

## US LITHIUM PROJECT UPDATE

- Approvals for drilling received.
- Planning well progressed for drilling to commence in current quarter.

Jindalee Resources Limited ('Jindalee' or 'Company') is pleased to provide an update on its US Lithium Project activities at McDermitt and Clayton North (Figure 1).

As previously advised Jindalee commenced the permitting process for drill programs at both of its projects immediately upon confirmation of its claims. Approval of the proposed drill programs at both McDermitt and Clayton North have now been received from the US Federal Bureau of Land Management, pending payment of the required bonds.

Suitable contractors have been identified and planning is well advanced to support drilling commencing within the current quarter.



Figure 1 – Location of Jindalee's US Lithium clay projects.

Drilling of 34 holes across the entire McDermitt Project area has been approved (Figure 2) and will be undertaken in two phases. In the first phase, broad spaced testing of the potential thickness and lithium grades of the mineralised sediments will be undertaken, with 6 holes for an estimated 600m of HQ core (Figure 2). Additional holes will be completed once results from phase 1 have been received. This program design will enable re-calibration of the second phase of drilling based on logging and assay results.

All the proposed drillholes at McDermitt are located along existing tracks, minimising rehabilitation liabilities and costs in the early stages of exploration and allowing for rapid on-ground progress.

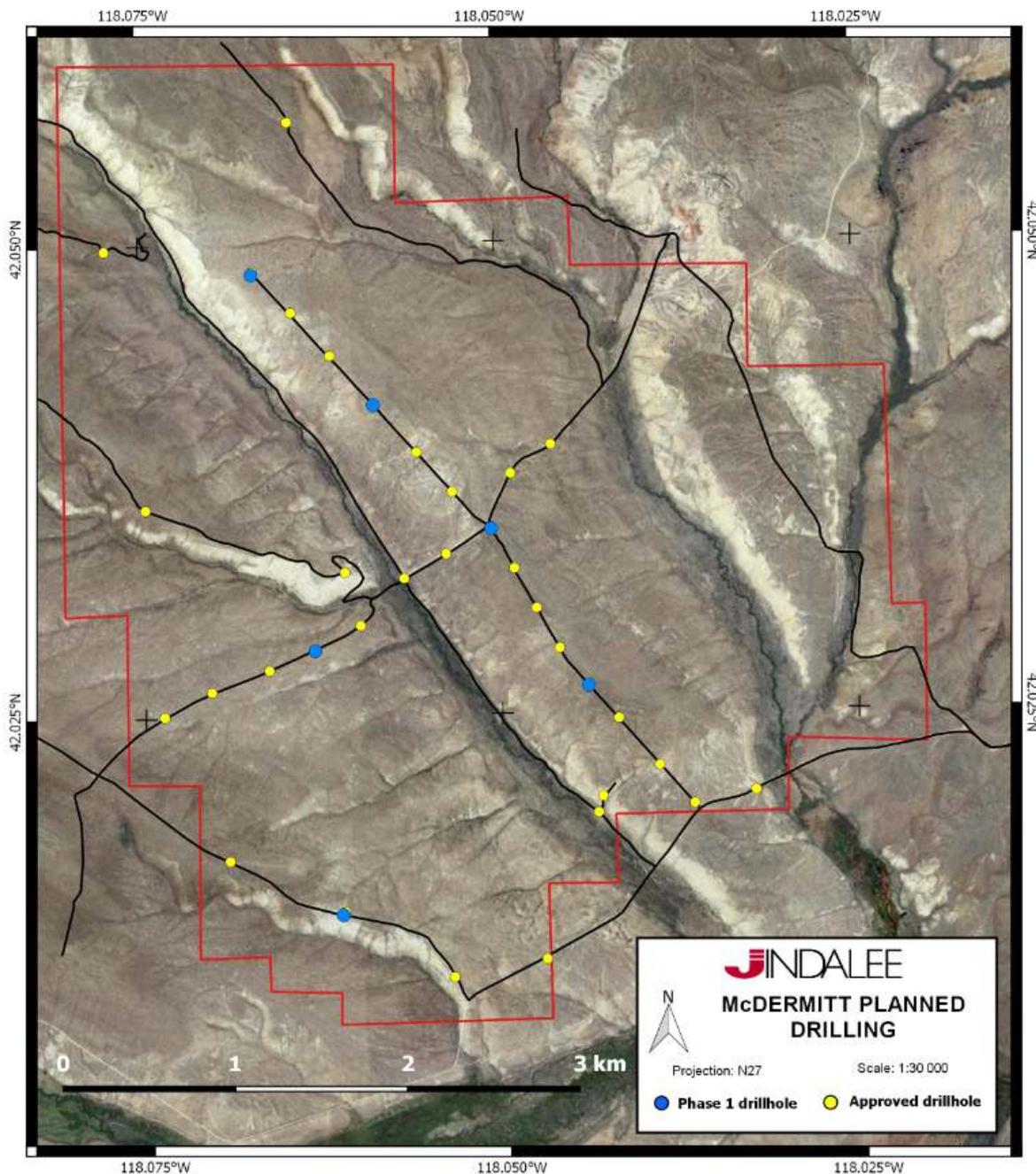


Figure 2 – McDermitt Project claims outline with existing tracks and approved drill holes.

## Background

Lithium has the highest electrochemical potential of any metal, an extremely high co-efficient of thermal expansion, fluxing and catalytic characteristics, and low density. Lithium is highly sought after for a range of industrial uses, in particular energy storage where it is a vital component of most popular battery electrolytes and electrodes. A high charge and power to weight ratio makes lithium ideal for applications where weight is a significant consideration (e.g. electric vehicles, mobile phones, hand tools, drones and robots).

Lithium is listed on the critical materials lists for the US Department of Defence and South Korea, is ranked number 15 on the British Geological Survey '2015 Risk List' and is one of 23 commodities in the 2017 'Critical Mineral Resources of the US' report by the United States Geological Survey.

Lithium is found in pegmatites, brines and sediments. Lithium bearing sediments have several characteristics that meet Jindalee's investment criteria including:

- Mineralisation is from surface, flat lying to shallowly dipping with low to non-existent stripping ratios.
- Soft, with low cost mining and easy to drill, allowing for rapid exploration progress.
- The economics of advanced sediment projects indicate costs to produce lithium compounds are highly competitive.
- Adequate scale potential to support a long mine life.

Increasing domestic demand and energy security goals make the USA an ideal location for development of lithium projects:

- Growing local demand is currently satisfied by imported material (e.g. Tesla's Gigafactory is located ~250km from Jindalee's Clayton North Project) with the Silver Peak mine owned by Albermarle Corporation (NYSE: ALB) the only operating production facility in the US.
- The US is politically stable, with excellent infrastructure and a skilled labour force. Nevada is ranked 3rd best jurisdiction in the world for mining (2017 Fraser Institute Investment Attractiveness Survey).
- Lithium is one of 23 commodities in the 2017 'Critical Mineral Resources of the US' report by the United States Geological Survey.
- Executive Order 'Federal Strategy to Ensure Secure and Reliable Supplies of Critical Minerals' signed by President Trump on 20 December 2017 makes the development of lithium projects in the U.S.A. a focus and priority for Federal agencies.
- 100% owned tenure, with no royalty overhang

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## **About Jindalee**

Jindalee Resources Limited (ASX: JRL) is an exploration company with direct and indirect exposure to 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 June 2018 Jindalee held cash and marketable securities worth \$5M which, combined with the Company's tight capital structure (only 34.9M shares on issue), provide a strong base for leverage into new opportunities.

Further information on the Company can be found at [www.jindalee.net](http://www.jindalee.net)

### Competent Persons Statement:

The information in this report that relates to Exploration Results is based on information compiled or reviewed by Mr Pip Darvall and Mr Lindsay Dudfield. Mr Darvall is an employee of the Company and Mr Dudfield is a consultant to the Company. Both Mr Darvall and Mr Dudfield are Members of the Australasian Institute of Mining and Metallurgy and Members of the Australian Institute of Geoscientists. Both Mr Darvall and Mr Dudfield have sufficient experience of relevance to the styles of mineralisation and types of deposit under consideration and to the activities undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves. Both Mr Darvall and Mr Dudfield consent to the inclusion in the report of the matters based on their 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.