

JINDALEE

Resources Limited
ABN 52 064 121 133

QUARTERLY REPORT TO SHAREHOLDERS

for the three months
ended 31 December 2006.

ASX Code - JRL

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

www.jindalee.net



HIGHLIGHTS

- * Newcrest completes further infill drilling at **Yilgangi** (assays pending)
- * **Energy Metals** (Jindalee 38%) records encouraging results from extensional drilling at Bigryli, including **8m @ 1.13% U₃O₈** from Anomaly 4
- * **Uran** (Jindalee 7%) announces acquisition of advanced uranium assets in Ukraine

FINANCIAL

- * The Company has a total of 29.9m shares on issue
- * At 31 December 2006 Jindalee had no debt and held cash and shares worth approximately \$59.8m (equivalent to **\$2.00 per share**)

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

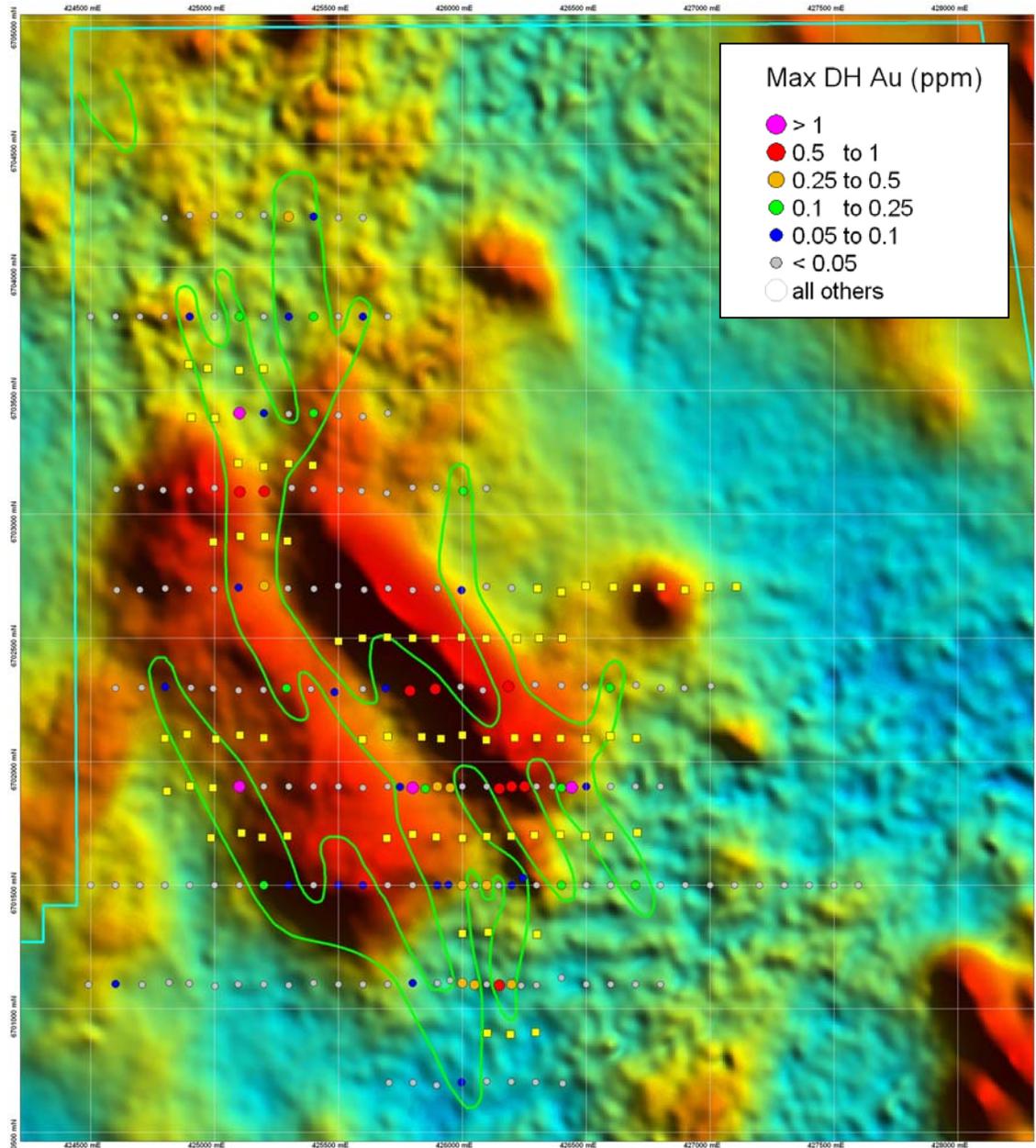
Lindsay Dudfield
Managing Director
30 January 2007

GOLD

Yilgangi

(Newcrest earning 70%)

Newcrest can earn a 70% interest in the Yilgangi project by spending \$750,000 on exploration by March 2008. Once Newcrest has earned its interest Jindalee has several options, including contributing pro-rata or diluting to either project carried or free carried positions.



Yilgangi Drill Hole Location (green contour >50ppb Au; yellow squares = new holes, assays pending)

Newcrest advises that a RAB drilling program (74 holes for 3,739 metres) was completed during the period. The program was designed to test the continuity of a 3km x 1km gold anomaly previously outlined from RAB and aircore drilling.

The latest drilling intersected mafic volcanics, intermediate volcanoclastics, granites and porphyries with minor disseminated pyrite and shearing noted in a number of holes. Assay results from this program are expected by early next month.

Kirkalocka **(Equigold earning 60%)**

The Kirkalocka project is located in the Southern Murchison, approximately 80 km south of Mt Magnet and abutting Equigold NL's Kirkalocka gold mine (0.4M oz resource). Equigold is earning a 60% interest in the project by spending \$250,000 by September 2008.

Equigold advises that six aircore holes (total 342m) were drilled approximately 8km SSW of the Kirkalocka mine to test a structural target interpreted to be located along the same lineament as the Curara Well open-pit gold mine. No significant assays were returned.

NICKEL

Mt Gibb **(Jindalee 20% free carried)**

The Mt Gibb Project is a Joint Venture with Uran Limited with Jindalee carried to completion of a bankable feasibility study. The project is located at the southern end of the Forrestania greenstone belt, along strike from Western Areas' Flying Fox and Digger Rocks nickel deposits. The primary target is sulphide nickel although the greenstone belt is also host to significant gold mineralisation.

Subsequent to the end of the period Uran announced that it is planning to spin-off its Forrestania nickel interests to new company Great Western Exploration, with Great Western to undertake a capital raising prior to listing on ASX. It is anticipated that exploration at Mt Gibb will resume as soon as this capital raising is completed.

Kilkenny **(GME earning 70%)**

The Kilkenny project comprises two Exploration Licences (E39/990 and ELA39/1167), located in the NE Goldfields approximately 45 km SE of Leonora. GME Resources Limited is earning a 70% interest in the tenements by spending \$500,000 on exploration by December 2008. Once GME has earned a 70% interest Jindalee has several options, including contributing pro-rata, diluting or falling back to a 20% free-carried interest.

GME advises that an RC drilling program planned for the quarter was not completed due to difficulties in sourcing a suitable rig, and unseasonably heavy rain restricting access to the site. The proposed drilling program has been re-scheduled for February 2007.

Bow River **(Jindalee 100%)**

This project is located in the East Kimberley region, 80 km south of Kununurra and 60 km north along strike from the Sally Malay nickel mine. Previous drilling at Bow River intersected massive sulphides including 3.12m @ 1.45% Ni and 0.47% Cu in a differentiated mafic-ultramafic intrusion, similar to the host rock at the Sally Malay mine.

As advised previously the key tenement covering the Bow River prospect was granted late October 2006. Negotiations to acquire prior exploration data are well advanced, with follow up of nickel targets scheduled for the 2007 field season.

IRON ORE

Joyner's Find (Golden West earning 60%)

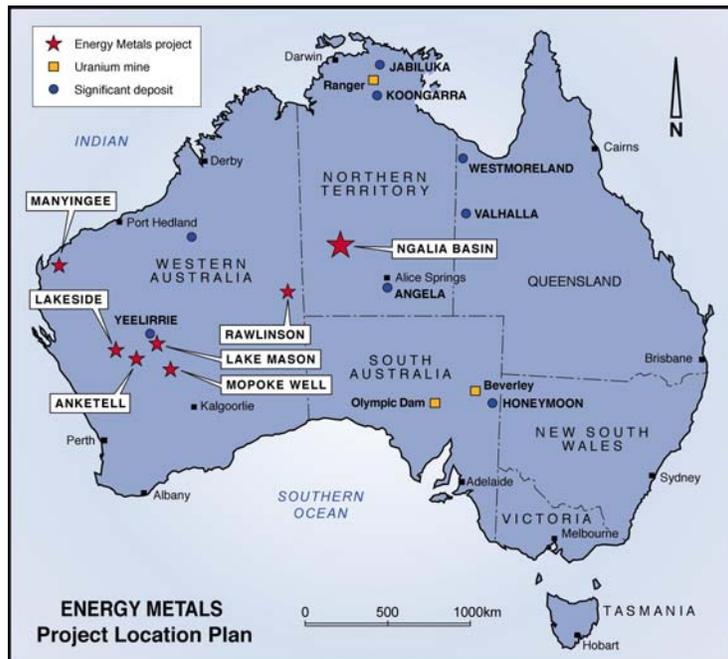
The Joyner's Find project is a joint venture with Golden West Resources Limited whereby Golden West can earn a 60% interest by spending \$400,000 on exploration by April 2008. Once Golden West has earned its interest Jindalee can elect to contribute pro-rata or dilute to a 20% free carried interest.

Golden West reports that no field activities were undertaken during the quarter.

URANIUM

Energy Metals (Jindalee 38% of issued capital)

Jindalee holds 10 million Energy Metals shares (representing 38% of issued capital) and 5 million listed options (exercisable at 30c by 30 June 2008), giving Jindalee shareholders significant exposure to Energy Metals' portfolio of exciting uranium projects.



Energy Metals controls 8 projects (total area >4,000 km²) located in the Ngalia Basin in the Northern Territory and in Western Australia, with 6 of the projects containing uranium mineralisation discovered in the 1970's. Initial exploration has focussed on the Bigrlyi Project in NT (53.3% 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 levels of vanadium.

The current uranium and vanadium resources for the Bigrlyi project (announced to ASX in July 2006) are summarised below:

Indicated and Inferred Resources

Cut Off (% U ₃ O ₈)	Tonnes	U ₃ O ₈ (%)	V ₂ O ₅ (%)	U ₃ O ₈ (Kt)	V ₂ O ₅ (Kt)	U ₃ O ₈ (Mlb)	V ₂ O ₅ (Mlb)
0.20	655,000	0.33	0.28	2.15	1.80	4.73	1.80
0.15	1,067,000	0.27	0.25	2.86	2.71	6.31	2.71
0.10	1,835,000	0.21	0.22	3.80	3.99	8.37	3.99
0.05	3,763,000	0.14	0.17	5.6	6.3	11.38	6.31

A program of extensional RC and diamond drilling commenced at Bigrlyi in October 2006, with the rigs demobilised mid December 2006, prior to the onset of the wet season. Subsequent to the end of the quarter Energy Metals reported that initial geochemical assaying had confirmed numerous uranium intercepts recorded from downhole gamma logging of these drillholes, including an intercept of **8m @ 1.13% U₃O₈** from hole B06020.

It is anticipated that Energy Metals will announce an increased resource base at Bigrlyi by early March 2007.

Energy Metals also expects drilling programs to follow up calcrete hosted uranium mineralisation at four 100% Energy Metals owned projects located in WA will commence early February 2007.

Uran (Jindalee 7% of issued capital)

Jindalee holds approximately 2.6 million Uran Limited shares, representing 7% of issued capital. Uran is a dedicated uranium company and is primarily focused on advanced projects in Eastern Europe.

In December 2006 Uran announced that it had reached agreement with two key State agencies in the Ukraine to carry out a final feasibility study over two sediment hosted uranium deposits located in the country's eastern region. Subject to a positive result from the feasibility study Uran is confident that the company can be producing uranium by mid 2007.

PROJECT GENERATION

Jindalee management continues to examine opportunities with the potential to create significant value for shareholders. No suitable projects were identified during the period.

Note: The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Lindsay Dudfield who is a consultant to the Company and is a member of the Australasian Institute of Mining and Metallurgy. Mr Dudfield 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 Dudfield consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.