

# QUARTERLY ACTIVITIES REPORT

- High value optimisation opportunities identified, to be incorporated into McDermitt PFS
- First production of battery-grade Lithium Carbonate validates McDermitt flowsheet
- Jindalee to raise up to \$6.7M to advance McDermitt (including total firm commitments of \$4.1M) via Placement, Convertible Notes and Entitlement Issue
- US fund Mercer Street (and others) to invest \$3.5M via Placement and Convertible Notes, with potential further funding of up to \$9.0M by mutual agreement
- Entitlement Issue (1 for 6) to eligible Jindalee shareholders with free Attaching Options scheduled to close 2 August 2024
- Funding to enable completion of optimised McDermitt PFS and advance permitting and engagement with US Government agencies, local community and strategic partners

## US LITHIUM

### McDermitt Lithium Project (Jindalee 100%)

In February 2023, Jindalee Lithium Limited (**Jindalee** or the **Company**) announced an updated Mineral Resource Estimate (**MRE**) at Jindalee's 100% owned McDermitt Lithium Project (the **Project**) (Table 1)<sup>1</sup>.

The 2023 MRE for McDermitt contains a combined Indicated and Inferred Mineral Resource Inventory of 3.0 Billion tonnes at 1,340 ppm lithium (**Li**) for a total of 21.5 Million tonnes lithium carbonate equivalent (**LCE**) at 1,000 ppm cut-off grade. At 21.5 Mt LCE, McDermitt is the largest lithium deposit in the United States (**US**) by contained lithium in Mineral Resource, and a globally significant resource, with the deposit remaining open to the west and south.

Cut-off Grade (ppm Li)	Indicated Resource			Inferred Resource			Indicated and 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 1 – Summary of 2023 McDermitt MRE<sup>1</sup> at the reporting cut-off of 1,000 ppm. Note: totals may vary due to rounding.

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## Metallurgical Test Work

Metallurgical test work designed to optimise and refine the McDermitt flowsheet continued to make major advances during the period. The McDermitt flowsheet contemplates beneficiation of mined ore (to upgrade the leach head grade and remove acid consuming gangue minerals) followed by acid leaching and subsequent purification steps to produce battery grade lithium carbonate. The test work is being undertaken at Hazen Research Inc, laboratories in Colorado, US and is being managed by global engineering, procurement, construction and maintenance company Fluor Corporation (**Fluor**).

Initial acid leaching results were announced in January 2024<sup>2</sup> demonstrating exceptional lithium extraction rates. Tests were performed on two leach feeds: one with a 250 micron ( $\mu\text{m}$ ) beneficiation cut size that underwent leaching without additional grinding (250  $\mu\text{m}$  leach feed), and another that was further ground to achieve 100% passing at 75  $\mu\text{m}$  (75  $\mu\text{m}$  leach feed). Using 500kg of acid per tonne of leach feed, both feeds demonstrated very high lithium extraction rates, ranging from 88.8% to 99.1%. The leach test work extended for up to four hours with most of the lithium extraction occurring in the first hour.

During the period a 300kg composite sample (comprising Units 4, 6, 8 and 10) was leached, providing lithium in solution for downstream test work. Purification of the lithium rich solution was successfully completed during the period and on 31 July 2024 Jindalee confirmed first production of battery-grade Lithium Carbonate from McDermitt ore<sup>3</sup>. This is a significant milestone and validates the flowsheet developed for McDermitt.

## Pre-Feasibility Study (PFS)

The McDermitt PFS commenced in June 2023 with Fluor appointed as lead engineer and Michael Elias engaged as the Company's Study Manager. Fluor has extensive experience with sediment hosted lithium deposits in the US and has assembled a team of highly credentialled metallurgists and engineers to work on the study.

Further analysis of beneficiation test work data during the quarter identified several optimisation opportunities. Table 2 (250  $\mu\text{m}$  cut) shows that the lithium recovery through beneficiation and the lithium grade in the leach feed are both lower for Units 8 and 10 compared with Units 4 and 6. This suggested that focussing the plant design on the two higher head grade Units may be more advantageous than a life-of-mine average of the four Units.

Unit	Head Grade (ppm Li)	Beneficiation				
		Cut ( $\mu\text{m}$ )	Mass Rejection (%)	Ca Rejection (%)	Li Recovery (%)	Li to Leach (ppm Li)
4	1,785	250	21.8	39.1	94.4	2,154
6	1,819		24.4	63.6	94.0	2,261
8	1,532		28.1	54.0	89.6	1,909
10	1,505		36.3	55.0	79.8	1,886
<b>Pit Shell 6<sup>13</sup></b>	<b>1,712</b>		<b>25.3</b>	<b>51.7</b>	<b>92.0</b>	<b>2,107</b>

Table 2 - Summary of Beneficiation Results at 250  $\mu\text{m}$  cut size - Units 4, 6, 8 and 10

The focus on processing approximately equal shares of Units 4 and 6 also enabled the beneficiation cut size to be reduced. Table 3 shows that lithium recovery through the beneficiation process can be maintained in excess of 91% with mass rejection improving 13%, calcium rejection improving 14% and lithium grade to leach improving by 10% compared with the Pit Shell 6<sup>13</sup> 250  $\mu\text{m}$  cut. The overall upgrade in lithium to leach grade compared with head grade is 29% (Unit 4) and 28% (Unit 6).

Unit	Head Grade (ppm Li)	Beneficiation				
		Cut ( $\mu\text{m}$ )	Mass Rejection (%)	Ca Rejection (%)	Li Recovery (%)	Li to Leach (ppm Li)
4	1,785	125	27.8	47.1	93.4	2,309
6	1,819		29.6	70.6	90.0	2,325
<b>Average</b>			<b>28.7</b>	<b>58.9</b>	<b>91.7</b>	<b>2,317</b>

*Table 3 - Summary of Beneficiation Results at 125  $\mu\text{m}$  cut size - Units 4 and 6*

Cube Consulting continued mine schedule iterations during the period, including developing schedules with processing of higher-grade Units prioritised for a significant period from the start of operations with stockpiling of lower grade material for potential treatment in later years.

Incorporation of the above changes into the PFS has the potential to reduce capital intensity and operating costs relative to the original PFS scope. As a result, subsequent to the end of the period on 4 July 2024<sup>4</sup>, the Company announced it is investigating these and other opportunities which were not included in the initial PFS scope, and which have the potential to significantly enhance Project returns. Incorporation of this work is expected to add several months to the PFS timeline, with completion now expected in the fourth quarter of 2024.

In June 2024, a contract was awarded to SLR International Corporation (**SLR**) to develop a comprehensive overview of the regulatory approvals likely to be required to commence construction of the Project together with a preliminary approval schedule. SLR's team have recent experience with successful permitting of mining projects in Oregon and Nevada.

### POSCO MoU

During the March 2024 quarter, beneficiated samples (beneficiation cut size of 250  $\mu\text{m}$ ) were shipped to POSCO Holdings (NYSE: PKX) (**POSCO**), in accordance with the Memorandum of Understanding signed in February 2023<sup>5</sup>. POSCO has since commenced test work on these samples. Jindalee remains engaged in productive discussions with POSCO and will provide further updates as test results become available in the coming months.

### Exploration Permitting

In May 2023 Jindalee announced that the Exploration Plan of Operations (**EPO**) for McDermitt, originally submitted to the US Bureau of Land Management (**BLM**) in August 2022 (with additional information provided early 2023), had been deemed complete<sup>6</sup>.

The public comment period on the EPO closed mid-September 2023 and the environmental review process required by the National Environmental Policy Act (**NEPA**) commenced in January 2024. The final decision of the NEPA assessment will be incorporated into the EPO, with this process expected to take up to 12 months. An initial draft of the Environmental Assessment (**EA**) was completed in the previous quarter. The Company continues to work with the BLM, and additional State and Federal agencies to further define mitigation measures for potential impacts identified by the draft EA. Progress on the EA is on schedule with submission for public comment targeted for Q4 2024.

Once approved, the EPO will allow Jindalee to significantly increase on-site activity, including infill drilling and providing additional, fresh samples for site investigations (e.g. geotechnical, hydrological) and further metallurgical test work.

## US Government Support

Jindalee continues to engage with US Government agencies (both State and Federal) regarding opportunities to advance the Project, including technical cooperation between agencies and the potential for US Government funding for the Project. On 30 April 2024 Jindalee provided an update on applications for non-dilutive grant funding lodged with both the Department of Defense (**DoD**) and the Department of Energy (**DoE**) (Battery Manufacturing and Recycling Grant)<sup>7</sup>.

If successful, the DoD grant application is expected to co-fund an accelerated Feasibility Study and associated drilling and test work, while the DoE grant application is designed to potentially co-fund the engineering, procurement, construction and development of a lithium processing facility at McDermitt.

Both grant applications have passed initial reviews by the agencies, with the DoE grant application accompanied by letters of support from Oregon and Nevada politicians and agencies, as well as potential Project partners. The Company expects to provide updates regarding the status of applications and any potential award decision in the second half of 2024.

## CORPORATE

### Capital Raising

Subsequent to the end of the period on 4 July 2024<sup>4</sup> Jindalee announced that it was seeking to raise up to \$6.7M via a combination of a Placement, Entitlement Issue and Convertible Note (together, the **Capital Raise**), with potential to raise up to a further \$9.0M in Convertible Notes. The Capital Raise is cornerstoned by Mercer Street Global Opportunity Fund II and other funds managed by US-based C/M Capital Partners (**Mercer Street**). The three elements of the Capital Raise are summarised below:

- A **Placement** of ~\$0.6M to Mercer Street, directors and management at \$0.30 per fully paid ordinary share (**Share**) with each 2 Shares accompanied by 1 Short-Term Option and 1 Long-Term Option (**Attaching Options**):
  - Short-Term Option: exercise price of \$0.40 and expiry date of 30 June 2025
  - Long-Term Option: exercise price of \$0.60 and expiry date of 30 June 2027

The Attaching Options are intended to be admitted to quotation on ASX.

Placement shares were issued to Mercer Street and management on 10 July 2024 following receipt of funds, with participation in the Placement by directors subject to shareholder approval at the Extraordinary General Meeting scheduled for 21 August 2024 (**EGM**)<sup>8</sup>.

- An **Entitlement Issue** to raise up to \$3.1M from eligible shareholders on a 1 for 6 basis at \$0.30 per Share with Attaching Options being offered on the same ratio and the same terms issued to Placement participants. Eligible shareholders will be able to apply for Shares in excess of the entitlements (**Top Up Securities**) if there is a shortfall of new Shares offered in the Entitlement Issue.

A prospectus for the Entitlement Issue, together with a personalised entitlement and application form, was despatched to eligible Jindalee shareholders on 18 July 2024, with the Entitlement Issue currently scheduled to close at 5pm AWST on 2 August 2024<sup>9</sup>.

- An issue of **Convertible Notes**, each with a face value of \$1.00, to Mercer Street for a total investment of up to \$12M in three or more tranches. Funds for the first tranche comprising an investment of \$1.5M were received early July 2024, with the second tranche (also \$1.5M) subject to shareholder approval at the forthcoming EGM, and the additional potential funding of up to \$9.0M by mutual agreement. For further details on the Convertible Notes please refer to Jindalee's ASX announcement lodged with the ASX on 4 July 2024.

## General

In addition to its US lithium projects, Jindalee provides shareholders with indirect exposure to hard rock lithium, gold, base and strategic metals, iron ore and magnesite in Australia through the Company's holding in Dynamic Metals Ltd (ASX: DYM or **Dynamic**). Further details on Dynamic's activities can be found on Dynamic's website: <https://dynamicmetals.com.au>.

In April 2024 Jindalee launched its interactive Investor Hub<sup>10</sup>. The Investor Hub is a dedicated platform for investors and stakeholders to directly engage with and learn more about Jindalee. Jindalee will be regularly uploading new content to the hub, including videos accompanying select announcements, education material, interviews and corporate research. Jindalee encourages investors to post questions and feedback through the Q&A portal, which will be monitored and responded to in a timely manner. Visit the Investor Hub here: <https://investorhub.jindaleelithium.com/welcome>

In May 2024 Jindalee announced that following an internal restructure of BDO Audit (WA) Pty Ltd (**BDO WA**), BDO WA had resigned as auditor to the Company and BDO Audit Pty Ltd had been appointed as auditor in accordance with s329(5) of the Corporation Act 2001 and ASX Listing Rule 3.16.3<sup>11</sup>.

Jindalee currently has 62.8M shares on issue with cash and listed securities at 30 June 2024 of approximately \$2.33M<sup>12</sup>.

## FINANCIAL COMMENTARY

The Quarterly Cashflow Report (Appendix 5B) for the period ending 30 June 2024 provides an overview of the Company's financial activities<sup>12</sup>.

Exploration and evaluation expenditure for the reporting period was \$1,265k and was dominated by expenditure on McDermitt. Net corporate expenditure was \$542k. The total amount paid to directors of the entity and their associates in the period (item 6.1 of the Appendix 5B) was \$144k and includes directors' fees, consulting fees and superannuation.

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 Lithium ASX announcement 27/02/2023: "Resource at McDermitt increases to 21.5 Mt LCE"
2. Jindalee Lithium ASX announcement 18/01/2024: "More Exceptional Metallurgical Results from McDermitt"
3. Jindalee Lithium ASX announcement 31/07/2024: "Battery-Grade Lithium Carbonate Produced from McDermitt"
4. Jindalee Lithium ASX announcement 04/07/2024: "JLL Secures Funding to Advance McDermitt Lithium Project"
5. Jindalee Lithium ASX announcement 13/02/2023: "MOU Executed with POSCO Holdings"
6. Jindalee Lithium ASX announcement 16/05/2023: "McDermitt Progress Update"
7. Jindalee Lithium ASX announcement 30/04/2024: "Jindalee Advances US Government Funding for McDermitt"
8. Jindalee Lithium ASX announcement 23/07/2024: "Notice of Extraordinary General Meeting/Proxy Form"
9. Jindalee Lithium ASX announcement 10/07/2024: "Prospectus"
10. Jindalee Lithium ASX announcement 12/04/2024: "Launch of Interactive Investor Hub"
11. Jindalee Lithium ASX announcement 02/05/2024: "Details of Auditor Appointment/Resignation"
12. Jindalee Lithium ASX announcement 31/07/2024: "Quarterly Cashflow Report - June 2024"
13. Jindalee Lithium ASX announcement 15/11/2023: "Exceptional Metallurgical Results from McDermitt"

### 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 a director, shareholder and 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' (**JORC Code**). 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**).

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 JLL listed above, and in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcements 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 announcements.

### 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.

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](http://asx.com.au) and OTC Markets at [otcm Markets.com](http://otcm Markets.com).

