

## **JINDALEE ANNOUNCES REPOSITIONING AS PURE-PLAY US LITHIUM COMPANY**

- **Jindalee to be repositioned as pure-play, US lithium developer focussing on the McDermitt Lithium Project in Oregon**
- **Jindalee’s Australian assets to be separated into stand-alone vehicle listed on ASX (NewCo)**
- **Eligible Jindalee shareholders to receive a pro rata distribution of NewCo shares for no consideration**
- **Jindalee’s CEO Karen Wellman to join the NewCo Board as Managing Director**
- **Documentation currently being prepared and to be issued in due course.**

Jindalee Resources Limited (“Jindalee”) is pleased to announce that it proposes to separate the Company’s Australian assets into a stand-alone vehicle, NewCo, which will be listed on ASX<sup>1</sup> (**Demerger**) in order to reposition Jindalee as a pure-play, US lithium developer.

The Demerger follows the completion of a strategic review of Jindalee’s portfolio which concluded that a separation of the Australian assets (including the large landholding at Widgiemooltha) represents the optimal structure to maximise value for Jindalee shareholders.

Critically, the Demerger will allow Jindalee to focus its efforts exclusively on the acceleration of exploration and development activities at its world class McDermitt Lithium Project, one of the largest lithium deposits in the United States.

### **Overview of NewCo**

NewCo’s portfolio will include Jindalee’s extensive landholding in the Widgiemooltha district and the Lake Percy Project, which are both highly prospective for nickel, gold and lithium, together with its interest in the Prospect Ridge joint venture in Tasmania (see Figure 1).

NewCo will be led by current Jindalee CEO Karen Wellman, who will be appointed as Managing Director. The remainder of the NewCo board will comprise Justin Mannolini (Non-executive Chairman), Lindsay Dudfield (Non-executive Director) and Trish Farr (Executive Director and Company Secretary), providing a high degree of continuity in the stewardship of the Australian portfolio.

<sup>1</sup> Listing is at the discretion of and subject to the satisfaction of ASX.



**Figure 1 - Key Australian Projects**

### **Strategy for McDermitt**

In preparation for the Demerger, Jindalee is in the process of further strengthening its leadership team, including through the appointment of appropriately qualified US resident directors and executives, with a view to accelerating development activity at McDermitt.

In this regard, Jindalee is pleased to announce that its wholly-owned US subsidiary HiTech Minerals Inc has appointed Mr Brett Marsh as Vice President, Exploration and Development, to co-ordinate in country efforts to advance the McDermitt Lithium Project.

Mr Marsh, a US-qualified geologist and holder of an MBA from Arizona State University, has held a range of senior leadership roles covering project and change management, technology innovation, project evaluation, and technical advice.

Jindalee has recently engaged consultants to commence baseline environment and heritage activities. In addition, following on from the release of exploration results from the 2021 drill campaign, Jindalee expects to publish an updated mineral resource estimate for McDermitt in the current quarter. A further drill program is planned for the second half of the calendar year, with permitting already in place for 28 additional holes.

Further detail regarding the Board and management of Jindalee following the Demerger will be contained in shareholder approval material to be dispatched in relation to the transaction.

Jindalee Chairman Mr Justin Mannolini said:

*“The time is right for Jindalee to reposition itself as a pure-play US lithium developer.*

*The board believes that the favourable political climate in the United States following bipartisan expressions of support for the development of an integrated domestic lithium-ion battery value chain, coupled with the well-known electric vehicle thematic, create the ideal backdrop for the proposed Demerger.*

*As one of the largest lithium projects in the United States, McDermitt presents a huge array of potential development pathways. Critically, the project is 100% owned and entirely unencumbered by offtake or legacy strategic ownership arrangements, creating a high degree of optionality in a market which is increasingly starved of opportunities to deliver a meaningful volume of lithium credits from a single source in a tier-one jurisdiction.*

*We also believe there is tremendous potential in our under-explored West Australian landholding, which will benefit from the renewed focus that will be facilitated by the Demerger. I am therefore delighted that Karen Wellman, the current CEO of Jindalee, will lead NewCo as Managing Director. Under Karen’s leadership, the Jindalee technical team has done an excellent job in assembling the projects which will form the core of NewCo’s portfolio, creating a well-funded ASX listed exploration company with a significant land position.*

*Jindalee Shareholders will retain exposure to these assets via an in-specie distribution of NewCo shares.”*

### **Proposed Demerger structure and next steps**

The Demerger will be effected by a distribution of 100% of the NewCo shares on issue via an in-specie distribution by Jindalee. Eligible Jindalee shareholders will be entitled to receive a pro rata distribution (on a basis to be determined) of NewCo shares at the record date. Eligible Jindalee shareholders will not be required to pay any consideration for these NewCo shares.

Jindalee shareholders whose address as shown in Jindalee’s register of members is in Australia or New Zealand as of the record date will be eligible shareholders. The entitlements of ineligible foreign shareholders to NewCo shares as part of the in-specie distribution will be transferred to a sale agent nominated by Jindalee.

The Demerger is subject to final board, regulatory and shareholder approvals. In particular, the Company cautions that the admission of NewCo to the official list of ASX is conditional on and subject to ASX’s satisfaction that NewCo has a structure and operations suitable for a listed entity and ASX’s absolute discretion.

If approved, the Demerger is expected to be completed in the September quarter of 2022.

The Notice of Meeting and other documentation are currently being prepared and the Company will provide further details around timing in due course.

Jindalee has appointed Hamilton Locke as legal advisor in connection with the Demerger.



Authorised for release on behalf of the Company by the Board of Directors.

For further information please visit [www.jindalee.net](http://www.jindalee.net) or contact:

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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 focussed exploration and either advance key assets to development, 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 December 2021 Jindalee held cash and marketable securities worth approximately \$12.8M, which combined with the Company's tight capital structure (only 57M shares on issue), provides a strong base for advancing projects currently held by Jindalee and leveraging into new opportunities.

#### 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.

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](http://asx.com.au) and OTC Markets at [otcm Markets.com](http://otcm Markets.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.

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