

31 JANUARY 2023

ASX: JRL

OTCQX: JNDAF



QUARTERLY ACTIVITIES REPORT

- 21 holes drilled at McDermitt, returning outstanding results across the Project
- Numerous wide lithium intercepts from shallow depths, including:
 - 182.2m @ 1197 ppm Li from 21.4m (MDD025)
 - 131.6m @ 1219 ppm Li from 21.9m (MDD028)
 - 68.6m @ 1669 ppm Li from 0.0m (MDRC024)
 - 50.3m @ 1512 ppm Li from 0.0m (MDRC025)
- Plan of Operations seeking approval for future work lodged mid-January 2023
- Updated McDermitt resource expected later this quarter
- Dynamic Metals IPO completed with Dynamic (ASX: DYM) listing mid-January after raising \$7M
- Jindalee held \$5.3M in cash and securities at 31 December 2022

US LITHIUM

McDermitt (Jindalee 100%)

Resource Drilling

On 6 July 2022 Jindalee Resources Ltd (**Jindalee**) announced an updated Mineral Resource Estimate (**MRE**) at the Company's wholly owned McDermitt Lithium Project (US) (**Project**) following incorporation of results from 12 holes drilled in December 2021¹. The combined Indicated and Inferred MRE at McDermitt is currently 1.82 Billion tonnes at 1,370 ppm Li for a total of 13.3 Million tonnes of Lithium Carbonate Equivalent (**LCE**) (Table 1, Figure 1).

Cut-off Grade (ppm Li)	Indicated Resource			Inferred Resource			Indicated & Inferred Resource		
	Tonnage (Mt)	Li Grade (ppm)	LCE (Mt)	Tonnage (Mt)	Li Grade (ppm)	LCE (Mt)	Tonnage (Mt)	Li Grade (ppm)	LCE (Mt)
1,000	616	1,460	4.8	1,200	1,310	8.4	1,820	1370	13.3

Table 1 – Summary of 2022 McDermitt Mineral Resource Estimate at the reporting cut-off of 1,000ppm.

Note: totals may vary due to rounding.

Additional drilling designed to infill and upgrade the Resource and to define the full extent of lithium mineralisation at McDermitt commenced in July 2022 and was completed late October 2022. Twenty-one holes (10 diamond and 11 Reverse Circulation) were drilled with multiple wide lithium intercepts from shallow depths recorded across the Project (Figure 1) (Annexure A).

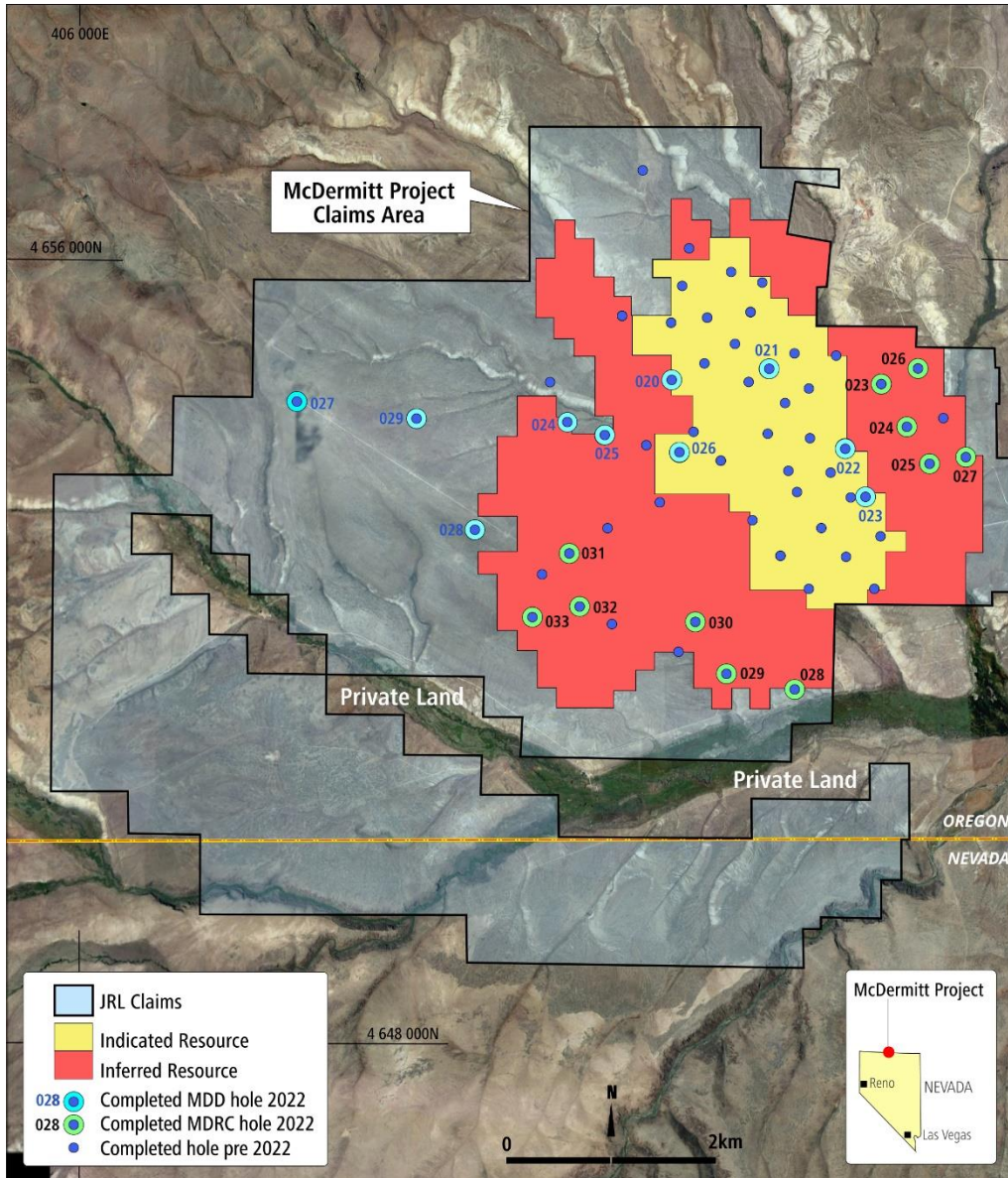


Figure 1 - Plan view of the McDermitt Lithium Project with drill collars and 2022 Mineral Resource¹ (at 1523mRL).

Broad high-grade intercepts recorded from surface on the eastern side of the deposit (eg holes MDRC024, MDRC025), and at shallow depths on the western side of McDermitt (eg holes MDD025, MDD028), are expected to convert a large part of the current Inferred Resource to Indicated status and add substantial tonnages, particularly on the western side of the deposit^{2,3,4}.

A summary of hole data from the 2022 drilling program and significant intercepts is included in Annexure A, with an updated MRE for McDermitt expected later this quarter.

Metallurgy

There are two main processing routes for extracting lithium from sediment hosted deposits like McDermitt: acid leaching (using H_2SO_4 or HCl) and alkali salt (sulphation) roasting.

Initial acid leaching testwork undertaken by Jindalee confirmed rapid lithium extraction rates of 97% (using H_2SO_4) and 98% (HCl) at moderate temperature and atmospheric pressure. Furthermore, beneficiation using attrition scrubbing at 30% solids demonstrated that the lithium content in the retained (fine) fraction could be increased from 36% to 83%, with subsequent leaching of the beneficiated samples consuming 26% less acid compared with similar tests on non-beneficiated ore⁵.

Mid-October 2022 Jindalee announced that Lithium Phosphate (Li_3PO_4) had been produced from initial alkali salt roast testwork of McDermitt ore⁶. Lithium phosphate is a potential precursor chemical for production of Lithium Iron Phosphate (**LFP**) batteries.

The testwork involved roasting and sequential leaching of a composite sample assaying 1,460 ppm Li, with the Lithium Phosphate produced assaying 58,880 ppm (5.89%) Li, before purification, representing a 40x uplift in grade. A second test used mixed salts recovered from the mother liquor from the sequential leaching testwork confirmed that recycling the salt residue as a roast reagent improves lithium recoveries and reduces reagent usage.

Jindalee has engaged an engineering group with extensive experience with US sediment hosted lithium deposits to review all testwork undertaken at McDermitt and recommend the optimal processing route for the Project. Results are expected to be available later in the March 2023 quarter.

Permitting

Jindalee continues de-risking the Project on multiple fronts. In addition to the recent drilling program and metallurgical studies the Company completed environmental baseline and cultural surveys during 2022, with no critical issues identified.

Results from these surveys were compiled during the December 2022 quarter and an application for an Exploration Plan of Operation (**EPO**) was submitted to the Bureau of Land Management (**BLM**) mid-January 2023. If approved, the EPO will allow Jindalee to significantly increase on-site activity, including infill drilling and bulk sampling.

US Political Developments

Political support for US critical mineral projects continued to grow during the period. Mid-August 2022 the Inflation Reduction Act (**IRA**) became law, confirming \$369B in funding to reduce carbon emissions by 40% by 2030. Under the IRA at least 40% of an EV's battery materials must be sourced from the US (or a Free Trade Agreement partner) to qualify for an EV tax credit, rising to 80% by 2027.

Furthermore, miners producing critical materials will be eligible for tax credits equivalent to 10% of production costs and US\$40B has been made available under the Department of Energy's (**DOE**) Innovative Technology Loan Guarantee to support projects that bolster a domestic supply of critical minerals⁷.

These developments underline the US Government's commitment to securing domestic sources of critical materials for US battery supply chains and have positive implications for the potential funding and development of the McDermitt deposit (13.3Mt LCE).

AUSTRALIA

During the quarter, Jindalee's Australian assets were transferred to Dynamic Metals Limited (**Dynamic**) in preparation for its demerger, initial public offering (**IPO**) and ASX Listing (see "Corporate" below).

Dynamic's portfolio includes Jindalee's extensive landholding in the Widgiemooltha district and the Lake Percy Project, both of which are highly prospective for lithium, nickel and gold, as well as the Deep Well Ni-Cu-PGE Project in which Dynamic holds an 80% interest. No material work was undertaken during the quarter pending completion of the Dynamic IPO.

Dynamic's portfolio also includes Jindalee's interest in the Prospect Ridge Magnesite Project (Jindalee 30%, GWR Resources Limited 70%), the Aries Diamond Project, which was divested to Odessa Minerals Limited in 2021 (Jindalee 10%, Odessa 90%), and Jindalee's Leinster Projects (Jindalee 100%; Auroch Minerals Limited earning 70%).

For further information on these and other projects now owned by Dynamic please refer to Dynamic's website (www.dynamicmetals.com.au).

CORPORATE

Demerger of Australian Assets and IPO of Dynamic

At the Company's AGM held on 30 November 2022 Jindalee shareholders approved the separation of Jindalee's Australian assets by way of an IPO of securities in Dynamic, subject to regulatory approvals¹¹. The IPO included a priority offer to existing Jindalee shareholders, as well as a public offer, and closed prior to quarter end having successfully raised \$7M (before costs).

Dynamic is led by Karen Wellman, who was previously Jindalee's CEO. Jindalee holds 12.5 million Dynamic shares (25.5% of Dynamic's issued capital), providing Jindalee shareholders with an indirect interest in Dynamic's projects.

INVESTMENTS

Energy Metals Limited (Jindalee 5.2% of issued capital)

Jindalee holds approximately 11 million Energy Metals (ASX: EME) shares, giving shareholders continued exposure to the development of the Bigryli uranium-vanadium deposit and the potential of Energy Metals' other uranium projects (refer www.energymetals.net).

FINANCIAL COMMENTARY

The Quarterly Cashflow Report (Appendix 5B) for the period ending 31 December 2022 provides an overview of the Company's financial activities.

Exploration expenditure for the reporting period was \$1.51M and was dominated by the McDermitt drilling program and associated costs. Corporate and other expenditure amounted to \$551k, including costs associated with the Dynamic IPO. The total amount paid to directors of the entity and their associates in the period (item 6.1 of the Appendix 5B) was \$64k and includes directors' fees, consulting fees and superannuation.

Jindalee currently has 57.4M shares on issue with cash and marketable securities at 31 December 2022 of approximately \$5.3M¹³.

Authorised for release by the Jindalee Board of Directors.

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ADDITIONAL INFORMATION

Additional details including JORC 2012 reporting tables, where applicable, can be found in the ASX announcements referenced in this report and announcements lodged with the ASX during the quarter:

References

1. Jindalee Resources ASX announcement 06/07/2022: "170% Increase to Indicated Resource at McDermitt"
2. Jindalee Resources ASX announcement 19/09/2022: "Strong first assays from 2022 drilling program at McDermitt"
3. Jindalee Resources ASX announcement 24/11/2022: "Outstanding intercepts continue at McDermitt lithium project"
4. Jindalee Resources ASX announcement 14/12/2022: "Outstanding final assays at McDermitt lithium project"
5. Jindalee Resources ASX announcement 22/02/2021: "More positive metallurgical results from McDermitt"
6. Jindalee Resources ASX announcement 14/10/2022: "Positive results from metallurgical testwork at McDermitt"
7. Source: [congress.gov/bill/117th-congress/house-bill/5376/text](https://www.congress.gov/bills/117/congress/house/bills/5376/text) [Inflation Reduction Act]
8. Source: <https://www.energy.gov/lpo/articles/lpo-announces-conditional-commitment-ioneer-rhyolite-ridge-advance-domestic-production>
9. Source: <https://www.ioneer.com/projects/about-rhyolite-ridge/reserves-resources/>
10. Source: https://www.lithiumamericas.com/resources/news/nr_20211007.pdf
11. Jindalee Resources ASX announcement 30/11/2022: "Results of Meeting"
12. Jindalee Resources ASX announcement 13/01/2023: "Dynamic Metals raises \$7M in IPO – to list on ASX"
13. Jindalee Resources ASX announcements 31/01/2023: "Quarterly Activities Report" & "Quarterly 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 and Mr. Brett Marsh. Mr. Dudfield is a director and consultant to the Company and a Member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Mr. Marsh is an employee of the Company and an American Institute of Professional Geologists (AIPG) Certified Professional Geologist and a Registered Member of the Society for Mining, Metallurgy & Exploration (SME). Both Mr. Dudfield and Mr. Marsh have sufficient experience relevant to the styles of mineralisation and types of deposits under consideration, and to the activity being undertaken, to qualify as Competent Persons as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves' (JORC Code). Mr. Dudfield and Mr. Marsh consent 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).

The Company confirms that it is not aware of any further new information or data that materially affects the information included in the original market announcements by Jindalee Resources Ltd (JRL) entitled "McDermitt Lithium Resource confirmed as largest in USA" released on 8 April 2021 and in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that it is not aware of any further new information or data that materially affects the information included in the original market announcements by JRL entitled "170% increase to Indicated Resource at McDermitt" released on 6 July 2022 and in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. To the extent disclosed above, the Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Forward-Looking Statements

This document may contain certain forward-looking statements. Forward-looking statements include but are not limited to statements concerning JRL's current expectations, estimates and projections about the industry in which JRL operates, and beliefs and assumptions regarding JRL'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 JRL 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 JRL 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 otcmarkets.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.

Tenement Information in accordance with Listing Rule 5.3.3

As at 31 December 2022

Project	Tenement ID	Location	Status	Interest at beginning of Qtr	Interest at end of Qtr
Planets	E15/1549	Western Australia	Granted	100%	0%
Widgie	E15/1552	Western Australia	Granted	100%	100%
Highway	E15/1563	Western Australia	Granted	100%	0%
Railway	E15/1564	Western Australia	Granted	100%	100%
Lawry	E15/1624	Western Australia	Application	100%	100%
Lawry	E15/1626	Western Australia	Granted	100%	100%
Widgie	E15/1645	Western Australia	Granted	100%	100%
Widgie	E15/1680	Western Australia	Granted	100%	100%
Higginsville	E15/1691	Western Australia	Granted	100%	100%
Widgie	E15/1697	Western Australia	Application	100%	100%
Widgie	E15/1700	Western Australia	Application	100%	100%
Chalice	E15/1705	Western Australia	Granted	100%	100%
Widgie	E15/1712	Western Australia	Granted	100%	100%
Widgie	E15/1713	Western Australia	Application	100%	100%
St Ives	E15/1720	Western Australia	Granted	100%	100%
Chalice	E15/1721	Western Australia	Application	100%	100%
St Ives	E15/1722	Western Australia	Granted	100%	100%
St Ives	E15/1736	Western Australia	Granted	100%	20%
St Ives	E15/1747	Western Australia	Granted	100%	20%
St Ives	E15/1752	Western Australia	Granted	100%	20%
St Ives	E15/1753-4	Western Australia	Application	100%	100%
Highway	E15/1765	Western Australia	Application	100%	100%
St Ives	E15/1779	Western Australia	Application	100%	0%
St Ives	E15/1785	Western Australia	Application	100%	0%
Yilmia	E15/1789	Western Australia	Application	100%	100%
Chalice	E15/1802	Western Australia	Granted	100%	100%
St Ives	E15/1806-08	Western Australia	Granted	100%	100%
St Ives	E15/1816	Western Australia	Granted	100%	100%
Widgie	E15/1818	Western Australia	Application	100%	100%
Widgie	E15/1836, 1838, 1840	Western Australia	Application	100%	100%
Widgie	E15/1865	Western Australia	Application	100%	100%
St Ives	E15/1880, 1889-90	Western Australia	Application	100%	100%
Widgie	E15/1935-37*	Western Australia	Application	0%	100%
Higginsville	E15/1907	Western Australia	Application	100%	100%
Higginsville	P15/6112	Western Australia	Granted	100%	100%
Railway	P15/6245-6	Western Australia	Granted	100%	100%
Highway	P15/6267	Western Australia	Granted	100%	100%
Highway	P15/6268	Western Australia	Application	100%	100%
Widgie	P15/6342	Western Australia	Granted	100%	100%
Widgie	P15/6367	Western Australia	Granted	100%	100%
St Ives	P15/6584	Western Australia	Granted	100%	100%
St Ives	P15/6585	Western Australia	Application	100%	100%
St Ives	P15/6586	Western Australia	Granted	100%	100%
St Ives	P15/6587	Western Australia	Application	100%	100%

Tenement Information (continued)

Project	Tenement ID	Location	Status	Interest at beginning of Qtr	Interest at end of Qtr
Lady Jane	E16/572	Western Australia	Application	100%	100%
Lady Jane	E16/608-10	Western Australia	Application	100%	100%
Lady Jane	E16/620-21*	Western Australia	Application	100%	100%
Hollandaire	E20/992	Western Australia	Granted	100%	100%
Tuckabianna	E20/1001	Western Australia	Application	100%	100%
Hollandaire	E20/1015	Western Australia	Application	100%	0%
Salt Creek	E25/562	Western Australia	Granted	20%	20%
Salt Creek	E25/572	Western Australia	Application	20%	100%
Salt Creek	E25/597	Western Australia	Application	100%	100%
Salt Creek	P25/2568	Western Australia	Granted	100%	100%
Silver Swan	E27/627	Western Australia	Application	100%	100%
Lindsays	E27/651-52, 27/666	Western Australia	Application	100%	100%
Lindsays	E27/693*	Western Australia	Application	100%	100%
Pinnacles West	E28/3138	Western Australia	Application	100%	100%
Lake Roe	E28/3150-53	Western Australia	Granted	100%	100%
Lake Roe	E28/3222-23	Western Australia	Application	100%	100%
Lady Jane	E30/548	Western Australia	Application	100%	100%
Deadend Dam	E31/1299	Western Australia	Granted	100%	100%
Deadend Dam	E31/1324	Western Australia	Application	100%	100%
Lindsays	E31/1316	Western Australia	Application	100%	100%
North Sinclair	E36/895	Western Australia	Granted	100%	100%
Camel Bore	E36/910	Western Australia	Granted	100%	100%
Camel Bore	E36/953	Western Australia	Granted	100%	100%
Lawlers	E36/994	Western Australia	Application	100%	100%
Lockyer Well	E37/1370	Western Australia	Granted	100%	100%
Mt Clifton	E37/1446, 37/1472	Western Australia	Application	100%	100%
Mt Clifton	E37/1502*	Western Australia	Application	100%	100%
Laverton	E38/3540, E38/3638	Western Australia	Application	100%	100%
Laverton	E38/3686	Western Australia	Application	100%	100%
Laverton	E38/3682	Western Australia	Application	100%	0%
Leinster	E38/3714, E38/3725	Western Australia	Application	100%	100%
Laverton	E39/2312	Western Australia	Application	100%	100%
Mulga Tank	E39/2134	Western Australia	Granted	100%	100%
Deadend Dam	E39/2350*	Western Australia	Granted	100%	100%
Niagara/ Kookynie	E40/430	Western Australia	Application	100%	100%
Meentheena	E45/5381	Western Australia	Application	100%	100%
Warri Creek	E45/5958	Western Australia	Application	100%	100%
Paterson	E45/6190, 6193, 6195-96	Western Australia	Application	100%	100%
Wodgina	E45/6249*	Western Australia	Application	100%	100%
Mt Samson	E47/3975	Western Australia	Application	100%	100%
Bundie Bore	E51/1909	Western Australia	Granted	100%	20%
Bundie Bore	E51/1946	Western Australia	Granted	100%	20%
Bundie Bore	E51/2087	Western Australia	Application	100%	100%
Bundie Bore	E51/2116*	Western Australia	Application	100%	100%

Tenement Information (continued)

Project	Tenement ID	Location	Status	Interest at beginning of Qtr	Interest at end of Qtr
Bundie Bore	P51/3145-7	Western Australia	Granted	100%	20%
Joyners JV	M53/1078-I	Western Australia	Granted	20%	20%
Joyners	E53/2129, 2131	Western Australia	Granted	100%	100%
Magellan	E53/2148	Western Australia	Application	100%	100%
Jeffreys Find	E63/1832	Western Australia	Granted	100%	100%
Killaloe	E63/1874-5	Western Australia	Granted	100%	100%
Lake Percy	E63/1981	Western Australia	Application	100%	100%
Mission	E63/2005	Western Australia	Granted	100%	100%
Lake Percy	E63/1981	Western Australia	Granted	100%	100%
Lake Percy	E63/2088	Western Australia	Granted	100%	100%
Lake Percy	E63/2236-38, 63/2252*	Western Australia	Application	100%	100%
Lake Percy	E63/2261*	Western Australia	Application	100%	100%
Burnt Hill	E70/6169*	Western Australia	Granted	100%	100%
Young River	E74/711	Western Australia	Application	100%	100%
Forrestania	E77/2575-6, E77/2701	Western Australia	Granted	20%	20%
Westonia	E77/2795	Western Australia	Application	100%	100%
Forrestania	E77/2800	Western Australia	Granted	100%	100%
Forrestania	E77/2887	Western Australia	Granted	100%	100%
Westonia	E77/2958*	Western Australia	Application	0%	100%
Aries	E80/5027	Western Australia	Granted	100%	10%
Prospect Ridge	EL5/2016**	Tasmania	Granted	100%	30%
Sherlock	E47/4345	Western Australia	Granted	100%	20%
McDermitt#	HTM 1-50, 56-342, 348-349, HTX 1-442 HTM 586-682	Oregon, USA Nevada, USA	Granted	100%	100%
Clayton North#	HTC 1-6, 12-18, 25-28	Nevada, USA	Granted	100%	100%

* Tenements held or applied for through Jindalee's wholly-owned Australian subsidiary, Dynamic Metals Limited (ASX:DYM)

** Tenement held by Jindalee's wholly-owned Australian subsidiary, HiTec Minerals Pty Ltd

NOTE: Jindalee's interests in all tenements except Sherlock, McDermitt and Clayton North were transferred to DYM effective 11 January 2023. Refer www.dynamicmetals.com.au for further details

Tenements held by Jindalee's wholly-owned US subsidiary, HiTech Minerals Inc