



**RESOURCES LIMITED**

ACN 064 121 133

**Half-Year Financial Report**

**31 December 2022**

## CORPORATE DIRECTORY

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### Board and Management

Justin Mannolini	Non-Executive Chairman
Lindsay Dudfield	Executive Director/Chief Executive Officer
Darren Wates	Non-Executive Director
Paul Brown	Non-Executive Director
Carly Terzanidis	Joint Company Secretary
Jessamyn Lyons	Joint Company Secretary

### Auditors

BDO Audit (WA) Pty Ltd  
Level 9  
Mia Yellagonga Tower 2  
5 Spring Street  
Perth, WA 6000

### Legal Advisors

Hamilton Locke  
Central Park Building  
Level 48, 152-158 St Georges Terrace  
Perth, WA 6000

### Share Registry

Advanced Share Registry  
110 Stirling Highway  
Nedlands, WA 6000  
Telephone: +61 (8) 9389 8033  
Facsimile: +61 (8) 9262 3723

### Securities Exchange Listings

The Company is listed on the Australian Securities Exchange Ltd ("ASX") and the United States OTCQX market ("OTC")

Home Exchange: Perth, Western Australia

ASX Code: **JRL**  
OTC Code: **JNDAF**

## THE DIRECTORS' REPORT

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The Directors present their report, together with the financial statements, on the consolidated entity consisting of Jindalee Resources Limited ("Jindalee", the "Company" or "Parent Entity") and the entities it controlled at the end of, or during, the half-year ended 31 December 2022 ("Consolidated Entity").

### DIRECTORS

The following persons were directors of Jindalee Resources Limited during the whole of the financial half-year and up to the date of this report, unless otherwise stated:

Justin Mannolini	<i>B.Com/LL (Hons), LLM (Cantab), GAICD, SA FIN</i>
Lindsay Dudfield	<i>B.Sc. (appointed CEO January 2023)</i>
Darren Wates	<i>LLB, BCom, Grad Dip App Fin (appointed as director August 2022)</i>
Paul Brown	<i>M.Eng (MI) (appointed as director December 2022)</i>
Patricia Farr	<i>GradCertProfAcc. GradDipACG, GAICD, FGIA/FCIS (resigned as director August 2022)</i>

### OPERATING RESULT

The Consolidated Entity incurred an operating loss after income tax for the half-year ended 31 December 2022 of \$1,732,722 (half-year ended 31 December 2021: operating profit after income tax of \$691,702).

The loss for the period includes a gain on revaluation of financial assets of \$233,312 and share based payments expenses of \$1,369,010 relating to options issued to employees under the employee share plan to employees, and options issued to Directors.

The Directors believe the Consolidated Entity is in a sound financial position to continue its exploration endeavours.

### PRINCIPAL ACTIVITIES

The principal activity of the Consolidated Entity is mineral exploration.

### REVIEW OF OPERATIONS

Jindalee's strategy is to identify and acquire projects with the potential to transform the Consolidated Entity and this continued to be the primary focus.

During the half-year efforts were concentrated on the McDermitt lithium project (US) and included drilling designed to infill and extend the current resource, as well as metallurgical testwork and environmental baseline studies and cultural surveys to further derisk the project. The Consolidated Entity also completed heritage surveys at the Widgiemooltha Project (WA) and heritage and flora surveys at the Lake Percy Project (WA) ahead of exploration proposed for early 2023. The Consolidated Entity also entered into an option agreement to acquire 80% of the Deep Well Nickel-Copper-PGE Project (WA) and divested several non-core projects in Western Australia. The Consolidated Entity continued activities related to the spin-out of the Australian assets during the half-year, which was completed subsequent to the reporting date.

#### Lithium Projects (US)

On 6 July 2022 Jindalee announced an updated Mineral Resource Estimate ("MRE") at McDermitt following incorporation of results from 12 holes drilled in December 2021<sup>1</sup>, with a combined Indicated and Inferred MRE of 1.82 Billion tonnes at 1,370 ppm Li for a total of 13.3 Million tonnes of Lithium Carbonate Equivalent ("LCE") (Table 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 1,000 ppm. Note: totals may vary due to rounding**

On 14 December 2022 Jindalee announced final assay results from a 21 hole program completed at McDermitt in October 2022 and designed to infill and extend the Mineral Resource at the Project<sup>2</sup>. The program returned multiple wide lithium intercepts in most holes and resulted in a significant increase to the McDermitt MRE.

Additional work completed at McDermitt during the period included metallurgical testwork to investigate the potential to treat McDermitt ore using alkali salt (sulphation) roasting as an alternative to acid leaching. The testwork involved roasting and sequential leaching of a composite sample assaying 1,460 ppm Li and produced Lithium Phosphate 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<sup>3</sup>. 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.

In addition to the recent drilling program and metallurgical studies the Company also completed environmental baseline and cultural surveys during the period, 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.

#### Australia

The transfer of Jindalee’s Australian assets to Dynamic in preparation for Dynamic’s demerger, initial public offering (“IPO”) and ASX listing was progressed during the half-year.

Dynamic’s portfolio includes 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. Dynamic’s portfolio also includes minority interests in the Prospect Ridge Magnesite Project, the Aries Diamond Project and the Leinster Projects.

Dynamic listed on ASX on 16 January 2023 with Jindalee holding 12,500,001 Dynamic shares (25.5% of Dynamic’s issued capital), providing Jindalee shareholders with an indirect interest in Dynamic’s projects<sup>4</sup>.

#### **SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS**

There were no significant changes in the state of affairs of the Consolidated Entity during the financial half-year.

#### **EVENTS OCCURRING AFTER REPORTING PERIOD**

On 11 January 2023, the Consolidated Entity was issued 12,500,000 Dynamic shares as consideration for the acquisition by Dynamic of the Consolidated Entity’s interests in its Australian lithium, nickel and gold assets.

On 13 January 2023, the Consolidated Entity announced to the ASX that it had successfully completed the spin-out of Dynamic, via an IPO. Dynamic was admitted to the official list of ASX on 16 January 2023 and trades under the ASX code "DYM".

On 13 February 2023, the Consolidated Entity announced that it had signed a Non-Binding Memorandum of Understanding ("MOU") with major Korean conglomerate POSCO Holdings Inc. ("POSCO") (NYSE: PKX)<sup>5</sup>. Under the terms of the MOU, POSCO and the Consolidated Entity agree to undertake joint research regarding Jindalee's McDermitt Lithium Project (US).

On 27 February 2023, Jindalee announced an updated MRE at McDermitt following incorporation of results from 21 holes drilled from August to October 2022, with a combined Indicated and Inferred MRE of 3.0 Billion tonnes at 1,340 ppm Li for a total of 21.5 Million tonnes of LCE (Table 2)<sup>6</sup>.

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	1,470	1,420	11.1	1,540	1,270	10.4	3,000	1340	21.5

Table 2 – Summary of 2023 McDermitt Mineral Resource Estimate at the reporting cut-off of 1,000ppm. Note: totals may vary due to rounding

The Company confirms that it is not aware of any new information or data that materially affects the information included in the market announcement on 27 February 2023 and that all material assumptions and technical parameters underpinning the estimates of mineral resources referenced in the market announcement continue to apply and have not materially changed.

Other than the matters outlined above, no other matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may significantly affect the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's state of affairs in future financial periods.

**AUDITOR'S INDEPENDENCE DECLARATION**

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 5 of this half-year report.

This report is made in accordance with a resolution of the Board of, pursuant to section 306(3)(a) of the *Corporations Act 2001*.

On behalf of the Directors




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LINDSAY DUDFIELD  
 Executive Director/Chief Executive Officer  
 PERTH 8 March 2023

#### 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 report:

1. Jindalee Resources ASX announcement 06/07/2022: "170% Increase to Indicated Resource at McDermitt"
2. Jindalee Resources ASX announcement 14/12/2022: "Outstanding final assays at McDermitt lithium project"
3. Jindalee Resources ASX announcement 14/10/2022: "Positive results from metallurgical testwork at McDermitt"
4. Jindalee Resources ASX announcement 13/01/2023: "Dynamic Metals raises \$7M in IPO – to list on ASX"
5. Jindalee Resources ASX announcement 13/01/2023: "MOU Executed with POSCO Holdings"
6. Jindalee Resources ASX announcement 27/02/2023: "Resource at McDermitt increases to 21.5 Mt LCE"

#### 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 market announcement by JRL entitled "Resource at McDermitt increases to 21.5 Mt LCE" released on 27 February 2023 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 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.

## DECLARATION OF INDEPENDENCE BY MELISSA REID TO THE DIRECTORS OF JINDALEE RESOURCES LIMITED

As lead auditor for the review of Jindalee Resources Limited for the half-year ended 31 December 2022, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Jindalee Resources Limited and the entities it controlled during the period.



Melissa Reid  
Director

BDO Audit (WA) Pty Ltd  
Perth  
8 March 2023

# Jindalee Resources Limited

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31 December 2022

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### General Information

The financial statements cover Jindalee Resources Limited as a Consolidated Entity consisting of Jindalee Resources Limited and the entities it controlled at the end of, or during, the half-year. The financial statements are presented in Australian dollars, which is Jindalee Resources Limited's functional and presentation currency.

Jindalee Resources Limited is a listed public company limited by shares, incorporated, and domiciled in Australia. Its registered office and principal place of business is:

Level 2

9 Havelock Street

West Perth, WA 6005

Telephone: +61 (8) 9321 7550

Facsimile: +61 (8) 9321 7950

Email: enquiry@jindalee.net

Web: www.jindalee.net

A description of the nature of the Consolidated Entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 8 March 2023.



## Jindalee Resources Limited

### Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 31 December 2022

		31 December 2022	31 December 2021
	Notes	\$	\$
Revenue from continuing operations		-	13,850
Interest received		52,096	-
Other income	4	174,413	260,423
Fair value movement on financial assets		233,312	1,106,726
Foreign exchange gain/(loss)		91,647	103,485
Share-based payments expenses	11	(1,369,010)	(258,279)
Corporate regulatory expenses		(306,695)	(87,202)
Employee benefits expenses		(208,039)	(58,896)
Exploration expenditure		(157,084)	(108,290)
Depreciation and amortisation expense		(29,460)	(35,582)
Finance costs		(6,193)	(3,902)
Other administration expenses		(203,311)	(240,631)
<b>Profit/(loss) before income tax from continuing operations</b>		<b>(1,728,324)</b>	<b>691,702</b>
<b>Loss for the period from discontinued operations</b>	<b>8</b>	<b>(4,398)</b>	<b>-</b>
Income tax benefit		-	-
<b>Profit/(loss) for the half-year after tax</b>		<b>(1,732,722 )</b>	<b>691,702</b>
Other comprehensive income for the period		-	-
<b>Total comprehensive profit/(loss) for the period</b>		<b>(1,732,722)</b>	<b>691,702</b>

#### Earnings/(loss) per share attributable to the members of Jindalee Resources Limited – from continuing and discontinued operations:

Basic earnings/(loss) per share (cents per share)	5	(3.02)	1.29
Diluted earnings/(loss) per share (cents per share)	5	(3.02)	1.16

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

**Jindalee Resources Limited**  
**Consolidated Statement of Financial Position**  
As at 31 December 2022

		31 December 2022	30 June 2022
	Notes	\$	\$
<b>Current assets</b>			
Cash and cash equivalents	7	2,990,004	8,690,940
Trade and other receivables		4,474	46,122
Prepayments		-	142,731
		<u>2,994,478</u>	<u>8,879,793</u>
Non-current assets classified as held for sale	8	2,742,327	-
<b>Total current assets</b>		<u>5,736,805</u>	<u>8,879,793</u>
<b>Non-current assets</b>			
Other receivables		124,531	62,827
Property, plant and equipment		353,068	66,842
Right of use assets		81,811	-
Exploration and evaluation assets	9	10,329,856	7,965,835
Financial assets at fair value through profit and loss	6	1,750,080	1,902,844
<b>Total non-current assets</b>		<u>12,639,346</u>	<u>9,998,348</u>
<b>Total assets</b>		<u>18,376,151</u>	<u>18,878,141</u>
<b>Current liabilities</b>			
Trade and other payables		345,163	372,141
Provision for annual leave		27,090	27,090
Lease liabilities		84,812	-
Tax payable		-	208,551
<b>Total current liabilities</b>		<u>457,065</u>	<u>607,782</u>
<b>Non-current liabilities</b>			
Provision for long service leave		12,439	-
<b>Total non-current liabilities</b>		<u>12,439</u>	<u>-</u>
<b>Total liabilities</b>		<u>469,504</u>	<u>607,782</u>
<b>Net assets</b>		<u>17,906,647</u>	<u>18,270,359</u>
<b>Equity</b>			
Contributed equity	10	21,326,062	21,326,062
Accumulated losses		(9,221,134)	(7,488,412)
Reserves		5,801,719	4,432,709
<b>Total equity</b>		<u>17,906,647</u>	<u>18,270,359</u>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

**Jindalee Resources Limited**  
**Consolidated Statement of Cash Flows**  
For the half-year ended 31 December 2022

		31 December 2022	31 December 2021
	Notes	\$	\$
<b>Cash flows from operating activities</b>			
Payments to suppliers and employees		(1,267,374)	(206,307)
Payments to suppliers and employees – discontinued operations	8	(230,740)	-
Interest received		54,879	15,747
Interest paid		(7,193)	(3,902)
Payments for exploration and evaluation		(240,346)	-
<b>Net cash outflow from operating activities</b>		<u>(1,229,294)</u>	<u>(194,462)</u>
<b>Cash flows from investing activities</b>			
Proceeds from sale of financial assets at fair value through profit and loss		-	447,133
Payments financial assets at fair value through profit and loss		-	(838)
Payments for property, plant and equipment		(355,624)	-
Payments for exploration and evaluation	9	(2,109,212)	(2,053,100)
Payments for exploration and evaluation – discontinued operations	8, 9	(1,885,441)	-
Proceeds from sale of tenements		25,000	37,500
Proceeds from disposal of investments		139,018	-
<b>Net cash outflow from investing activities</b>		<u>(4,186,259)</u>	<u>(1,569,305)</u>
<b>Cash flows from financing activities</b>			
Lease principal repayments		(24,269)	(36,231)
Proceeds from issue of shares net of costs		-	276,777
<b>Net cash outflow/inflow from financing activities</b>		<u>(24,269)</u>	<u>240,546</u>
<b>Net increase/(decrease) in cash and cash equivalents held</b>			
Cash and cash equivalents at the beginning of reporting period		8,690,940	10,158,652
Less: cash and cash equivalents – discontinued operations	8	(261,114)	-
<b>Cash and cash equivalents at the end of reporting period</b>	7	<u><u>2,990,004</u></u>	<u><u>8,635,431</u></u>

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

**Jindalee Resources Limited**  
**Consolidated Statement of Changes in Equity**  
**For the half-year ended 31 December 2022**

	Contributed equity	Share-based payment reserve	Accumulated losses	Total equity
	\$	\$	\$	\$
At 1 July 2022	21,326,062	4,432,709	(7,488,412)	18,270,359
<i>Total comprehensive loss for the half-year:</i>				
Loss for the half-year	-	-	(1,732,722)	(1,732,722)
Total comprehensive loss for the half-year	-	-	(1,732,722)	(1,732,722)
<i>Transactions with owners in their capacity as owners:</i>				
Issue of shares net of costs	-	-	-	-
Share-based payment expense (Note 11)	-	1,369,010	-	1,369,010
<b>At 31 December 2022</b>	<b>21,326,062</b>	<b>5,801,719</b>	<b>(9,221,134)</b>	<b>17,906,647</b>
At 1 July 2021	19,599,748	4,049,120	(6,042,280)	17,606,588
<i>Total comprehensive income for the half-year:</i>				
Profit for the half-year	-	-	691,702	691,702
Total comprehensive income for the half-year	-	-	691,702	691,702
<i>Transactions with owners in their capacity as owners:</i>				
Issue of shares net of costs	276,776	-	-	276,776
Share-based payment expense	-	258,279	-	258,279
<b>At 31 December 2021</b>	<b>19,876,524</b>	<b>4,307,399</b>	<b>(5,350,578)</b>	<b>18,833,345</b>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

**1. Significant accounting policies**

**Basis of preparation of the half-year financial report**

These general purpose financial statements for the interim half-year reporting period ended 31 December 2022 have been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

These general purpose financial statements do not include all the notes of the type normally included in the annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual financial statements for the year ended 30 June 2022 and any public announcements made by the Consolidated Entity during the interim reporting period in accordance with continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

**Adoption of new and revised Accounting Standards**

For the half-year ended 31 December 2022, the Consolidated Entity has reviewed all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2022. The Consolidated Entity has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

**2. Operating segments**

Management has determined that the Consolidated Entity has one reportable segment, being mineral exploration in Australia and the United States. As the Consolidated Entity is focused on mineral exploration, the Board periodically monitors the Consolidated Entity based on actual versus budgeted exploration expenditure incurred on the Consolidated Entity as a whole. This internal reporting framework is most relevant to assist the Board with making decisions regarding the Consolidated Entity and its ongoing exploration programmes and activities, while also taking into consideration the results of exploration work that has been performed to date. The reportable segment is represented by the primary statements forming this half-year financial report.

**3. Non-current assets or disposal groups classified as held for sale**

Non-current assets and assets of disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continued use. They are measured at the lower of their carrying amount and fair value less costs of disposal. For non-current assets or assets of disposal groups to be classified as held for sale, they must be available for immediate sale in their present condition and their sale must be highly probable.

An impairment loss is recognised for any initial or subsequent write down of the non-current assets and assets of disposal groups to fair value less costs of disposal. A gain is recognised for any subsequent increases in fair value less costs of disposal of non-current assets and assets of disposal groups, but not in excess of any cumulative impairment loss previously recognised.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of assets held for sale continue to be recognised.

**Jindalee Resources Limited**  
**Notes to the Consolidated Financial Statements**  
**31 December 2022**



Non-current assets classified as held for sale and the assets of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current assets. The liabilities of disposal groups classified as held for sale are presented separately on the face of the statement of financial position, in current liabilities.

**4. Other Income**

	<b>31 December 2022</b>	<b>31 December 2021</b>
	\$	\$
Sale of tenements	174,413	254,394
Other	-	6,029
	<u>174,413</u>	<u>260,423</u>

The sale of tenements includes non-cash consideration of \$150,000 received as shares in Voltaic Strategic Resources Limited and cash receipts of \$25,000 net of cost of tenements sold of \$587.

**5. Earnings Per Share**

	<b>31 December 2022</b>	<b>31 December 2021</b>
	\$	\$
Profit/(loss) used in calculation of loss per share	<u>(1,732,722)</u>	<u>691,702</u>
Basic earnings/(loss) per share (cents per share)	(3.02)	1.29
Diluted loss per share (cents per share)	(3.02)	1.16
Weighted average number of ordinary shares used as the denominator in calculating earnings/(loss) per share	57,378,966	53,776,097
Weighted average number of ordinary shares used as the denominator in calculating diluted earnings/(loss) per share	57,378,966	59,426,097

**6. Financial Assets at Fair Value Through Profit and Loss**

	<b>31 December 2022</b>	<b>30 June 2022</b>
	\$	\$
<b>Current</b>		
Financial assets at fair value through profit and loss	-	-
Balance at the beginning of period	-	221,179
Disposal proceeds	-	(221,179)
Balance at the end of period	<u>-</u>	<u>-</u>
<b>Non-current</b>		
Financial assets at fair value through profit and loss	<u>1,750,080</u>	<u>1,902,844</u>
Balance at the beginning of period	1,902,844	2,862,844
Additions	-	1,166,583
Disposal proceeds	31,532	(827,858)
Loss on disposal	(53,944)	(1,298,725)
Fair value movement on investments held at end of period	<u>134,353</u>	<u>2,862,844</u>
	2,014,786	1,902,844
Transferred to Non-current asset held-for-sale <sup>1</sup> (Note 8)	<u>(264,706)</u>	<u>-</u>
Balance at the end of period	<u>1,750,080</u>	<u>1,902,844</u>

<sup>1</sup>Represents GWR Group Limited shares, held by the Consolidated Entity's wholly owned subsidiary HiTec Minerals Pty Ltd. Refer to Note 8 for further detail.

**7. Cash and cash equivalents**

	<b>31 December 2022</b>	<b>30 June 2022</b>
	<b>\$</b>	<b>\$</b>
Cash on hand	1,216,271	2,177,779
Cash on deposit	2,034,846	6,513,161
	<u>3,251,117</u>	<u>8,690,940</u>
Transferred to Non-current asset held-for-sale (Note 8)	(261,114)	-
Balance at the end of period	<u>2,990,004</u>	<u>8,690,940</u>

**8. Discontinued operations and Held for Sale Asset**

On 9 November 2022, the Consolidated Entity announced to the ASX its intention to spin-out its 100% owned Australian lithium, nickel and gold assets into a new IPO, to form a dedicated ASX-listed critical mineral focused exploration vehicle, Dynamic Metals Limited. As a result of the announcement, the Consolidated Entity's wholly owned subsidiaries HiTec Minerals Pty Ltd and Dynamic were classified as non-current assets held for sale, along with all Australian exploration assets owned by the Consolidated Entity. On 13 January 2023, the Consolidated Entity announced to the ASX that it had successfully completed the spin-out and IPO of Dynamic .

As at 31 December 2022 the non-current assets held for sale were carried at the lower of their carrying amount and fair value less costs to sell based on consideration receivable by Jindalee and the agreement for reimbursable exploration and evaluation expenditure.

<b>Held for Sale Asset</b>	<b>31 December 2022</b>
	<b>\$</b>
Exploration and evaluation assets	1,885,441
Financial assets at fair value through profit and loss	264,706
Cash	261,114
Trade and other receivables	283,846
Property, plant and equipment	47,221
Balance at the end of period	<u>2,742,327</u>

	<b>31 December 2022</b>
	<b>\$</b>
<b>Results from discontinued operations</b>	
Loss from discontinued operations	(4,398)
Cash flows from discontinued operations	
Cash flows from operating activities	230,740
Cash flows from investing activities	(1,885,441)
Effect on financial position of the group	
Non-current assets classified as held for sale	2,742,327

**9. Exploration and Evaluation Assets**

	<b>31 December 2022</b>	<b>30 June 2022</b>
	<b>\$</b>	<b>\$</b>
Exploration and evaluation assets	10,329,856	7,965,835
Balance at the beginning of period	7,965,835	3,890,211
Exploration expenditure incurred	4,249,462	4,378,034
Tenements sold	-	(302,410)
	<u>12,215,297</u>	<u>7,965,835</u>
Transferred to Non-current assets held-for sale (Note 8)	(1,885,441)	-
Balance at the end of period	<u><u>10,329,856</u></u>	<u><u>7,965,835</u></u>

The balance carried forward represents projects in the exploration and evaluation phase.

The ultimate recoupment of costs carried forward is dependent on the successful development and commercial exploitation or sale of the areas of interest.

**10. Contributed Equity**

	<b>31 December 2022</b>	<b>30 June 2022</b>
	<b>\$</b>	<b>\$</b>
Share capital		
Ordinary fully paid shares	21,326,062	21,326,062
	<u>Number</u>	<u>\$</u>
Balance at the beginning of the half-year	57,378,966	19,599,750
Conversion of options	-	1,740,000
Share issue costs	-	(13,686)
Balance at the end of the half-year	<u><u>57,378,966</u></u>	<u><u>21,326,062</u></u>

**11. Share Based Payments**

The following share-based payments were granted for the half-year ended 31 December 2022.

On 1 August 2022, the Company issued 2,000,000 unlisted options to employees, which will vest over a service period. The fair value of the options was estimated as at the grant date using the Black Scholes model, considering the terms and conditions below and volatility of 88.4%:

Number granted	Grant date	Exercise price	Risk-free interest rate	Expiry date	Fair value at grant date	Total fair value	% vested
1,000,000	20 July 2022	3.78	3.21%	28 July 2025	1.830	1,183,000	0%
1,000,000	28 July 2022	3.78	2.89%	28 July 2025	1.236	1,236,000	0%

On 25 November 2022, the Company agreed to grant 500,000 options to non-executive director Paul Brown, which will vest over a service period. The options will be granted if approved at a general meeting of the Company to be held on 22 March 2023 ("General Meeting"). The exercise price, expiry date and fair value of the options was provisionally estimated as at the agreement date, with the latter using the Black Scholes model considering the terms and conditions below and



volatility of 87.8%. Subject to shareholder approval at the General Meeting, the exercise price, expiry date and fair value will be adjusted and reflected appropriately in the Consolidated Entity's accounts:

Number granted	Grant date	Exercise price	Risk-free interest rate	Expiry date	Fair value at grant date	Total fair value	% vested
500,000	25 November 2022	3.30	3.27%	25 November 2025	1.045	522,500	0%

On 1 December 2022, the company issued 500,000 options to non-executive director Darren Wates following shareholder approval at the Company's 2022 Annual General Meeting. The fair value of the options was estimated as at the grant date using the Black Scholes model, considering the terms and conditions below and volatility of 87.8%:

Number granted	Grant date	Exercise price	Risk-free interest rate	Expiry date	Fair value at grant date	Total fair value	% vested
500,000	30 November 2022	3.32	3.17%	30 November 2025	1.069	534,500	100%

Share-based payment expense of \$1,369,010 was recognised in the half year ended 31 December 2022.

## 12. Contingencies and Commitments

There has been no change in contingent liabilities, contingent assets or commitments since the last annual reporting date, 30 June 2022.

## 13. Fair Value Measurements of Financial Instruments

The carrying values of financial assets and liabilities of the Consolidated Entity approximate their fair values. Fair values of financial assets and liabilities have been determined for measurement and/or disclosure purposes.

### *Fair value hierarchy*

The Consolidated Entity classifies assets and liabilities carried at fair value using a fair value hierarchy that reflects the significance of the inputs used in determining that value. The following table analyses financial instruments carried at fair value by the valuation method. The different levels in the hierarchy have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3: Unobservable inputs for the asset or liability

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<b>Consolidated</b>				
<b>31 December 2022</b>				
Financial assets at fair value through profit and loss	1,750,080	-	-	1,750,080
<b>Total as at 31 December 2022</b>	<b>1,750,080</b>	<b>-</b>	<b>-</b>	<b>1,750,080</b>

**30 June 2022**

Financial assets at fair value through profit and loss	1,902,844	-	-	1,902,844
<b>Total as at 30 June 2022</b>	<b>1,902,844</b>	<b>-</b>	<b>-</b>	<b>1,902,844</b>

Due to their short-term nature, the carrying amount of the current receivables and current payables is assumed to approximate their fair value.

**14. Dividends**

No dividends have been paid or provided for during the half-year ended 31 December 2022 (31 December 2021: nil).

**15. Related party transactions**

(a) Parent entity

The parent entity within the Consolidated Entity is Jindalee Resources Limited.

(b) Subsidiaries

There has been no change to interests in subsidiaries from the 30 June 2022 annual report.

(c) Key management personnel compensation

During the half-year the Consolidated Entity paid a total of \$87,375 to Western Geological Services (a division of Jopan Management Pty Ltd), the fees being for the provision of technical and management services provided to the Consolidated Entity by Mr Lindsay Dudfield (Executive Director) (2021: \$81,000). Mr Dudfield's spouse is the major shareholder, the sole director and the company secretary of Jopan Management Pty Ltd.

Ms Patricia Farr (Executive Director/Company Secretary) resigned as director in August 2022 and as company secretary in December 2022. During the half-year, the Consolidated Entity paid a total of \$64,900 to Farr Corporate Pty Ltd for the provision of company secretarial and accounting services, until Ms Farr's resignation. Ms Farr is a director and shareholder of Farr Corporate Pty Ltd (2021: \$55,768).

During the half-year, the Consolidated Entity incurred a share-based payment expense of \$586,034 associated with the granting of 500,000 unlisted options each to Paul Brown and Darren Wates (non-executive directors). Please refer to Note 11 Share based payments for further detail.

**16. Events Occurring After Reporting Date**

On 11 January 2023, Jindalee was issued 12,500,000 Dynamic shares as consideration for the acquisition by Dynamic of the Consolidated Entity's 100% owned Australian lithium, nickel and gold assets.

On 13 January 2023, the Consolidated Entity announced to the ASX that it had successfully completed the spin-out and IPO of Dynamic.

On 13 February 2023, the Consolidated Entity announced that it had signed a Non-Binding MOU with major Korean conglomerate POSCO. Under the terms of the MOU, POSCO and the Consolidated Entity agree to undertake joint research regarding Jindalee's McDermitt Lithium Project (US).

On 27 February 2023, Jindalee announced an updated MRE at McDermitt following incorporation of results from 21 holes drilled from August to October 2022, with a combined Indicated and Inferred MRE of 3.0 Billion tonnes at 1,340 ppm Li for a total of 21.5 Million tonnes of LCE (Table 2).

Other than the matters outlined above, no other matter or circumstance has arisen since 31 December 2022 that has significantly affected, or may significantly affect the Consolidated Entity's operations, the results of those operations, or the Consolidated Entity's state of affairs in future financial periods.

In the opinion of the Directors of Jindalee Resources Limited:

- a) the consolidated financial statements, and notes set out on pages 11 to 17, are in accordance with the *Corporations Act 2001*, including:
  - i) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; and
  - ii) giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and
- b) there are reasonable grounds to believe that the Consolidated Entity will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors by:



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LINDSAY DUDFIELD  
Executive Director

PERTH  
8 March 2023

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Jindalee Resources Limited

### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the half-year financial report of Jindalee Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2022, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the half-year ended on that date, a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2022 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

#### Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

#### Responsibility of the directors for the financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2022 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit (WA) Pty Ltd

BDO

A handwritten signature in black ink, appearing to read 'Melissa Reid'.

Melissa Reid

Director

Perth

8 March 2023