

JINDALEE

Resources Limited
ABN 52 064 121 133

QUARTERLY REPORT

for the three months ended
30 September 2017

ASX Code - JRL

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

www.jindalee.net



Lindsay Dudfield
Managing Director
30 October 2017

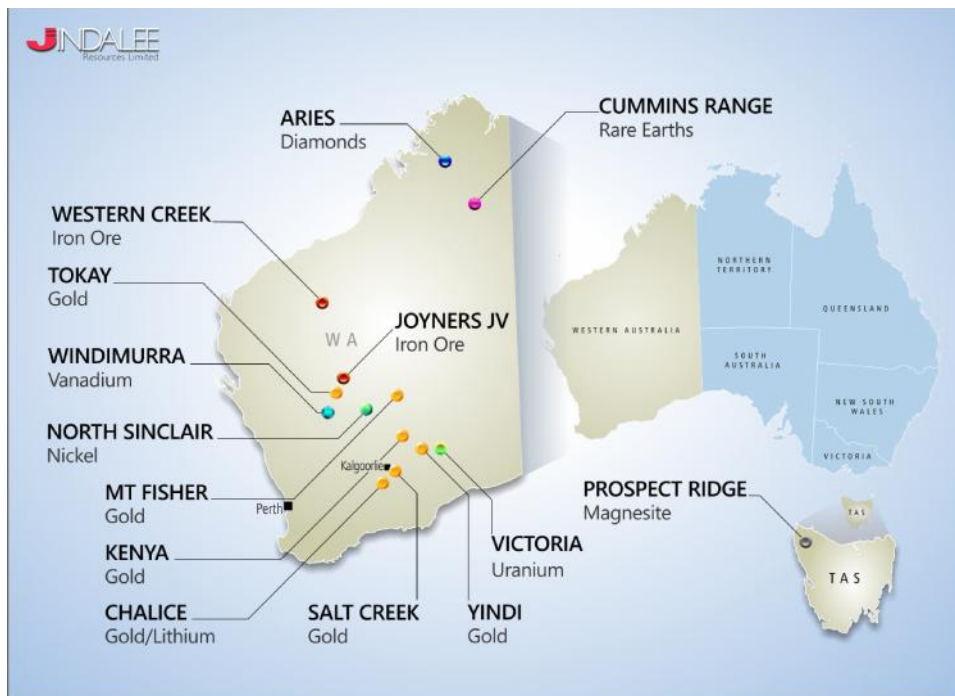


Figure 1: Project Location Plan

HIGHLIGHTS

- * JORC (2012) resource estimated at Arthur River (Prospect Ridge) - 25Mt @ 42.4% MgO; metallurgical testwork continuing.
- * Additional tenement applications lodged over areas in WA prospective for gold and nickel, including the Yindi project which abuts Apollo Consolidated's high grade 161 Lode discovery.
- * Alchemy (JRL 5.1%) completes first pass scout drilling at Karonie, south of Breaker Resources Bombora discovery.
- * Pip Darvall commences as Jindalee's CEO.

FINANCIAL

- * The Company has a total of 34.9 million shares on issue.
- * At 30 September 2017, Jindalee had no debt and held cash and shares worth \$5.1M (equivalent to \$0.15 per share).

MAGNESITE

Prospect Ridge Project (Jindalee 100%)

The Prospect Ridge Project comprises one 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 EL5/2016, which was granted in November 2016.

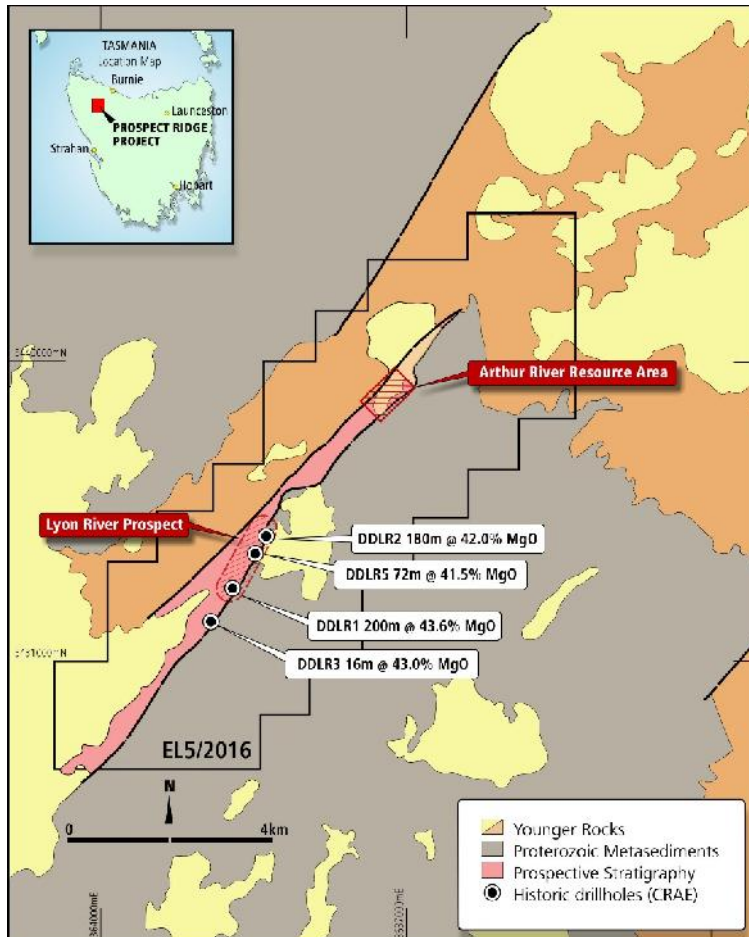


Figure 2 – Prospect Ridge Project. Location plan and Simplified Geology.

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 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. In May 2016 the Toyota Research Institute announced a breakthrough which could lead to magnesium eventually replacing lithium as a safer, more energy dense option for rechargeable batteries.

Magnesium is included on the EU's latest list of 20 critical materials.

A resource estimate for the Arthur River deposit, restated to comply with the provisions of the JORC (2012) code was released in early October. At a 40% lower grade cut-off, inferred magnesite resources for the Arthur River deposit alone total 25 million tonnes averaging 42.4% magnesium oxide (MgO) (refer ASX announcement dated 10 October 2017)¹.

Due to unexpected delays, the current metallurgical testwork program on the Arthur River deposit bulk composite samples, involving both oxidised and fresh magnesite mineralisation, is now not expected to be finalised until later in the December quarter. Initial grind establishment and bond work index tests have been completed, but the planned flotation and calcining testwork remain ongoing with only some preliminary-stage tests completed to date. Results will be announced once all stages of the program are complete.

GOLD

Yindi

(Jindalee 100%)

The Yindi Project comprises an uncontested Exploration Licence application (E28/2708) located 135km NE of Kalgoorlie (refer Figure 2). The project covers the southern end of the highly endowed Laverton Tectonic Zone and abuts Apollo Consolidated's (ASX: AOP) Rebecca Project where Apollo has recently reported highly encouraging gold intercepts from sulphidic felsic gneiss at the 161 Lode prospect², including:

RHD-04	17.8m @ 15.95g/t Au from 142m, and 49m @ 4.57g/t Au from 166m
RCLR-161	42m @ 7.75g/t Au from 61m
RCLR-206	25m @ 6.80g/t Au from 207m (to EOH)
RCLR-209	50m @ 4.05g/t Au from 170m (to EOH)

Lode 161 is an emerging discovery under transported cover and the mineralisation is not well understood; however given the presence of abundant sulphides in a gneissic host it is likely that shearing is an important control on mineralisation.

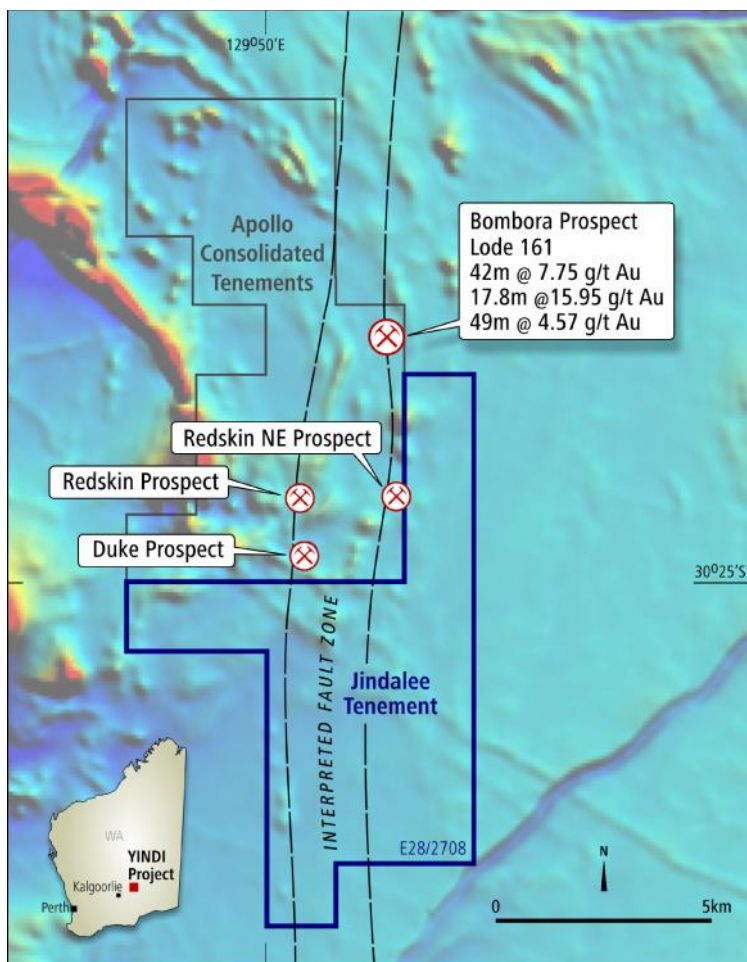


Figure 2: Yindi - Tenements over Aeromagnetics

Interpretation of regional magnetic data shows magnetic units (dismembered greenstones?) are present on E28/2708, suggesting mineralising structures may trend into the tenement. There is no record that these zones of interest have been drill tested.

Jindalee looks forward to commencing work at Yindi as soon as E28/2708 is granted.

Alchemy Resources **(Jindalee 5.1% of issued capital)**

Jindalee is Alchemy Resources' (ASX: ALY) third largest shareholder, providing shareholders with exposure to Alchemy's high quality portfolio of projects, including Alchemy's existing Gascoyne region gold and copper-gold projects, the 100% owned Karonie gold project in WA and a joint venture with Heron Resources over 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 Billabong Gold Pty Ltd, owner of the nearby Plutonic Gold Mine, with Billabong responsible for the ongoing exploration of the Gascoyne project tenements, not covered by the 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 joint venture with Heron Resources includes six Exploration Licences covering a combined 674km². The most advanced project is the Overflow project in the Cobar district, where a recent drilling by Alchemy returned encouraging gold-silver intercepts, including 18m @ 2.1g/t Au & 111g/t Ag from 245m and 3m @ 7.3g/t Au & 43g/t Ag from 286m.² Further drilling to test a strong EM anomaly down plunge of these intercepts is planned.

The Karonie project abuts Salt Lake Mining's 0.5Moz Aldiss project and features several prospects where previous drilling has returned significant bedrock gold intersections, including 8m @ 3.37g/t at Esplanade, 3m @ 14.57g/t at Batavia and 10m @ 2.55g/t at Taupo. The Karonie project is also directly along strike from Breaker Resources' (ASX: BRB) Lake Roe project, including the exciting Bombora discovery. Bombora is hosted by dolerites adjacent to the Claypan Shear, with this structure extending SE for a further 40km through Alchemy's tenements.

On 2 October 2017 Alchemy announced that a first-pass aircore drilling program had been completed over two prospects at Karonie. The drilling, which comprised four traverses spaced 2km to 4km apart, intersected quartz veined, sericite altered basalts and/or dolerites with disseminated pyrite in numerous holes (assays pending). Further information on Alchemy Resources activities can be found in their announcements and on their website, www.alchemyresources.com.au.

IRON ORE

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.

No work was reported on the project during the period.

BASE METALS

Pilbara Project

(Jindalee 100%)

As foreshadowed in the June 2017 Quarterly Report the divestment of the Pilbara Project was concluded during the period. Jindalee retains a 1% Net Smelter Royalty on all minerals produced from the Pilbara Project tenements.

DIAMONDS

Aries Project

(Jindalee 100%)

Jindalee's Aries Project is located in the central Kimberley region of Western Australia, approximately 270km east of Derby and 230km west of the Argyle diamond mine. The project comprises a single Exploration Licence (E80/5027) which was granted on 10 October 2017.

The project covers the Aries kimberlite cluster, including the Aries, Athena, Helena and Persephone diamondiferous kimberlite pipes. 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.

The results of historic exploration activities are currently being compiled with field work expected to commence during the forthcoming dry season.

RARE EARTHS

Cummins Range

(Jindalee 100%)

The Cummins Range project comprises a single Exploration Licence (E80/5091) applied for during the period and located approximately 125km SW of Halls Creek in the southeastern Kimberley, WA. The tenement includes the Cummins Range rare earth oxide (REO) deposit previously explored by Kimberley Rare Earths Limited (KRE). In February 2012 KRE estimated an inferred resource of 4.9Mt @ 1.74% TREO (total rare earth oxides) at a 1% cut-off.³

Jindalee's application is subject to competing applications from three other parties with priority likely to be determined by ballot.

URANIUM

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

CORPORATE

On 25 September Jindalee announced the appointment of Pip Darvall as the Company's Chief Executive Officer, effective 10 October 2017. Pip is a highly qualified and experienced geologist and the Board is confident that Pip's energy, enthusiasm and entrepreneurial skills will be of tremendous benefit to the Company going forward.

Jindalee's AGM will be held at the Company's office on 22 November 2017, with the Notice of Meeting (and Annual Report for those requesting one) despatched to shareholders mid-October.

At 30 September 2017, Jindalee held cash and marketable securities worth approximately \$5.1M. These assets, combined with our tight capital structure (34.9M shares on issue), provide a strong base for leverage into new opportunities, with identification and acquisition of projects with the potential to transform the Company continuing to be our ongoing primary focus.

ADDITIONAL INFORMATION

Tenement Information

<i>Project</i>	<i>Tenement Reference</i>	<i>Interest at beginning of Qtr</i>	<i>Acquired/Disposed</i>	<i>Interest at end of Qtr</i>
Joyners	M53/1078-I	20%	N/A	20%
Ruth Well	ELA47/3340	100%	N/A	0%
	E47/3341	100%	N/A	0%
Jane Well	ELA08/2745*	100%	N/A	0%
Radio Hill	ELA47/3361	100%	N/A	0%
Mt Scholl	ELA47/3390	100%	N/A	0%
Chalice	ELA63/1839	100%	N/A	100%
Prairie Downs	ELA52/3445	100%	N/A	100%
Aries	ELA80/5027	100%	N/A	100%
Mt Fisher	E53/1898	100%	N/A	100%
Prospect Ridge	EL5/2016**	100%	N/A	100%
Cowan	ELA15/1548	100%	N/A	100%
Planets	ELA15/1549	100%	N/A	100%
Widgie	ELA15/1552	100%	N/A	100%
	ELA15/1602	0%	N/A	100%
Wannaway	ELA15/1598	100%	N/A	100%
	ELA15/1614	0%	N/A	100%
Firestrike	ELA53/1911*	100%	N/A	100%
Elizabeth Hill	ELA's 47/3534-35	100%	N/A	0%
	PLA's 47/1832-33	100%	N/A	0%
Highway	ELA15/1563	100%	N/A	100%
	ELA's 15/1577-78	100%	N/A	100%
	ELA's 15/1617-19	0%	N/A	100%
Railway	ELA15/1564	100%	N/A	100%
Killaloe	ELA's 63/1835-36	100%	N/A	100%
Taipan	ELA63/1823	100%	N/A	100%
Jeffreys	ELA63/1832	100%	N/A	100%
Higginsville	ELA15/1560	100%	N/A	100%
	ELA15/1580	100%	N/A	100%
Lawry	ELA's 15/1622-23	0%	N/A	100%
Yindi	ELA28/2708*	0%	N/A	100%
Victoria	ELA28/2711*	0%	N/A	100%
Cheetarra	ELA08/2872*	100%	N/A	0%
Kenya	E39/1998	100%	N/A	100%
	E39/2005	100%	N/A	100%
North Sinclair	ELA36/895	100%	N/A	100%
Camel Bore	ELA36/910	0%	N/A	100%
Salt Creek	ELA25/562	100%	N/A	100%
New Bore	E38/3211	100%	N/A	100%
Kelly Well	ELA38/3272	0%	N/A	100%
Millrose	ELA 53/1962	0%	N/A	100%
Tokay	ELA57/1061	100%	N/A	100%
Windimurra	ELA58/513	100%	N/A	100%
Westonia	ELA77/2444	100%	N/A	100%
Western Creek	ELA52/3520	100%	N/A	100%
Cummins Range*	ELA80/5091	100%	N/A	100%

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

**Tenement held or applied for through JRL's wholly-owned subsidiary, HiTec Minerals Pty Ltd

Notes:

1. Reference: JRL's announcement to ASX dated 10 October 2017 and titled, *"Arthur River Magnesite Deposit – JORC (2012) Resource Estimate"*
2. Reference: Apollo Consolidated announcement to ASX dated 24 October 2017 and titled, *"New Hole Hits 25m @ 6.80g/t Au EOH"*, and preceding ASX announcements by Apollo Consolidated.
3. Reference: Kimberley Rare Earths announcement to ASX dated 13 February 2012 and titled, *"Cummins Range update"*

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 and Mr Lindsay Dudfield who are both consultants to the Company. Mr Peachey is a member of the Australian Institute of Geoscientists and Mr Dudfield is a member of the member of the Australasian Institute of Mining and Metallurgy and a member of the Australian Institute of Geoscientists. Both Mr Peachey and Mr Dudfield have sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and to the activity, which they are undertaking, to qualify as Competent Persons as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves.' Both Mr Peachey and Mr Dudfield consent 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.