JINDALEE

Resources Limited
ABN 52 064 121 133

QUARTERLY REPORT TO SHAREHOLDERS

for the three months
ended 30 September 2011

ASX Code - JRL

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

www.jindalee.net

HIGHLIGHTS

* Drilling by Energy Metals (JRL 9.1%) on the Bigrlyi project returns broad intersections, including 27m @ 0.21% eU_30_8

* Maiden 3.1Mt probable reserve announced for Joyners joint venture project (JRL 20%)

* Further encouraging gold mineralisation intersected in aircore drilling at Jeffery Well (JRL 20%), including 8m @ 2.62g/t and 20m @ 0.87g/t gold

FINANCIAL

* The Company has a total of 34.8 million shares on issue

* At 30 September 2011 Jindalee had no debt and held cash and shares worth $14.1M before tax (equivalent to **$0.40 per share**)

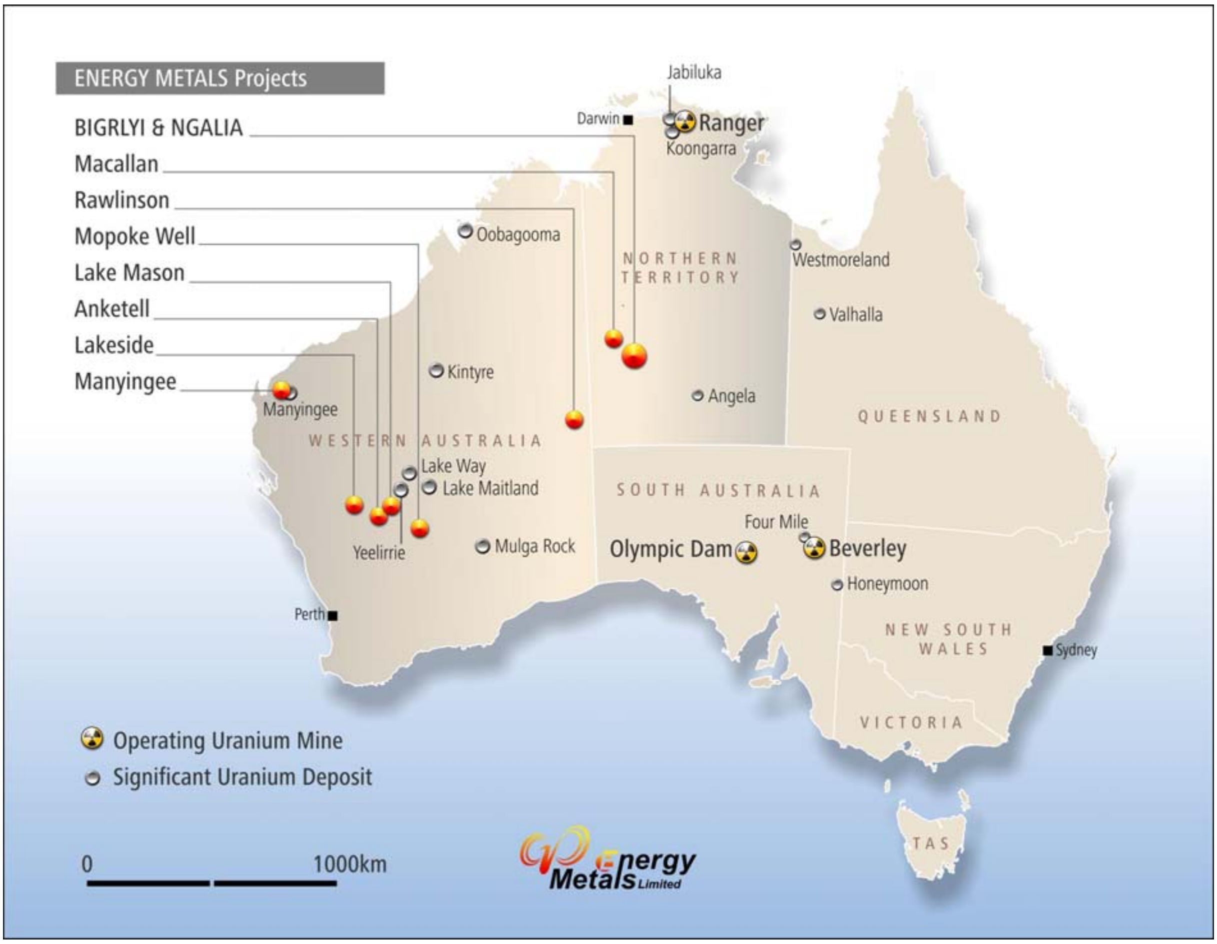
Lindsay Dudfield
Managing Director
31 October 2011

URANIUM

Energy Metals (Jindalee 9.1% 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 controls 9 projects (total area >4,000km²) located in the Ngalia Basin in the Northern Territory (NT) and in Western Australia (WA), with the majority of projects containing uranium mineralisation 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, accompanied by economically significant vanadium values 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

During the quarter, Energy Metals continued the evaluation of their extensive tenement holdings in the Ngalia Basin, including the Bigrlyi joint venture and surrounding areas. Downhole gamma probe results were announced for a number of drillholes, testing interpreted thicker and higher grade zones within the main Bigrlyi deposits. Results released by Energy Metals included 27m @ 0.21% eU_30_8 from 15.2m in BRC11045 and 15.2m @ 0.32% eU_30_8 from 49m in BRC11077. Energy Metals consider the results from this latest phase of drilling could have a positive impact on overall project economics.

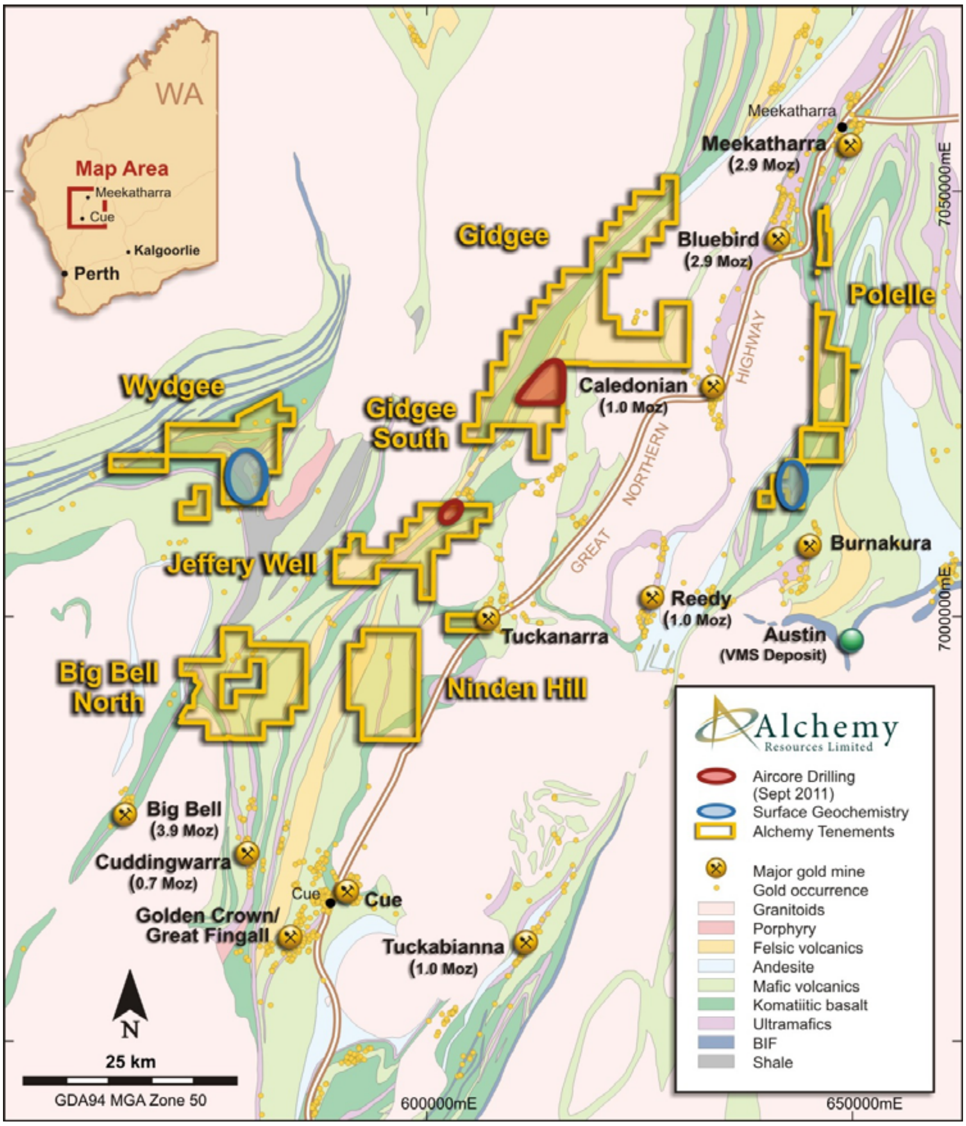
Elsewhere in the region, ongoing drilling at both the Anomaly 15 East and Camel Flat prospects have returned further highly encouraging intersections, including 2.9m @ 0.11% eU_3O_8 from Anomaly 15 East and 8.3m @ 763ppm eU_3O_8 from Camel Flat.

Further details of this drilling and other information about that company's activities can be found on Energy Metals' website: www.energymetals.net

GOLD

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



Murchison Project Areas on Regional Geology

During the quarter, assessment of the Murchison tenements continued with completion of an aircore drilling programs at Jeffery Well, field evaluation of parts of the Wydgee and Ninden Hill projects and completion of surface geochemistry on the Wydgee project.

In-fill aircore drilling comprising 44 holes for 4,362 metres was completed at Jeffery Well to test for high-grade, vein-style gold mineralisation that had returned a high grade intersection of 2m @ 15.27g/t in previous drilling. The gold corridor may represent an extension of a gold prospect previously drilled by MPI Ltd in the 1990s.

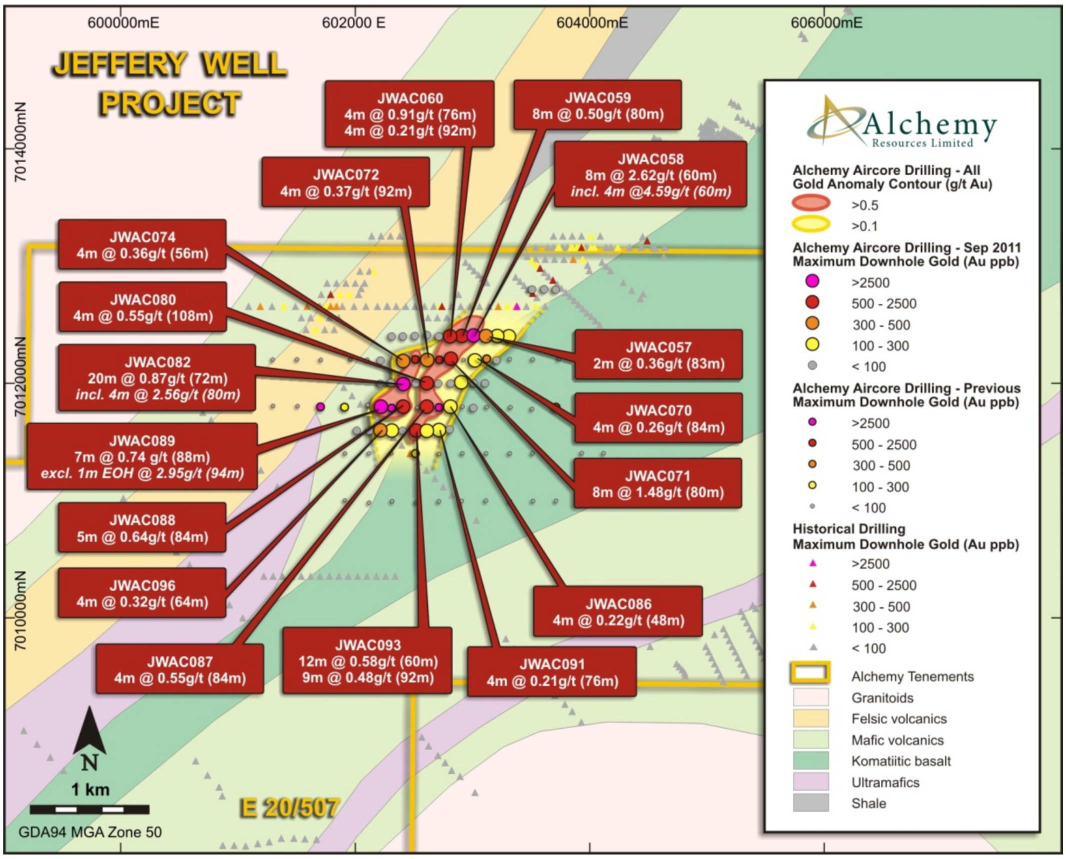


Figure 1 - Jeffery Well Project – Results of aircore drilling and previous drilling (source Alchemy Resources September 2011 quarterly report)

Assay results have been received for all 4m-composite samples from the aircore drilling program, with gold anomalism recorded in a number of drill holes (Table 1). Significant intervals (using a lower cut-off of 0.20g/t gold) include:

- **8m @ 2.62g/t gold** (60m), including 4m @ 4.59g/t gold (60m), in JWAC058
- **8m @ 1.47g/t gold** (80m) in JWAC071
- **20m @ 0.87g/t gold** (72m), including 4m @ 2.56g/t gold (80m), in JWAC082, and
- **1m @ 2.95g/t gold** (94m) at end of hole in JWAC089.

One-metre samples from mineralised intervals have been collected and results are expected in November 2011.

These results are encouraging with the mineralised zone at the contact between mafic and ultramafic rocks now extending over one kilometre.

Hole ID	Easting (m)	Northing (m)	Hole Depth (m)	Max Au (g/t)	From (m)	To (m)	Interval (m)	Au (g/t)	Comment
JWAC057	603115	7012401	85	0.356	83	85 EOH	2	0.356	
JWAC058	603010	7012407	113	4.59	60	68	**8**	**2.617**	**incl. 4m @ 4.59g/t (60m)**
JWAC059	602911	7012403	116	0.745	76	88	8	0.505	
JWAC060	602810	7012399	104	0.91	76	80	4	0.910	
					92	96	4	0.206	
JWAC070	603022	7012194	102	0.256	84	88	4	0.256	
JWAC071	602817	7012208	93	1.71	80	88	**8**	**1.475**	
JWAC072	602614	7012197	118	0.374	92	96	4	0.374	
JWAC074	602409	7012188	92	0.36	56	60	4	0.360	
JWAC080	602612	7011999	119	0.552	108	112	4	0.552	
JWAC082	602410	7011993	95	2.56	72	92	**20**	**0.874**	**incl. 4m @ 2.56g/t (80m)**
JWAC086	602813	7011799	102	0.216	48	52	4	0.216	
JWAC087	602611	7011800	95	0.548	84	88	4	0.548	
JWAC088	602409	7011799	89	1.14	84	89 EOH	5	0.643	
JWAC089	602220	7011799	95	2.95	84	95	7	0.742	**excl. 1m EOH @ 2.95g/t (94m)**
JWAC091	602715	7011600	98	0.206	76	80	4	0.206	
JWAC093	602520	7011596	101	0.706	60	72	12	0.577	
					92	101 EOH	9	0.476	
JWAC095	602312	7011596	96	0.269	95	96 EOH	1	0.269	
JWAC096	602215	7011599	92	0.317	64	68	4	0.317	

Table 1: Jeffery Well Project – Significant intervals from 4m-composite samples from Aircore Drilling, >0.2g/t gold

Elsewhere within the Murchison joint venture projects, a surface geochemistry program was conducted over the central part of the Wydgee Project tenement. The program delineated several areas of gold and/or base metal anomalism that will be the subject of further exploration and drill testing. Maximum values of the surface geochemistry include 423ppb gold, 220ppm copper, 185ppm zinc and 411ppm nickel.

At Ninden Hill, field mapping and rock chip sampling of a sequence of graphitic metasedimentary and felsic volcanic rocks in the north-central part of the project area indicate that the sequence is characterised by elevated base (>800 ppm Zn; >75ppm Pb) and precious (>1.0g/t Ag; 0.44g/t Au) metals. A surface geochemistry program is planned for the December 2011 quarter.

Alchemy Resources (Jindalee 10% of issued capital)

In addition to the joint venture interest in the Murchison projects, Jindalee also holds 9.8 million Alchemy Resources shares, providing Jindalee's shareholders with exposure to Alchemy's expanded portfolio of projects, including Alchemy's Hermes gold and Magnus copper-gold projects, located 120km northeast of Meekatharra. The Magnus copper-gold project covers the extensions of the favourable Narracoota Formation volcanics to the west of Sandfire Resources' Doolgunna project tenements.

During the quarter, Alchemy announced the results of a revised resource estimate and results of assaying of several geotechnical diamond drillholes for the Hermes gold project. They also provided further diamond drill results for the Central Bore prospect within the Magnus project area. Drilling at Central Bore returned several additional high grade gold intersections, including 4m @ 25.8g/t and 1m at 12.1g/t, both from separate zones within the same drillhole.

Elsewhere within their Gascoyne project, Alchemy has commenced a ground geophysical survey, aimed at improving base metal targeting for the Magnus project. A preliminary survey has indicated that the AMT survey technique would prove highly effective in targeting concealed deGrussa-style mineralisation.

Additional details on their exploration and development activities can be found on Alchemy Resources' website www.alchemyresources.com.au

Yilgangi **(Jindalee 20 % loan-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, loan-carried through to a Decision to Mine.

No field work was undertaken on the project during the September quarter. However, a gravity survey was commenced in October, the results of which will be used to assist in better understanding the controls on mineralisation and future targeting.

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.

Mt Korong Joint Venture **(Jindalee 87%)**

Following a review of exploration results, the decision was made to relinquish the tenement. Work during the quarter was limited to reporting obligations and the rehabilitation of drill sites and access tracks.

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. The joint venture tenements contain indicated and inferred iron oxide resources (Joyners North) estimated to total 7.9 million tonnes at 62.2% iron.

During the quarter, Golden West announced the results of a maiden reserve for its Wiluna West iron ore project (Table 2), including an estimate of the portion of the total reserve that is contained within the joint venture ground. At a lower cut-off grade of 50% iron, the probable reserve contained within the main joint venture mining lease is 3.1Mt @ 61.7% iron with very low levels of deleterious elements.

Table 2 – Wiluna West DSO Hematite Project Reserve Estimate Reported at a 50% cut-off						
Classification	Tonnes (Mt)	Fe %	SIO_2 %	Al_2O_3 %	LOI %	P %
Proven	2.9	59.7	7.6	2.6	4.0	0.07
Probable	63.2	60.3	7.3	2.5	3.7	0.05
Probable (Jindalee)	3.1	61.7	5.7	2.5	2.3	0.04
Total	69.2	60.3	7.2	2.5	3.6	0.05

Additional details on Golden West's Wiluna West Project and the full reserve announcement can be found on their website: www.goldenwestresources.com

CORPORATE

Jindalee's Annual General Meeting will be held at the Company's registered office at 10am on 18 November 2011. A Notice of Meeting, Explanatory Statement and Proxy Form (together with a copy of the 2011 Annual Report where requested) were mailed to Shareholders mid October 2011. Copies of these documents are also available from the Company's website www.jindalee.net

At 30 September 2011 Jindalee held cash and shares worth approximately $14.1M (or $11.8M after providing for deferred tax on unrealised capital gains). 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 provide significant growth for shareholders remains our primary focus. A number of promising advanced project opportunities situated both within Australia and in mining friendly overseas countries were examined during the quarter, with several of these properties remaining the subject of ongoing investigations. Jindalee's shareholders will be kept fully informed, should a suitable deal prove forthcoming.

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.

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