JINDALEE Resources Limited

25 February 2021

Ms Madeline Green
Senior Advisor, Listings Compliance (Perth)
Level 40, Central Park
152-158 St Georges Terrace
PERTH WA 6000

By Email: ListingsCompliancePerth@asx.com.au

Dear Ms Green

Response to ASX Aware Query

I refer to your letter dated 22 February 2021 regarding the price and trading in the securities of Jindalee Resources Limited (ASX: **JRL**) (**Company** or **Jindalee**) following the Company's ASX announcement entitled "*More positive metallurgical results from McDermitt*".

The responses to your queries in numerical order are as follows:

1. *Does JRL consider the Information to be information that a reasonable person would expect to have a material effect on the price or value of its securities.*

   Answer: No.

2. *If the answer to question 1 is "no", please advise the basis for that view commenting specifically on the increase in price of JRL's securities today, Monday 22 February 2021.*

   Answer: On 17 August 2020 Jindalee announced in its release entitled "*More Encouraging Metallurgical Results from McDermitt"* that beneficiation via attrition scrubbing had resulted in a 55% uplift of head grade and had removed 50% of the carbonate and 90% of the analcime (both acid consuming minerals), highlighting the potential for beneficiation of the McDermitt ore to result in lower acid consumption.

   These observations were reiterated in ASX release dated 28 January 2021 "*December 2020 Quarterly Activities Report*" and in the presentation entitled "*Company Update*" lodged with ASX on 1 February 2021. The 60% uplift in head grade and 26% reduction in acid consumption highlighted in the Company's release lodged with ASX on 22 February 2021 entitled "*More positive metallurgical results from McDermitt*" was, in Jindalee's view, largely to be expected in light of previously announced metallurgical test work results. Hence, while positive and therefore flagged as being market sensitive for consideration by ASX, the Information was not, in Jindalee's view, necessarily materially price sensitive.

Jindalee notes that a number of ASX listed lithium peers experienced significant share price increases on 22 February 2021, supported by improving sentiment towards commodities generally and lithim in particular. Given Jindalee's very tight capital structure (44.8M shares on issue, with the Top 10 shareholders holding 61% of the issued capital) large share price movements on modest volumes are not uncommon. Accordingly, in Jindalee's view, the increase in the Jindalee share price on 22 February 2021 is not necessarily indicative of the materiality or otherwise of the Information. It should also be noted that Jindalee traded at current levels ($1.90 at close of market on 24 February 2021) as recently as 9 February 2021, before experiencing a decline despite the absence of announcements in the intervening period, and accordingly over that time period has done little more than recover its previous value.

3. *When did JRL first become aware of the Information?*

   Answer: Jindalee received an email summarising the results of XRD analysis of the McDermitt metallurgical samples and acid consumption per lithium unit received from its US-based consultant, Hazen Research Inc (**Hazen**) at approximately 9am (WST) on Friday 19 February 2021, spending the remainder of that day verifying the results, responding to technical queries with Hazen and compiling the Information in a form suitable for release to ASX. A draft ASX announcement outlining the Information was prepared and circulated to the Jindalee Board for review at 3.55pm (WST) on 19 February 2021 and was finalised and approved for release over the weekend.

   As noted in the response to question 1 & 2, Jindalee does not consider the Information to be information that a reasonable person would expect to have a material effect on the price or value of its securities. Notwithstanding this view, the Company had no reason to believe confidentiality in the information had been lost once Jindalee was in possession of all of the Information. We stress that the Information was released promptly, and without delay, to the ASX before the market opened on 22 February 2021.

4. *If the answer to question 1 is "yes" and JRL first became aware of the Information before today, 22 February 2021, did JRL make any announcement prior to the relevant date which disclosed the Information? If so, please provide details. If not, please explain why the Information was not released to the market at an earlier time, commenting specifically on when you believe JRL was obliged to release the Information under Listing Rules 3.1 and 3.1A and what steps JRL took to ensure that the Information was released promptly and without delay.*

   Answer: Refer to the response to question 2 and question 3.

5. *Please confirm that JRL is complying with the Listing Rules and, in particular, Listing Rule 3.1.*

   Answer: The Company confirms that it is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

6. *Please confirm that JRL's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its Board or an officer of JRL with delegated authority from the Board to respond to ASX on disclosure matters.*

   Answer*:* The Company confirms that the responses to the questions above have been authorised and approved by its Board of Directors.

Yours sincerely,

Trish Farr
Executive Director/Company Secretary
Jindalee Resources Limited.

22 February 2021

Reference: 31190

Ms Trish Farr
Company Secretary
Jindalee Resources Limited

By email: trish@jindalee.net

Dear Ms Farr

Jindalee Resources Limited ('JRL'): Aware Query

ASX refers to the following:

A. The change in the price of JRL's securities from a low of $1.40 at the close of trade on Thursday, 18 February 2021 to an intraday high of $1.72 on Friday, 19 February 2021.

B. The increase in the volume of JRL's securities traded on Friday, 19 February 2021.

C. JRL's announcement entitled "*More positive metallurgical results from McDermitt*" lodged on the ASX Market Announcements Platform and released at 8:59 am AEDT on Monday, 22 February 2021 (the 'Announcement'), disclosing metallurgical results at the McDermitt project ('Information').

D. The chance in the price of JRL's securities from a low of $1.65 at the close of trade on Friday, 19 February 2021 to an intraday high of $1.95 today, Monday 22 February 2021 following the release of the Announcement.

E. Listing Rule 3.1, which requires a listed entity to immediately give ASX any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities.

F. The definition of "aware" in Chapter 19 of the Listing Rules, which states that:

> *"an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity" and section 4.4 in Guidance Note 8 Continuous Disclosure: Listing Rules 3.1 – 3.1B "When does an entity become aware of information."*

G. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.

> *"3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:*
>
> *3.1A.1 One or more of the following applies:*
>
> - *It would be a breach of a law to disclose the information;*
> - *The information concerns an incomplete proposal or negotiation;*
> - *The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
> - *The information is generated for the internal management purposes of the entity; or*
> - *The information is a trade secret; and*

> *3.1A.2 The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and*
>
> *3.1A.3 A reasonable person would not expect the information to be disclosed."*

H. ASX's policy position on the concept of "confidentiality", which is detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. In particular, the Guidance Note states that:

> *"Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the listed entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule."*

Request for information

Having regard to the above, ASX asks JRL to respond separately to each of the following questions and requests for information:

1. Does JRL consider the Information to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
2. If the answer to question 1 is "no", please advise the basis for that view commenting specifically on the increase in price of JRL's securities today, Monday 22 February 2021.
3. When did JRL first become aware of the Information?
4. If the answer to question 1 is "yes" and JRL first became aware of the Information before today, 22 February 2021, did JRL make any announcement prior to the relevant date which disclosed the Information? If so, please provide details. If not, please explain why the Information was not released to the market at an earlier time, commenting specifically on when you believe JRL was obliged to release the Information under Listing Rules 3.1 and 3.1A and what steps JRL took to ensure that the Information was released promptly and without delay.
5. Please confirm that JRL is complying with the Listing Rules and, in particular, Listing Rule 3.1.
6. Please confirm that JRL's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of JRL with delegated authority from the board to respond to ASX on disclosure matters.

When and where to send your response

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **4:00 PM AWST Thursday, 25 February 2021**. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, JRL's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out in the previous paragraph and may require JRL to request a trading halt immediately.

Your response should be sent to me by e-mail at **ListingsCompliancePerth@asx.com.au**. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

Trading halt

If you are unable to respond to this letter by the time specified above, you should discuss with us whether it is appropriate to request a trading halt in JRL's securities under Listing Rule 17.1. If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted. You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

Suspension

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in JRL's securities under Listing Rule 17.3.

Listing Rules 3.1 and 3.1A

In responding to this letter, you should have regard to JRL's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure*: Listing Rules 3.1 – 3.1B. It should be noted that JRL's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

Release of correspondence between ASX and entity

We reserve the right to release a copy of this letter, your reply and any other related correspondence between us to the market under listing rule 18.7A.

Questions

If you have any questions in relation to the above, please do not hesitate to contact me.

Yours sincerely

Madeleine Green
Senior Adviser, Listings Compliance (Perth)