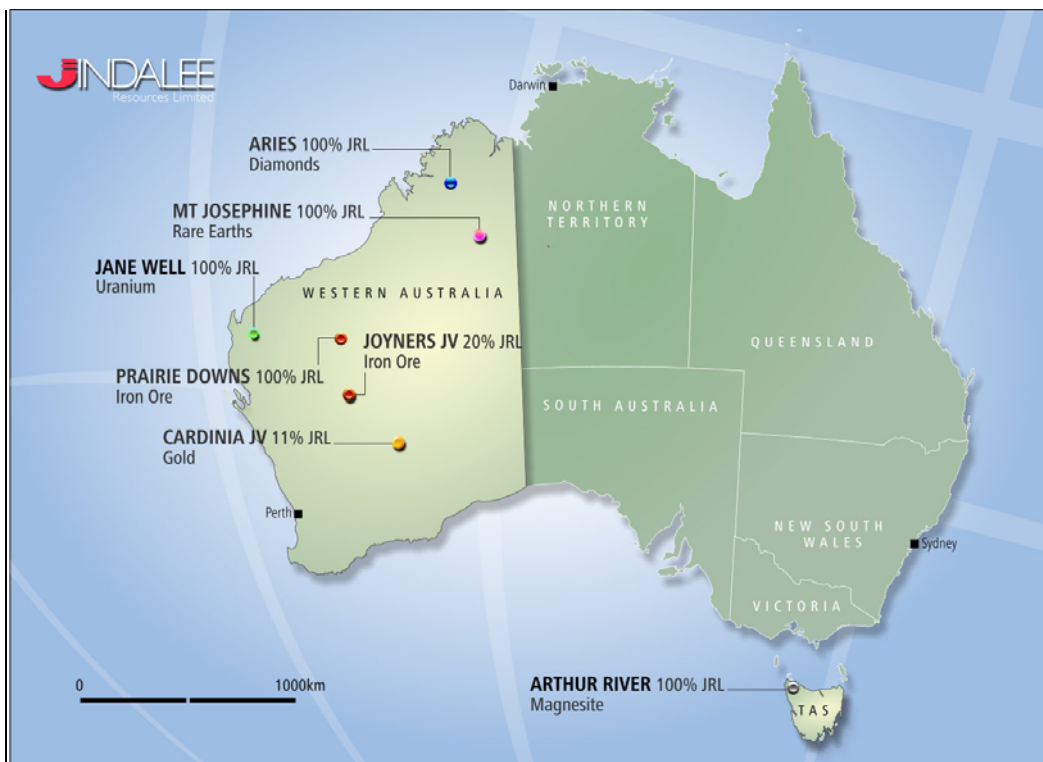


Figure 1 - Project Location Plan

HIGHLIGHTS

- * Jindalee acquires Arthur River, Australia's third largest magnesite project
- * Jindalee pegs Aries diamondiferous kimberlites in northern WA
- * Justin Mannolini becomes Jindalee's Chairman
- * Jindalee remains well positioned to capitalise on opportunities becoming available

FINANCIAL

- * The Company has a total of 34.8 million shares on issue
- * At 30 June 2016, Jindalee had no debt and held cash and shares worth \$5.7M (equivalent to **\$0.16 per share**).

MAGNESITE

Arthur River Project (Jindalee 100%)

During the period Jindalee announced the application for an 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 the Project, with the consultant who introduced the Project to Jindalee retaining a 1% gross royalty.

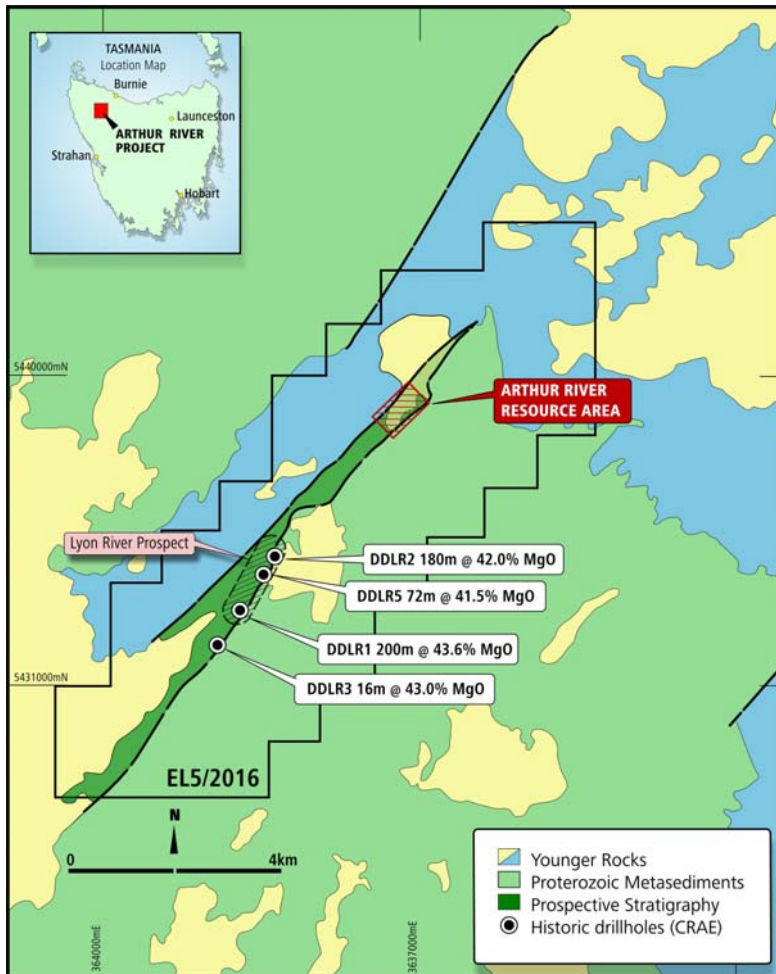


Figure 2 – Arthur River Project.
Location plan and Simplified Geology.

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

A historic resource estimate, prepared by Beacon Hill Resources Plc exists for the southern part of the Arthur River deposit only, with no resources estimated for the nearby Lyons River deposit.

Based on historical exploration records, Jindalee considers there is very good potential to increase the resource base at Arthur River by drilling the extensions of this deposit. There is also excellent potential to establish JORC compliant resources at Lyons River, where historical drilling by CRAE (a subsidiary of Rio Tinto) in the early 1980’s returned wide, high-grade intercepts, including 200m @ 43.0% MgO from DDLR1, and 180m @ 42.0% MgO from DDLR2 (source: MRT website www.mrt.tas.gov.au).

Jindalee has commenced accessing and compiling the extensive database for the Project and looks forward to commencing work on the Project as soon as EL5/2016 is granted.

URANIUM

Jane Well (Jindalee 100%)

The Jane Well project is located 130km south of Onslow in the west Gascoyne region of Western Australia. The project consists of a single Exploration Licence Application (ELA 08/2745) applied for by Jindalee's wholly-owned subsidiary, Eastmin Pty Ltd.

The tenement application covers a section of the same Tertiary palaeochannel system that hosts Cauldron Energy Limited's Bennet Well uranium deposit.

Efforts continue to be directed toward progressing the application to grant and to accessing available previous exploration information.

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

GOLD

Chalice Extension project (Jindalee 100%)

Jindalee's Chalice project, comprising a single wholly-owned Exploration Licence Application (E63/1786) is located 120km south of Kalgoorlie in the Eastern Goldfields region of Western Australia. This project covers part of the interpreted along-strike extensions of the stratigraphy that hosts the Chalice gold mine, owned by Metals X and forming part of their broader Higginsville gold operation. The Mining Lease covering the Chalice deposit is excluded from the application.

Available historical open file exploration information is currently being compiled for this project.

Alchemy Resources (Jindalee 7.6% of issued capital)

Jindalee holds a significant equity interest in Alchemy Resources (ASX: ALY). This provides shareholders with exposure to Alchemy's rapidly expanding portfolio of projects, including Alchemy's existing Gascoyne region gold and copper-gold projects, the newly acquired Karonie gold project in WA and the recently announced joint venture with Heron Resources over a group of 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 Northern Star Resources (ASX: NST), under the terms of which NST is responsible for the ongoing exploration of the remaining Gascoyne project tenements, not covered by the pre-existing 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 acquisition abuts Salt Lake Mining's 0.5Moz Aldiss project tenements and features several prospects where previous drilling, mostly by Integra Mining, has returned significant bedrock gold intersections.

The joint venture agreement with Heron Resources includes six Exploration Licences covering a combined 674km². The most advanced project is the Overflow project in the Cobar district, where walk up gold drill targets have been identified.

Further information on Alchemy Resources activities can be found in their announcements and on their website, 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 Kin Mining NL's (ASX: KIN) extensive Leonora Gold Project holdings. Jindalee's interest in the Cardinia joint venture ground is free-carried to completion of a Bankable Feasibility Study. No work was reported from the Cardinia joint venture tenements during the period.

IRON ORE

Prairie Downs (Jindalee 100%)

The Prairie Downs project comprises a single Exploration Licence Application (E52/3445) located 53km WSWE of Newman in the eastern Pilbara. The tenement covers ground, previously held by Dynasty Resources Limited (ASX: DMA), and includes the Spearhole CID (detrital channel iron) deposit for which Dynasty had previously announced a substantial resource estimate (refer www.dynastyresources.com.au).

Jindalee's application is subject to a competing application with priority to be determined by ballot.

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.

The southern exploration licence was surrendered during the quarter. However the mining lease, containing the published iron ore resource, has been retained.

RARE EARTH OXIDES

Mt Josephine (Jindalee 100%)

The Mt Josephine project is centred 120km southwest of Halls Creek in the West Kimberley Region of Western Australia. The project consists of a single Exploration Licence (E80/4853), held by Eastmin Pty Ltd, a wholly-owned subsidiary of Jindalee.

The tenement surrounds the Cummins Range rare earth oxide (REO) deposit, previously explored by Kimberley Rare Earths Limited (KRE). The tenement may also retain gold potential, as it contains the projected southerly strike extensions of the regional structures and stratigraphy that host gold mineralisation further north in the Halls Creek area.

DIAMONDS

Aries (Jindalee 100%)

Jindalee's Aries Exploration Licence Application (E80/5027) is located in the central Kimberley region of Western Australia, approximately 270km east of Derby and 230km west of the Argyle diamond mine. E80/5027 is an uncontested application owned 100% by Jindalee.

The project covers the Aries kimberlite cluster, including the Aries, Athena, Helena and Persephone diamondiferous kimberlite pipes ("Aries Project"). 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. Jindalee has commenced compiling the historical data and looks forward to commencing work as soon as E80/5027 is granted.

See below photo's (Figure 3 & Figure 4) of diamonds recovered from the Project in 2005².



*Figure 3 - Athena – Total of 13.78 carats.
Largest diamond 0.79 carats.*



*Figure 4 - Persephone – Total 5.16 carats.
Largest diamond 0.67 carats.*

BASE METALS

Pilbara Project (Jindalee 100%)

The Pilbara Project comprises four Exploration Licence Applications (E's 47/3340, 47/3341, 47/3361 & 47/3390), wholly-owned by Jindalee and 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.

CORPORATE

Late June 2016 Jindalee announced that Justin Mannolini had agreed to assume the role of Non-Executive Chairman of the Company, with effect from 1 July 2016. Justin is a lawyer and banker with extensive corporate experience and has been a non-executive director of Jindalee since September 2013. Justin was until recently an Executive Director with Macquarie Capital, and previously Managing Director and head of Gresham Advisory Partners' Perth office. Justin is also on the board of the Northern Australia Infrastructure Facility, a \$5B fund set up by the Australian Government to encourage the development of northern Australia.

At 30 June 2016, Jindalee held cash and marketable securities worth approximately \$5.7M. These assets, combined with our tight capital structure (34.8M shares on issue), provide a strong base for leverage into new opportunities at a low point in the cycle.

Jindalee's strategy is to identify and acquire projects with the potential to transform the Company and this continues to be our ongoing primary focus. The recent acquisition of the Arthur River and Aries projects are examples of advanced assets that Jindalee has been able to secure for minimal cost, and the Company expects to identify further high quality opportunities in the period ahead.

ADDITIONAL INFORMATION

Tenement Information

Project	Tenement Reference	Interest at beginning of Qtr	Acquired/Disposed	Interest at end of Qtr
Joyners	M53/1078-I	20%	N/A	20%
Cardinia	P37/7274	11%	N/A	11%
	MLA37/1304 [^]	0%	N/A	11%
	P37/7275	11%	N/A	11%
	P37/7276	11%	N/A	11%
	M37/646	11%	N/A	11%
Mt Josephine	E80/4853*	100%	N/A	100%
Ruth Well	ELA47/3340	100%	N/A	100%
	ELA47/3341	100%	N/A	100%
Jane Well	ELA08/2745*	100%	N/A	100%
South Bronzewing	ELA36/0853	100%	Surrendered	0%
Radio Hill	ELA47/3361	100%	N/A	100%
Mt Scholl	ELA47/3390	100%	N/A	100%
Chalice	ELA63/1786	0%	N/A	100%
Prairie Downs	ELA52/3445	0%	N/A	100%
Aries	ELA80/5027	0%	N/A	100%
Mt Fisher	ELA53/1898	0%	N/A	100%
Arthur River	EL5/2016	0%	N/A	100%

*Tenement held or applied for through JRL'S wholly-owned subsidiary, Eastmin Pty Ltd

[^]Mining Lease application is a conversion of P37/7274

Notes:

1. Reference is to JRL's announcement to ASX dated 23 May 2016 and titled, "Jindalee acquires Australia's third largest Magnesite Deposit"
2. Reference: ASX Announcement by United Kimberley Diamonds NL dated 27 October 2005 titled "Quarterly Report, First Quarter, Period Ending 30 September 2005"

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.