

McDERMITT LITHIUM PROJECT – DRILLING UPDATE

- The first 10 holes of the proposed 21 drill hole program completed
- Samples from the completed holes have been submitted for assay
- First assay results expected late December

Jindalee Resources Limited (**Jindalee, the Company**) is pleased to announce that drilling at the Company's 100% owned McDermitt Lithium Project (US) is progressing well (Figure 1) with first 10 holes of the proposed program of up to 21 holes completed (Figure 2).

The drilling is designed to extend the current Inferred Mineral Resource¹ and Exploration Target Range¹ and convert existing Inferred Mineral Resources to Indicated status ahead of a possible Scoping Study.

The drilling has encountered up to 185m true thickness of the target sediments hosting the lithium mineralisation at McDermitt, with initial assay results expected late December.



Figure 1 – Drilling at McDermitt

McDermitt Project – Background

In late 2019 Jindalee announced an Inferred Mineral Resource of **150Mt @ 2,000ppm Li** (0.43% Li₂O) at 1,750ppm Li cut-off¹ had been estimated at McDermitt (refer Table 1, below):

Cut Off (ppm Li)	Mass (Mt)	Grade (ppm Li)	Contained LCE (Mt)
1,750	150	2,000	1.6

Table 1 – Summary of the maiden Inferred Mineral Resource

The Mineral Resource was estimated using a cut-off grade of 1,750ppm Li, which is considered appropriate in the context of similar projects and based on an assessment of the likelihood of future economic extraction as required by the JORC (2012) Code.

The Company confirms that it is not aware of any new information or data that materially affects the information included in this market announcement and that all material assumptions and technical parameters underpinning the estimates of mineral resources referenced in this market announcement continue to apply and have not materially changed.

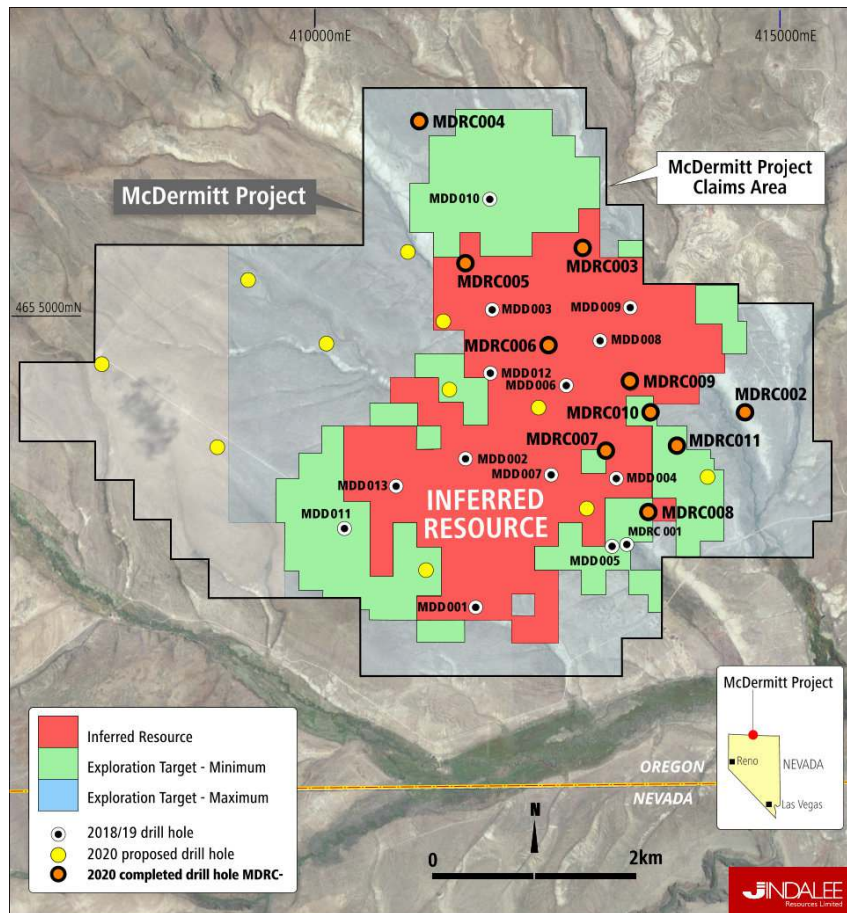


Figure 2 – Location of McDermitt Resource¹ and Exploration Target Areas¹, planned holes (yellow) and location of the 10 holes completed to date

The entire Inferred Mineral Resource sits within 100m of surface and is flat lying, both positive factors for future project economics. Furthermore, analysis of the grade tonnage distribution of the McDermitt resource model highlights the potential for additional material available at lower grades. Metallurgical testwork to date has been very encouraging, indicating high lithium recoveries from conventional sulphuric acid leaching at low temperature and atmospheric pressure and the potential to beneficiate the ore to increase lithium head grade and remove acid consuming minerals, thereby improving project economics².

Recent announcements by Tesla Inc., (NASDAQ: TSLA) regarding its commitment to invest in the “localisation” of its cathode supply chain and production in the United States and the acquisition of the rights to a Nevada sediment hosted lithium deposit³ have underlined the importance of very large sediment hosted lithium deposits. The McDermitt project is strategically located with respect to Tesla’s Gigafactory (Figure 3). Tesla is the first automotive OEM to enter lithium production, a move that may be replicated by other US auto makers keen to gain greater control over the supply chain for minerals critical for the manufacture of electric vehicles.

Jindalee is also highly encouraged by US President-elect Biden’s commitment to achieve net-zero carbon emissions by 2050 through the electrification of transport and use of renewable energy and energy storage, and the implications of this policy for the development of large, strategic lithium projects like McDermitt.



Figure 3 – Location of Jindalee’s Lithium Projects and US Battery Factories (existing & proposed)

Authorised 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 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 September 2020 Jindalee held cash and marketable securities worth approximately \$3.9M, with a further \$0.62M raised in an entitlement offer which closed 16 October 2020⁴. This funding, combined with the Company's tight capital structure (only 44.7M shares on issue), provides a strong base for advancing projects currently held by Jindalee and leveraging into new opportunities.

References:

Additional details including JORC 2012 reporting tables, where applicable, can be found in the following releases lodged with ASX and referred to in this announcement:

1. Jindalee Resources ASX announcement 19/11/2019: "Maiden Lithium Resource at McDermitt".
2. Jindalee Resources ASX announcement 17/08/2020: "More Encouraging Metallurgical Results from McDermitt".
3. Jindalee Resources ASX announcement 25/09/2020: "Tesla Battery Day highlights McDermitt Project Potential."
4. Jindalee Resources ASX announcement 29/10/2020: "Quarterly Activities & 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. Mr Dudfield is consultant to the Company and a Member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Mr Dudfield has sufficient experience relevant to the styles of mineralisation and types of deposits 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, Minerals Resources and Ore Reserves.' Mr Dudfield consents 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). Mr. van der Heyden consents to the inclusion in this report of the matters based on the information in the form and context in which it appears.

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