

Jindalee Resources Ltd

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Jindalee Resources' McDermitt Lithium Project well-placed to support US clean energy future

Jindalee Resources Limited (ASX:JRL) is confident that its McDermitt Lithium Project in Oregon, the most advanced of its US lithium assets, is strategically placed to support the country's transition to a clean energy future.

The coming inauguration of President-elect Biden has focused investor attention on his election commitment for the United States to achieve net-zero carbon emissions by 2050 and the development of large, strategic lithium projects are a core element of this strategy.

Several battery factory developments have been announced or proposed in the US and McDermitt is well-placed to emerge as a future source of lithium for those projects.

Sector developments

Tesla Inc's (NASDAQ:TLA) (FRA:TL0) (BMV:TSLA) commitment to invest in the 'localisation' of its cathode supply chain and production in the US and the acquisition of the rights to a Nevada sediment-hosted lithium deposit - together with the recent announcement by Albemarle (NYSE:ALB) (FRA:AMC) (ETR:AMC) that it will begin a program evaluating sediment (clay) hosted lithium resources and clay extraction technology - underline the strategic importance of very large sediment-hosted lithium deposits like McDermitt.

Tesla is the first automotive OEM to enter lithium production, a move that may be replicated by other US automakers keen to gain greater control over the supply chain for minerals critical for the manufacture of electric vehicles.

McDermitt mineral resource

In late 2019 Jindalee announced an inferred mineral resource of 150 million tonnes at 2,000 parts per million (ppm) lithium (0.43% Li₂O) at McDermitt.

The mineral resource was estimated using a cut-off grade of 1,750 ppm lithium, 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.

Notably, the entire resource sits within 100 metres of surface and is flat-lying, which are both positive factors for future project economics.

Additionally, analysis of the grade tonnage distribution of the McDermitt resource model highlights the potential for additional material available at lower grades.

Price: 1.09

Market Cap: \$48.73 m

1 Year Share Price Graph



January 2020 September 2020 January 2021

Share Information

Code: JRL

Listing: ASX

52 week High Low
1.09 0.2262

Sector: Battery Metals

Website: www.jindalee.net

Company Synopsis:

Jindalee Resources Ltd (ASX:JRL) is an exploration company with direct and indirect exposure to lithium, gold, base and strategic metals, iron ore, uranium and magnesite.

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Location of Jindalee's Lithium Projects and US Battery Factories (existing & proposed)

Drilling assays pending

On December 14, 2020, Jindalee announced that it had cut short drilling at McDermitt after members of the drilling crew tested positive for COVID-19. The company is pleased to advise that all of Jindalee's US geological team tested negative for COVID-19 and were able to return home for Christmas.

The company's 2020 drilling program at the project was designed to extend the current inferred mineral resource and exploration target range and convert the inferred mineral resources to indicated status ahead of a possible scoping study.

Fifteen holes of the 21-hole proposed program were completed in November/December, with the drilling intersecting up to 185 metres true thickness of the target sediments hosting the lithium mineralisation at the project.

All samples have been submitted for analysis, however, laboratories in the US are experiencing long delays and

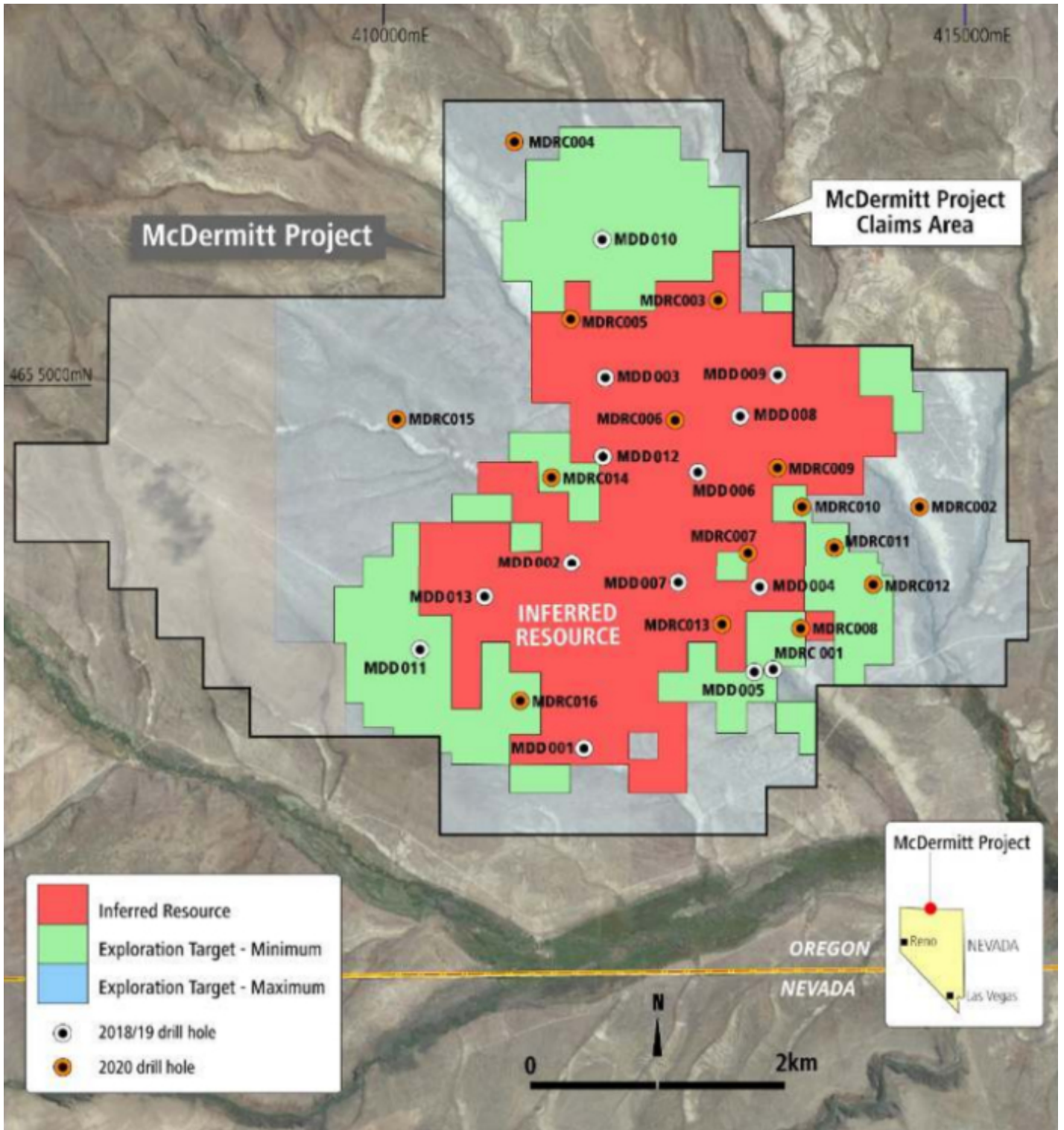
Jindalee has been advised that initial assay results should be received late January.

Awaiting test-work results

The company considers the metallurgical test-work to date very encouraging, as it indicates high lithium recoveries from conventional sulphuric acid leaching at low temperature and atmospheric pressure.

In August 2020 Jindalee announced that beneficiation of McDermitt ore via attrition scrubbing at 20% solids had increased the lithium content in the <0.01mm fraction by more than 50% (from 0.22% to 0.34%) and had reduced carbonate to 3.0% (from 6.3%) and removed approximately 90% of the analcime.

Further test-work to quantify the leaching characteristics of the beneficiated ore is well advanced with first results expected later this month.



Location of McDermitt resource, exploration target areas and 2020 drilling.

Potential to list in North America

Valuations of peer companies listed on TSX have appreciated markedly over the past six months, which has prompted Jindalee to undertake discussions with several North American groups interested in potential transactions - which would result in a listing of the company's US lithium assets on a North American exchange.

These discussions are preliminary in nature and there is no guarantee that any transaction will result.

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