

US LITHIUM PROJECT UPDATE

- **Drilling commencing shortly**
- **More positive metallurgical test results received**
- **Engagement with key US groups expanded**

Jindalee Resources Limited ('Jindalee') is pleased to provide an update on its McDermitt US lithium project.

Drill program

With all the relevant approvals in place, contractors have been engaged and the 2019 drill program is scheduled to commence in the second week of July. An initial program comprising six core holes has been planned to test for higher grade zones, support resource estimation work, extend existing mineralised zones at depth, and test for further mineralised zones below the limit of current drilling. Jindalee has the flexibility to increase the numbers of holes substantially, depending on results from the initial drilling.

Assays from the drilling program are expected to be received from late August, and further updates will be provided as results become available. The recently expanded scale of the project¹ will also enable an update to be made to the already substantial exploration target announced in November 2018².



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

Metallurgical test work

In parallel with the drill program planning, Jindalee has continued to build its presence in the US. Apart from the ongoing metallurgical test work at Hazen Research’s Colorado laboratory, collaborations have been initiated with the University of Nevada, Reno and the Chemical Engineering Department of Michigan Technical University. Further collaborations to assist in the technical and other aspects of the program will be announced as they are confirmed. The scale and technical nature of the project means that engaging with key people in specialist fields will be a key enabler of future success.

Utilising samples from the 2018 drill program a range of metallurgical tests have been ongoing at highly respected US laboratory Hazen Research. Most recently, the results from conventional sulphuric acid leaching under a range of temperature, slurry density and time conditions have demonstrated further positive outcomes including:

- Leaching at moderate temperatures achieves very high lithium extractions (Figure 2) comparable to that achieved in previous tests at higher temperatures³.
- Rapid lithium extraction, over 90% of lithium reports to the leach solution within 2 hours, (Figure 2).

It is important to note that all tests have been undertaken under atmospheric pressure conditions, and the above outcomes have positive implications for the economics of any future project.

Metallurgical testing continues with the goal of further optimising the leach conditions and leachate composition, as well as testing for any beneficiation opportunities. Limited details have been released due to the proprietary nature of this information.

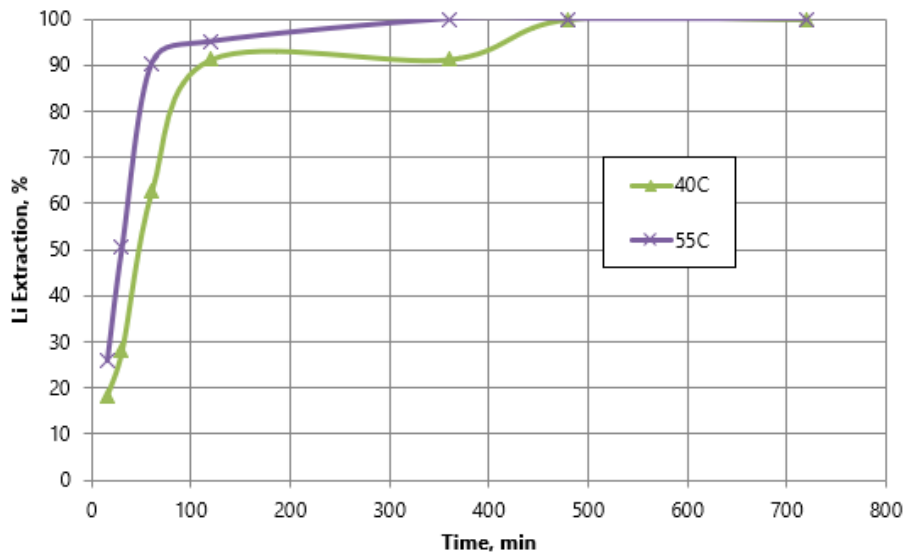


Figure 2 – Recent sulphuric acid leach test results showing over 90% of Li can be recovered within two hours at moderate temperatures.

Why Lithium Sediments?

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 found in pegmatites, brines and sediments. Lithium bearing sediments at the Company's McDermitt Project have several positive characteristics including:

- Mineralisation is from or close to surface, flat-lying to shallowly dipping with low stripping ratios and contained within soft rocks, suggesting low cost mining.
- Adequate scale potential to support a long mine life.
- The economics of advanced sediment projects indicate the costs to produce the lithium compounds used in battery manufacture are highly competitive.

Why Lithium Sediments in the US?

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

- Growing local demand is currently satisfied overwhelmingly by imported material with the Silver Peak mine in Nevada owned by Albermarle (NYSE: ALB) the only operating production facility in the US.
- The US is politically stable, with excellent infrastructure and a skilled labour force.
- 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 US a focus and priority for Federal agencies.
- The US Department of the Interior included lithium in its May 2018 list of minerals "critical to the economic and national security of the United States".
- Bi-partisan legislation introduced to the US Congress on March 2nd 2019 includes a range of provisions including permitting reforms to reduce the country's reliance on foreign supplies of critical minerals including lithium.
- Jindalee's US lithium projects are located on 100% owned tenure on Federal (BLM) land, with no royalties.
- A US source of lithium would not be subject to import tariffs (up to 25%).



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 31 March 2019 Jindalee held cash and marketable securities worth \$3.4M which, combined with the Company's tight capital structure (only 35M shares on issue), provide strong leverage to any exploration success for shareholders.

Further information on the Company can be found at www.jindalee.net or please contact:

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References

1. JRL's ASX announcement 19 February 2019: "Jindalee Expands US Lithium Footprint".
2. JRL's ASX announcement 20 November 2018: "Lithium Exploration Target at McDermit".
3. JRL's ASX announcement 2 April 2019: "Excellent Metallurgical Test Results from McDermit".

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's) 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.