

JINDALEE FORMS JV WITH GWR AT PROSPECT RIDGE

- Jindalee sells 70% of Prospect Ridge Project (Tasmania) to GWR for \$1M
- Jindalee's 30% free carried to Decision to Mine
- Minimum expenditure of \$2M and completion of Scoping Study within 5 years or GWR's 70% interest reverts to Jindalee

Jindalee Resources Limited (ASX: JRL) (Jindalee, the Company) is pleased to announce that it has signed a Binding Term Sheet for the sale of 70% of the Company's interest in the Prospect Ridge Project ("Project") to Tasmanian Magnesium Pty Ltd ("TM"), a wholly owned subsidiary of GWR Group Ltd (ASX: GWR) for total consideration valued at \$1M, payable in cash and GWR shares. Jindalee holds a 100% beneficial interest in the Project via wholly owned subsidiary HiTec Minerals Pty Ltd ("HiTec"). Key terms of the transaction are summarised below:

- Total consideration of \$1M, comprising \$0.25M in cash and \$0.75M in GWR shares
- HiTec's 30% free carried to Decision to Mine
- TM required to spend a minimum of \$2M and complete a Scoping Study within 5 years or TM's 70% reverts to HiTec and TM has no further interest in the Project

Background

The Prospect Ridge Project is located in NW Tasmania and comprises both the Arthur River and Lyons River magnesite deposits. The Arthur River deposit contains an Inferred Mineral Resource of 25Mt @ 42.4% MgO at 40% MgO cut-off¹. The Lyons River deposit, located 6.5km south along strike of the Arthur River deposit, has an Exploration Target Range (ETR) of 40-60Mt @ 40-44% MgO at a 40% MgO cut-off².

Note that the potential quantity and grade of the Exploration Target is conceptual in nature, there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

Jindalee had previously advised that to maintain focus on key assets with the potential to transform the Company, including the McDermitt Lithium Project (USA) and the Widgiemooltha Nickel-Gold-Lithium Project (Western Australia), it was actively engaged with potential partners seeking to advance Prospect Ridge³.



GWR has established expertise in the mining and export of bulk commodities and Jindalee is pleased to introduce GWR as a partner to help develop the Project.

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 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 2021 Jindalee held cash and marketable securities worth approximately \$15.1M³, which combined with the Company's tight capital structure (only 54.1M 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 10/10/2017: "Arthur River Magnesite Deposit – JORC (2012) Resource Estimate"
2. Jindalee Resources ASX Announcement 22/01/2021: "Prospect Ridge – Exploration Target for Lyons River Deposit".
3. Jindalee Resources ASX announcement 28/10/2021: "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 and Mrs Karen Wellman. Mr Dudfield is a consultant to the Company and a Member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Mrs Wellman is an employee of the Company and a Member of the Australasian Institute of Mining and Metallurgy. Both Mr Dudfield and Mrs Wellman 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.' Mr Dudfield and Mrs Wellman 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 Prospect Ridge Lyons River and Arthur River deposits is based on information compiled by Mr. Tim Callaghan and Mr Stewart Capp respectively. Mr Callaghan is a Member of the Australasian Institute of Mining and Metallurgy and an independent mining consultant for Resource and Exploration Geology. Mr Capp is a Member of The Australasian Institute of Mining and is employed by Derwent Geoscience (Fiji) Pte Ltd. Both Mr Callaghan and Mr Capp have sufficient experience relevant to the style of mineralisation and type of deposit 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, 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 “Arthur River Magnesite Deposit (JORC 2012) Resource Estimate” released on 10 October 2017 and “Prospect Ridge – Exploration Target for Lyons River Deposit” released on 22 January 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. To the extent disclosed above, the Company confirms that the form and context in which the Competent Persons’ findings are presented have not been materially modified from the original market announcements.

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.