

9 November 2022

ASX:JRL
OTC:JNDAF



UPDATE ON SPIN-OUT OF AUSTRALIAN ASSETS TO FORM DYNAMIC METALS

- Jindalee intends to spin-out its 100%-owned Australian lithium, nickel and gold assets into a new Initial Public Offering (IPO) to form a dedicated ASX-listed critical mineral focused exploration vehicle, Dynamic Metals (proposed ASX code: DYM)
- The spin-out allows Jindalee to focus on its flagship McDermitt Lithium Project located in the United States
- Dynamic Metals will undertake an IPO to raise a minimum of \$5M and up to \$7M at an issue price of \$0.20 subject to shareholder and regulatory approvals
- Eligible Jindalee shareholders will be entitled to participate in a priority offer of up to \$2.5M of IPO shares
- Jindalee will retain upside exposure through a 25.5% to 32.1% cornerstone equity holding in Dynamic Metals (implied value of \$2.5M at \$0.20 IPO price)
- Canaccord Genuity Australia Pty Ltd and Discovery Capital Partners Pty Ltd have been appointed Joint Lead Managers to the IPO
- Prospectus for the IPO to be lodged in the coming weeks

Jindalee Resources Limited (**Jindalee**, the **Company**) is pleased to confirm that it is proceeding with the previously announced¹ spin-out of its Australian assets into a new listed vehicle, Dynamic Metals Limited ("**Dynamic**").

The spin-out will enable Jindalee to focus its attention on the development of the advanced McDermitt Lithium Project in Oregon USA while simultaneously providing an opportunity for investors to gain increased exposure to the Company's earlier-stage exploration projects in Western Australia.

Dynamic Metal's portfolio will include Jindalee's extensive landholding in the Widgiemooltha district and the Lake Percy Project, both of which are highly prospective for lithium, nickel and gold. The portfolio will also include the recently acquired Deep Well Ni-Cu-PGE Project, in which Dynamic will hold an 80% interest post listing².

Jindalee will seek shareholder approval for the disposal of the Australian assets to Dynamic Metals at its upcoming Annual General Meeting as detailed in the Notice of Meeting³.

Dynamic Metals proposes to undertake an IPO to raise a minimum of \$5m and up to \$7m at an issue price of \$0.20 per share. The proposed IPO will include a priority offer to eligible Jindalee shareholders as well as a public offer to new investors (see Table 1 below).

Canaccord Genuity Australia Pty Ltd and Discovery Capital Partners Pty Ltd have been appointed Joint Lead Managers to the IPO.

Table 1: Indicative capital structure of Dynamic following completion of IPO

Item	Minimum \$5M Subscription		Maximum \$7M Subscription	
	Shares	Options	Shares	Options
Current	1	-	1	-
Jindalee Vendor	12,500,000	-	12,500,000	-
Priority Offer	12,500,000	-	12,500,000	-
Public Offer	12,500,000	-	22,500,000	-
Joint Lead Manager Offer ¹	385,000	962,500	485,000	1,212,500
Deep Well Vendor	1,000,000	-	1,000,000	-
Board, Management and Consultants ²	-	4,200,000	-	4,200,000
Total	38,885,000	5,162,500	48,985,000	5,412,500
Market Cap	\$7.78M		\$9.80M	
Enterprise Value	\$2.78M		\$2.80M	
Jindalee Ownership	32.1%		25.5%	

1. Issue of up to 485,000 shares and ~1.2M options exercisable at \$0.30 expiring 3 years from date of issue, to the Joint Lead Managers to the IPO.
2. Issue of 4.2M options to Board, Management and Consultants exercisable at \$0.30 each and expiring 3 years from date of admission.

Further details around the IPO will be available in the prospectus to be lodged by Dynamic for the IPO in the coming weeks.

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 focussed exploration and either advance key assets to development, introduce partners to assist in funding further progress, or fund this activity via a dedicated company in which Jindalee retains a significant interest.

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 14/07/2022: "Update on separation of Australian assets"
2. Jindalee Resources ASX Announcement 19/10/2022: "Option agreement to acquire 80% of Deep Well Project"
3. Jindalee Resources ASX announcement 28/10/2022: "Notice of Annual General Meeting"

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.

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 otcm Markets.com.

In particular, Jindalee cautions that the IPO and listing of Dynamic is subject to final board, regulatory and shareholder approvals and dependent on market conditions. Jindalee cautions that the admission of Dynamic to the official list of ASX is conditional on and subject to ASX's satisfaction that Dynamic has a structure and operations suitable for a listed entity and ASX's absolute discretion.

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.

In accordance with section 734(5)(b) of the *Corporations Act 2001* (Cth) (**Corporations Act**), it is noted that:

- Dynamic will be the offeror of fully paid ordinary shares under the IPO;
- A prospectus will be issued by Dynamic in accordance with Part 6.2 of the Corporations Act when the IPO shares are offered;
- the prospectus is anticipated to be issued in the coming weeks and will be made available on the website to be established by Dynamic and to eligible Jindalee shareholders;
- a person should consider the prospectus in deciding whether to apply for IPO shares; and



- anyone who wants to apply for the IPO shares will need to complete an application form that will be in or will accompany the prospectus.

Not an offer of securities

This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction. Any securities described in this announcement have not been, and will not be, registered under the US Securities Act of 1933 and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration of the US Securities Act and applicable US state securities laws.

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