ASX RELEASE
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ASX: JRL

SHAREHOLDER UPDATE – US LITHIUM ASSETS

- **Initial assay results from McDermitt drilling expected late January**
- **Results from McDermitt metallurgical testwork due late January**
- **Jindalee exploring options for North American listing of lithium assets**

Jindalee Resources Limited (**Jindalee**, the **Company**) is pleased to provide the following update on developments with respect to its US lithium assets, the most advanced of which is the McDermitt Lithium Project in Oregon.

McDermitt Lithium Project – Background

In late 2019 Jindalee announced an Inferred Mineral Resource of **150Mt @ 2,000ppm Li** (0.43% Li_2O) at 1,750ppm Li cut-off[1] had been estimated at McDermitt (refer Table 1, below):

Cut Off (ppm Li)	Mass (Mt)	Grade (ppm Li)	Contained LCE (Mt)
1,750	150	2,000	1.6

Table 1 – Summary of the maiden Inferred Mineral Resource

The Mineral Resource was estimated using a cut-off grade of 1,750ppm Li, which is considered appropriate in the context of similar projects and based on an assessment of the likelihood of future economic extraction as required by the JORC (2012) Code.

The Company confirms that it is not aware of any new information or data that materially affects the information included in this market announcement and that all material assumptions and technical parameters underpinning the estimates of mineral resources referenced in this market announcement continue to apply and have not materially changed.

The entire Inferred Mineral Resource sits within 100m of surface and is flat lying, both positive factors for future project economics. Furthermore, analysis of the grade tonnage distribution of the McDermitt resource model highlights the potential for additional material available at lower grades.

McDermitt Lithium Project – 2020 Drilling Program

On 14 December 2020 Jindalee announced that it had cut short drilling at McDermitt after members of the drilling crew tested positive for COVID-19[3]. The Company is pleased to advise that all of Jindalee's US geological team tested negative for COVID-19 and were able to return home for Christmas.

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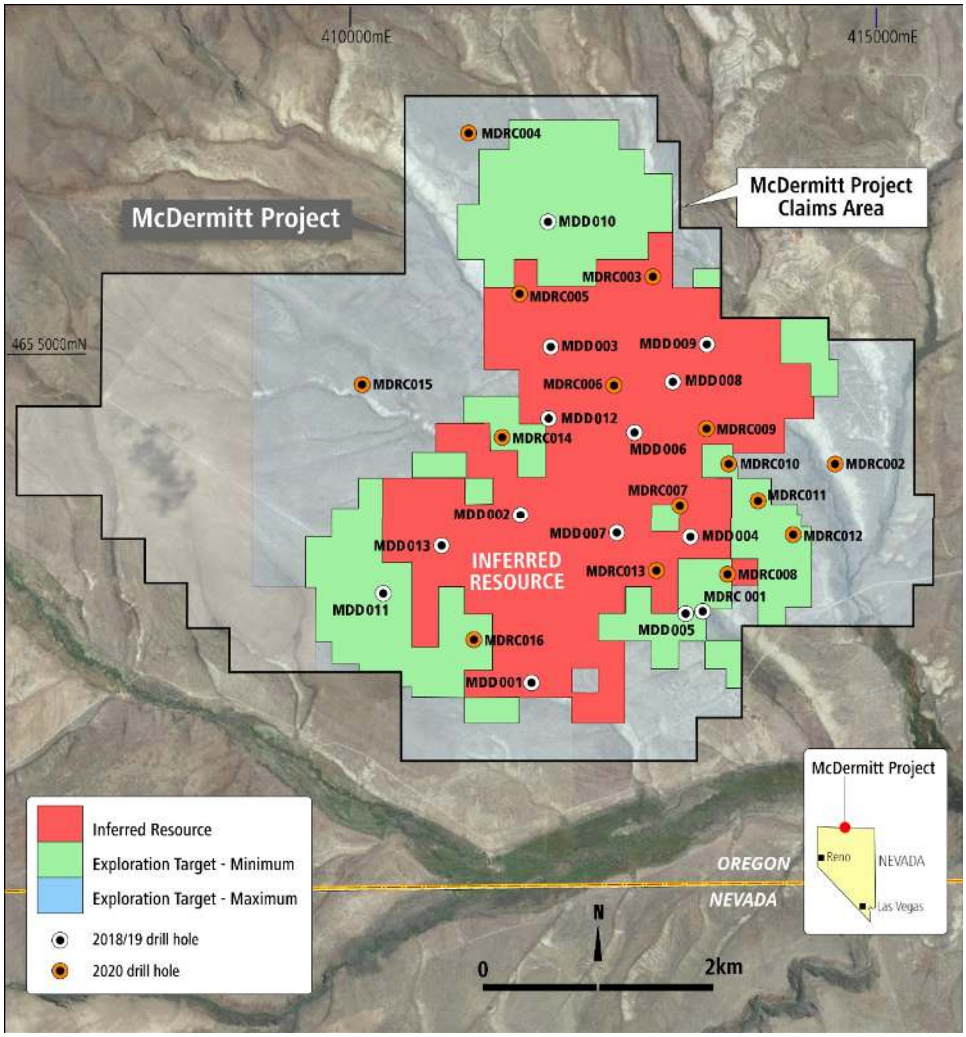

Figure 1 – Location of McDermitt Resource[1], Exploration Target Areas[1] and 2020 drilling[3]

The drilling program was designed to extend the current Inferred Mineral Resource[1] and Exploration Target Range[1] and convert existing Inferred Mineral Resources to Indicated status ahead of a possible Scoping Study. Fifteen holes of the 21-hole proposed program were completed in November-December 2020 (refer Figure 1), with the drilling intersecting up to 185m true thickness of the target sediments hosting the lithium mineralisation at the Project[3]. The density of the completed holes expected to be adequate to achieve most of the original aims of the program.

All samples from the program have been submitted for analysis. Laboratories in the US are experiencing long delays and Jindalee has been advised that initial assay results should be received late January. Results will be announced as soon as they become available.

McDermitt Lithium Project – Metallurgical Testwork

Metallurgical testwork to date has been very encouraging, indicating high lithium recoveries from conventional sulphuric acid leaching at low temperature and atmospheric pressure. In August 2020 Jindalee announced that beneficiation of McDermitt ore via attrition scrubbing at 20% solids had increased the lithium content in the <0.01mm fraction by more than 50% (from 0.22% to 0.34%) and had reduced carbonate to 3.0% (from 6.3%) and removed approximately 90% of the analcime[2].

Further testwork designed to quantify the leaching characteristics of the beneficiated ore is well advanced with first results expected later this month.

US Lithium Assets – Sector Developments

Tesla Inc.'s (NASDAQ: TLSA) commitment to invest in the "localisation" of its cathode supply chain and production in the United States and the acquisition of the rights to a Nevada sediment hosted lithium deposit[4]; together with the recent announcement by Albemarle (NYSE: ALB) that it will begin a program evaluating sediment (clay) hosted lithium resources and clay extraction technology[5], have underlined the strategic importance of very large sediment hosted lithium deposits like McDermitt. Tesla is the first automotive OEM to enter lithium production, a move that may be replicated by other US auto makers keen to gain greater control over the supply chain for minerals critical for the manufacture of electric vehicles.

The coming inauguration of President-elect Biden has focussed investor attention on his election commitment for the United States to achieve net-zero carbon emissions by 2050 and implications for the development of large, strategic lithium projects like the McDermitt Lithium Project as a core element of that country's transition to a clean energy future. Several battery factory developments have been announced or proposed in the US (see Figure 2) and McDermitt is well placed to emerge as a future source of lithium for those projects.

Valuations of peer companies listed on TSX have appreciated markedly over the past six months, which has prompted Jindalee to undertake discussions with a number of North American groups interested in potential transactions which would result in a listing of the Company's US lithium assets on a North American exchange. These discussions are preliminary in nature and there is no guarantee that any transaction will result. Jindalee will advise the market of any material developments as appropriate.



Figure 2 – Location of Jindalee's Lithium Projects and US Battery Factories (existing & proposed)

Authorised for release by the Board of Jindalee Resources Limited.

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About Jindalee

Jindalee Resources Limited (ASX: JRL) is an exploration company with direct and indirect exposure to lithium, gold, base and strategic metals, iron ore, uranium and magnesite through projects generated by the Company's technical team. Jindalee has a track record of rewarding shareholders, including priority entitlements to several successful IPO's and payment of a special dividend.

Jindalee's strategy is to acquire prospective ground, add value through low cost exploration and, where appropriate, either introduce partners to assist in funding further progress, or fund this activity via a dedicated company in which Jindalee retains a significant interest.

At 30 September 2020 Jindalee held cash and marketable securities worth approximately $3.9M, with a further $0.62M raised in an entitlement offer which closed 16 October 2020[6]. This funding, combined with the Company's tight capital structure (only 44.7M shares on issue), provides a strong base for advancing projects currently held by Jindalee and leveraging into new opportunities.

References:

Additional details including JORC 2012 reporting tables, where applicable, can be found in the following releases lodged with ASX and referred to in this announcement:

1. Jindalee Resources ASX announcement 19/11/2019: "Maiden Lithium Resource at McDermitt".
2. Jindalee Resources ASX announcement 17/08/2020: "More Encouraging Metallurgical Results from McDermitt".
3. Jindalee Resources ASX announcement 14/12/2020: "McDermitt Lithium Project – Drilling Update".
4. Jindalee Resources ASX announcement 25/09/2020: "Tesla Battery Day highlights McDermitt Project Potential".
5. Albemarle News Release 07/01/2021: "Albemarle announce Expansion of Nevada Site to Increase Domestic Production of Lithium".
6. Jindalee Resources ASX announcement 29/10/2020: "Quarterly Activities & Cashflow Report".

Competent Persons Statement

The information in this report that relates to Exploration Results, Mineral Resources or Ore Reserves is based on information compiled by Mr Lindsay Dudfield and Mrs Karen Wellman. Mr Dudfield is consultant to the Company and a Member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Mrs Wellman is an employee of the Company and a Member of the Australasian Institute of Mining and Metallurgy. Both Mr Dudfield and Mrs Wellman have sufficient experience relevant to the styles of mineralisation and types of deposits under consideration, and to the activity being undertaken, 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.' Mr Dudfield and Mrs Wellman consent to the inclusion in this report of the matters based on this information in the form and context in which it appears.

The information in this report that relates to the Exploration Target and the Mineral Resource Estimate for the McDermitt deposit is based on information compiled by Mr. Arnold van der Heyden, who is a Member and Chartered Professional (Geology) of the Australasian Institute of Mining and Metallurgy and a Director of H&S Consultants Pty Ltd. Mr. van der Heyden has sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC Code). Mr. van der Heyden consents to the inclusion in this report of the matters based on the 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.