JINDALEE RESOURCES

ASX Code JRL

OTCQX JNDAF

31 October 2023

QUARTERLY ACTIVITIES REPORT

- **Excellent head assays from McDermitt metallurgical testwork**
- **McDermitt Pre-Feasibility Study (PFS) progressing well (on time and on budget)**
- **Priority Offer to Jindalee shareholders closed 27 October 2023, raising $0.6M (before costs)**
- **The Company to be renamed Jindalee Lithium Ltd, subject to shareholder approval at the forthcoming AGM**

US LITHIUM

McDermitt Lithium Project (Jindalee 100%)

In February 2023, Jindalee Resources Limited (**Jindalee** or the **Company**) announced an updated Mineral Resource Estimate (**MRE**) at Jindalee's 100% owned McDermitt Lithium Project (US) following drilling completed in October 2022 (Figure 1)[1].

The 2023 MRE for McDermitt contains a combined Indicated and Inferred Mineral Resource Inventory of 3.0 Billion tonnes at 1,340ppm Li for a total of 21.5 Million tonnes LCE at 1,000 ppm cut-off grade. At 21.5 Mt LCE, McDermitt is the largest lithium deposit in the US by contained lithium in Mineral Resource, and a globally significant resource (Table 1), with the deposit remaining open to the west and south (Figure 1).

Cut-off Grade (ppm Li)	Indicated Resource			Inferred Resource			Indicated and Inferred Resource		
	Tonnage (Mt)	Li Grade (ppm)	LCE (Mt)	Tonnage (Mt)	Li Grade (ppm)	LCE (Mt)	Tonnage (Mt)	Li Grade (ppm)	LCE (Mt)
1,000	1,470	1,420	11.1	1,540	1,270	10.4	3,000	1340	21.5

Table 1 – Summary of 2023 McDermitt Mineral Resource Estimate[1] at the reporting cut-off of 1000ppm.
Note: totals may vary due to rounding

Metallurgical Testwork

In March 2023 Jindalee announced that global engineering, procurement, construction and maintenance (**EPCM**) company Fluor Corporation (NYSE: FLR) (**Fluor**) had reviewed metallurgical testwork undertaken at McDermitt and had determined that acid leaching with ore beneficiation (to upgrade the leach head grade) delivered the lowest operating costs and best financial outcome among the alternatives considered[2].

Fluor also noted that the very large Mineral Resource at McDermitt (21.5 Mt LCE, Table 1)[1] allows flexibility in development, providing the opportunity to optimise mining and feed higher grade ore early in the mine life and recommended that a comprehensive metallurgical testwork program be undertaken to provide information upon which the preferred flowsheet for the processing of McDermitt ore can be defined.

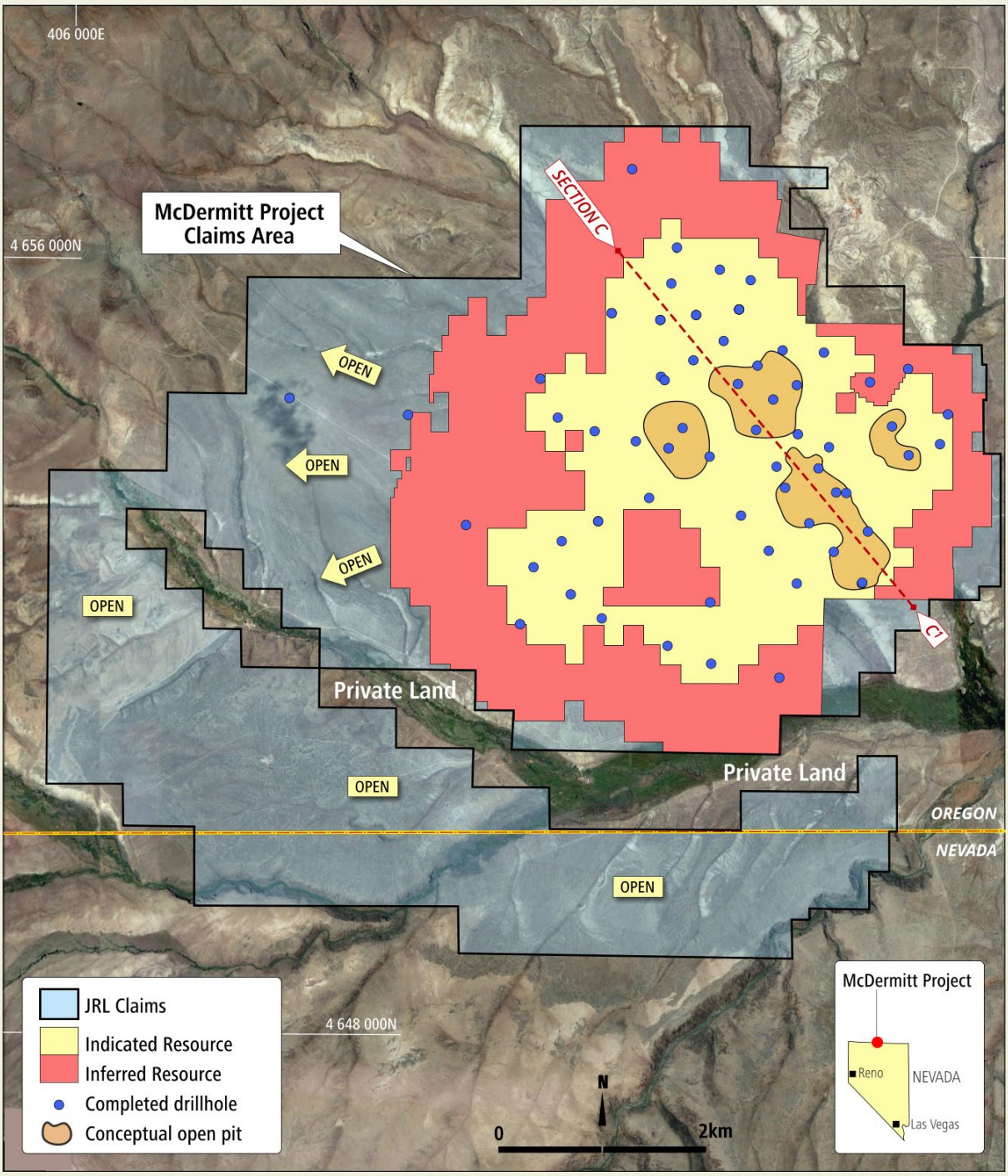

Figure 1 - Plan view of the McDermitt Lithium Project with 2023 Mineral Resource1 (at 1523mRL), completed drilling, Section C-C' & schematic conceptual pit shells (Pit Shell 5: 0-20 Yr).

Jindalee's geological team recently relogged all holes drilled at McDermitt, and this work has resulted in the recognition of up to 12 distinctive stratigraphic units which can be tracked across the Project (Figure 2). Four of these units (Units 4, 6, 8 and 10) carry elevated lithium grades and selective mining of these units has the potential to deliver higher grade material for processing.

In June 2023 leading mine engineering group Cube Consulting generated conceptual pit shells using the McDermitt MRE geological model (Figures 1 and 2) to assist with selection of samples for the metallurgical testwork program, which is being managed by Fluor[6]. Samples from Units 4, 6, 8 and 10 within the Indicated portion of Pit Shell 5 (nominal 20 years) were selected and approximately 700kg of drill core was despatched to consultant metallurgists Hazen for testing.

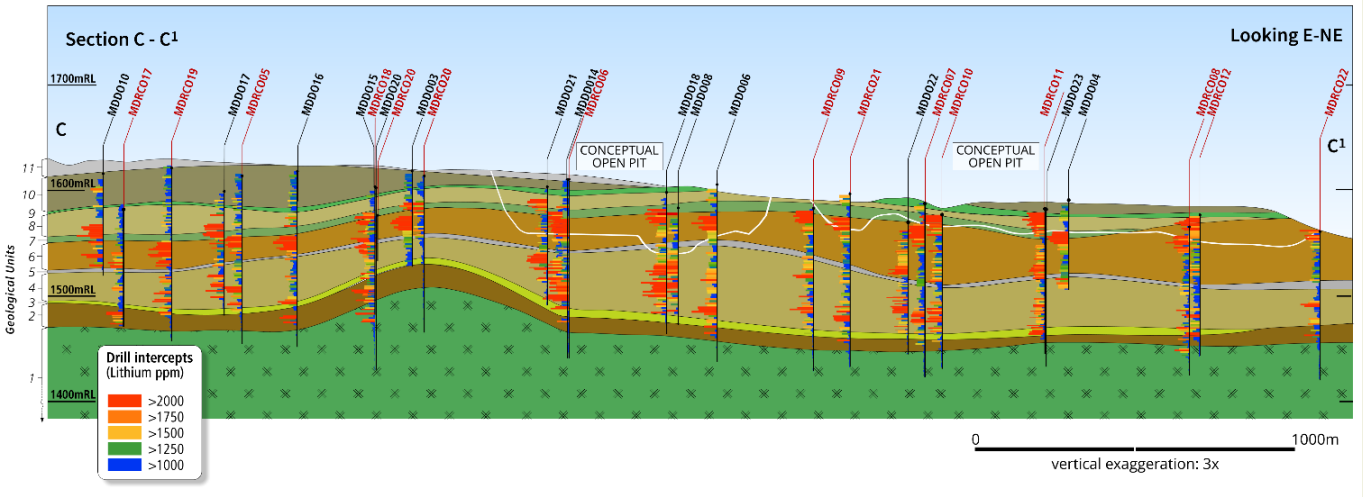

Figure 2 – Schematic Section C-C' with completed drilling, simplified geology & conceptual pit shells (Pit Shell 5: 0-20 Yr) (Note: lateral projection onto section plane & 3x vertical exaggeration may cause distortion).

Subsequent to the end of the quarter, on 23 October 2023, Jindalee announced initial head assay results had been received for Units 4, 6, 8 and 10[4]. These samples average 0.179% Li (1790 ppm) (Table 2), 34% higher than the average grade of the current McDermitt Indicated and Inferred resource grade of 0.134% Li (1,340 ppm)[1], suggesting excellent potential to process shallow, higher grade ore early in the mine life, with positive implications for Project economics.

Sample	Head Assays (wt %)								
	Li	As	Ce	La	Mn	Mo	Sr	Y	Zn
Unit 4	0.204	0.007	0.005	0.002	0.064	<0.001	0.038	0.003	0.019
Unit 6	0.205	<0.005	0.005	0.002	0.060	<0.001	0.038	0.003	0.018
Unit 8	0.152	<0.005	0.005	0.002	0.061	<0.001	0.035	0.003	0.020
Unit 10	0.155	<0.005	0.005	0.002	0.067	<0.001	0.034	0.003	0.017
Average	0.179	<0.005	0.005	0.002	0.063	<0.001	0.036	0.003	0.018

Table 2. Head Assays from McDermitt metallurgical samples (rounded to 3 significant decimal places).

Results from Particle Size Distribution testwork on the samples are being reviewed and attrition scrubbing to beneficiate the ore and separate the lithium rich finer grained fractions prior to acid leaching is currently nearing completion, with results to be reported once available.

In February 2023 Jindalee signed a Non-Binding Memorandum of Understanding (**MOU**) with major Korean conglomerate POSCO Holdings Inc. (NYSE: PKX) (**POSCO**), whereby POSCO and Jindalee agreed to undertake joint research on the potential commercialisation of the McDermitt Lithium Project[5]. Pursuant to this MOU beneficiated samples from Units 4, 6, 8 and 10 will be forwarded to POSCO in the December 2023 quarter.

McDermitt Lithium Project Pre-Feasibility Study (PFS)

On 7 June 2023 Jindalee announced that it had commenced a PFS on the McDermitt Lithium Project and had appointed Fluor as lead engineer[6]. Fluor has extensive experience with US sediment hosted lithium deposits and has assembled a team of highly credentialled metallurgists and engineers to work on the study.

Fluor has developed preliminary flowsheets for the Project, with results from the beneficiation testwork to enable optimisation of these flowsheets and a mass balance to be issued. Other engineering studies (hydrology, geotechnical, tailings, water supply, waste characterisation etc) have commenced. On 9 October 2023 Jindalee announced that a diamond rig had been contracted to provide core for geotechnical studies at McDermitt with drilling scheduled to commence in November 2023, subject to final approvals from the US Bureau of Land Management (**BLM**) and the Oregon Department of Geology and Mineral Industries (**DOGAMI**)[7].

The PFS represents the next logical step towards development of McDermitt and is expected to facilitate meaningful discussions with potential financiers (both public and private sector), off-takers and strategic partners.

Permitting

Jindalee continues to de-risk the McDermitt Lithium Project on multiple fronts. In addition to ongoing geological, metallurgical and engineering studies the Company is building on environmental baseline and cultural surveys completed during 2022.

In May 2023 Jindalee announced that the Exploration Plan of Operations (**EPO**) for McDermitt, originally submitted to the BLM in August 2022 (with additional information provided early 2023), had been deemed complete[8]. Once approved, the EPO will allow Jindalee to significantly increase on-site activity, including infill drilling and bulk sampling.

The BLM has advised that the public comment period on the EPO closed 15 September 2023 with comments currently being assessed as a part of the environmental review process required by the National Environmental Policy Act (**NEPA**), with the final decision of the NEPA assessment to be incorporated into the EPO. This process is expected to take up to 12 months.

CORPORATE

Subsequent to the end of the quarter Jindalee announced a capital raising, comprising a Public Offer to raise up to $3.5M (before costs) and a Priority Offer to eligible Jindalee shareholders to raise up to $2.0M (before costs)[9]. On 19 October 2023 the Company advised that applications in excess of $3.5M had been received under the Public Offer and it was to close early. Shares subscribed for under the Public Offer were issued to successful applicants on 20 October 2023 with over 150 new investors joining the Company's share register[10].

The Priority Offer closed as scheduled on 27 October 2023 with approximately $0.6M raised (before costs). Jindalee Directors have applied for a further 175,000 shares (worth $245,000), subject to approval by shareholders at the Company's Annual General Meeting (**AGM**) on 22 November 2023. Jindalee thanks participants in both the Public and Priority Offers for their support and welcomes new shareholders to the Company.

At the forthcoming AGM shareholders will also be asked to approve changing the Company's name to Jindalee Lithium Limited to reflect Jindalee's focus on lithium exploration following the spin-out of the Company's Australian assets to Dynamic Metals Ltd (ASX: DYM) in January 2023[11]. If the name change is approved at the AGM, the Company's ASX ticker will become "JLL".

In addition to its US lithium projects, Jindalee provides shareholders with indirect exposure to lithium, gold, base and strategic metals, iron ore, uranium and magnesite in Australia through holdings in spin-out companies Dynamic Metals Ltd (ASX: DYM) and Energy Metals (ASX: EME).

Jindalee currently has 60.3M shares on issue with cash and listed securities at 30 September 2023 of approximately $5.98M[12] (prior to completion of the Public and Priority Offers).

FINANCIAL COMMENTARY

The Quarterly Cashflow Report (Appendix 5B) for the period ending 30 September 2023 provides an overview of the Company's financial activities.

Exploration expenditure for the reporting period was $887k and was dominated by expenditure on McDermitt. Net corporate expenditure was $526k. The total amount paid to directors of the entity and their associates in the period (item 6.1 of the Appendix 5B) was $60k and includes directors' fees, consulting fees and superannuation.

Authorised for release by the Jindalee Board of Directors.

For further information please contact:

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ADDITIONAL INFORMATION

Additional details including JORC 2012 reporting tables, where applicable, can be found in the ASX announcements referenced in this report and announcements lodged with the ASX during the quarter:

References

1. Jindalee Resources ASX announcement 27/02/2023: "Resource at McDermitt increases to 21.5 Mt LCE"
2. Jindalee Resources ASX announcement 24/03/2023: "Preferred Lithium Extraction Process for McDermitt Project"
3. Jindalee Resources ASX announcement 31/07/2023: "Quarterly Activities Report – June 2023"
4. Jindalee Resources ASX Announcement 23/10/2023: "First results from Metallurgical Testwork at McDermitt"
5. Jindalee Resources ASX Announcement 13/02/2023: "MOU Executed with POSCO Holdings"
6. Jindalee Resources ASX Announcement 07/06/2023: "Fluor Appointed Lead Engineer for McDermitt Project"
7. Jindalee Resources ASX announcement 09/10/2023: "Drilling to Commence at McDermitt Lithium Project"
8. Jindalee Resources ASX announcement 16/05/2023: "McDermitt Progress Update"
9. Jindalee Resources ASX announcement 16/10/2023: "$5.5M Capital Raising to Advance McDermitt Lithium Project"
10. Jindalee Resources ASX announcement 19/10/2023: "Public Offer to Close Early - $3.5 Million Raised"
11. Jindalee Resources ASX announcement 13/01/2023: "Dynamic Metals raises $7M in IPO – to list on ASX"
12. Jindalee Resources ASX announcement 31/10/2023: "Quarterly 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 Mr. Brett Marsh. Mr. Dudfield is a director, shareholder and consultant to the Company and a Member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Mr. Marsh is an employee of the Company and an American Institute of Professional Geologists (**AIPG**) Certified Professional Geologist and a Registered Member of the Society for Mining, Metallurgy & Exploration (**SME**). Both Mr. Dudfield and Mr. Marsh 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' (**JORC Code**). Mr. Dudfield and Mr. Marsh 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**).

The Company confirms that it is not aware of any further new information or data that materially affects the information included in the original market announcement by JRL entitled "Resource at McDermitt increases to 21.5 Mt LCE" released on 27 February 2023 and in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. To the extent disclosed above, the Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Forward-Looking Statements

This document may contain certain forward-looking statements. Forward-looking statements include but are not limited to statements concerning 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.

Such factors may include, among others, risks related to regulatory approvals of or in connection with the proposed transaction, actual results of current or planned exploration activities, change in market conditions which affect the completion of the transaction, obtaining appropriate approvals to undertake exploration activities in the portfolio of projects, changes in exploration programs and budgets based upon the results of exploration, future prices of minerals resources; grade or recovery rates; accidents, labour disputes and other risks of the mining industry; delays in obtaining government approvals or financing or in the completion of development or construction activities; movements in the share price of investments and the timing and proceeds realised on future disposals of investments, the impact of the COVID 19 pandemic as well as those factors detailed from time to time in the Company's interim and annual financial statements and reports, all over which are available for review on ASX at asx.com.au and OTC Markets at otcmarkets.com.

Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

Tenement Information in accordance with Listing Rule 5.3.3

As at 30 September 2023

Project	Tenement ID	Location	Status	Interest at beginning of Qtr	Interest at end of Qtr
McDermitt*	HTM 16-20, 24-35, 39-55, 59-77, 81-101, 105-125, 130-149, 152-172, 176-195, 199-213, 217-225, 231-235, 238-242, 258-260, 340-342, 348, 349, 355, 356, 362, 363, 369, 376-380, 387-391, 398, 399, 420-445, 448-456, 460-469, 480-493, 496, 497, 500-517, 532-585, 685-687. HTX 1-113, 116-442. HTM 586-682.	Oregon, USA Nevada, USA	Granted	100%	100%
Clayton North*	HTC 1-6, 12-18, 25-28.	Nevada, USA	Granted	100%	100%
Sherlock	E47/4345	Western Australia	Granted	20%	20%

NOTE: Jindalee's interests in all Australian tenements except Sherlock were transferred to Dynamic Metals Limited (ASX: DYM) effective 11 January 2023. Refer www.dynamicmetals.com.au for further details.

* Tenements held by Jindalee's wholly owned US subsidiary, HiTech Minerals Inc.