Resources Limited
ABN 52 064 121 133

QUARTERLY REPORT TO SHAREHOLDERS

for the three months
ended 30 December 2013.

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

HIGHLIGHTS

* Independence Group to spend $6.5m to earn 80% interest in base metals at Alchemy Resources' Bryah Basin Project with Alchemy retaining 100% interest in gold (JRL holds 11.1% of Alchemy)

* Alchemy confirms high-grade gold intercepts at Seaborg, Bryah Basin[5]:

  CBRB01 0-51m (EOH) **51m @ 3.71 g/t**
  CBRB02 16-39m **23m @ 3.16 g/t**

  Rights issue underway to accelerate drilling at Seaborg and other high quality targets.

* Energy Metals (JRL 6.7%) raises $9.4m from underwritten rights issue to follow up encouraging results from NT prospects

* Jindalee well positioned to capitalise on opportunities becoming available as the resources downturn deepens

FINANCIAL

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

* At 31 December 2013 Jindalee had no debt and held cash and shares worth $9.3M before tax, (equivalent to **$0.27 per share**)

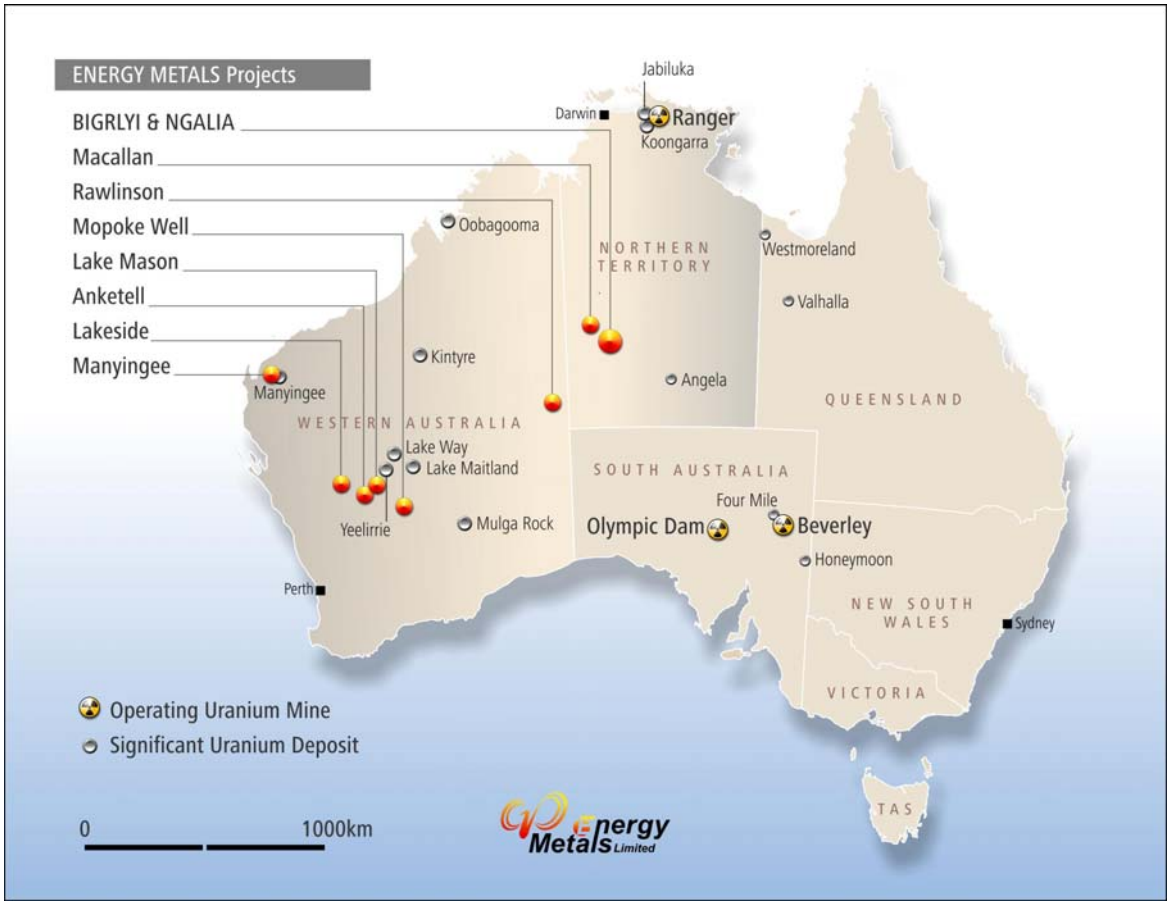
Lindsay Dudfield
Executive Chairman and Managing Director
31 January 2014

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 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 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.



Energy Metals Projects

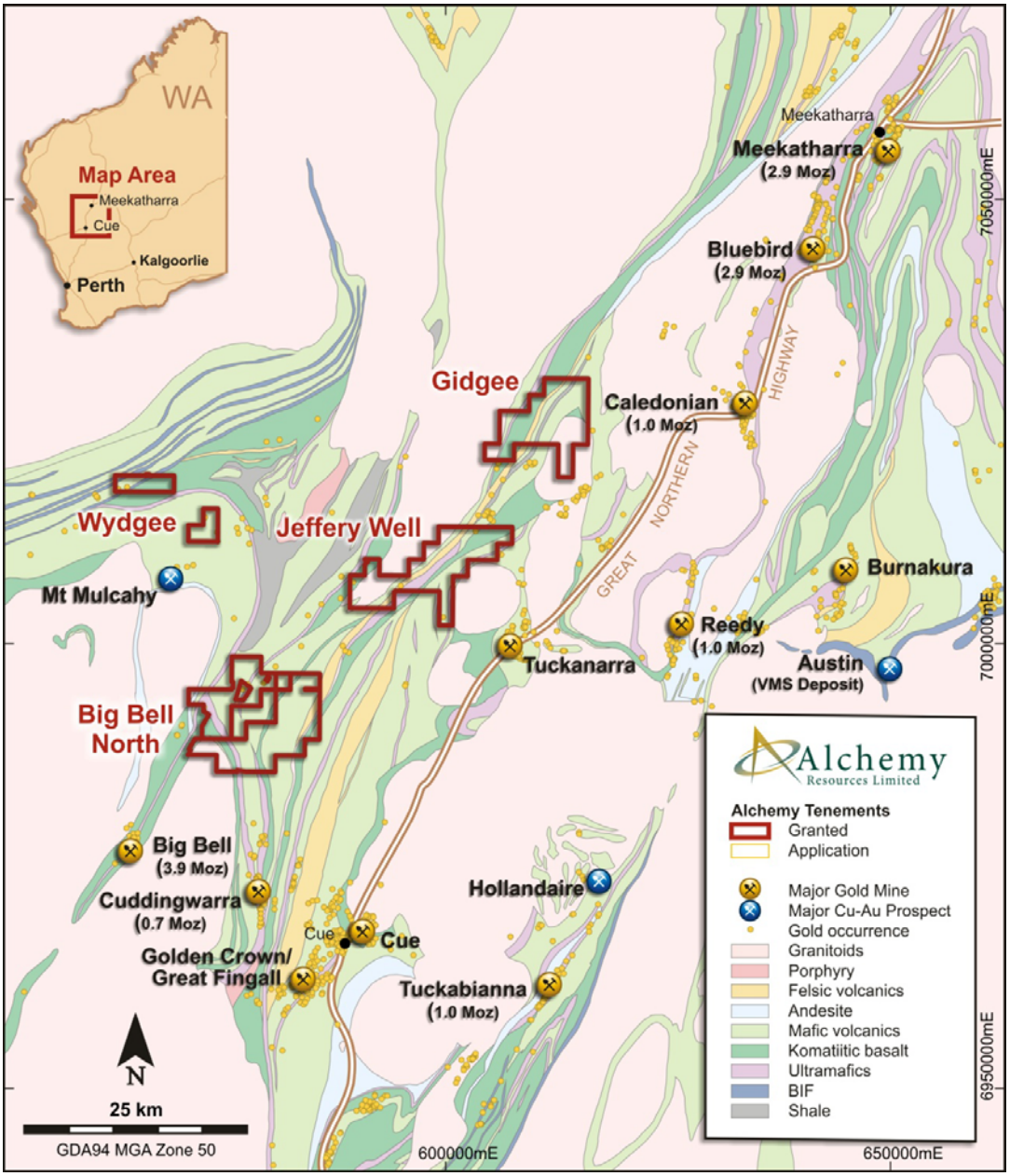
Late October 2013 Energy Metals announced results from the first phase of RC drilling at their 100% owned Ngalia Project (NT), with best intercepts of 3.9m @ 5,214 ppm eU_3O_8 and 6.2m @ 1,788 ppm eU_3O_8 from shallow depths at Anomaly-15 East, and 1.6m @ 2,209 ppm eU_3O_8 from Bigwest[1].

Subsequent to the end of the quarter Energy Metals announced that it had completed a 4 for 11 non-renounceable rights issue underwritten by major shareholder China Uranium Development Limited, raising approximately $9.4m. Jindalee did not take up its entitlement and now holds 6.69% of Energy Metals.

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

No exploration was undertaken on the Murchison tenements over the quarter. Several licences with limited exploration potential were surrendered during the quarter.

Yilgangi (Jindalee 20 % loan-carried)

The Yilgangi project is located in the Eastern Goldfields, approximately 130 km northeast of Kalgoorlie. Renaissance Minerals Limited (ASX code RNS) hold an 80% controlling interest in the Yilgangi joint venture and are the project operators. Jindalee retain our 20% participatory loan-carried interest through to a Decision to Mine.

Renaissance's efforts at Yilgangi are focused on the advanced Hobbes prospect, where previous drilling by Newcrest established a more than three kilometre-long zone of gold anomalism. Limited infill drilling undertaken by Renaissance during 2012 was reasonably successful in establishing continuity of the shallow supergene gold mineralization. Encouraging results announced by Renaissance included 15m at 2.37g/t gold from 37m and 10m at 2.47g/t gold from 54m depth[2].

No field exploration was undertaken at Yilgangi during the quarter. Renaissance has announced that it is seeking to divest and/or joint venture its Eastern Goldfields projects, including Yilgangi. Jindalee retains a pre-emptive right over the Yilgangi tenements.

Alchemy Resources (Jindalee 11.1% of issued capital)

In addition to involvement in the Murchison joint venture projects, Jindalee holds a significant equity interest in Alchemy Resources. This provides shareholders with exposure to Alchemy's expanded portfolio of projects, including Alchemy's Gascoyne region gold and copper-gold projects, located 120km northeast of Meekatharra. 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 host Sandfire's high grade DeGrussa copper-gold discovery. The project also hosts over 300,000oz of indicated gold resources at the Hermes and Wilgeena gold prospects[3].

Subsequent to the end of the quarter Alchemy announced that it had formed a Joint Venture with Independence Group whereby Independence can earn up to 80% interest in Alchemy's base metal prospective Bryah Basin tenements by spending $6.5M over 6 years, with Alchemy free-carried to completion of a Pre-Feasibility Study and project-carried for a further $5M thereafter. Importantly, the Joint Venture does not include Alchemy's gold prospective tenements and 100% owned gold resources.

Late October 2013 Alchemy announced that fire and screen fire assaying of 1-m samples from two holes drilled at the Seaborg gold prospect in the September quarter had confirmed the initial (4-m composite) high grade intercepts, with CBRB-01 returning 51m @ 3.71 g/t from surface and CBRB-02 returning 23m @ 3.16 g/t from 16 metres depth[4 5].

Alchemy is currently conducting a rights issue to raise up to $1.92m to fund follow-up drilling at Seaborg and other high quality gold targets identified by the company.

Further information on Alchemy Resources activities can be found 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 Navigator Resources' extensive Leonora Gold Project holdings. Jindalee's interest in the Cardinia joint venture ground is free-carried to completion of a Bankable Feasibility Study.

On 28 March 2013 Navigator was placed into voluntary administration due to cash flow issues arising from their Bronzewing operations. On 7 January 2014 Metaliko Resources announced that it had agreed to purchase the Bronzewing assets; however Navigator's Leonora gold project is still advertised for sale by the administrators and the potential impact on ongoing exploration operations within the joint venture tenements is uncertain at this stage. In their December 2012 quarterly report, Navigator announced anomalous results returned from shallow hand auger soil sampling over two joint venture tenements, Prospecting Licences 37/7275-76. Aircore drilling had reportedly been planned to further investigate the significance of these anomalies.

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 7.2 million tonnes at 63% iron[6 7].

No exploration was undertaken on the joint venture tenements during the quarter.

CORPORATE

Jindalee's AGM was held on 28 November 2013. Proxies were received for approximately 20.3m shares (58.3% of issued capital) and were overwhelmingly in favour of all resolutions.

At 31 December 2013 Jindalee held liquid assets (cash and shares) worth approximately $9.3M, including $5.45M in cash. 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 transform the Company continues to be our ongoing primary focus. A considerable number of advanced project opportunities, situated both within Australia and in mining friendly overseas countries were examined during the period, but none passed Jindalee's strict investment criteria. The ongoing deterioration in the resources sector is resulting in a significant improvement in the quality of projects becoming available, further increasing the prospect of acquiring a meaningful project on favourable terms in the near future.

Additional information for quarterly report to 31 December 2013.

Project	*Tenement Reference*	*Interest at beginning of Qtr*	*Acquired/ Disposed*	*Interest at end of Qtr*
Joyners	M53/1078-I	20%	N/A	20%
	E53/1089-I	20%	N/A	20%
Cardinia	P37/7274	11%	N/A	11%
	P37/7275	11%	N/A	11%
	P37/7276	11%	N/A	11%
	M37/646	11%	N/A	11%
Wydgee	E20/549	20%	N/A	20%
	E20/610	20%	N/A	20%
Jeffrey Well	E20/507	20%	N/A	20%
Big Bell North	E20/594	20%	N/A	20%
Yilgangi	E31/597	20%	N/A	20%

Notes:

1. Reference: Energy Metals September 2013 Quarterly Activities Report.
2. Reference: ASX Announcement by Renaissance Minerals Limited dated 31st October 2012 titled, *"Drill Results at Yilgangi Project Eastern Goldfields WA, including 15m @ 2.4g/t and 20m @ 2.2g/t".*
3. Reference: ASX announcement by Alchemy Resources dated 22nd October 2012 titled, *"Bryah Basin gold resource update*
4. Reference: ASX Announcement by Alchemy Resources Limited dated 15 October 2013 titled, *"High Grade Gold Hits from Bryah Basin".*
5. Reference: Alchemy Resources September 2013 Quarterly Activities Report
6. Reference: ASX Announcement by Golden West Resources dated 18th July 2011 titled,*" Wiluna West Hematite Project Iron Resource Update".*
7. In relation to the Statement of Mineral Resources provided for the Joyners Joint Venture project, Jindalee Resources has made appropriate enquiries with Golden West Resources and is not aware of any new information or data that materially affects the information included in this report and that all material assumptions and technical parameters, underpinning the estimate contained in Golden West's original market announcement and any subsequent disclosures continue to apply and have not materially changed. Furthermore, Jindalee confirms that the form and context in which the relevant Competent Person's findings are presented have not been materially modified.

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 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 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.