

Lithium Sediments

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All amounts are in A\$ unless stated otherwise.

Key Questions



- Why Lithium?
- Why Lithium Sediments?
- Why the USA?
- Why Jindalee?

Lithium

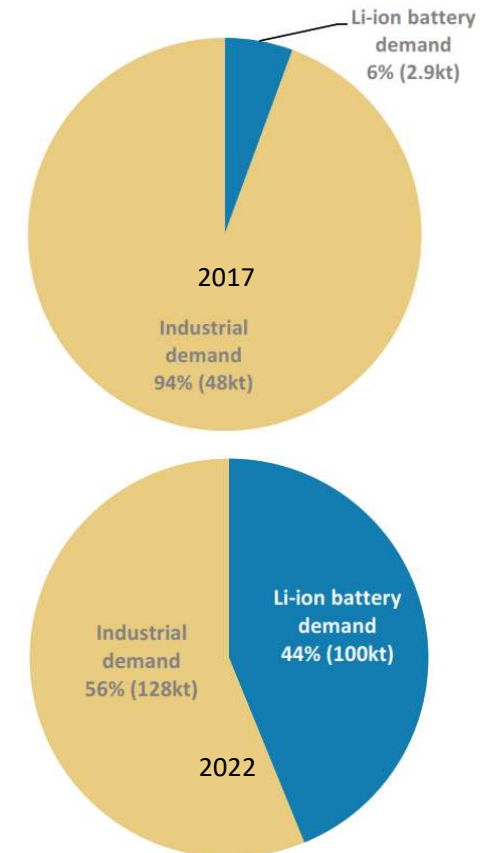
- Lithium has the highest electrochemical potential of any metal, an extremely high coefficient of thermal expansion, fluxing and catalytic characteristics, and low density.
- Demand growth is all about energy storage – vital component of most popular battery electrolytes and cathodes, with a high charge and power to weight ratio, holding multiples of the energy of nickel-based and lead acid batteries.
- Importance underlined by the attitude taken by various government agencies:
 - On the critical materials lists for the US Department of Defence and South Korea,
 - Ranked number 15 on the British Geological Survey '2015 Risk List', and
 - One of 23 commodities in 2017 'Critical Mineral Resources of the US' USGS report.
 - Demand continues to surprise on the upside.

Demand.....driven by EV's and regulation

- Lithium carbonate demand forecasts range from 578kt - 1Mt pa by 2025¹, up from 200kt consumption in 2016.
- Non-battery demand increasing at 2-6% pa, batteries at 15-25%.
- 750k EV sales in 2017, OPEC suggests by 2040 the global vehicle fleet will include 266 million EV's. Bloomberg New Energy Finance predicts double that, or one third of all cars².
- Every 1% of EV penetration of the global passenger car market increases demand by 50-70,000t LC, ~30% of current market.
- Several countries have banned the sale of ICE vehicles from 2040, or set official targets for EV sales.

1. Morgan Stanley 578kt, Albemarle 800kt, FCM 1Mt

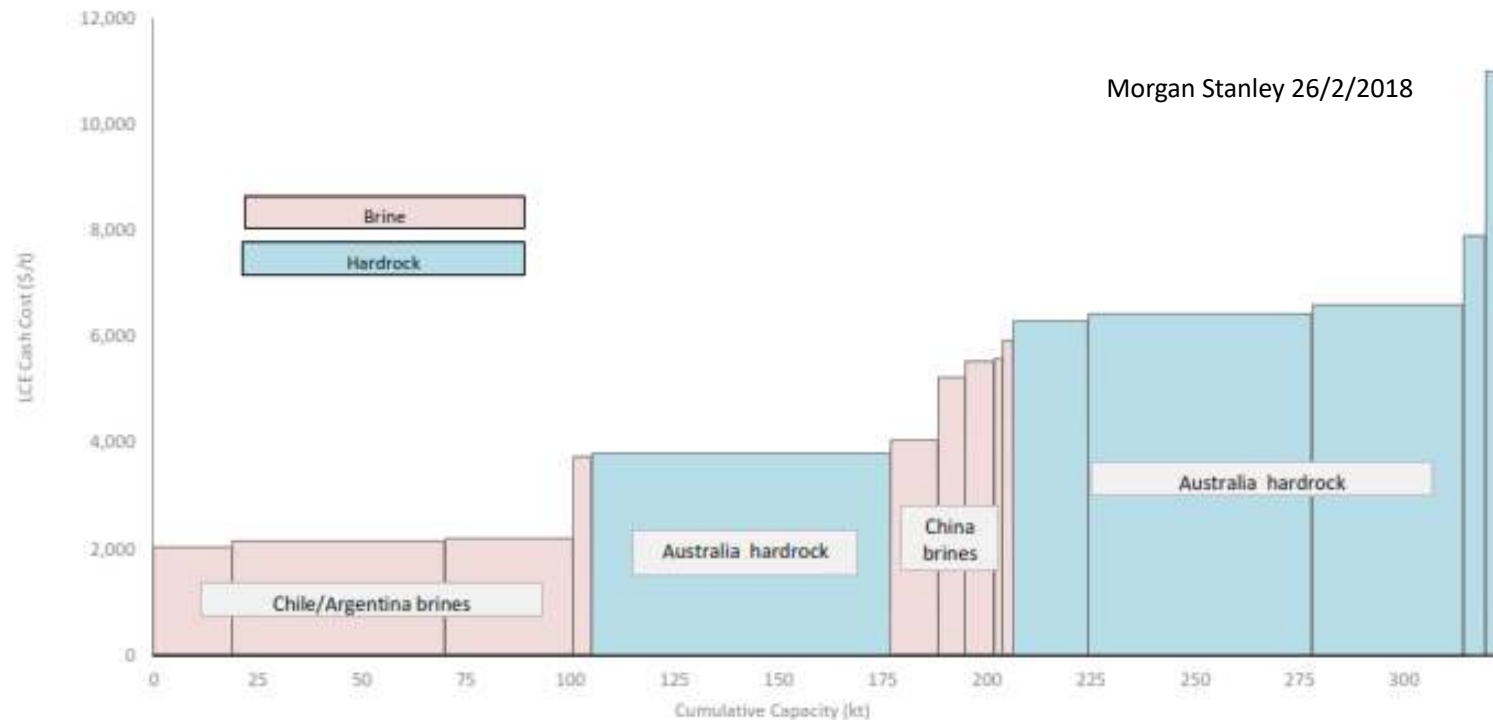
2. Bloomberg New energy Finance 'Electric Vehicle Outlook 2018'



Morgan Stanley 26/2/2018

Lithium Supply/Cost Curve (now)

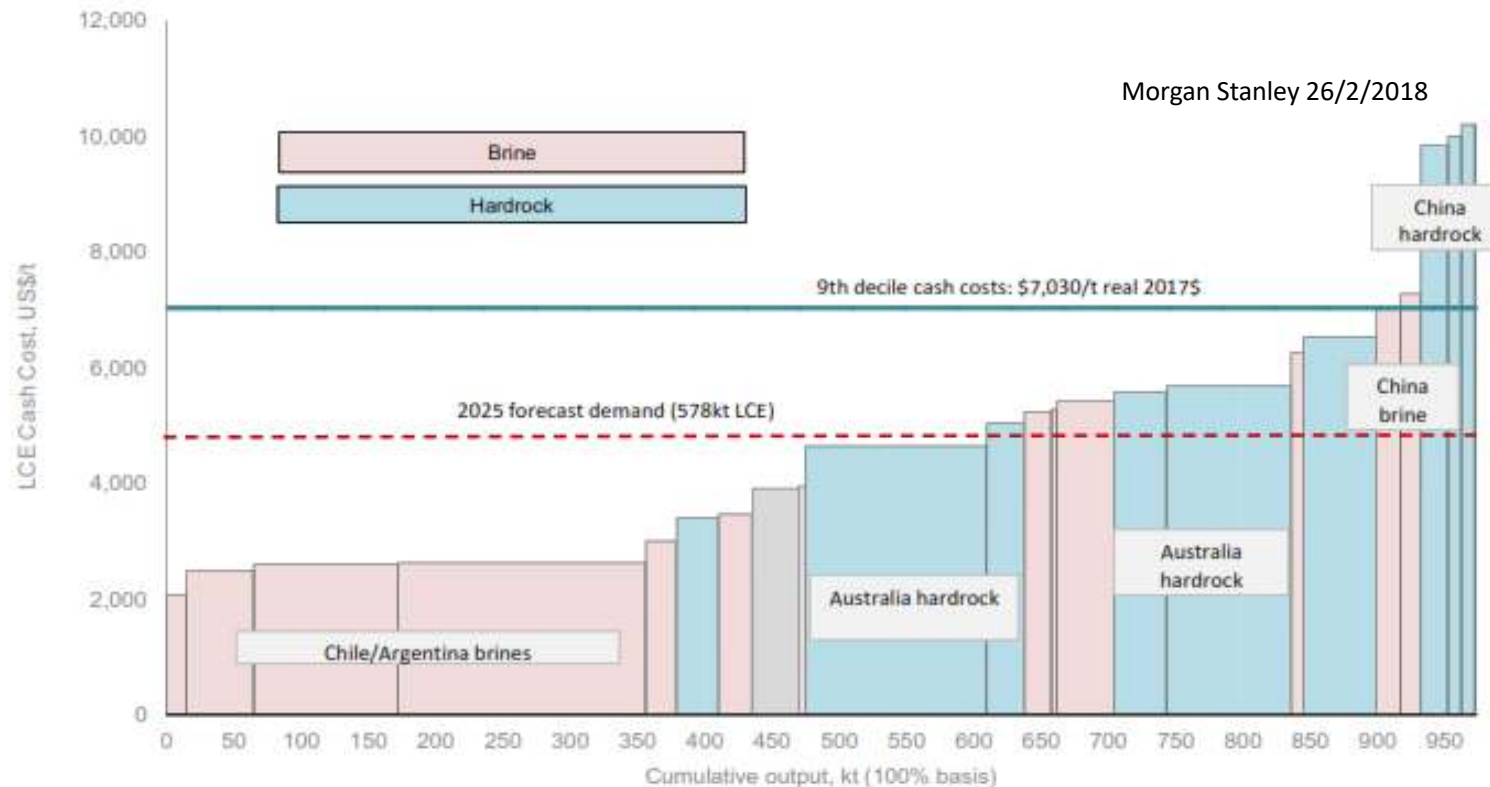
2017 cash costs (ex-royalty), US\$/t LCE



- 2018 production ~300kt
- ~250kt under development by 2020
- Additional ~500kt exploration stage, with downside risks

Lithium Supply/Cost Curve (2025)

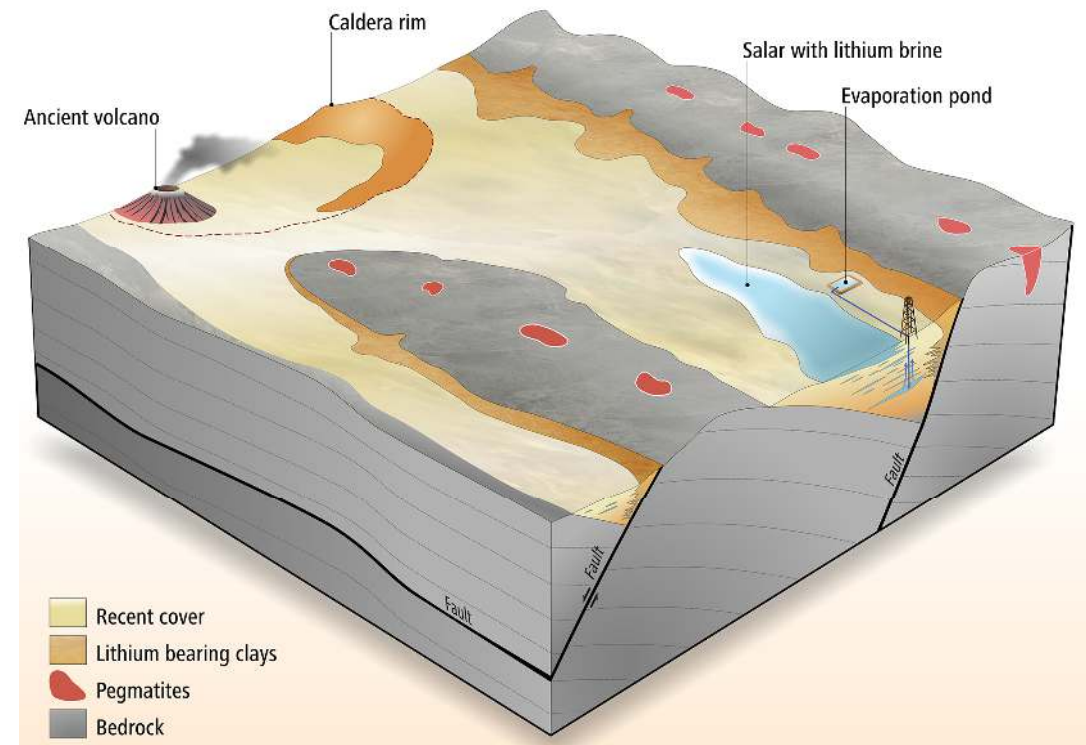
2025 cash costs (ex-royalty), US\$/t LCE



- Various industry outlooks suggest LCE pricing of ~US\$5000-7000/t

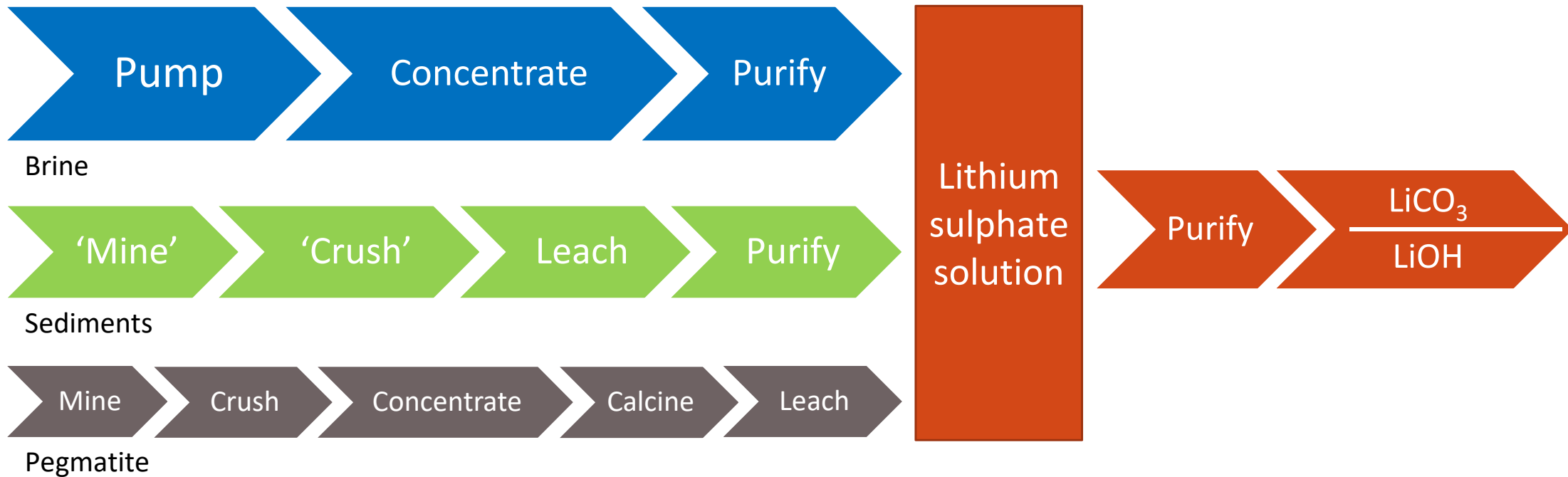
Lithium Sources

- Found in pegmatites, brines and sediments.
- Lithium minerals in pegmatites are concentrated for sale.
- Brines and sediments are found along the western margin of the Americas where restricted basins and high evaporation rates trap lithium leached from rhyolitic volcanic rocks.
- Brines pumped from aquifers are concentrated in evaporation ponds before processing to lithium carbonate or hydroxide.
- No commercial production of lithium from sediments as yet, however Bacanora pilot plant has been operating for two years (AIM:BCN).
- Proposed process routes leach Li and other elements as additional revenue streams.



	Li ₂ O %	Li ppm	Li mg/l
Pegmatite	1-1.5	4645-6967	
Brine	0.02-0.15	100-700	100-700
Sediments	0.26-0.75	1200-3500	

Generalised Processing Pathways

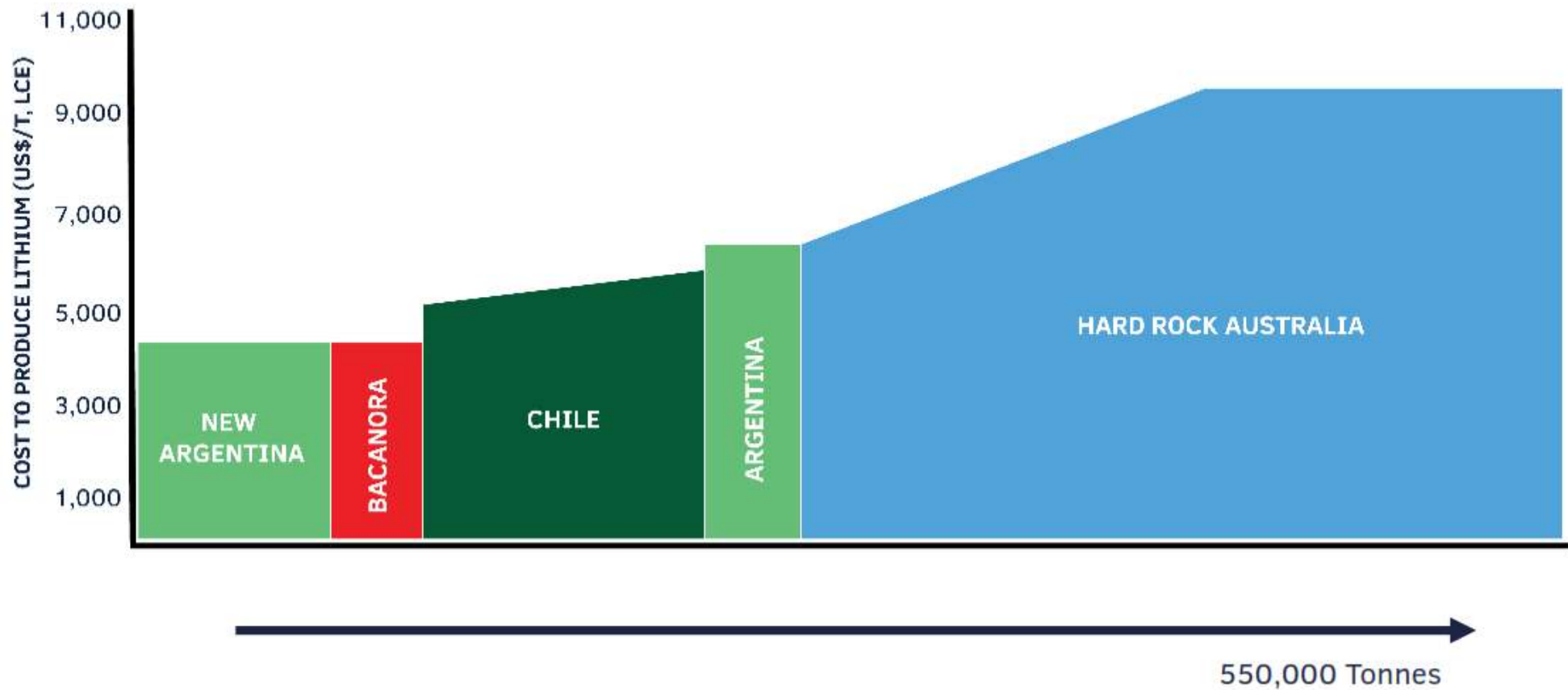


Why Lithium Sediments

- Low cost exploration.
- From surface, flat lying, easy to drill.
- Soft, with low cost mining, and low strip ratios.
- Well known but previously uneconomic.
- Recent breakthroughs in metallurgy make sediments competitive source of Li (e.g. Bacanora, AIM:BCN, mkt cap. £123M).
- Location.



Cost Curve



Source: (*Canaccord April 2018, BCN)

Location Location Location

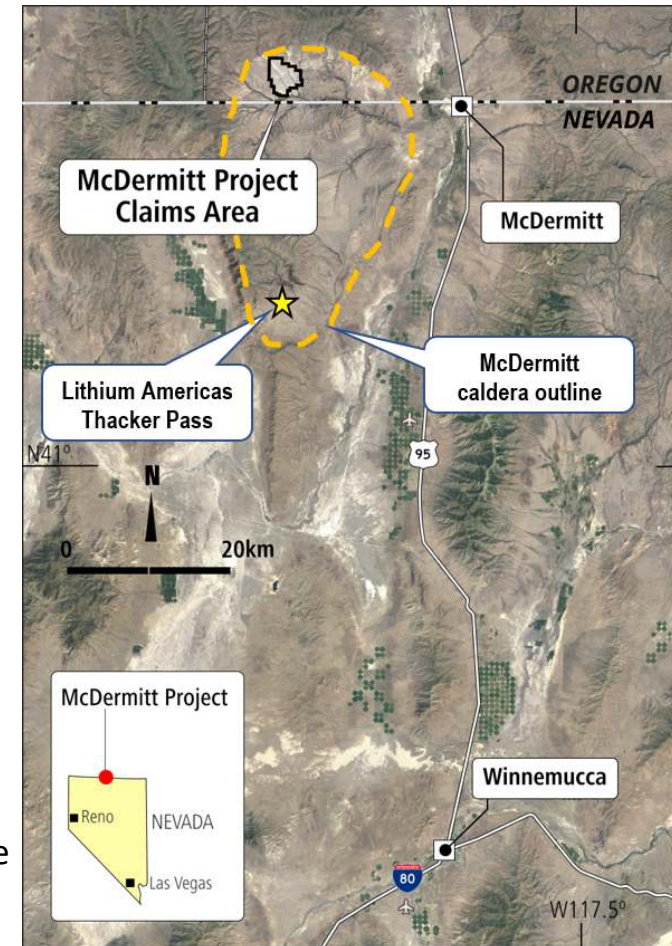
- Lithium is one of 23 commodities in the latest (2017) Critical Mineral Resources of the US report by the USGS.
- Executive Order 'Federal Strategy to Ensure Secure and Reliable Supplies of Critical Minerals' signed by President Trump on 20/12/2017.
- Growing local demand (Tesla Gigafactory, LG Chem Michigan) and only one producer.
- No currency or political risk for US based groups. Tesla currently importing batteries from Japan, and discussing various supply options.
- Nevada #3 in 2017 Fraser Institute Investment Attractiveness survey, with a long history of mining.
- 100% owned tenure, with no private royalty overhang like many other US lithium projects.



McDermitt

- 25 km west of McDermitt in southern Oregon.
- 248 unpatented placer claims held in 100% owned US subsidiary covering 19.4 km².
- Outcropping lithium sediments cover almost entire project.
- Within the McDermitt caldera, in analogous geological setting to Lithium Americas' Thacker Pass project.
- Lithium Americas (TSX:LAC, market cap C\$625M), total resources at Thacker Pass of 532.7 Mt @ 2921 ppm Li¹.
- Adjacent to historic mines with abundant disturbance from previous exploration programs.

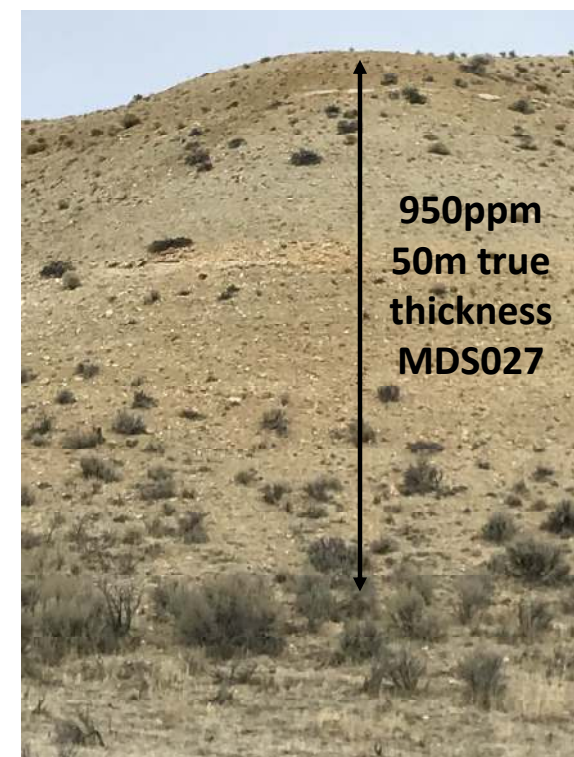
1. Lithium Americas (TSX: LAC) release entitled 'Lithium Americas Provides Updated Resource Estimate for the Lithium Nevada Project', released to the Toronto Stock Exchange on April 5 2018



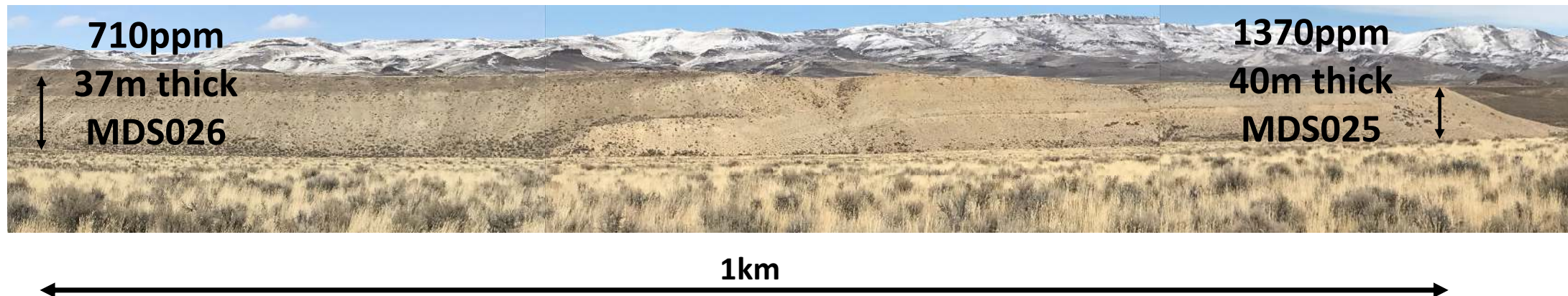
McDermitt Surface Samples



- Surface samples to 3020ppm Li
- Composite samples include:
 - 50m @ 950ppm Li in MDS027
 - 40m @ 1370ppm Li in MDS025
 - 37m @ 710ppm Li in MDS026
- Up to 67m exposed, drilling by Lithium Americas (TSX:LAC) has intersected up to 90m.



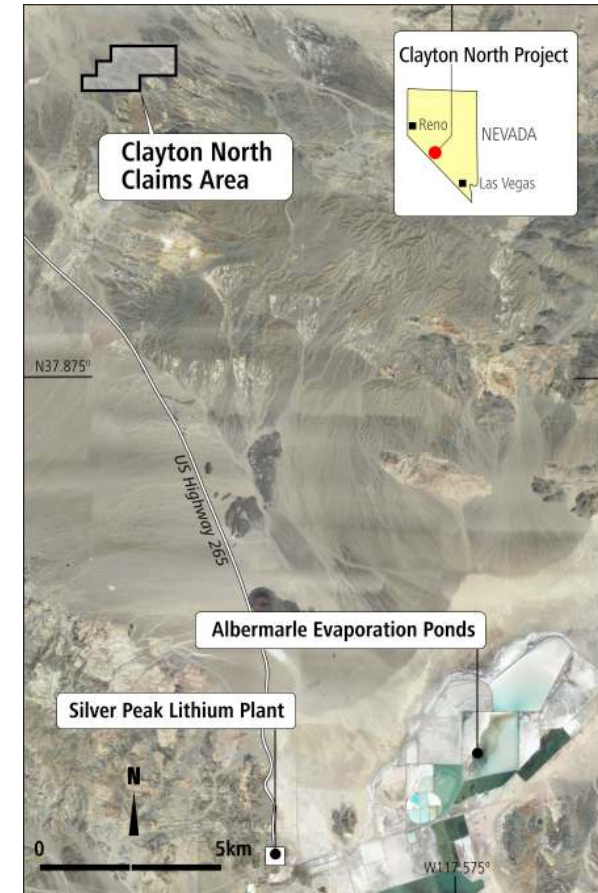
McDermitt Panorama



Clayton North



- 23km north of Silver Peak, only operating US lithium mine.
- 28 unpatented placer claims held in 100% owned US subsidiary covering 2.3 km².



Clayton North Surface Samples



- Outcropping lithium bearing sediments, shallowly dipping.
- Adjacent to operating mines and historic exploration.
- Results from surface sampling and auger holes up to 930ppm.
- Includes >8m at 790ppm Li.



Current Activities



- Project characteristics allow for rapid progress and regular news flow.
- Next steps already underway:
 - Permitting for drilling.
 - Initial metallurgical test work on oxide samples.
 - Drilling planned for Q3 to support Exploration Target Ranges at both projects.

Why?



- Right Commodity, critical for the new energy economy.
- Deposit style has favourable economics and allows rapid exploration progress at low cost.
- Location underpinned by strong local demand and Federal government goals.
- Opportunity to become a local supplier of high value products.

Why Jindalee?

- Tight capital structure, no debt.
- 100% project ownership and no private royalties.
- Experienced management with a track record of rewarding shareholders.
- Management are large shareholders, and motivated to succeed.
- Additional WA based projects and associated activity.

Why wouldn't you?

710ppm
37m thick
MDS026

1370ppm
40m thick
MDS025



1km



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Notes

Lithium clay assays are typically reported in ppm Li in a similar manner to lithium brines, whereas pegmatite assays are usually reported as % lithium oxide or Li₂O - to convert from Li to Li₂O multiply by 2.153. A comparison is provided in the below table which shows typical grades for pegmatites, brines and clays reported in the different formats.

	Li ₂ O %	Li ppm	Li mg/l
Pegmatite	1-1.5	4645-6967	
Brine	0.02-0.15	100-700	100-700
Sediments	0.26-0.75	1200-3500	

Competent Persons Statement:

The information in this report that relates to Exploration Results is based on information compiled or reviewed by Mr Pip Darvall and Mr Lindsay Dudfield. Mr Darvall is an employee of the Company and Mr Dudfield is a consultant to the Company. Both Mr Darvall and Mr Dudfield are Members of the Australasian Institute of Mining and Metallurgy and Members of the Australian Institute of Geoscientists. Both Mr Darvall and Mr Dudfield have sufficient experience of relevance to the styles of mineralisation and types of deposit under consideration and to the activities undertaken, to qualify as a Competent Person as defined in the 2012 Edition of the Joint Ore Reserves Committee (JORC) Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves. Both Mr Darvall and Mr Dudfield consent to the inclusion in the report of the matters based on their information in the form and context in which it appears.

For additional information and background, please refer to the following Jindalee Resources Limited ASX announcements:

- “Jindalee Acquires US Lithium Project at Clayton North” released 8 June 2018.
- “Jindalee Acquires Second US Lithium Project at McDermitt” released 13 June 2018.