

UPDATE ON SEPARATION OF AUSTRALIAN ASSETS

- **Planning for separation of Australian assets to form “Dynamic Metals Limited” continues**
- **Implementation of separation deferred pending improvement in market conditions**
- **Jindalee shareholders expected to receive a priority entitlement to Dynamic Metals shares**
- **\$3.8M exploration budget for Australian assets approved**

Jindalee Resources Limited (**Jindalee**, the **Company**) is pleased to provide an update on the planned separation of its Australian assets into a new listed vehicle (see ASX Announcement of 12 April 2022 entitled “Jindalee Announces Repositioning as Pure-play US Lithium Company”).

The new vehicle is to be known as Dynamic Metals Limited (“**Dynamic**”).

Planning for the formation of Dynamic and the separation of Jindalee’s Australian assets is continuing. However, in light of the recent deterioration in market sentiment towards junior resource listings, the Board intends to delay implementation of the separation until conditions are more conducive to a stand-alone listing of Dynamic (presently expected to be in the second half of the 2023 financial year).

Further, having regard to both market conditions and regulatory feedback regarding the structure of the transaction, the separation of Dynamic is now likely to be implemented by way of an initial public offering (**IPO**) of securities in Dynamic, with a pro-rata priority entitlement to existing Jindalee shareholders, and with any shares not taken up to form a shortfall offer. Jindalee will continue to engage with the Australian Tax Office regarding demerger relief in the event that Jindalee proceeds with an in-specie distribution of its stake in Dynamic to Jindalee shareholders .

Dynamic’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.

While Dynamic remains a wholly owned subsidiary of Jindalee, the Jindalee Board has approved a \$3.8 million, 24-month exploration programme for Dynamic. Jindalee will provide further information on the proposed programme of exploration works for Dynamic in the coming weeks.

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 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.

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 and OTC Markets at otcm Markets.com.

In particular, Jindalee cautions that the IPO and listing of Dynamic is subject to final board, regulatory and shareholder approvals and dependent on market conditions. Jindalee cautions that the admission of Dynamic to the official list of ASX is conditional on and subject to ASX's satisfaction that Dynamic has a structure and operations suitable for a listed entity and ASX's absolute discretion.

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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