



**JINDALEE**  
Resources Limited

A N N U A L   R E P O R T   2 0 2 1

# C O R P O R A T E   D I R E C T O R Y

## Board and Management

Justin Mannolini	Non-Executive Chairman
Lindsay Dudfield	Executive Director
Patricia (Trish) Farr	Executive Director/Company Secretary
Karen Wellman	Chief Executive Officer

## Registered Office & Principal Place of Business

Level 2  
9 Havelock Street  
West Perth, WA 6005  
Telephone: +61 (8) 9321 7550  
Facsimile: +61 (8) 9321 7950  
Email: [enquiry@jindalee.net](mailto:enquiry@jindalee.net)  
Web: [www.jindalee.net](http://www.jindalee.net)

## Auditors

BDO Audit (WA) Pty Ltd  
38 Station Street  
Subiaco, WA 6008

## Legal Advisors

House Legal  
86 First Avenue  
Mount Lawley, WA 6050

## Share Registry

Advanced Share Registry  
110 Stirling Highway  
Nedlands, WA 6000  
Telephone: +61 (8) 9389 8033  
Facsimile: +61 (8) 9262 3723

## Securities Exchange Listing

The Company is listed on the Australian Securities Exchange Ltd ("ASX")  
Home Exchange: Perth, Western Australia

ASX Code: JRL

## Front Cover

McDermitt Project, Oregon USA

# C O N T E N T S

CHAIRMAN'S REPORT	2
REVIEW OF ACTIVITIES	3
DIRECTORS' REPORT	14
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	23
CONSOLIDATED STATEMENT OF FINANCIAL POSITION	24
CONSOLIDATED STATEMENT OF CASH FLOWS	25
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY	26
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS	27
DIRECTORS' DECLARATION	50
AUDITOR'S INDEPENDENCE DECLARATION	51
INDEPENDENT AUDITOR'S REPORT	52
ADDITIONAL INFORMATION	56



# CHAIRMAN'S REPORT

Dear Fellow Shareholder

I am pleased to present the Chairman's Report for Jindalee Resources Limited for 2021.

The past financial year will be remembered for many things: the end of the chaotic Trump administration, the surging value of crypto-currencies (in possibly one of the greatest speculative bubbles of all time) and, relevantly for Jindalee and its shareholders, the awakening of global resources investors to the reality of the green energy transition which is gaining pace in the developed world.

It seems that not even the ongoing disruption to economic activity wrought by the SARS CoV-2 virus is likely to stymie the replacement of fossil fuels with renewable energy derived from wind, hydro and solar sources. This includes energy for transportation in the form of electric vehicles (EVs). With many countries now mandating the cessation of internal combustion engine manufacture, exponential growth in the number of EVs is predicted, with unsurprising impacts for demand in the materials required for their manufacture.

These dynamics have, in turn, supported recent strength in the prices of lithium chemicals and focussed investor attention on potential sources of future lithium supply to the EV industry, including Jindalee's McDermitt Lithium Project in Oregon USA. This in turn has driven the Jindalee share price higher, and facilitated a well-supported \$9m capital raising in the third quarter of the financial year. As a result of this raising, we are pleased to welcome a large number of new investors, including leading Australian institutions, to the Jindalee register for the first time.

One of the advantages McDermitt possesses is its proximity to the burgeoning United States battery manufacturing industry. In future years, we expect much greater focus from lithium consumers on sustainability aspects of the lithium supply chain, including the embedded carbon cost of transportation of unprocessed concentrates across large distances to reach refiners, battery manufacturers and, eventually, producers of EVs themselves. The aspiration of the United States auto industry is ideally to have a "closed system" of EV production within the country, focussing attention on opportunities for domestic extraction and supply of lithium.

Throughout the financial year, Jindalee has continued to systematically assess and de-risk the McDermitt Project through a combination of resource drilling, metallurgical testwork and commencement of early stage approval processes. In April, we announced a combined Indicated and Inferred Mineral Resource of 1.43 billion tonnes at 1,320ppm Li for total of 10.1 Million tonnes Lithium Carbonate Equivalent (LCE) (at a 1,000 ppm cut-off grade) for McDermitt, making it the largest lithium deposit by contained LCE in resource in the United States. The Company has commenced preparation of a Scoping Study on the project, the results of which will be used to guide future exploration and development activities.

While the results of our efforts to date have been encouraging, there is still a large amount of work to do to establish the economic viability of lithium extraction from sediment-hosted deposits. There are now several companies at the vanguard of these efforts, including Jindalee, and it has been encouraging to see one such company, Bacanora Lithium PLC, attract a takeover offer from Chinese lithium compounds behemoth Ganfeng Lithium.

With Jindalee's focus being predominantly on McDermitt, the Company has taken the opportunity to continue to rationalise its extensive portfolio of Australian interests. Consistent with its "project generator" model, Jindalee has taken the approach of disposing of or partnering on several assets which are a better suited to development by third parties, and monetising share investments resulting from the divestment of non-core projects. This has enabled the Company to carefully manage its working capital and minimise ongoing dilution to shareholders.

In terms of its remaining interests, in the 2022 financial year, Jindalee's focus will be squarely on its substantial tenement holding in the vicinity of the Widgiemooltha Dome in Western Australia, which is prospective for gold, nickel and potentially lithium. Programmes of work for reconnaissance drilling have been approved, and exploration is expected to commence late 2021. There has been considerable interest in this region over the past financial year, with a number of significant exploration results and discoveries, including at Mincor Resources Limited's Cassini Nickel Project, which is currently under development.

The Jindalee team has grown in size over the past financial year, including through the appointment, in August 2020, of Chief Executive Officer Karen Wellman. Karen brings a wealth of geological and management expertise from her time in senior roles with leading Western Australian gold miner Silver Lake Resources, and has already made a substantial contribution to the Company. We have also modestly grown our technical teams in both Australia and the United States, in support of our exploration and development activities in those jurisdictions.

The last 12 months or so has once again reminded us of the importance of both taking a long term perspective and having a high degree of strategic flexibility, when investing in resources exploration and development. While the Board has been gratified by Jindalee's increased valuation and market presence, there is considerable work ahead to lock in these gains and position the Company for its next leg of growth. As always, the Board is grateful for the continued support of its shareholders, and we look forward to reporting on further progress during the 2022 financial year.

Justin Mannolini  
Non-Executive Chairman

# REVIEW OF ACTIVITIES

Since listing in July 2002 Jindalee has been successful in achieving its stated objective of creating wealth for our shareholders using a disciplined approach to mineral exploration. Our strategy to build assets from scratch rather than purchase has paid dividends (literally!) in the past, and we believe we are building for further success with the continued growth in value of our key US Lithium and Widgiemooltha projects discussed below.

Jindalee provides shareholders with direct and indirect exposure to a range of commodities including lithium, gold, nickel, base metals, magnesite, uranium, and iron ore through projects generated by the Company's technical team (Figure 1). Jindalee's strong balance sheet (around \$13 million in cash and shares at 30 June 2021) sees the Company well placed to add value to the projects already in our portfolio and to acquire further high-quality opportunities.

During the 2021 Financial Year Jindalee substantially increased the lithium Mineral Resource at McDermitt (USA), and in September 2021 announced that a positive preliminary Scoping Study had been completed at McDermitt. We continued to expand our already significant ground position established in the

Widgiemooltha area of Western Australia, as well as opportunistically adding prospective ground to our portfolio to establish a solid project pipeline that will crystallise further value for shareholders.

## KEY ASSETS

### US LITHIUM

In June 2018 Jindalee announced the acquisition of two sediment hosted lithium (Li) projects in the United States, at McDermitt and Clayton North (Figure 2). These projects are 100% owned by HiTech Minerals Inc., a wholly owned, US based subsidiary of Jindalee and were generated by Jindalee after an extensive search across the western US.

Sediment hosted lithium deposits have the potential to be large, long-life sources of lithium that sit at the lower end of the global cost curve. Furthermore, the US currently imports most of its lithium, resulting in the metal being included on the US Department of the Interior's list of minerals critical to the US economic and national security, with emerging lithium projects receiving strong bipartisan support.

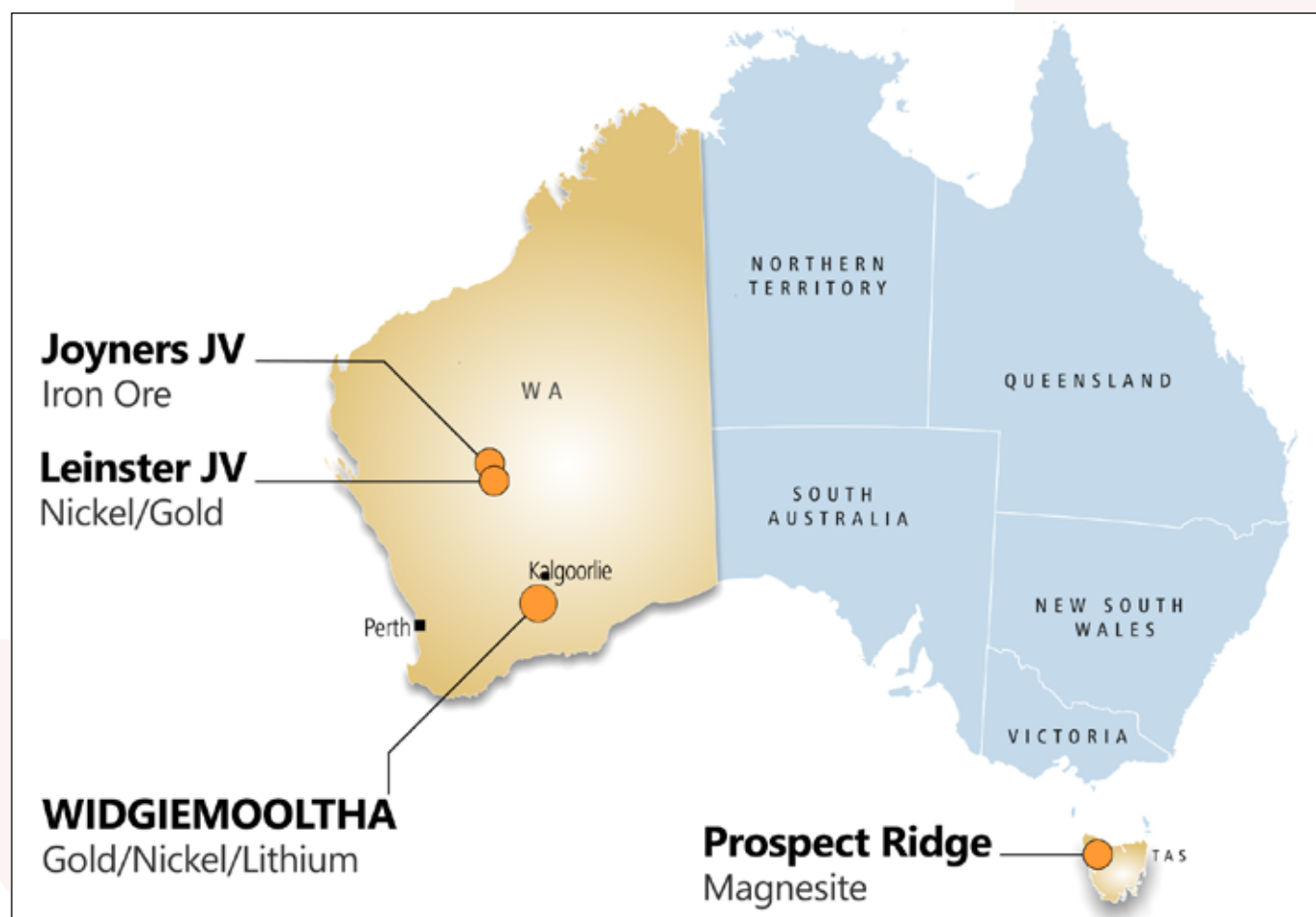


Figure 1. Jindalee's major Australian Projects.

# REVIEW OF ACTIVITIES

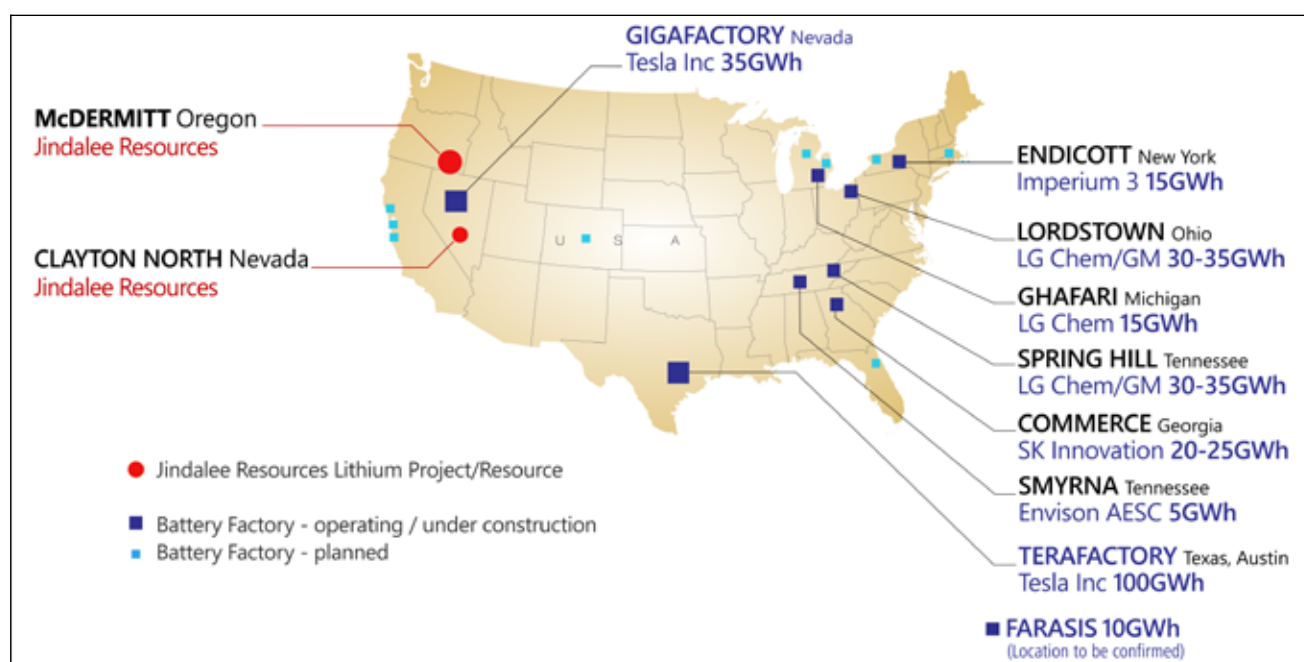


Figure 2. Jindalee's US Lithium Projects and Li-ion Battery Factories.

## McDermitt (Jindalee 100%)

In November 2019 Jindalee announced an Inferred Mineral Resource Estimate (MRE) of 150Mt @ 2,000ppm Li at 1,750ppm Li cut-off for 1.6Mt Lithium Carbonate Equivalent (LCE) had been estimated at McDermitt<sup>2</sup>. This MRE was based on 13 diamond drill holes completed by the Company in 2018 and 2019.

Mid-2020 Jindalee announced positive results from metallurgical testwork which demonstrated that beneficiation of McDermitt ore had the potential to result in a significant increase in head grade and reduction in acid consuming minerals, as well as a reduction in the volume of material being leached.

Jindalee has continued to advance and derisk the McDermitt Project with further drilling and metallurgical testwork undertaken during the period. Fifteen Reverse Circulation (RC) holes were completed at McDermitt in November and December 2020, with substantial thicknesses of lithium mineralisation intersected in all holes. In April 2021 Jindalee announced an updated MRE of 1.43 Bt @ 1,320ppm Li (0.28% Li<sub>2</sub>O) at 1,000ppm Li cut-off<sup>1</sup> had been estimated at McDermitt (Table 1, below):

Cut-off Grade (ppm Li)	Indicated Resource			Inferred Resource			Indicated & Inferred Resource		
	Tonnage (Mt)	Li Grade (ppm)	LCE (Mt)	Tonnage (Mt)	Li Grade (ppm)	LCE (Mt)	Tonnage (Mt)	Li Grade (ppm)	LCE (Mt)
500	283	1,340	2.0	2,020	1,130	12.1	2,300	1,150	14.1
1,000	233	1,430	1.8	1,200	1,300	8.3	1,430	1,320	10.1
1,500	73	1,910	0.7	240	1,750	2.2	313	1,790	3.0
1,750	44	2,110	0.5	85	2,000	0.9	129	2,040	1.4
2,000	23	2,310	0.3	34	2,200	0.4	57	2,240	0.7

Table 1 – Summary of McDermitt Mineral Resource Estimate at varying cut-off grades, with preferred reporting cut-off of 1,000ppm highlighted. Note: totals may vary due to rounding.

The cut-off grade for reporting of the MRE has reduced from 1,750ppm in 2019<sup>2</sup> to 1,000ppm in 2021 due to the encouraging results received from metallurgical test work completed by Jindalee through 2020 and 2021<sup>5</sup> which demonstrated the ore can be beneficiated before leaching. This significantly increases confidence

in the ability to reduce operating costs which impacts directly and positively upon the reasonable prospects for eventual economic extraction (as per JORC Code 2012). The results of the MRE (Table 1) and ETR (Table 2) at a full range of cut-off grades demonstrate the scalability of the Project.

# REVIEW OF ACTIVITIES

Cut-off Grade (ppm Li)	Exploration Target Range			
	Lower Limit (Mt)	Upper Limit (Mt)	Lower Grade (ppm Li)	Upper Grade (ppm Li)
500	2,300	4,500	800	1,200
1,000	1,300	2,300	1,100	1,500
1,500	270	390	1,500	1,900
1,750	100	140	1,700	2,100
2,000	30	40	1,900	2,300

Note that the potential quantity of the Exploration Target is conceptual in nature, there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.

Table 2 – Summary of McDermitt Exploration Target Range at varying cut-off grades, with preferred reporting cut-off of 1,000ppm highlighted. Note: totals may vary due to rounding.

Infill drilling completed in 2020 has increased confidence in geological and grade continuity through the centre of the deposit, allowing conversion of part of the existing Inferred Mineral Resource to Indicated (Figure 3). Furthermore, there is significant scope for resource extensions of the deposit to the west and south in Jindalee's new claims<sup>3</sup>, as well as infill drilling of the Inferred material.

During the year Jindalee announced that it had staked 271 new claims at McDermitt with the Project now covering 54.6km<sup>2</sup> straddling the Oregon-Nevada border<sup>3</sup> (Figure 3). The new claims cover the interpreted strike extensions of lithium mineralised sediments identified from mapping and recent drilling and suggest that future drilling of this area will result in a further increase to the scale of the McDermitt Project. The new claims were granted in June 2021.

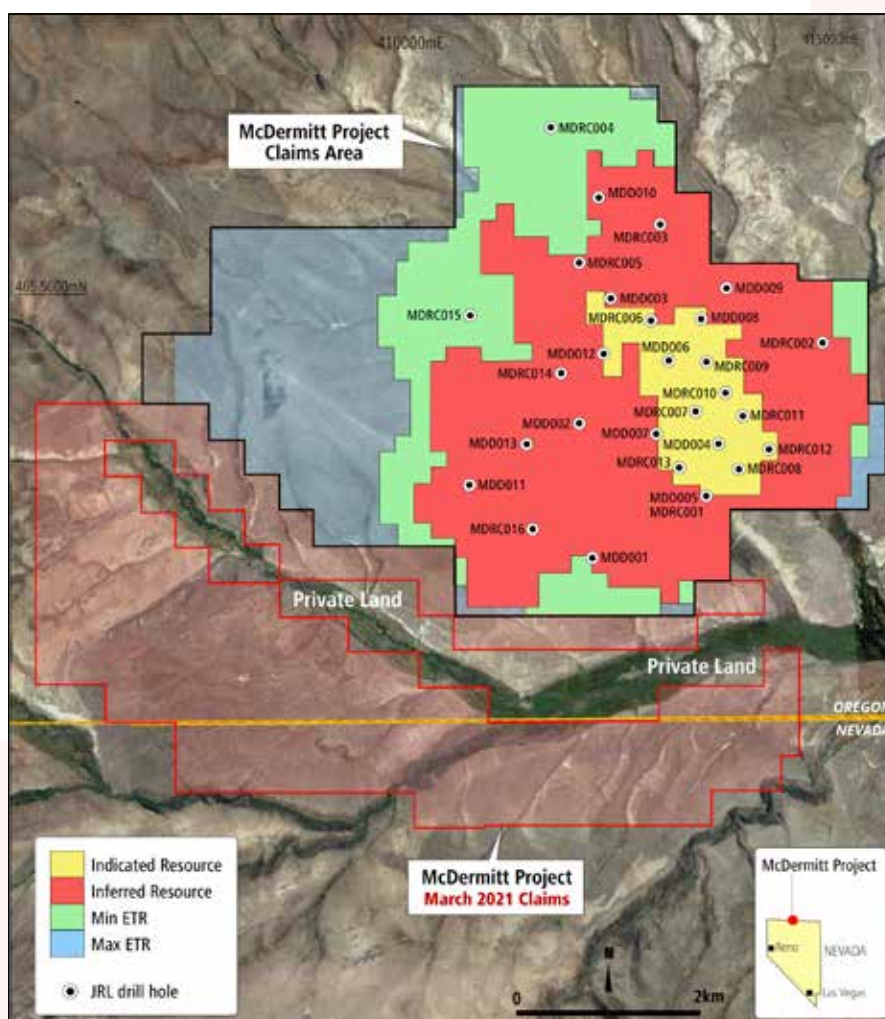


Figure 3. Plan showing McDermitt Resource<sup>1</sup> and Exploration Target<sup>1</sup> Areas & March 2021 Claims.



# REVIEW OF ACTIVITIES

In February 2021 the Company announced that metallurgical testwork on samples from McDermitt had demonstrated that attrition scrubbing at 30% solids can increase the lithium content in the <0.01mm fraction by 60.9% with subsequent leaching of the beneficiated samples confirming lithium extraction rates of 94-97% with 26% less acid consumed per lithium unit compared with similar tests on non-beneficiated ore<sup>4</sup>.

Approximately 1,000kg of McDermitt ore collected during the 2020 drill program has been submitted for testing to enable optimisation of the processing flow sheet from ore through to the final production of lithium carbonate. The entire process is expected to take approximately 6 months<sup>5</sup>.

Applications for permitting an extensive RC and diamond drill program were submitted to the relevant government agencies mid-2021. The program is designed to upgrade and extend the current Mineral Resource at McDermitt and will maximise resource conversion while minimising the disturbance footprint. A drill contractor has been appointed to complete the program with drilling expected to commence in October, subject to permitting and availability of appropriate personnel.

In September 2021 Jindalee announced that a preliminary scoping study on McDermitt had indicated positive operational and economic outcomes<sup>5</sup>. Although regulatory constraints prevented disclosure of full operational and financial metrics the study confirmed the significance of the Project as a long-life source of future supply to the rapidly growing US battery manufacturing industry. Infill drilling and metallurgical testwork planned for Q4 2021 is expected to enable the release of more detailed Project metrics in 2022.

## **Clayton North (Jindalee 100%)**

In July 2021 Jindalee announced that an exploration diamond drill program designed to test the Company's Clayton North prospect had commenced<sup>6</sup>. Clayton North is located 23km north of Albemarle's (NYSE: ALB) Silver Peak brine operation, which is currently the only domestic source of lithium in the US. Samples taken by Jindalee in 2018 confirmed the presence of lithium mineralisation, with up to 930ppm Li detected at surface<sup>7</sup>.

This drill program is the first follow up of the surface sampling results with up to 12 drillholes proposed to ascertain grade continuity of lithium mineralisation in fresh sediments. First assay results from the program are expected in October 2021.

## **WIDGIEMOOLTHA PROJECT**

Jindalee's largest Australian project is situated in the Western Australian goldfields south of Kalgoorlie. A significant ground position has been built over the last four years in this premier mining district (Figure 4) with most tenements still in application (Jindalee is the sole applicant in almost all cases).



Jimmy Thom, Jindalee's Exploration Manager at Widgiemooltha.

The Widgiemooltha project is prospective for gold, nickel and lithium and Jindalee is encouraged by recent exploration success in the district. Jindalee holds ground north along strike of Mincor Resources' (ASX: MCR) Cassini nickel mine (1.476Mt @ 4.0% Ni<sup>8</sup>) and south of Anglo Australian's (ASX: AAR) Mandilla gold deposit (inferred resource of 19.8Mt @ 1.0g/t Au for 0.66Moz<sup>9</sup>).

Jindalee advises that several Program of Works (PoWs) for drill testing of gold targets at Widgiemooltha have been approved, with drilling expected to commence late 2021, subject to completion of heritage surveys.



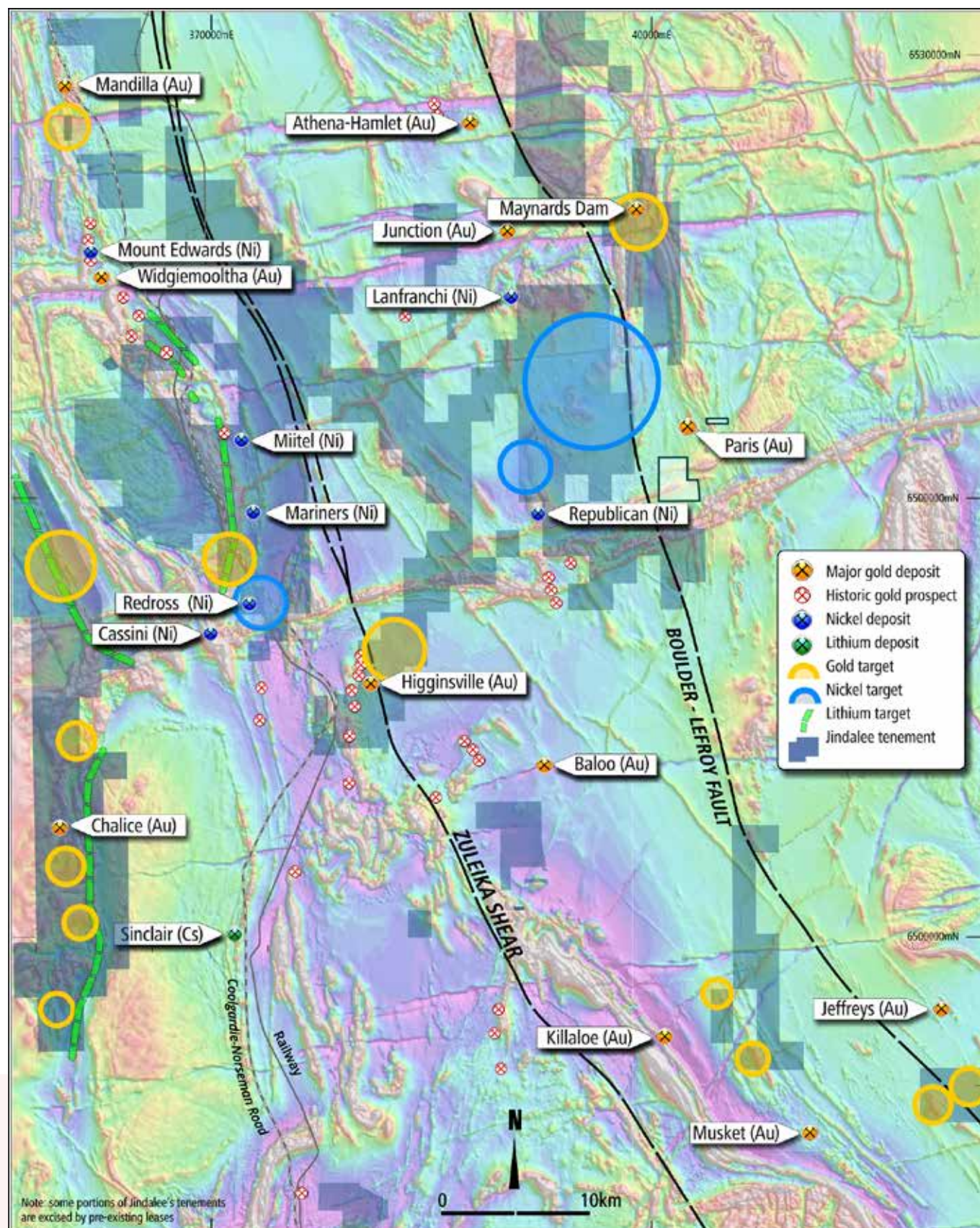


Figure 4. Widgiemooltha Project tenements (at 30 June 2021) over aeromagnetic imagery. Note some portions of the tenements are excised by pre-existing mining and other leases.

# REVIEW OF ACTIVITIES

## OTHER ASSETS

### Prospect Ridge (magnesite) (Jindalee 100%)

The Prospect Ridge project is located in NW Tasmania and comprises the Arthur River and Lyons River magnesite deposits. In 2017 Jindalee estimated an Inferred Mineral Resource of 25Mt @ 42.4% MgO at 40% MgO cut-off at the Arthur River deposit<sup>11</sup>.

On 22 January 2021, the Company announced an Exploration Target Range (ETR) for the Lyons River deposit, located 6.5km south along strike of the Arthur River deposit<sup>12</sup>. The ETR, which is constrained to 100m depth, is based on 37 diamond drillholes completed by CRA Exploration (now Rio Tinto) between 1982 and 1989 with mineralisation delineated over a 2km strike, 400m width and 300m depth and open at depth. At a 40% MgO cut-off the ETR is 40-60Mt @ 40-44% MgO (Table 3).

Cut Off (% MgO)	Mass (Mt)	MgO %	CaO %	Fe <sub>2</sub> O <sub>3</sub> %	SiO <sub>2</sub> %
>40%	40-60	40-44	2.5-3.5	5.5-6.5	1.0-1.2
>38%	90-110	40-42	3.0-4.0	8.0-10.0	0.9-1.0
>35%	140-180	38-41	3.0-5.0	10.0-11.0	0.9-1.0
No cut	200-250	35-37	6.0-7.0	10.0-12.0	0.9-1.0

Table 3 – Lyons River Exploration Target Range at a series of MgO cut-offs reported above 100mRL

The Lyons River ETR demonstrates the potential to increase the existing Mineral Resource base at the Prospect Ridge Project, which should positively impact the economics of any mining studies at the Project. Further drilling designed to upgrade the ETR to a Mineral Resource is planned.

*Note that the potential quantity and grade of the Exploration Target is conceptual in nature, there has been insufficient exploration to estimate a Mineral Resource and it is uncertain if further exploration will result in the estimation of a Mineral Resource.*

## JOINT VENTURES and NON-MANAGED PROJECTS

### Leinster Projects (Jindalee 100%; Auroch earning 70%)

In July 2020 Jindalee formed a joint venture with Auroch Minerals (ASX: AOU) whereby Auroch can earn a 70% interest in Jindalee's Leinster tenements (comprising E's 36/895, 36/910, 36/953 & 37/1370) by spending \$0.5m within 3 years, with Jindalee's 30% free carried to Decision to Mine, based on a Bankable Feasibility Study.

Auroch's exploration to date at Leinster has focussed on nickel mineralisation but Auroch is also expected to follow up historic gold anomalies recorded from both drilling and soil sampling.

### Joyners JV (Jindalee 20% free carried)

The Joyners joint venture with GWR Group Limited (ASX: GWR) forms a part of GWR's much larger Wiluna West project. GWR has earned an 80% interest in M53/1078, with Jindalee retaining 20%, free-carried through to completion of a Bankable Feasibility Study. Combined Indicated and Inferred iron oxide resources on the joint venture tenement total 7.9 Mt @ 62.2% Fe<sup>12</sup>.

In December 2020 GWR commenced mining of the C4 deposit<sup>13</sup>, located 11km to the north of the joint venture

ground, and mining of the 'JWD Deposit,' situated approximately 1km to the south, commenced in June 2021<sup>12</sup>. Ore from both deposits is currently being trucked to the Port of Geraldton and the development of these deposits and associated establishment of infrastructure at Wiluna West has positive implications for the eventual monetization of the Joyners JV resource.

### Other

Jindalee continued its strategy of divesting non-core projects to spread exploration risk and augment working capital, whilst maintaining focus on key assets with the potential to transform the Company.

Divestments completed during the period included the sale of 100% of the Kenya project to Ragnar Metals (ASX: RAG) and 80% of the Salt Creek project to Mt Monger Resources (ASX: MTM). The Company also entered into options for the sale of 90% of the Aries project to Odessa Minerals Ltd and 80% of the Forrestania project to Forrestania Resources Pty Ltd and granted Great Western Exploration (ASX: GTE) an option to earn up to 80% in E53/2129 (Joyners).



## INDIRECT INTERESTS

### Alchemy Resources (Jindalee 2.6% of issued capital)

The Company's holding in Alchemy Resources Limited (ASX: ALY) provides Jindalee shareholders with exposure to Alchemy's Bryah Basin gold and base metals project (WA), the Karonie gold project (WA), and a joint venture with Heron Resources Limited over properties in central NSW (the Cobar Basin/Lachlan Fold Belt and West Lynn Projects) prospective for gold, base metals and high purity alumina. Further information on Alchemy's activities can be found in their announcements and on their website, [www.alchemyresources.com.au](http://www.alchemyresources.com.au)

### Energy Metals (Jindalee 6% of issued capital)

Jindalee holds approximately 12.5 million Energy Metals (ASX: EME) shares, giving shareholders continued exposure to the development of the Bigrlyi uranium-vanadium deposit and the potential of Energy Metals' other uranium projects. Further information on Energy Metals' activities can be found in their announcements and on their website, [www.energymetals.net](http://www.energymetals.net)

### Other (Jindalee various holdings)

Jindalee holds interests in several other mineral exploration and development companies as a result of previous transactions. These shareholdings will be realised at appropriate times to fund additional activity.

## CORPORATE

Three key senior appointments to the Jindalee team were announced during the year.

Karen Wellman commenced as Jindalee's Chief Executive Officer in October 2020<sup>14</sup>. Karen is a geologist with 20 years' experience covering all aspects of the mining

cycle from early-stage exploration, production and mine geology, through to resource definition and estimation on multiple ore deposits and commodities including gold, copper, lead, zinc, nickel and silver. Karen joined Jindalee from Silver Lake Resources (ASX: SLR) where she was Resource Development Manager and was credited with making significant contributions to the success of the Deflector Gold-Copper Project in WA.

Jimmy Thom was appointed Jindalee's Exploration Manager in May 2021<sup>5</sup>. Jimmy is an experienced geologist with 15 years' experience across project generation, brownfields exploration and resource development in Australia, Africa and Canada. Jimmy will primarily focus on progressing Jindalee's WA assets, particularly the Widgiemooltha project which is highly prospective for gold, nickel and lithium.

In May 2021 Paul Meyer was engaged to manage exploration and development of the Company's lithium assets in the United States<sup>5</sup>. Paul is based in the US and brings a wealth of experience in both exploration geology and environmental management.

In March 2021 Jindalee completed a placement of 6M shares to strategic investors, including leading Australian institutions, to raise \$9M, before costs<sup>15</sup>. Completion of the placement and exercise of unlisted options during the period has increased Jindalee's issued capital to 53.4M shares on issue with cash and marketable securities of approximately \$13.3M<sup>16</sup> at 30 June 2021. This provides a strong base for advancing projects currently held by the Company and leveraging into new opportunities.

Early September 2021 Jindalee was advised that the Company had been awarded \$468,750 of exploration credits for FY2022 under the Junior Minerals Exploration Incentive (JMEI). These exploration credits can be issued to eligible shareholders subscribing for new shares issued after 1 September 2021.



Widgiemooltha Project.



# REVIEW OF ACTIVITIES

## OUTLOOK

Jindalee's strategy is to identify and acquire projects with the potential to transform the Company and this continues to be our primary focus. At the same time the Company maintains the flexibility to deal on other projects as opportunities present, with the divestment of several non-core projects including Kenya, Salt Creek and Aries being recent examples.

The strategic land packages acquired at McDermitt and Widgiemooltha are examples of larger scale undertakings where Jindalee believes there is excellent potential to create significant value for shareholders and therefore substantial effort to crystallise this value is warranted.

## ANNUAL MINERAL RESOURCES STATEMENT

Jindalee's Mineral Resources are reported in accordance with the 2012 JORC Code and estimated or based on documentation prepared by a Competent Person as defined by the 2012 JORC Code unless otherwise specified. All information compiled in this statement has been previously announced, and represent the Company's Mineral Resource inventory at 30 June 2021.

Jindalee ensures that the Minerals Resources quoted are subject to governance arrangement and internal controls. Internal and external reviews of Mineral Resource estimation procedures and results are carried out by a team of experienced technical personnel that is comprised of highly competent and qualified professionals. These reviews have not identified any material issues.

Jindalee reports its Mineral Resources on at least an annual basis in accordance with the Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves (the JORC Code), 2012 or 2004 Edition as stated. Competent Persons named in this report are Members or Fellows of the Australasian Institute of Mining and Metallurgy and/or the Australian Institute of Geoscientists and qualify as Competent Persons as defined in the JORC Code.

The Company's procedures for drilling, sampling techniques and analysis are regularly reviewed and audited by independent experts. Assays are undertaken by independent, internationally accredited laboratories with a QA/QC program delivering acceptable levels of accuracy and precision.

The only change in the Company's Mineral Resources during the financial year was a significant increase and upgrade of the McDermitt Mineral Resource announced 8 April 2021.

### McDermitt Project - Mineral Resource Estimate (MRE)

At the 30 June 2020, the total MRE at McDermitt was 150Mt @ 2,000ppm Li at 1,750ppm cut-off.

Following the completion of infill drilling in Q2, Jindalee announced on 8 April 2021 that the MRE at McDermitt had been increased to 1,430 Mt @ 1,320ppm Li (Indicated and Inferred) at 1,000ppm Li cut-off. Approximately 20% of the Mineral Resource is classified as Indicated, with the remainder classified as Inferred.

Cut-off Grade (ppm Li)	Indicated Resource			Inferred Resource			Indicated & 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	233	1,430	1.8	1,200	1,300	8.3	1,430	1,320	10.1

**Table 1 – Summary of McDermitt Mineral Resource Estimate at 30 June 2021.**

**Note: totals may vary due to rounding.**

The total mineral inventory at McDermitt increased from 150Mt @ 2,000ppm Li at 1,750ppm cut-off to 1,430Mt @ 1,320ppm Li at 1000ppm cut-off, representing an increase of contained lithium metal of over 650%. The increase in the MRE from 2019 to 2021 was due to infill and extensional drilling (15 holes) completed in 2020 and a reduction in the cut-off grade for reporting of the MRE from 1,750ppm in 2019 to 1,000ppm in 2021 due to the encouraging results received from metallurgical test work completed by Jindalee through 2020 and 2021 which demonstrated the ore can be beneficiated before leaching. This significantly increases confidence in the ability to reduce operating costs which impacts directly and positively upon the reasonable prospects for eventual economic extraction (as per JORC Code 2012).

## Prospect Ridge Project: Arthur River Deposit - Mineral Resource Estimate (MRE)

Cut-off Grade (% MgO)	Inferred Resource				
	Tonnes	MgO (%)	SiO <sub>2</sub> (%)	Fe <sub>2</sub> O <sub>3</sub> (%)	CaO (%)
40	25,121,511	42.4	4.8	1.4	2.6

Table 2 – Summary of Arthur River Mineral Resource Estimate at 30 June 2021.

On 10 October 2017 Jindalee announced an Inferred MRE of 25.1Mt @ 42.4% MgO at 40% MgO cut-off at the Arthur River deposit. There has been no change in the Arthur River MRE since this date.

## Joyners JV - Mineral Resource Estimate (MRE)

Cut-off Grade (% Fe)	Indicated Resource						Inferred Resource					
	Tonnes (Mt)	Fe (%)	SiO <sub>2</sub> (%)	Al <sub>2</sub> O <sub>3</sub> (%)	LOI (%)	P (%)	Tonnes (Mt)	Fe (%)	SiO <sub>2</sub> (%)	Al <sub>2</sub> O <sub>3</sub> (%)	LOI (%)	P (%)
50	3.3	63.6	4.27	2.05	1.83	0.03	3.9	62.4	4.81	2.12	2.16	0.05

Table 3 – Summary of McDermitt Mineral Resource Estimate at 30 June 2021.

Note: This Mineral Resource is reported in accordance with JORC Code 2004.

On 24 February 2010 GWR Group Limited (Jindalee's JV partner at the Joyners Project) announced an Indicated and Inferred MRE of 7.9Mt @ 62.2% Fe at 50% Fe cut-off at the Joyners JV. There has been no change in the Joyners JV MRE since this date.



Drilling at McDermitt – November 2020.

# REVIEW OF ACTIVITIES

## *Additional Information*

Additional details including JORC 2012 reporting tables, where applicable, can be found in the ASX announcements referenced in this report and lodged with the ASX.

### References:

1. Jindalee Resources ASX announcement 08/04/2021: "McDermitt Lithium Resource confirmed as largest in USA"
2. Jindalee Resources ASX announcement 19/11/2019: "Maiden Lithium Resource at McDermitt"
3. Jindalee Resources ASX announcement 31/03/2021: "Jindalee increases size of McDermitt Project by 67%"
4. Jindalee Resources ASX announcement 22/02/2021: "More positive metallurgical results from McDermitt"
5. Jindalee Resources ASX announcement 16/09/2021: "Positive Preliminary Scoping Study"
6. Jindalee Resources ASX announcement 21/07/2021: "Jindalee commences drilling at Clayton North"
7. Jindalee Resources ASX announcement 08/06/2018: "Jindalee acquires US Lithium Project at Clayton North"
8. Mincor Resources ASX Announcement 03/08/2021: "Diggers & Dealers Presentation"
9. Anglo Australian ASX announcement 27/05/2021: "Mandilla Mineral Resource Increases 33% to 665,000oz"
10. Jindalee Resources ASX announcement 10/10/2017: "Arthur River Magnesite Deposit (JORC 2012) Resource Estimate"
11. Jindalee Resources ASX announcement 22/01/2021: "Prospect Ridge – Exploration Target for Lyons River Deposit"
12. GWR Group ASX announcement 02/08/2021: "June Quarter Activities Report and Appendix 5B"
13. GWR Group ASX announcement 24/12/2020: "Transport of High Grade Ore to Port of Geraldton commences"
14. Jindalee Resources ASX announcement 03/08/2020: "Jindalee appoints Karen Wellman as CEO"
15. Jindalee Resources ASX announcement 15/03/2021: "\$9M raising to fund growth at McDermitt"
16. Jindalee Resources ASX announcement 28/07/2021: "Quarterly Activities & Cashflow Report"

## **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 and Mrs Karen Wellman. Mr Dudfield is consultant to the Company and a Member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Mrs Wellman is an employee of the Company and a Member of the Australasian Institute of Mining and Metallurgy. Both Mr Dudfield and Mrs Wellman have sufficient experience relevant to the styles of mineralisation and types of deposits under consideration, and to the activity being undertaken, to qualify as Competent Persons as defined in the 2012 Edition of the

'Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves.' Mr Dudfield and Mrs Wellman consent 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 Jindalee Resources Ltd (JRL) entitled "McDermitt Lithium Resource confirmed as largest in USA" released on 8 April 2021 and in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement 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 announcement.

The information in this report that relates to the Exploration Target and the Mineral Resource Estimate for the Prospect Ridge Lyons River and Arthur River deposits is based on information compiled by Mr. Tim Callaghan and Mr Stewart Capp respectively. Mr Callaghan is a Member of the Australasian Institute of Mining and Metallurgy and an independent mining consultant for Resource and Exploration Geology. Mr Capp is a Member of The Australasian Institute of Mining and is employed by Derwent Geoscience (Fiji) Pte Ltd. Both Mr Callaghan and Mr Capp have sufficient experience relevant to the style of mineralisation and type of deposit under consideration and to the activity being undertaken to qualify as Competent Persons 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 Jindalee Resources Ltd (JRL) entitled "Arthur River Magnesite Deposit (JORC 2012) Resource Estimate" released on 10 October 2017 and "Prospect



Ridge – Exploration Target for Lyons River Deposit” released on 22 January 2021, and in the case of estimates of Mineral Resources, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement 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 Persons’ findings are presented have not been materially modified from the original market announcements.

The information in this report that relates to the Mineral Resource Estimate for the Joyners JV deposit is based on information provided to Jindalee by GWR Group Limited. GWR Group advise that the Mineral Resource estimates were published pursuant to GWR Group ASX announcements dated 8 July 2011 and 11 April 2013 for the Wiluna West Iron Project and are prepared in accordance with the 2004 edition of the JORC Code.

## 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.

# DIRECTORS' REPORT

The Directors present their report on the consolidated entity (referred to hereafter as the Group) consisting of Jindalee Resources Limited and the entities it controlled at the end of, or during the year ended 30 June 2021.

## Directors

The following persons were directors of Jindalee Resources Limited during the whole of the financial year and up to the date of this report unless noted otherwise:

Lindsay Dudfield Justin Mannolini Patricia Farr

## Principal activities

The principal activity of Jindalee Resources Limited during the year was mineral exploration. During the year there was no change in the nature of this activity.

## Financial results

The consolidated loss of the Group after providing for income tax for the year ended 30 June 2021 was \$504,303 (2020: loss \$250,878).

## Dividends

No dividends have been declared since the end of the previous financial year and no dividends have been recommended by the Directors.

## Significant changes in the state of affairs

During the year there has been no significant change in the state of affairs of the Group.

## Operations and financial review

Jindalee's strategy is to identify and acquire projects with the potential to transform the Company and this continued to be the Group's primary focus.

During the year efforts were concentrated on the McDermitt Lithium Project (US) and included drilling to both increase the maiden inferred resource announced in 2019 and deliver an expanded exploration target, as well as metallurgical testwork to further derisk the Project. The Company also increased its ground position in the Widgiemooltha area and acquired other projects in Western Australia.

### McDermitt

Fifteen Reverse Circulation (RC) holes were completed at the McDermitt Project during the period, with substantial thicknesses of lithium mineralisation intersected in all holes. In April 2021 Jindalee announced a combined Indicated and Inferred Mineral Resource Inventory at McDermitt of 1.43Bt at an average grade of 1,320 ppm Li for a total of 10.1Mt Lithium Carbonate Equivalent (LCE), using a cut –off grade of 1,000 ppm Li<sup>1</sup>, making McDermitt the largest lithium deposit in the US by contained lithium in Mineral Resource. The 1,000 ppm Li cut –off grade used is appropriate in the context of similar projects and results from recent metallurgical testwork, based on an assessment of the likelihood of future economic extraction as required by the JORC (2012) Code.

The Company confirms that it is not aware of any new information or data that materially affects the information included in this market announcement and that all material assumptions and technical parameters underpinning the estimates of mineral resources referenced in this market announcement continue to apply and have not materially changed.

The Company also announced that McDermitt deposit remains open with an independently estimated Exploration Target Range (ETR) of 1.3Bt to 2.3Bt at 1,100ppm to 1,500ppm Li surrounding the Resource<sup>1</sup>.

\*Note that the potential quantity and grade of the ETR is conceptual in nature, there has been insufficient exploration to estimate a Mineral Resource over the Exploration Target and it is uncertain if further exploration will result in the estimation of additional Mineral Resources.

Metallurgical testwork undertaken on McDermitt ore demonstrated that beneficiation using attrition scrubbing can increase the lithium content by up to 60% and remove acid consuming minerals<sup>2</sup>.

# DIRECTORS' REPORT

Additional work planned for McDermitt includes further metallurgical test work, a scoping study and other technical studies, commencement of early stage permitting activities and drilling to build on and upgrade the current Mineral Resource estimate.

## Western Australia

During the year the Company added to its existing ground position in the Widgiemooltha area of Western Australia (WA) and pegged additional prospective tenements in Western Australia.

At Widgiemooltha, the Company received approval from the WA Department of Mines, Industry Regulation and Safety (DMIRS) to drill untested gold targets, with drilling expected to commence late 2021.

## Impact of COVID –19

The Group continues to monitor the ongoing and evolving situation relating to the Coronavirus pandemic (COVID –19) and the potential implications for the health and wellbeing of the Group's employees, contractors and stakeholders. The Company has implemented various health and safety measures and has concluded at this time that there has been no material impact on the Group's solvency or its ability to continue as a going concern.

## Financial

The net assets of the Group have increased by \$12,231,648 from \$5,374,940 at 30 June 2020 to \$17,606,588 at 30 June 2021, principally due to raising \$11,049,539 from the issue of shares during the year and share based payments of \$996,412 net of the Group's loss for the year of \$504,303.

The Directors believe the Group is in a sound financial position to continue its exploration endeavours.

## Competent Persons Statement:

The information in this report that relates to Exploration Results is based on information compiled by Mr Lindsay Dudfield and Mrs Karen Wellman. Mr Dudfield is a consultant to the Company and a member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Mrs Wellman is an employee of the Company and a member of the Australasian Institute of Mining and Metallurgy. Both Mr Dudfield and Mrs Wellman have sufficient experience, relevant to the styles of mineralisation and types of deposits under consideration, and to the activity which is being undertaken, to qualify as Competent Persons as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves'. Both Mr Dudfield and Mrs Wellman consent to the inclusion in the 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 new information or data that materially affects the information included in the original market announcements by Jindalee Resources Ltd (JRL) entitled: "Maiden Lithium Resource at McDermitt" released on 19 November 2019; and "McDermitt Lithium Deposit confirmed as largest in the USA" released on 8 April 2021, and, in the case of estimates of Minerals 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 has not been materially modified from the original market announcement.

## Forward-Looking Statements:

This document may include forward-looking statements. Forward-looking statements include but are not limited to statements concerning Jindalee Resources Limited's (Jindalee) planned exploration program and other statements that are not historical facts. When used in this document, the words such as "could", "plan", "estimate", "expect", "intend", "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 involve risks and uncertainties and no assurance can be given that actual results will be consistent with these forward-looking statements.

## Footnote references:

Additional details including JORC 2020 reporting tables, where applicable, can be found in the ASX announcements referenced in this report and the below announcements lodged with the Australian Securities Exchange (ASX) during the period:

1. Jindalee Resources Limited ASX Announcement 08/04/2021 'McDermitt Lithium Project confirmed as largest in USA'.
2. Jindalee Resources Limited ASX Announcement 22/02/2021 'More Positive Metallurgical Results from McDermitt.'
3. Jindalee Resources Limited ASX Announcements 30/12/2019 'Company Update' and 28/07/2021 'Quarterly Activities Report.'



# DIRECTORS' REPORT

## Events since the end of the financial year

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect significantly the operations, the results of those operations, or the state of affairs of the Group in future financial years.

## Likely developments and expected results of operations

The Directors are not aware of any developments that might have a significant effect on the operations of the Group in subsequent financial years not already disclosed in this report.

## Environmental regulation

The Group is subject to significant environmental regulation in respect of its exploration activities. Tenements in Western Australia are granted subject to adherence to environmental conditions with strict controls on clearing, including a prohibition on the use of mechanised equipment or development without the approval of the relevant government agencies, and with rehabilitation required on completion of exploration activities. These regulations are controlled by the Department of Mines and Petroleum.

Jindalee's claims in the United States of America are all located on Federally owned land managed by the Bureau of Land Management. There are a range of requirements that must be met when undertaking exploration activities, including seeking approval depending on the nature of the activities and undertaking rehabilitation once activities are complete. Bonds are payable prior to the commencement of exploration activities and are returned on satisfactory completion of rehabilitation. Jindalee Resources Limited conducts its exploration activities in an environmentally sensitive manner and the Group is not aware of any breach of statutory conditions or obligations.

## Greenhouse gas and energy data reporting requirements

The Directors have considered compliance with both the Energy Efficiency Opportunity Act 2006 and the National Greenhouse and Energy Reporting Act 2007 which requires entities to report annual greenhouse gas emissions and energy use. The Directors have assessed that there are no current reporting requirements for the year ended 30 June 2021, however reporting requirements may change in the future.

## Information on Directors

<b>J Mannolini B.Com/LL (Hons), LLB (Law), GAICD. Non-Executive Chairman</b>		
Experience and expertise	Mr Mannolini was appointed to the Jindalee Board as a Non –Executive Director in September 2013 and as Chairman in July 2016. Mr Mannolini is a partner in the Corporate Advisory Group of Australian law firm Gilbert + Tobin. He was an Executive Director with Macquarie Capital, the investment banking division of the Macquarie Group from March 2013 to May 2016 and was responsible for cross –industry coverage of the Western Australian market. Prior to joining Macquarie, Mr Mannolini was Managing Director and head of Gresham Advisory Partners' Perth office, and before that, a partner in the mergers and acquisitions group of Australian law firm Freehills. In May 2016 Mr Mannolini was appointed to the board of the Northern Australia Infrastructure Facility, a \$5B fund set up by the Australian Government to encourage population growth and economic development in northern Australia. As a lawyer and investment banker, Mr Mannolini has more than 20 years experience in corporate finance ranging across industry sectors and product lines, including mergers and acquisitions transactions and general strategic advisory mandates for companies in the resources sector.	
Other current directorships	None	
Former directorships in last 3 years	iCetana Limited – resignation effective 11/05/2021	
Special responsibilities	Chairman	
Interests in shares and options	Ordinary Shares – Jindalee Resources Limited	750,000

# DIRECTORS' REPORT

<b>L Dudfield B.Sc. Executive Director</b>		
Experience and expertise	Mr Dudfield is a qualified geologist with over 40 years experience exploring for gold and base metals in Australia and abroad, including close involvement with a number of greenfields discoveries. Mr Dudfield is a member of the AusIMM, SEG, AIG and GSA. He is a founding director of Jindalee Resources Limited and has been a Director for 17 years.	
Other current directorships	Energy Metals Limited – Non-Executive Director Alchemy Resources Limited – Non-Executive Chairman	
Former directorships in last 3 years	None	
Special responsibilities	None	
Interests in shares and options	Ordinary Shares – Jindalee Resources Limited	13,745,365
	Unlisted \$0.40 Options expiring 30/06/2022	1,000,000 (vested 22/11/2017)

<b>P Farr GradCertProfAcc. GradDipACG. GAICD FGIA/FCIS Executive Director/Joint Company Secretary</b>		
Experience and expertise	Ms Farr is an experienced Chartered Secretary with over 20 years experience in the exploration and mining industry in the areas of corporate governance, compliance and administration. Ms Farr has provided Company Secretarial services to several ASX listed companies including Musgrave Minerals Limited and prior to that Energy Metals Limited and Fox Resources Limited. Ms Farr is a graduate member of the Australia Institute of Company Directors, fellow member of Governance Institute of Australia (formerly Chartered Secretaries Australia) and the Institute of Chartered Secretaries and Administrators. Mrs Farr was appointed to the Jindalee Board in 2008.	
Other current directorships	None	
Former directorships in last 3 years	None	
Special responsibilities	None	
Interests in shares and options	Ordinary Shares – Jindalee Resources Limited	755,922
	Unlisted \$0.40 Options expiring 30/06/2022	150,000 (vested 22/11/2017)

## Company Secretary Information

Ms Farr is an experienced Chartered Secretary having provided Company Secretarial services to several listed, unlisted and not-for-profit companies, the majority of which operate in the resource and health sectors in Australia. Ms Farr is a graduate member of the Australian Institute of Company Directors and Fellow member of Governance Institute of Australia (formerly Chartered Secretaries Australia).

## Meetings of Directors

The following table sets out the number of meetings of the Company's Directors held during the year ended 30 June 2021 and the numbers of meetings attended by each Director.

Name	Board of Directors	
	Meetings Held	Meetings Attended
J Mannolini	9	9
L Dudfield	9	9
P Farr	9	9

As at the date of this report, the Group did not have an Audit Committee of the Board of Directors. The Board considers that due to the Group's size, an Audit Committee's functions and responsibilities can be adequately and efficiently discharged by the Board as a whole, operating in accordance with the Group's mechanisms designed to ensure independent judgement in decision making.

# DIRECTORS' REPORT

## Retirement, election and continuation in office of directors

Mr Lindsay Dudfield is the director retiring by rotation who, being eligible, may offer himself for re-election at the Company's 2021 Annual General Meeting.

## AUDITED REMUNERATION REPORT

The Directors are pleased to present Jindalee Resources Limited 2021 remuneration report which sets out remuneration information for the Company's non-executive directors, executive directors and other key management personnel.

The report contains the following sections:

- (a) Key management personnel disclosed in this report
- (b) Remuneration governance and the use of remuneration consultants
- (c) Executive remuneration policy and framework
- (d) Relationship between remuneration and the Group's performance
- (e) Non-executive director remuneration policy
- (f) Voting and comments made at the Company's 2020 Annual General Meeting
- (g) Details of remuneration
- (h) Service agreements
- (i) Details of share-based compensation and bonuses
- (j) Equity instruments held by key management personnel
- (k) Loans to key management personnel
- (l) Other transactions with key management personnel

### **(a) Key management personnel disclosed in this report**

J Mannolini	Non-Executive Chairman
L Dudfield	Executive Director
P Farr	Executive Director/Company Secretary
K Wellman	Chief Executive Officer (appointed 12 October 2020)
P Darvall	Managing Director (resigned 31 December 2019)

For further details on each director see pages 16 and 17.

### **(b) Remuneration governance and use of remuneration consultants**

The Company has a Remuneration Policy however has not established a separate Remuneration Committee. Due to the early stage of development and small size of the Company a separate Remuneration Committee was not considered to add any efficiency to the process of determining the levels of remuneration for directors and key executives. The Board considers that it is more appropriate to set aside time at a Board meeting each year to specifically address matters that would ordinarily fall to a remuneration committee such as reviewing remuneration, recruitment, retention and termination procedures and evaluating senior executives remuneration packages and incentives. A copy of the Remuneration Policy can be found on the Company's website [www.jindalee.net](http://www.jindalee.net)

In addition, all matters of remuneration will continue to be in accordance with the Corporations Act requirement, especially with regard to related party transactions. That is, none of the directors participate in any deliberations regarding their own remuneration or related issues.

Independent external advice is sought from remuneration consultants when required, however no advice has been sought during the year ended 30 June 2021.

The Corporate Governance Statement provides further information on the Company's remuneration governance. Further details on the Corporate Governance Statement can be found on the Company's website [www.jindalee.net](http://www.jindalee.net)

**(c) Executive remuneration policy and framework**

In determining executive remuneration, the Board aims to ensure that remuneration practices are:

- Competitive and reasonable, enabling the Company to attract and retain key talent
- Aligned to the Company's strategic and business objectives and the creation of shareholder value
- Transparent and easily understood, and
- Acceptable to shareholders.

All executives receive consulting fees or a salary, part of which may be taken as superannuation, and from time to time, options. Options issued to Directors are subject to approval by Shareholders. The Board reviews executive packages annually by reference to the executive's performance and comparable information from industry sectors and other listed companies in similar industries.

Board members are allocated superannuation guarantee contributions as required by law, and do not receive any other retirement benefits. From time to time, some individuals may choose to sacrifice their salary or consulting fees to increase payments towards superannuation.

All remuneration paid to directors and specified executives is valued at the cost to the Group and expensed.

Options are valued using the Black-Scholes methodology.

**(d) Relationship between remuneration and the Group's performance**

The policy setting the terms and conditions for the executive directors, was developed and approved by the Board and is considered appropriate for the current exploration phase of the Groups development. Emoluments of Directors are set by reference to payments made by other companies of similar size and industry, and by reference to the skills and experience of directors. Fees paid to directors are not linked to the performance of the Group. This policy may change once the exploration phase is complete and the Company is generating revenue. At present the existing remuneration policy is not impacted by the Group's performance including earnings and changes in shareholder wealth (dividends, changes in share price or returns of capital to shareholders). The Board has not set short term performance indicators, such as movements in the Company's share price, for the determination of director emoluments as the Board believes this may encourage performance which is not in the long-term interests of the Company and its shareholders. The Board has structured its remuneration arrangements in such a way it believes is in the best interests of building shareholder wealth in the longer term. The Board believes participation in the Company's Employee Share Option Plan motivates key management and executives with the long-term interests of shareholders.

The following table shows the share price and the market capitalisation of the Group at the end of each of the last five financial years.

	2017	2018	2019	2020	2021
Share Price	\$0.21	\$0.28	\$0.39	\$0.32	\$2.50
Market Capitalisation	\$7.33M	\$9.77M	\$13.65M	\$12.4M	\$133.5M
Dividends (cents per share)	–	–	–	–	–

**(e) Non-executive director remuneration policy**

On appointment to the Board, all non-executive directors enter into a service agreement with the Company in the form of a letter of appointment. The letter summarises the Board policies and terms including remuneration, relevant to the office of director.

The Board policy is to remunerate non-executive directors at commercial market rates for comparable companies for their time, commitment and responsibilities.

The maximum aggregate amount of fees that can be paid to non-executive directors is subject to approval by shareholders at the Annual General Meeting and is currently set at \$200,000 per annum.

Fees for non-executive directors are not linked to the performance of the Group. Non-executive directors' remuneration may also include an incentive portion consisting of options, subject to approval by Shareholders.



# DIRECTORS' REPORT

## (f) Voting and comments made at the Company's 2020 Annual General Meeting

Jindalee received 99.8% of "yes" votes on its remuneration report for the 2020 financial year. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

## (g) Details of remuneration

The following table sets out details of the remuneration received by the Group's key management personnel for the current and previous financial year measured in accordance with the requirements of the accounting standards.

		Short-term benefits		Post-employment benefits		Share-based payment		Remuneration consisting of options
Non-Executive Director/Chairman		Directors Fees \$	Cash Salary, Consulting Fees \$	Super-annuation \$	Long Service Leave \$	Options \$	Total \$	Percentage %
J Mannolini	2020	20,000	–	1,900	–	–	21,900	–
	2021	65,000**	–	6,175	–	–	71,175	–
<b>Executive Directors</b>								
L Dudfield	2020	–	91,575	–	–	–	91,575	–
	2021	–	178,864	–	–	–	178,864	–
P Farr	2020	–	106,000	10,070	14,682	–	129,720	–
	2021	–	116,309	2,662	21,744	–	140,715	–
<b>Key Management Personnel</b>								
K Wellman*	2020	–	–	–	–	–	–	–
	2021	–	160,769	15,273	–	892,549	1,068,591	84%
P Darvall#	2020	–	133,918	11,575	–	(81,044)	64,449	–

\* Appointed as Chief Executive Officer (CEO), 12 October 2020

# Resigned as Managing Director, 31 December 2019

\*\* Includes an additional payment of \$15,000 paid during the period in lieu of the suspension of fees in the 2020 financial year

## (h) Service Agreements

Remuneration and other terms of employment for key management personnel are formalised in service agreements. The service agreements specify the components of remuneration, benefits and notice periods.

### J Mannolini

Mr Mannolini was appointed a Non-Executive Director on 30 September 2013 and appointed Chairman on 1 July 2016. Mr Mannolini is entitled to directors fees of \$50,000 per annum plus statutory superannuation in accordance with his letter of appointment. Mr Mannolini's appointment is contingent upon satisfactory performance and successful re-election by shareholders of the Company as and when required by the Constitution of the Company and the Corporations Act. Mr Mannolini is not entitled to any termination benefits.

### L Dudfield

Mr Dudfield was appointed a director on 22 January 1996. Mr Dudfield is remunerated pursuant to the terms and conditions of a consultancy agreement entered into with Mr Dudfield and Jopon Management Pty Ltd trading as Western Geological Services. The agreement may be terminated by either party on the giving of 90 days notice or earlier in the event of a default not remedied within 14 days. Mr Dudfield is not entitled to any termination benefits.

# DIRECTORS' REPORT

## P Farr

Ms Farr was appointed as a director on 29 August 2008. Ms Farr was paid a salary plus statutory superannuation pursuant to the terms and conditions of an employment contract which ceased on 30 September 2020 with Ms Farr's leave entitlements paid out in full. Effective 1 October 2020, Ms Farr is remunerated pursuant to the terms and conditions of a consultancy agreement with Farr Corporate Pty Ltd. The agreement may be terminated by either party on the giving on 90 days notice or earlier in the event of a default not remedied within 14 days. Ms Farr is not entitled to any termination benefits.

## K Wellman (appointed 12 October 2020)

As announced to ASX on 3 August 2020, Mrs Wellman was appointed Chief Executive Officer effective 12 October 2020 and paid an annual salary of \$220,000 per annum plus statutory superannuation pursuant to an Executive Services Agreement. Effective 1 July 2021, the Board resolved to increase Mrs Wellman's annual salary to \$240,000 per annum plus statutory superannuation. Mrs Wellman's employment contract may be terminated by either party on the giving of three month's notice. Upon termination of the contract, for any reason, the Company will pay leave entitlements due to Mrs Wellman.

## P Darvall (resigned 31 December 2019)

Mr Darvall was appointed Managing Director on 28 May 2018 and resigned on 31 December 2019. Mr Darvall was paid an annual salary of \$240,000 per annum plus statutory superannuation pursuant to an Executive Services Agreement. Upon his resignation on 31 December 2019, leave entitlements due to Mr Darvall were paid in full.

### ***i) Details of share-based compensation and bonuses***

Options over shares in Jindalee Resources Limited are granted under the Company's Employee Share Option Plan. Participation in the plan and any vesting criteria, is at the Board's discretion and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits. Any options issued to directors of the Company are subject to shareholder approval.

Details of options over ordinary shares in the Company provided as remuneration to each director and member of key management personnel of the Company are set out below.

2,000,000 options were issued as remuneration to the CEO for the year ended 30 June 2021. Details of the issue to Mrs Wellman are outlined in (j) below.

The fair value of services received in return for share options granted to employees and key management personnel is measured by reference to the fair value of options granted. The estimate of the fair value of the services is measured based on Black-Scholes option valuation methodology. The life of the options and early exercise option are built into the option model.

No bonuses were paid during the year and there is currently no bonus scheme in place.

Further information on the fair value of share options and assumptions is set out in Note 18 to the financial statements.

### ***(j) Equity instruments held by key management personnel***

The following tables detail the number of fully paid ordinary shares and options over ordinary shares in the Company that were held during the financial year and the previous financial year by key management personnel and their associated related parties.

# DIRECTORS' REPORT

2021

Name	Balance at the start of the year	Options/ Shares granted as compensation	Received during the year on the exercise of options	Number of options vested during the year	Number of options forfeited during the year	Other changes during the year	Balance at the end of the year	Vested and exercisable	Unvested
J Mannolini									
Ordinary fully paid shares	342,564	–	500,000	–	–	(92,564)*	750,000	–	–
Unlisted Options	500,000	–	–	–	–	(500,000)	–	–	–
L Dudfield									
Ordinary fully paid shares	13,072,065	–	–	–	–	653,300*	13,725,365	–	–
Unlisted Options	1,000,000	–	–	–	–	–	1,000,000	1,000,000	–
P Farr									
Ordinary fully paid shares	440,000	–	350,000	–	–	(34,078)*	755,922	–	–
Unlisted Options	500,000	–	–	–	–	(350,000)	150,000	150,000	–
K Wellman									
Ordinary fully paid shares	–	–	–	–	–	27,000*	27,000	–	–
Unlisted Options	–	2,000,000	–	1,000,000	–	–	2,000,000	1,000,000	1,000,000

\* Changes during the year relate to participation in 2020 entitlement offer, option conversions and on-market trades.

## Securities Policy

The Company has implemented a policy on trading in the Company's securities designed to ensure that all directors, senior management and employees of the Company act ethically and do not use confidential inside information for personal gain. The policy states acceptable and unacceptable times for trading in Company securities and outlines the responsibility of directors, senior management and employees to ensure that trading complies with the *Corporations Act 2001*, the Australian Securities Exchange (ASX) Listing Rules and Company Policy. A copy of this policy was lodged with the ASX and is available on the Company's website.

Any transaction conducted by Directors with regards to shares of the Company requires notification to the ASX. Each Director has entered into an agreement to provide any such information with regards to Company dealings directly to the Company Secretary promptly to allow the Company to notify the ASX within the required reporting timeframes.

## Shares provided on exercise of options

During the year, 850,000 ordinary shares in the Company were provided as a result of the exercise of remuneration options at an exercise price of \$0.40 per share. For details on the valuation of the options, including models and assumptions used, please refer to Note 18.

## (k) Loans to key management personnel

There were no loans to individuals or members of key management personal during the financial year or the previous financial year.

# DIRECTORS' REPORT

## (I) Other transactions with key management personnel

During the year the Group paid a total of \$178,864 to Western Geological Services (a division of Jopan Management Pty Ltd), the fees being for the provision of technical and management services provided to the Group by Mr Lindsay Dudfield. Mr Dudfield's spouse is the major shareholder of and the sole director and company secretary of Jopan Management Pty Ltd.

During the year, the Group paid a total of \$85,396 to Farr Corporate Pty Ltd for the provision of company secretarial and accounting services. Ms Farr is a director and shareholder of Farr Corporate Pty Ltd.

## END OF AUDITED REMUNERATION REPORT

### Shares under option

Unissued ordinary shares of the Company under option at the date of this report are as follows:

Grant Date	Number	Date vested & exercisable	Expiry Date	Exercise Price
22/08/2017	200,000	22/08/2017	30/06/2022	\$0.40
22/11/2017	1,150,000	22/11/2017	30/06/2022	\$0.40
22/11/2017	500,000	30/06/2018	30/06/2022	\$0.40
22/11/2017	1,500,000	30/06/2019	30/06/2022	\$0.50
27/11/2020	1,000,000	30/04/2021	30/06/2025	\$0.40
27/11/2020	1,000,000	30/04/2022	30/06/2025	\$0.50
22/03/2021	1,000,000	22/03/2021	22/03/2024	\$3.50

No option holder has any right under the options to participate in any other share issue of the Company or any other entity.

### Shares Issued on Exercise of Options

There were 2,750,000 shares issued on exercise of options during the year and up to the date of this report.

### Directors and Officers insurance

Jindalee Resources Limited paid a premium during the year in respect of directors' and officers' liability insurance policy, insuring the directors and officers of the company against a liability incurred whilst acting in the capacity of a director, secretary or executive officer to the extent permitted by the *Corporations Act 2001*. The Directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the policy as such disclosure is prohibited under the terms of the contract of insurance.

### Corporate Governance Statement

The Company's 2021 Corporate Governance Statement has been released as a separate document and is located on the Company's website at: <https://www.jindalee.net/site/about/corporate-governance>

### Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party, for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the *Corporations Act 2001*.



# DIRECTORS' REPORT

## Non-audit services

The Company from time to time may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company is important.

The Board of Directors has considered the position and is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the provision of non-audit services by the auditor as set out below did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- the non-audit services have been reviewed by the Board to ensure they do not impact on the impartiality and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants*.

During the year ended 30 June 2021 and in the previous financial year there were no fees paid or payable for non-audit services provided by the auditor of Jindalee Resources Limited.

## Auditor's Independence Declaration

A copy of the auditor's independence declaration as required by section 307C of the Corporations Act 2001 is included on page 53.

This report is signed in accordance with a resolution of the Directors.



L Dudfield  
Executive Director

Perth

25 August 2021

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 \$	2020 \$
Revenue from continuing operations	4	13,340	7,063
Other income	4	328,955	582,662
Employee benefits expense		(106,015)	(157,905)
Share-based payments	18	(996,412)	81,044
Depreciation and amortisation expense		(64,248)	(75,011)
Exploration expenditure		(82,987)	(66,702)
Impairment of exploration assets	13	(37,671)	(189,694)
Fair value movement on financial assets	11	1,015,736	(134,801)
Tenancy and operating expenses		(33,025)	(29,834)
Gain on foreign exchange		(120,008)	2,681
Other administration expenses		(283,719)	(139,217)
Corporate and regulatory expenses		(123,763)	(110,249)
Finance costs		(14,486)	(20,915)
<b>Loss before income tax</b>		(504,303)	(250,878)
Income tax benefit	5	–	–
<b>Loss after income tax</b>		(504,303)	(250,878)
Loss attributable to owners of Jindalee Resources Limited		(504,303)	(250,878)
<b>Other comprehensive income</b>			
<i>Items that may be reclassified to profit or loss</i>			
Revaluation of investments taken to equity		–	–
<b>Other comprehensive income for the year</b>		–	–
<b>Total comprehensive loss for the year attributable to the ordinary equity holders of the Company</b>		(504,303)	(250,878)
<b>Loss per share attributable to the ordinary equity holders of the Company</b>			
Basic loss per share (cents per share)	7	(1.11)	(0.66)
Diluted loss per share (cents per share)	7	(1.11)	(0.66)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2021

	Note	2021 \$	2020 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	9	10,158,652	839,726
Trade and other receivables	10	265,474	54,092
Prepayments		261,190	–
Financial assets at fair value through profit or loss		221,179	305,858
<b>Total Current Assets</b>		<b>10,906,495</b>	<b>1,199,676</b>
<b>NON-CURRENT ASSETS</b>			
Other receivables	10	62,268	61,106
Property, plant and equipment	12	22,325	19,788
Right of use assets		63,761	122,215
Exploration and evaluation expenditure	13	3,890,211	2,310,327
Financial assets at fair value through profit or loss	11	2,862,844	1,827,574
<b>Total Non-Current Assets</b>		<b>6,901,409</b>	<b>4,341,010</b>
<b>TOTAL ASSETS</b>		<b>17,807,904</b>	<b>5,540,686</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	14	114,569	12,513
Provision for annual leave		11,959	1,748
Lease liabilities		74,788	63,299
<b>Total Current Liabilities</b>		<b>201,316</b>	<b>77,560</b>
<b>NON-CURRENT LIABILITIES</b>			
Provision for long service leave		–	13,650
Lease liabilities		–	74,536
<b>Total Non-Current Liabilities</b>		<b>–</b>	<b>88,186</b>
<b>TOTAL LIABILITIES</b>		<b>201,316</b>	<b>165,746</b>
<b>Total Non-Current Liabilities</b>		<b>–</b>	<b>88,186</b>
<b>TOTAL LIABILITIES</b>		<b>201,316</b>	<b>165,746</b>
<b>NET ASSETS</b>		<b>17,606,588</b>	<b>5,374,940</b>
<b>EQUITY</b>			
Contributed equity	15	19,599,748	8,318,909
Accumulated losses	16	(6,042,280)	(5,537,977)
Reserves	17	4,049,120	2,531,008
<b>TOTAL EQUITY</b>		<b>17,606,588</b>	<b>5,374,940</b>

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

# CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2021

	Note	2021 \$	2020 \$
<b>Cash flows from operating activities</b>			
Payments in the course of operations		(606,485)	(470,828)
Interest received		11,776	7,063
Interest paid		(14,486)	(20,915)
<b>Net cash outflow from operating activities</b>	6	(609,195)	(484,680)
<b>Cash flows from investing activities</b>			
Payments for exploration and evaluation		2,088,637	(1,155,139)
Payments for property, plant and equipment		(8,331)	(3,861)
Payment of bonds		–	–
Proceeds from sale of tenements		185,000	260,000
Proceeds from sale of financial assets at fair value through profit or loss		163,598	241,727
<b>Net cash outflow from investing activities</b>		(1,748,370)	(657,274)
<b>Cash flows from financing activities</b>			
Lease principal repayments		(63,048)	(53,461)
Proceeds from issue of shares net of costs		11,739,539	1,126,655
<b>Net cash inflow/(outflow) from financing activities</b>		11,676,491	1,073,194
<b>Net increase/(decrease) in cash and cash equivalents</b>		9,318,926	(68,760)
<b>Cash and cash equivalents at the beginning of the financial year</b>		839,726	908,486
<b>Cash and cash equivalents at the end of the financial year</b>	9	10,158,652	839,726

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.



# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2021

Consolidated	Contributed equity \$	Share-based payment reserve \$	Accumulated losses \$	Total equity \$
<b>Balance at 1 July 2019</b>	<b>7,255,254</b>	<b>2,612,052</b>	<b>(5,287,099)</b>	<b>4,580,207</b>
Total comprehensive loss for the year:				
Loss for the year	–	–	(250,878)	(250,878)
Total comprehensive loss for the year	–	–	(250,878)	(250,878)
Transactions with owners in their capacity as owners				
Issue of shares net of costs	1,126,655	–	–	1,126,655
Share –based payments	–	(81,044)	–	(81,044)
<b>Balance at 30 June 2020</b>	<b>8,381,909</b>	<b>2,531,008</b>	<b>(5,537,977)</b>	<b>5,374,940</b>
Total comprehensive loss for the year:				
Loss for the year	–	–	(504,302)	(504,302)
Total comprehensive loss for the year	–	–	(504,302)	(504,302)
Transactions with owners in their capacity as owners				
Issue of shares net of costs	11,217,839	–	–	11,217,839
Share –based payments	–	1,518,112	–	1,518,112
<b>Balance at 30 June 2021</b>	<b>19,599,748</b>	<b>4,049,120</b>	<b>(6,042,280)</b>	<b>17,606,588</b>

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

## 1. CORPORATION INFORMATION

These financial statements of Jindalee Resources Limited for the year ended 30 June 2021 were authorised for issue in accordance with a resolution of directors on 25 August 2021.

The financial statements cover the Group of Jindalee Resources Limited and its controlled entities. Jindalee Resources Limited is a company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Securities Exchange.

The nature of the operations and principal activities of the Group are described in Note 3.

Unless otherwise stated, policies adopted in the preparation of the financial statements are consistent with those of the previous year.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

In order to assist in the understanding of the financial statements, the following summary explains the material accounting policies that have been adopted in the preparation of the accounts.

### (a) Statement of Compliance

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the Corporations Act 2001.

#### **Compliance with IFRS**

The consolidated financial statements of Jindalee Resources Limited also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

### (b) New Accounting Standards, interpretations and amendments adopted by the Group

The accounting standards and interpretations relevant to the operations of the Group are consistent with those of the previous financial year. There are some amendments and interpretations effective for the first time from 1 July 2020, though they did not have any impact on the current period or any prior period and is not likely to affect future periods.

A number of new standards, amendments to standards and interpretations issued by the AASB which are not yet mandatorily applicable to the Group have not been applied in preparing these consolidated financial statements and none are expected to be relevant to the Group. The Group does not plan to adopt these standards early.

### (c) Basis of Preparation/Accounting

The financial statements have been prepared on an accruals basis and are based on historical costs and do not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

In applying International Financial Reporting Standards ("IFRS"), management is required to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily available from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported. These accounting policies have been consistently applied throughout the year.

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The significant accounting policies set out below have been applied in the preparation and presentation of the financial statements for the year ended 30 June 2021 and the comparative information.

### (d) Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of the subsidiary of Jindalee Resources Limited ("Company" or "Parent Entity") as at 30 June 2021 and the results of all subsidiaries for the year then ended. Jindalee Resources Limited and its subsidiaries together are referred to in the financial statements as the Group or consolidated entity.

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries are changed where necessary to ensure consistency with the policies adopted by the Group.

Investments in subsidiaries are accounted for at cost in the parent entity information disclosures of Jindalee Resources Limited.

#### *Changes in ownership interests*

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of Jindalee Resources Limited.

When the Group ceases to have control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, jointly controlled entity or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that the amounts previously recognised in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a jointly-controlled entity or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to profit or loss where appropriate.

### (e) Cash and Cash Equivalents

For the purposes of the statement of cash flows, cash and cash equivalents includes cash on hand, and term deposits repayable on demand with a financial institution. The cash and cash equivalents balance primarily consists of funds on term deposit with original maturity at time of purchase of three months or less that are readily convertible to known amounts of cash and which are subject to minimal risk of changes in value.

### (f) Trade and Other Receivables

Trade receivables are recognised initially at fair value, less any allowance for expected credit losses. See note 10 for further information about the group's accounting for trade receivables.

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### (g) Revenue Recognition

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

All revenue is stated net of the amount of goods and services tax.

Revenue in relation to joint venture agreements is recognised over the period the services are rendered.

### (h) Property, Plant and Equipment

Plant and equipment is stated at cost less accumulated depreciation and any impairment in value.

Depreciation is calculated using the diminishing value and prime cost methods and is brought to account over the estimated economic lives of all property, plant and equipment. The rates used are based on the useful life of the assets and range from 10% to 40%.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Depreciation methods, useful lives and residual values are reassessed at each reporting date.

### (i) Impairment of Assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets and the asset's values in use cannot be estimated to be close to its fair value. In such cases the asset is tested for impairment as part of the cash generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its' recoverable amount, the asset or cash-generating unit is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset.

As assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had the impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at the revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

### (j) Exploration and Evaluation Expenditure

The Group's policy with regards to exploration and evaluation expenditure, including the costs of acquiring licences and permits, are capitalised as exploration and evaluation assets on an area of interest basis. Under this method exploration and evaluation expenditure is carried forward on the following basis:



# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

- i) Each area of interest is considered separately when deciding whether, and to what extent, to carry forward or write off exploration and evaluation costs.
- ii) Exploration and evaluation expenditure related to an area of interest is carried forward provided that rights to tenure of the area of interest are current and that one of the following conditions is met:
  - such evaluation costs are expected to be recouped through successful development and exploitation of the area of interest or alternatively, by its sale; or
  - exploration and/or evaluation activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves and active and significant operations in relation to the area are continuing.

Exploration and evaluation costs accumulated in respect of each particular area of interest include only net direct expenditure.

### (k) Trade and Other Payables

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and usually paid within 30 days of recognition.

### (l) Employee Entitlements

The Group's liability for employee entitlements arising from services rendered by employees to reporting date are recognised in current liabilities. Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries, and annual leave which will be settled within one year, have been measured at their nominal amount and include related on –costs.

### (m) Share Based Payment Transactions

Under AASB 2 *Share Based Payments*, the Group must recognise the fair value of options granted to directors, employees and consultants as remuneration as an expense on a pro-rata basis over the vesting period in the statement of profit or loss and other comprehensive income with a corresponding adjustment to equity.

The Group provides benefits to employees (including directors) of the Group in the form of share based payment transactions, whereby employees render services in exchange for shares or rights over shares ("equity-settled transactions"). The cost of these equity-settled transactions with employees (including directors) is measured by reference to fair value at the date they are granted. For options the fair value is determined using a Black-Scholes model.

### (n) Loss Per Share

#### (i) Basic Loss Per Share

Basic loss per share is determined by dividing the operating loss attributable to the equity holder of the Group after income tax by the weighted average number of ordinary shares outstanding during the financial period.

#### (ii) Diluted Loss Per Share

Diluted loss per share adjusts the figures used in determination of basic earnings per share by taking into account amounts unpaid on ordinary shares and any reduction in earnings per share that will arise from the exercise of options outstanding during the period.

### (o) Contributed Equity

Issued and paid up capital is recognised at the fair value of the consideration received by the Group. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

### (p) Income Tax and Other Taxes

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Deferred income tax is provided on all temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences except:

- When the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- When the taxable temporary difference is associated with investments in subsidiaries, associates or interests in joint ventures, and the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; or
- When the deductible temporary difference is associated with investments in subsidiaries, associates or interest in joint ventures, in which case a deferred tax asset is only recognised to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilised.

The carrying amount of deferred income tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each statement of financial position date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss.

Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

### *Goods & Services Tax*

Revenues, expenses and assets are recognised net of the amount of GST except:

- Where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flow arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

### (q) Critical Accounting Estimates and Judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

#### *Accounting for capitalised exploration and evaluation expenditure*

The Group's accounting policy is stated at Note 2(j). There is some subjectivity involved in the carrying forward as capitalised or writing off to the statement of profit or loss and other comprehensive income exploration and evaluation expenditure, however management give due consideration to areas of interest on a regular basis and are confident that decisions to either write off or carry forward such expenditure fairly reflect the prevailing situation.

#### *Share-based payments*

The Group measures share-based payments at fair value at the grant date. The fair value is determined using a Black-Scholes model or other valuation technique appropriate for the instrument being valued.

#### *Deferred tax balances*

Deferred tax assets in respect of tax losses are not recognised in the financial statements as management considers that it is currently not probable that future taxable profits will be available to utilise those tax losses. Management reviews on a regular basis the future profitability of the Group to consider if tax losses should be recognised and to ensure that any tax losses recognised will be utilised.

### (r) Investment and other financial assets

#### *Financial Instruments*

The Group has exposure to interest rate risk which is the risk that the Group's financial position will be adversely affected by movements in interest rates. Interest rate risk on cash and short term deposits is not considered to be a material risk due to the short term nature of these financial instruments.

The Group has no monetary foreign currency assets or liabilities.

#### *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets.

#### *Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss ("FVTPL") include financial assets that are trading or that meet certain conditions and are designated at FVTPL upon initial recognition. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply.

Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

#### *Recognition and derecognition*

Regular purchases and sales of financial assets are recognised on trade-date-the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit and/or loss are initially recognised at fair value and transaction costs are expensed in the

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

statement of profit or loss and other comprehensive income. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

### *Subsequent measurement*

Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method. Financial assets at fair value through profit or loss are subsequently carried at fair value. Gains on financial assets at fair value through profit or loss are recognised in profit or loss.

Details on how the fair value of financial instruments is determined is disclosed in Note 19.

### (s) Provisions

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the reporting date. The discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability.

### (t) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

### (u) Leases

#### *Right-of-use assets*

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

#### *Lease liabilities*

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

#### *Short-term leases and leases of low-value assets*

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered of low value (i.e., below \$5,000). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.



# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

## 3. SEGMENT INFORMATION

Management has determined that the Group has two reportable segments, being mineral exploration in Australia and the United States. As the Group is focused on mineral exploration, the Board periodically monitors the Group based on actual versus budgeted exploration expenditure incurred in each of these geographical locations. This internal reporting framework is most relevant to assist the Board with making decisions regarding the Group and its ongoing exploration programmes and activities, while also taking into consideration the results of exploration work that has been performed to date.

	Mineral exploration		
	Australia	USA	Total
	\$	\$	\$
<b>Year ended 30 June 2021</b>			
<i>Reconciliation of segment revenue to Group revenue</i>			
Revenue from external sources	–	–	
Unallocated revenue			13,340
Total revenue			13,340
<i>Reconciliation of segment result to Group loss</i>			
Segment result	1,118,019	(120,008)	998,011
Unallocated			
– Interest revenue			13,340
– Corporate expenses and other costs, net of other income			(1,515,654)
Loss before tax			(504,303)
<b>As at 30 June 2021</b>			
<i>Reconciliation of segment assets to Group assets</i>			
Segment assets	18,206,522	2,807,357	21,013,878
Intersegment eliminations			(3,205,974)
Total assets			17,807,904
<i>Reconciliation of segment liabilities to Group liabilities</i>			
Segment liabilities	(201,316)	(3,205,974)	(3,407,290)
Intersegment eliminations			3,205,974
Total liabilities			(201,316)

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

## 3. SEGMENT INFORMATION (continued)

	Mineral exploration		
	Australia	USA	Total
	\$	\$	\$
<b>Year ended 30 June 2020</b>			
<i>Reconciliation of segment revenue to Group revenue</i>			
Revenue from external sources	–	–	–
Unallocated revenue			7,063
Total revenue			7,063
<i>Reconciliation of segment result to Group loss</i>			
Segment result	(51,076)	(2,680)	(53,756)
Unallocated			
– Interest revenue			7,063
– Corporate expenses and other costs, net of other income			(204,185)
Loss before tax			(250,878)
<b>As at 30 June 2020</b>			
<i>Reconciliation of segment assets to Group assets</i>			
Segment assets	5,523,859	1,418,222	6,942,081
Intersegment eliminations			(1,401,395)
Total assets			5,540,686
<i>Reconciliation of segment liabilities to Group liabilities</i>			
Segment liabilities	(165,746)	(1,401,395)	(1,567,141)
Intersegment eliminations			1,401,395
Total liabilities			(165,746)

## 4. REVENUE AND OTHER INCOME

	2021	2020
	\$	\$
<b>Revenue from continuing operations</b>		
Interest	13,340	7,063
<b>Other income</b>		
Gain on sale of tenements and royalty <sup>1</sup>	225,107	555,155
Gain on sale	48,454	–
Other	55,394	27,507
	328,955	582,662

<sup>1</sup> Includes sale of 100% of Cummins Range and Kenya tenements, 90% of Aries tenements and grant of non-refundable option on Mt Monger and Forrestania tenements. Prior year includes sale of 80% of tenements 15/1736, 15/4747 & 15/1752 to Torque Metals Ltd; payment of non-refundable option payment on Millrose tenement by Golden Eagle Mining and cash payment for sale of gold royalty interests to Vox Royalty Corp.

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

## 5. TAXATION

	2021	2020
	\$	\$
(a) Income tax expense/(benefit) Current tax	–	–
Deferred tax	–	–
	–	–
Deferred income tax expense included in income tax expense/(benefit) comprises:		
(Decrease)/increase in deferred tax liability	–	–
	–	–
Opening balance – deferred tax (asset)/ liability Movement for period	–	–
Closing Balance – deferred tax (asset)/ liability	–	–
(b) Numerical reconciliation of income tax expense to prima facie tax payable		
Loss before income tax:	(504,303)	(250,878)
Tax at the Australian tax rate of 30% (2020: 30%)	(151,291)	(75,263)
Tax effect of amounts which are not deductible in calculating taxable income:		
Foreign income not assessable	124,633	(804)
Non-deductible (income)/expenses	(24,754)	(8,925)
Share-based payments	298,924	(24,213)
Tax losses not recognised	(247,512)	109,305
Total income tax benefit	–	–

The franking account balance at year end was \$nil (2019: \$nil).

Jindalee Resources Limited and its wholly owned subsidiaries have not implemented the tax consolidation legislation.

Jindalee Resources Limited has unrecognised deferred tax assets at year-end of \$1,226,072 (2020: \$1,328,985) representing unrecognised tax losses.

Jindalee Resources Limited is not considered to be a base rate entity for income tax purposes and is therefore subject to income tax at a rate of 30% (2020: 30%).

Net deferred tax assets have not been brought to account as it is not probable within the immediate future that tax profits will be available against which deductible temporary differences and tax losses can be utilised. The Company's ability to use losses in the future is subject to the Company satisfying the relevant tax authority's criteria for using these losses.

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

## 6. RECONCILIATION OF LOSS AFTER INCOME TAX TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

	2021 \$	2020 \$
Loss after income tax	(504,303)	(250,878)
Exploration expenditure written off	37,671	189,694
Depreciation and amortisation	64,248	75,011
Gain on sale of tenements and royalty	(273,561)	(555,155)
Share –based payments	996,412	(81,044)
Fair value movement on financial assets	(1,015,736)	134,801
Change in operating assets and liabilities during the financial year:		
Decrease in trade and other receivables	(3,453)	14,774
Increase/(decrease) in trade and other payables	92,966	(2,871)
Increase/(decrease) in provisions	(3,439)	(9,012)
Net cash outflow from operating activities	(609,195)	(484,680)

## 7. LOSS PER SHARE

	2021 \$	2020 \$
Loss used in calculation of basic and diluted loss per share	(504,303)	(250,878)
Basic loss per share (cents per share)	(1.11)	(0.66)
Diluted loss per share (cents per share)	(1.11)	(0.66)
Weighted average number of ordinary shares used as the denominator in calculating basic and diluted loss per share.	45,507,518	37,999,169

Options on issue were not considered to be dilutive as their impact would have been to increase the loss per share.

## 8. DIVIDENDS

No dividend has been declared for the year ended 30 June 2021 (2020: nil).

## 9. CASH AND CASH EQUIVALENTS

	2021 \$	2020 \$
Cash at bank	10,158,652	839,726



# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

## 10. TRADE AND OTHER RECEIVABLES

	2021 \$	2020 \$
<i>Current</i>		
Trade and other receivables	265,474	54,092
<i>Non-current</i>		
Other receivables (deposits)	62,268	61,106

Trade and other receivables are denominated in Australian dollars and are interest free with settlement terms of between 7 and 30 days. No trade receivables were past due or impaired as at 30 June 2021 (2020: nil). Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. A provision for doubtful receivables is established, using the expected credit loss model under AASB 9 when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables.

The amounts held in trade and other receivables do not contain impaired assets and are not past due. Based on the credit history of these trade and other receivables, it is expected that these amounts will be received when due.

Due to the short-term nature of these receivables their carrying value is assumed to be their fair value. Please refer to Note 19 for information on credit risk.

## 11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

	2021 \$	2020 \$
<i>Current</i>		
Shares in listed corporations		
– Opening balance	305,858	–
– Additions <sup>1</sup>	–	281,875
– Disposals	–	–
– Fair value movement	(84,679)	23,983
– Closing balance	221,179	305,858
<i>Non-current</i>		
Shares in listed corporations		
– Opening balance	1,827,574	2,228,085
– Additions <sup>1</sup>	50,000	–
– Disposals	(115,145)	(241,727)
– Fair value movement	1,100,415	(158,784)
– Closing balance	2,862,844	1,827,574

The fair value of listed financial assets at fair value through profit and loss has been determined directly by reference to published price quotations in an active market.

At 30 June 2021 the market value of the Group's shareholding in Energy Metals was \$2,440,017 (2020: \$1,467,195). Refer to Note 19 for information on Group's exposure to price risk.

<sup>1</sup>These financial assets being shares issued in the capital of Ragnar Metals Limited (ASX: RAG) were acquired as consideration for sale of Kenya tenements (E39/1998 and E39/2005, refer Note 4) and were non-cash transactions.

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

## 12. NON-CURRENT ASSETS – PROPERTY, PLANT AND EQUIPMENT

	2021	2020
	\$	\$
Plant and equipment – at cost	143,177	183,526
Less: accumulated depreciation	(120,852)	(163,738)
Total property, plant and equipment	22,325	19,788
<b>Reconciliation of the carrying amount of property, plant and equipment:</b>		
Carrying amount at beginning of year	19,788	21,856
Additions and disposals (net)	7,960	3,861
Less: depreciation expense for year	(5,424)	(5,929)
Carrying amount at end of year	22,325	19,788

## 13. NON-CURRENT ASSETS – EXPLORATION AND EVALUATION EXPENDITURE

	2021	2020
	\$	\$
Balance at beginning of year	2,310,327	1,381,602
Exploration expenditure incurred	1,839,078	1,155,139
Disposal of tenements/interest in JV	(221,524)	(36,720)
Exploration expenditure written off	(37,671)	(189,694)
Balance at the end of the year	3,890,211	2,310,327

The balance carried forward represents projects in the exploration and evaluation phase.

Ultimate recoupment of exploration expenditure carried forward is dependent on successful development and commercial exploitation, or alternatively, sale of respective areas.

The exploration expenditure written off during the year relates to exploration and evaluation expenditure on tenements surrendered, or to which the Group does not currently have right to tenure.

## 14. CURRENT LIABILITIES – TRADE AND OTHER PAYABLES

	2021	2020
	\$	\$
Trade payables	114,569	12,513

Trade and other payables are non-interest bearing and are normally settled on 30 day terms.

The carrying value of trade and other payables are assumed to be the same as their fair values, due to their short term nature.

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

## 15. CONTRIBUTED EQUITY

	2021 \$	2020 \$
<b>Share capital</b>		
53,403,966 ordinary fully paid shares (2020: 38,860,920)	19,599,748	8,381,909

Movements in ordinary shares during the past two years were as follows:

		Number	Issue Price	\$
1-Jul-20	Balance at beginning of year	38,860,920		8,381,909
18-Sep-20	Placement	3,850,000	\$0.32	1,232,000
23-Oct-20	Entitlement offer	1,943,046	\$0.32	621,775
11-Nov-20	Conversion of options	50,000	\$0.40	20,000
22-Jan-21	Conversion of options	100,000	\$0.40	40,000
5-Mar-21	Conversion of options	500,000	\$0.40	200,000
22-Mar-21	Placement	6,000,000	\$1.50	9,000,000
16-Apr-21	Conversion of options	1,400,000	\$0.40	560,000
16-Apr-21	Conversion of options	250,000	\$1.00	250,000
30-Apr-21	Conversion of options	250,000	\$1.00	250,000
4-May-21	Conversion of options	200,000	\$0.50	100,000
Jul-20 to Jun-21	Share issue costs			(1,055,934)
30-Jun-21	Balance at the end of year	53,403,966		19,599,748
1-Jul-19	Balance at beginning of year	34,994,775		7,227,254
12-Aug-19	Entitlement offer	3,449,478	\$0.30	1,049,843
17-Jun-20	Placement	366,667	\$0.30	110,000
Jul-19 to Jun-20	Share issue costs			(33,188)
30-Jun-20	Balance at end of year	38,860,920		8,381,909

Ordinary shares participate in dividends. On winding up of the Group any proceeds would be distributed in proportion to the number of shares held.

At shareholder meetings on a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

## 16. ACCUMULATED LOSSES

	2021 \$	2020 \$
Retained earnings at the beginning of the financial year	(5,537,977)	(5,287,099)
Loss attributable to members of the Group	(504,303)	(250,878)
Accumulated losses at the end of the financial year	(6,042,280)	(5,537,977)

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

## 17. RESERVES

	2021 \$	2020 \$
<b>Share-based payment reserve</b>		
Balance at the beginning of the year	2,531,008	2,612,052
Share-based payments (refer to note 18)	1,518,112	(81,044)
Balance at the end of the year	4,049,120	2,531,008

*Nature and purpose of the reserves:*

- (i) The share-based payments reserve is used to recognise the fair value of options issued.

## 18. SHARE BASED PAYMENT TRANSACTIONS

Share-based payments transactions are recognised at fair value in accordance with AASB 2. The expense in the year was \$996,412 (2020: gain of \$81,044). The gain in the previous year represents a reversal of prior year expense related to options that lapsed and were cancelled following the resignation of Mr Pip Darvall on 31 December 2019.

### Employee Share Option Plan

Jindalee Resources Limited Employee Share Option Plan ("ESOP") was established to encourage all eligible directors, executive officers and employees who have been continuously employed by the Group to have a greater involvement in the achievement of the Group's objectives and to provide an incentive to strive to that end by participating in the future growth and prosperity of the Group through share ownership.

The ESOP allows the Group to issue free options to eligible persons. The options can be granted free of charge and are exercisable at a fixed price in accordance with the rules of the ESOP.

### Summary of Options

Set out below are summaries of options granted during the current and prior financial years that were on issue during the financial year:

Grant Date	Expiry Date	Exercise Price	Balance at the start of the year Number	Granted during the year Number	Exercised during the year Number	Expired/lapsed during the year Number	Balance at end of the year Number	Vested and exercisable at end of the year Number
22/08/2017	30/06/2022	\$0.40 <sup>T1</sup>	400,000	–	(200,000)	–	200,000	200,000
22/11/2017	30/06/2022	\$0.40 <sup>T2</sup>	2,000,000	–	(850,000)	–	1,150,000	1,150,000
22/11/2017	30/06/2022	\$0.40 <sup>T3</sup>	1,500,000	–	(1,000,000)	–	500,000	500,000
22/11/2017	30/06/2022	\$0.50 <sup>T4</sup>	1,500,000	–	–	–	1,500,000	1,500,000
22/11/2017	30/06/2022	\$0.60 <sup>T5</sup>	1,500,000	–	–	(1,500,000)	–	–
16/01/2019	30/06/2022	\$0.50 <sup>T6</sup>	200,000	–	(200,000)	–	–	–
19/01/2020	15/11/2023	\$1.00 <sup>T7</sup>	–	500,000	(500,000)	–	–	–
27/11/2020	20/06/2025	\$0.40 <sup>T8</sup>	–	1,000,000	–	–	1,000,000	1,000,000
27/11/2020	20/06/2025	\$0.50 <sup>T9</sup>	–	1,000,000	–	–	1,000,000	–
22/03/2021	22/03/2024	\$3.50 <sup>T10</sup>	–	1,000,000	–	–	1,000,000	1,000,000
Weighted average exercise price							\$0.93	

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

## 18. SHARE BASED PAYMENT TRANSACTIONS (continued)

The weighted average remaining contractual life of share options outstanding at the end of the period is 2.2 years (2020: 2 years).

### Fair Value of Share Options and Assumptions

The fair value of services received in return for share options granted to directors is measured by reference to the fair value of options granted. The estimate of the fair value of the services is measured based on a Black –Scholes option valuation methodology. This life of the options and early exercise option are built into the option model.

The assumptions used for the options valuation are as follows:

	T1	T2	T3	T4	T5
Grant Date	22/08/2017	22/11/2017	22/11/2017	22/11/2017	22/11/2017
Exercise Price	\$0.40	\$0.40	\$0.40	\$0.50	\$0.60
Expected Life	4.85 years	4.77 years	4.77 years	4.77 years	4.77 years
Share Price at Time of Issue	\$0.18	\$0.25	\$0.25	\$0.25	\$0.25
Expected Volatility	65%	65%	65%	65%	65%
Dividend Yield	0%	0%	0%	0%	0%
Risk Free Interest Rate	2.20%	2.14%	2.14%	2.14%	2.14%
Option Value	\$0.065	\$0.11	\$0.11	\$0.095	\$0.084

	T6	T7	T8	T9	T10
Grant Date	16/01/2019	19/11/2020	27/11/2020	27/11/2020	22/03/2020
Exercise Price	\$0.50	\$1.00	\$0.40	\$0.50	\$3.50
Expected Life	3.45 years	3.00 years	4.56 years	4.56 years	3.00 years
Share Price at Time of Issue	\$0.28	\$0.76	\$0.83	\$0.83	\$1.60
Expected Volatility	65%	80%	80%	80%	80%
Dividend Yield	0%	0%	0%	0%	0%
Risk Free Interest Rate	1.92%	0.43%	0.43%	0.43%	0.43%
Option Value	\$0.089	\$0.34	\$0.62	\$0.59	\$0.52

All options are fully vested except series T9 issued to K Wellman (CEO), which vest on 30 April 2022 subject to her remaining employed as CEO of the Company on that date.

## 19. FINANCIAL AND CAPITAL RISK MANAGEMENT

### (a) Capital Risk Management

The Group manages its capital to ensure that it will be able to continue as a going concern.

In managing its capital, the Group's primary objective is to ensure its continued ability to provide a consistent return for its equity shareholders. In order to achieve this object, the Group seeks to maintain a capital structure that balances risks and returns at an acceptable level and also to maintain a sufficient funding base to enable the Group to meet its working capital and strategic investment needs. In making decisions to adjust its capital structure to achieve these aims, either through new share issues, or sourcing of debt, the Group considers not only its short-term position but also its long-term operational and strategic objectives.

There have been no significant changes to the Group's capital management objectives, policies and processes in the year nor has there been any change in what the Group considers to be its capital.

The capital structure of the Group consists of cash and cash equivalents (Note 9) and equity attributable to equity holders of the Group, comprising issued capital, reserves and retained earnings (accumulated losses) as disclosed in Notes 15, 16 and 17 respectively.



# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

## 19. FINANCIAL AND CAPITAL RISK MANAGEMENT (continued)

### (b) Significant Accounting Policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 2 of the financial statements.

### (c) Categories of Financial Instruments

	2021 \$	2020 \$
<b>Financial Assets</b>		
<i>Current</i>		
Cash and cash equivalents	10,158,652	839,726
Trade and other receivables	265,474	54,092
Financial assets at fair value through profit and loss	221,179	305,858
Total Current Financial Assets	10,906,495	1,199,676
<i>Non-current</i>		
Financial assets at fair value through profit and loss	2,862,844	1,827,574
Other receivables	62,268	61,106
Total Non-Current Financial Assets	2,925,113	1,888,680
<b>Financial Liabilities</b>		
<i>Current</i>		
Trade and other payables	114,569	12,513
Lease liabilities	74,788	63,299
Total Current Financial Liabilities	189,357	75,812
<i>Non-current</i>		
Lease liabilities	–	74,537
Total Current Financial Liabilities	–	74,537

### (d) Credit Risk Exposure

The Group invests its surplus funds on deposit with Australian banking financial institutions, namely the National Australia Bank and ANZ Bank. For banks and financial institutions, only independently rated parties with a minimum rating of AA– are accepted.

As at the reporting date, the Group has no other significant concentrations of credit risk. The carrying amount reflected above represents the Group's maximum exposure to credit risk.

### (e) Interest Rate Risk Exposure

The Group's exposure to interest rate risk arises from assets bearing variable interest rates. The weighted average interest rate on cash holdings was 0.90% at 30 June 2021 (2020: 2.00%) and 12.5% on lease liabilities. All other financial assets and liabilities are non-interest bearing. The net fair value of the Group's financial assets and liabilities approximates their carrying value.

The table below summarises the impact of an increase/decrease in interest rates received on financial instruments held at year end on the Group's pre-tax profit for the year and on equity. The analysis is based on the assumption that rates increased/decreased proportionally by 10% of the current weighted average interest rate with all other variables held constant.

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

## 19. FINANCIAL AND CAPITAL RISK MANAGEMENT (continued)

### Impact on profit and equity

	2021	2020
	\$	\$
Increase of 10%	2,475	1,385
Decrease of -10%	(2,475)	(1,385)

### (f) Price Risk

The Group is exposed to equity securities price risk. This arises from investments held by the Group and classified in the statement of financial position as financial assets at fair value through profit and loss. The Group is not exposed to commodity price risk.

To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio.

The table below summarises the impact of an increase/decrease in prices of securities held at year end on the Group's pre-tax profit for the year and on equity. The analysis is based on the assumption that the prices of all securities increased/decreased by 10% with all other variables held constant.

### Impact on profit and equity

	2021	2020
	\$	\$
Increase of 10%	286,284	213,343
Decrease of -10%	(286,284)	(213,343)

### (g) Liquidity Risk

The liquidity position of the Group is managed to ensure sufficient liquid funds are available to meet our financial commitments in a timely and cost-effective manner. The Board reviews the Group's liquidity position on a regular basis including cash flow statements to determine the forecast liquidity position and maintain appropriate liquidity levels. Note 14 details the Group's current obligations which are all due within 12 months and reflect the actual cash flows given the short-term nature of these liabilities.

There are no unused borrowing facilities from any financial institution.

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

## 19. FINANCIAL AND CAPITAL RISK MANAGEMENT (continued)

### (h) Fair Values

The carrying amounts and estimated fair values of financial assets and financial liabilities are as follows:

#### Consolidated

	2021	2020
	\$	\$
<b>Financial Assets</b>		
Cash and cash equivalents	10,158,652	839,726
Trade and other receivables	265,474	54,092
Non-current deposits	62,268	61,106
Financial assets at fair value through profit and loss	3,084,023	2,133,432
Total Financial Assets	13,570,418	3,088,356
<b>Financial Liabilities</b>		
Trade and other payables	114,569	12,513
Lease liabilities	74,788	137,836
Total Financial Liabilities	189,357	150,349

The methods and assumptions used to estimate the fair value of financial instruments are outlined below:

#### **Cash**

The carrying amount is fair value due to the liquid nature of these assets.

#### **Receivables/payables**

Due to the short-term nature of these financial rights and obligations, their carrying amounts are estimated to represent their fair values. Non-current receivables receive a market rate of interest and are assessed as representing their fair values.

#### **Financial assets at fair value through profit and loss**

Assets in this category are measured at fair value with gains or losses recognised in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists. Refer to Note 22 for further details.

## 20. CONTINGENCIES

### Contingent Liabilities

#### *Claims of Native Title*

To date the Group has been notified by the Native Title Tribunal of native title claims which cover some of the Group's licence holdings. Until further information arises in relation to the claims and its likelihood of success, the Group is unable to assess the likely effect, if any, of the claims.

#### *Performance Bonds and Security Documents*

In support of titles granted to or operated by the Group, various securities are submitted to the Department of Mines, Industry Regulation and Safety. These consist of unconditional performance bonds and securities or Form 32 security documents. The Company has no liability outstanding.

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

## 20. CONTINGENCIES (continued)

### *Tenements Subject to Option*

The Group has entered into the following agreements:

A grant to Torque Metals Limited (**Torque**) of an option to acquire an 80% interest in E15/1736, E15/1747 and E15/1752. The Group maintains a 20% free carried position to completion of a PFS. On completion of the PFS, the Group can either contribute pro-rata or dilute, with the Group reverting to a 1.5% gross royalty if the Group's interest falls below 5%.

A grant to Auroch Minerals Limited (**Auroch**) to acquire a 70% interest in E36/895, E36/910 and E37/1370. The Group received \$50,000 in cash with a further \$50,000 cash due upon completion of earn-in commitments. Auroch must spend \$500,000 on exploration across the four tenements over a three year period, including \$100,000 in the first 12 months. The Group maintains a 30% free carried position until a decision to mine.

A grant to Mt Monger Minerals Pty Ltd (**Mt Monger**) of an option to acquire an 80% interest in E25/562, E25/547 and P25/2568 for \$20,000 in cash and shares to the value of \$100,000 in a future listed entity related to Mt Monger or \$100,000 cash should the entity not list on ASX. The agreement allows for further dilution post BFS under a joint venture arrangement.

A grant to Forrestania Resources Pty Ltd (**Forrestania**) of an option to acquire an 80% interest in E77/2575, E77/2576 and E77/2701 for shares to the value of \$100,000 in a future listed entity related to Forrestania and \$25,000 in cash.

A grant to Great Western Exploration (**GWE**) of an option to earn an interest in E53/2129 (under application at balance date) on grant of the tenement to Jindalee. GWE can earn a 50% interest by sole funding minimum exploration amounts and increase their interest to 80% on defining a JORC resource. The agreement allows for further dilution post BFS under a joint venture arrangement.

Other than the above, there has been no change in contingent liabilities, contingent assets or commitments since the last annual reporting date, 30 June 2020.

There are no other contingencies of the Group at balance date.

## 21. COMMITMENTS

### **Capital Commitments**

There are no capital expenditure commitments for the Group as at 30 June 2021.

## 22. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

The carrying values of financial assets and liabilities of the Group approximate their fair values. Fair values of financial assets and liabilities have been determined for measurement and / or disclosure purposes.

### *Fair value hierarchy*

The Group classifies assets and liabilities carried at fair value using a fair value hierarchy that reflects the significance of the inputs used in determining that value. The table following analyses financial instruments carried at fair value by the valuation method. The different levels in the hierarchy have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices); and

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

## 22. FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS (continued)

### Recurring fair value measurements

	Level 1	Level 2	Level 3	Total
30 June 2021	\$	\$	\$	\$
Financial assets at fair value through profit and loss	3,084,023	–	–	3,084,023
<b>Total as at 30 June 2021</b>	<b>3,084,023</b>	<b>–</b>	<b>–</b>	<b>3,084,023</b>
30 June 2020				
Financial assets at fair value through profit and loss	2,133,432	–	–	2,133,432
<b>Total as at 30 June 2020</b>	<b>2,133,432</b>	<b>–</b>	<b>–</b>	<b>2,133,432</b>

Due to their short-term nature, the carrying amount of the current receivables and current payables is assumed to approximate their fair value.

## 23. CONTROLLED ENTITIES

	% held		Class	State of Incorporation	Date of Incorporation	Investment at Cost	
						2021	2020
Controlled Entity	2021	2020				\$	\$
Eastmin Pty Limited	100%	100%	Ord	WA	15/04/2005	2	2
HiTec Minerals Pty Ltd	100%	100%	Ord	WA	13/04/2016	100	100
HiTech Minerals Inc.	100%	100%	Ord	Nevada, USA	21/02/2018	2	2

The date of acquisition of the controlled entities was on the date of incorporation.

## 24. RELATED PARTY TRANSACTIONS

### (a) Parent entity

The parent entity within the Group is Jindalee Resources Limited.

### (b) Subsidiaries

Interests in subsidiaries are set out in Note 23.

### (c) Key management personnel compensation

During the year the Group paid a total of \$178,864 to Western Geological Services (a division of Jopon Management Pty Ltd), the fees being for the provision of technical and management services provided to the Group by Mr Lindsay Dudfield (Executive Director). Mr Dudfield's spouse is the major shareholder of and the sole director and company secretary of Jopon Management Pty Ltd.

During the year, the Group paid a total of \$85,396 to Farr Corporate Pty Ltd for the provision of company secretarial and accounting services. Ms Farr (Executive Director/Company Secretary) is a director and shareholder of Farr Corporate Pty Ltd.

During the year, the Group incurred a share based payment expense of \$892,549 associated with the issue of 2,000,000 unlisted options to Mrs Karen Wellman (Chief Executive Officer).

	2021	2020
	\$	\$
Short-term employee benefits	520,942	366,175
Post-employment benefits	45,854	23,545
Share-based payments	892,549	(81,044)
	<b>1,459,345</b>	<b>308,676</b>

Refer to the remuneration report contained within the Directors' Report and Note 18 for further details on transactions with key management personnel and share based compensation.

# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

## 25. REMUNERATION OF AUDITORS

Amounts paid or payable at 30 June to the auditors for:

	2021	2020
	\$	\$
Audit and review of financial statements	25,315	29,671
Total remuneration for audit and other assurance services	25,315	29,671

## 26. PARENT ENTITY FINANCIAL INFORMATION

The following details information related to the parent entity, Jindalee Resources Limited, at 30 June 2021 and 30 June 2020.

The information presented here has been prepared using consistent accounting policies as presented in Note 2.

	2021	2020
	\$	\$
<b>Financial Position</b>		
<i>Assets</i>		
Current assets	10,643,114	846,433
Non-current assets	7,795,376	5,073,260
Total assets	18,438,490	5,919,693
<i>Liabilities</i>		
Current liabilities	(414,644)	284,636
Non-current liabilities	(417,258)	527,424
Total liabilities	(831,903)	812,060
Net assets	17,606,588	5,107,633
<i>Equity</i>		
Issued capital	19,599,748	8,381,909
Accumulated losses	(6,042,280)	(5,805,283)
Reserves	4,049,120	2,531,008
Total equity	17,606,588	5,107,633
<b>Financial Performance</b>		
Loss for the year	(236,997)	(225,877)
Other comprehensive income	–	–
Total comprehensive loss	(236,997)	(225,877)

No guarantees have been entered into by Jindalee Resources Limited in relation to the debts of its subsidiary companies.

Jindalee Resources Limited had no commitments or contingent liabilities at year end other than those disclosed in Notes 20 and 21.



# NOTES TO AND FORMING PART OF THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

## **27. EVENTS OCCURRING AFTER THE REPORTING PERIOD**

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Directors, to affect significantly the operations, the results of those operations, or the state of affairs of the Group in future financial years.

# DIRECTORS' DECLARATION

JINDALEE RESOURCES LIMITED AND ITS CONTROLLED ENTITIES  
ACN 064 121 133

## DECLARATION BY DIRECTORS

In the Directors' opinion:

1. The financial statements, comprising the consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity, accompanying notes, are in accordance with the *Corporations Act 2001*, and:
  - (a) complying with Accounting Standards and the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
  - (b) giving a true and fair view of the consolidated entity's financial position as at 30 June 2021 and of its performance for the year ended on that date.
2. In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
3. The Directors have been given the declarations as required by section 295A of the *Corporations Act 2001*.
4. Note 2(a) confirms that the financial statements also comply with International Reporting Standards as issued by the International Accounting Standards Board.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the directors by:



L Dudfield

Executive Director

25 August 2021 at Perth, Western Australia.

# AUDITOR'S INDEPENDENCE DECLARATION



Tel: +61 8 6382 4600  
Fax: +61 8 6382 4601  
www.bdo.com.au

38 Station Street  
Subiaco, WA 6008  
PO Box 700 West Perth WA 6872  
Australia

## DECLARATION OF INDEPENDENCE BY ASHLEIGH WOODLEY TO THE DIRECTORS OF JINDALEE RESOURCES LIMITED

As lead auditor of Jindalee Resources Limited for the year ended 30 June 2021, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Jindalee Resources Limited and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'Ashleigh Woodley', is written over a light blue horizontal line.

**Ashleigh Woodley**

**Director**

**BDO Audit (WA) Pty Ltd**

Perth, 25 August 2021

BDO Audit (WA) Pty Ltd ABN 79 112 284 787 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit (WA) Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation.

# AUDITOR'S REPORT



Tel: +61 8 6382 4600  
Fax: +61 8 6382 4601  
www.bdo.com.au

38 Station Street  
Subiaco, WA 6008  
PO Box 700 West Perth WA 6872  
Australia

## INDEPENDENT AUDITOR'S REPORT

To the members of Jindalee Resources Limited

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Jindalee Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2021 and of its financial performance for the year ended on that date; and
- (ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

BDO Audit (WA) Pty Ltd ABN 79 112 284 787 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit (WA) Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation.



### Recoverability of exploration and evaluation expenditure

<i>Key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>As disclosed in Note 13 to the Financial Report, the carrying value of capitalised exploration and evaluation expenditure represents a significant asset of the Group.</p> <p>Refer to Note 2 of the Financial Report for a description of the accounting policy and significant judgements applied to capitalised exploration and evaluation expenditure.</p> <p>In accordance with AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i> ("AASB 6"), the recoverability of exploration and evaluation expenditure requires significant judgment by management in determining whether there are any facts or circumstances that exist to suggest that the carrying amount of this asset may exceed its recoverable amount. As a result, this is considered a key audit matter.</p>	<p>Our procedures included, but were not limited to:</p> <ul style="list-style-type: none"> <li>• Obtaining a schedule of the areas of interest held by the Group and assessing whether the rights to tenure of those areas of interest remained current at balance date;</li> <li>• Considering the status of the ongoing exploration programmes in the respective areas of interest by holding discussions with management, and reviewing the Group's exploration budgets, ASX announcements and directors' minutes;</li> <li>• Considering whether any such areas of interest had reached a stage where a reasonable assessment of economically recoverable reserves existed;</li> <li>• Considering whether any facts or circumstances existed to suggest impairment testing was required; and</li> <li>• Assessing the adequacy of the related disclosures in Notes 2 and 13 to the Financial Report.</li> </ul>

# AUDITOR'S REPORT



## **Other information**

The directors are responsible for the other information. The other information comprises the information contained in the Directors' report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the Group's annual report, which is expected to be made available to us after that date.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Group's annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and will request that it is corrected. If it is not corrected, we will seek to have the matter appropriately brought to the attention of users for whom our report is prepared.

## **Responsibilities of the directors for the Financial Report**

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

## **Auditor's responsibilities for the audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.





A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at: [https://www.auasb.gov.au/admin/file/content102/c3/ar1\\_2020.pdf](https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf)

This description forms part of our auditor's report.

## Report on the Remuneration Report

### Opinion on the Remuneration Report

We have audited the Remuneration Report included pages 18 to 23 of the directors' report for the year ended 30 June 2021.

In our opinion, the Remuneration Report of Jindalee Resources Limited, for the year ended 30 June 2021, complies with section 300A of the *Corporations Act 2001*.

### Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

**BDO WA (Audit) Pty Ltd**

A handwritten signature in black ink, appearing to read 'Ashleigh Woodley', is written over the BDO logo.

**Ashleigh Woodley**

Director

Perth, 25 August 2021

## ADDITIONAL INFORMATION

The following additional information not shown elsewhere in this report is required by the Australian Securities Exchange in respect of listed public companies only. This information is current as at 24 September 2021.

### **Securities**

Quotation has been granted for 53,953,966 ordinary shares of the Company on the Australian Stock Exchange.

#### Quoted Securities

ASX Code	Number of Holders	Security Description	Total Securities
JRL	1,582	Ordinary Fully Paid	53,953,966

#### Unquoted Securities

ASX Code	Number of Holders	Security Description	Total Securities
JRLAA	3*	Options expiring 30/06/22 Exercisable at \$0.40	1,300,000
JRLAB	1**	Options expiring 30/06/22 exercisable at \$0.50	1,500,000
JRLAE	1***	Options expiring 30/06/25 exercisable at \$0.40	1,000,000
JRLAF	1***	Options expiring 30/06/25 exercisable at \$0.50	1,000,000
JRLAL	2	Options expiring 22/03/24 exercisable at \$3.50	1,000,000

\* Mr L Dudfield holds 1,000,000 unlisted options in class JRLAA.

\*\* Elmix Pty Ltd is the sole holder of options in class JRLAB.

\*\*\* Mrs Karen Wellman is the sole holder of options in class JRLAE and JRLAF.

### **Voting Rights**

The voting rights attached to each class of security are as follows:

- Ordinary Fully Paid shares – one vote per share held.
- Options – no voting rights are attached to unexercised options.

### **Distribution schedule**

Spread of Holdings - Ordinary Shares (ASX Code: JRL)

			Holders	Units	Percentage
1	-	1,000	561	270,429	0.50%
1,001	-	5,000	521	1,397,639	2.59%
5,001	-	10,000	173	1,334,362	2.48%
10,001	-	100,000	262	6,949,653	12.88%
100,001	-	99,999,999	65	44,001,822	81.55%
TOTAL			1,579	53,953,966	100%

### **Unmarketable Parcel**

There are 160 Shareholders holding less than a marketable parcel of fully paid ordinary shares (a minimum parcel is \$500 being 214 shares using a market value of \$2.33 per Share).

## ADDITIONAL INFORMATION

### **Substantial Shareholding**

The Company has received the following notices of substantial holding:

- Kale Capital Corporation Limited in relation to 4,662,821 ordinary shares
- Perennial Value Management Limited in relation to 3,786,975 ordinary shares

### **Register of Securities**

The Register of securities is held at Advanced Share Registry Limited at unit 2, 150 Stirling Highway, Nedlands, Western Australia. Telephone: 61 8 9389 8033.

### **Buyback**

No on-market share buy-back is current.

### **Top 20 Shareholders**

The names of the twenty largest shareholders (ASX Code: JRL) are listed below:

	<b>Name</b>	<b>% of Issued Securities</b>	<b>Number of Ordinary Shares</b>
1	Mr LG Dudfield <LG Dudfield Pension Fund A/C>	25.48%	13,745,365
2	Kale Capital Corporation Limited	7.33%	3,956,629
3	National Nominees Limited	6.85%	3,695,752
4	Kevrex Pty Ltd <Kevrex Investment A/C>	3.67%	1,980,000
5	Grandor Pty Ltd <Mark Scott Family Pen Fund>	3.13%	1,690,000
6	Pillage Investments Pty Ltd <The Pillage Super Fund A/C>	2.97%	1,600,000
7	Elmix Pty Ltd <Western Darvall Family A/C>	2.66%	1,437,490
8	BNP Paribas Nominees Pty Ltd	2.44%	1,313,930
9	Windsong Valley Pty Ltd <Wheeler Family A/C>	2.22%	1,197,880
10	TBB NSW Pty Ltd <The Watson No1 A/C>	2.16%	1,165,082
11	Yandal Investments Pty Ltd	1.85%	1,000,000
12	Citicorp Nominees Pty Limited	1.82%	982,783
13	Ayers Rock Holdings Pty Ltd <The Ward Super Fund A/C>	1.54%	832,500
14	Farr Family SF Pty Ltd <Farr Family Super Fund A/C>	1.40%	755,922
15	Mr Justin Jerome Mannolini	1.20%	650,000
16	Marbury Pty Ltd <Buckley Super Fund A/C>	1.11%	600,000
17	JP Morgan Nominees Australia Pty Ltd	0.93%	500,001
18	Eric's Pty Limited <Employee's provident Fund A/C>	0.93%	500,000
19	UBS Nominees Pty Ltd	0.93%	500,000
20	Jopan Management Pty Ltd	0.92%	498,933

# ADDITIONAL INFORMATION

## Tenements Schedule

<b>Project</b>	<b>Tenement Reference</b>	<b>Locality</b>	<b>Status</b>	<b>Interest held</b>
Higginsville	E15/1549	Western Australia	Granted	100%
Widgie	E15/1552	Western Australia	Granted	100%
Widgie	E15/1563	Western Australia	Granted	100%
Widgie	E15/1564	Western Australia	Granted	100%
St Ives	E15/1624	Western Australia	Application	100%
St Ives	E15/1626	Western Australia	Granted	100%
St Ives	E15/1645	Western Australia	Granted	100%
Widgie	E15/1680	Western Australia	Application	100%
Higginsville	E15/1691	Western Australia	Granted	100%
Widgie	E15/1697	Western Australia	Application	100%
Widgie	E15/1700	Western Australia	Application	100%
Chalice	E15/1705	Western Australia	Granted	100%
Widgie	E15/1712	Western Australia	Granted	100%
Widgie	E15/1713	Western Australia	Application	100%
St Ives	E15/1720	Western Australia	Application	100%
Chalice	E15/1721	Western Australia	Application	100%
St Ives	E15/1722	Western Australia	Application	100%
Torque JV	E15/1736	Western Australia	Granted	100%
Torque JV	E15/1747	Western Australia	Granted	100%
Torque JV	E15/1752	Western Australia	Granted	100%
St Ives	E15/1753-4	Western Australia	Application	100%
Widgie	E15/1765	Western Australia	Application	100%
St Ives	E15/1779	Western Australia	Application	100%
St Ives	E15/1785	Western Australia	Application	100%
Yilmia	E15/1789	Western Australia	Application	100%
Chalice	E15/1802	Western Australia	Application	100%
St Ives	E15/1806-08	Western Australia	Application	100%
St Ives	E15/1816	Western Australia	Application	100%
Yilmia	E15/1818	Western Australia	Application	100%
Widgie	E15/1838	Western Australia	Application	100%
Widgie	E15/1840	Western Australia	Application	100%
Lady Jane	E16/575	Western Australia	Application	100%
Hollandaire	E20/1001	Western Australia	Application	100%
Hollandaire	E20/992	Western Australia	Application	100%
Mt Monger JV	E25/562	Western Australia	Granted	100%
Mt Monger JV	E25/572	Western Australia	Application	100%
Mt Monger JV	E25/597	Western Australia	Application	100%
Silver Swan	E27/627	Western Australia	Application	100%
Lindsays	E27/651-52	Western Australia	Application	100%
Pinnacles West	E28/3138	Western Australia	Application	100%
Lake Roe	E28/3150-53	Western Australia	Application	100%
Deadend Dam	E31/1299	Western Australia	Application	100%
Auroch JV	E36/895	Western Australia	Granted	100%
Auroch JV	E36/910	Western Australia	Granted	100%
Auroch JV	E36/953	Western Australia	Granted	100%

## ADDITIONAL INFORMATION

<b>Project</b>	<b>Tenement Reference</b>	<b>Locality</b>	<b>Status</b>	<b>Interest held</b>
Leinster	E36/994	Western Australia	Granted	100%
Auroch JV	E37/1370	Western Australia	Granted	100%
Leinster	E 37/1414	Western Australia	Granted	100%
Leinster	E37/1446	Western Australia	Application	100%
Laverton	E38/3540	Western Australia	Application	100%
Laverton	E38/3638	Western Australia	Application	100%
Mulga Tank	E39/2134	Western Australia	Granted	100%
Laverton	E39/2278	Western Australia	Application	100%
Kookynie	E40/405	Western Australia	Application	100%
Meentheena	E45/5381	Western Australia	Application	100%
Warri Creek	E 45/5958	Western Australia	Application	100%
Sherlock	E47/4345	Western Australia	Granted	100%
Bundie Bore	E51/1909	Western Australia	Application	100%
Bundie Bore	E51/1946	Western Australia	Granted	100%
Joyners	E53/2129, 2131	Western Australia	Granted	100%
Magellan	E53/2148	Western Australia	Application	100%
Higginsville	E63/1823	Western Australia	Granted	100%
Killaloe	E63/1832	Western Australia	Granted	100%
Killaloe	E63/1874-5	Western Australia	Granted	100%
Lake Percy	E63/1981	Western Australia	Granted	100%
Lake Percy	E63/2005	Western Australia	Application	100%
Forrestania JV	E77/2575-6	Western Australia	Granted	100%
Forrestania JV	E77/2701	Western Australia	Granted	100%
Westonia	E77/2795	Western Australia	Application	100%
Forrestania JV	E77/2800	Western Australia	Granted	100%
Joyners JV	M53/1078-I	Western Australia	Granted	20%
Higginsville	P15/6112	Western Australia	Granted	100%
Higginsville	P15/6245-6	Western Australia	Granted	100%
Widgie	P15/6267	Western Australia	Granted	100%
Widgie	P15/6268	Western Australia	Application	100%
Widgie	P15/6342-3	Western Australia	Application	100%
Widgie	P15/6367	Western Australia	Granted	100%
Widgie	P15/6388	Western Australia	Application	100%
St Ives	P15/6584	Western Australia	Granted	100%
St Ives	P15/6585	Western Australia	Application	100%
St Ives	P15/6586	Western Australia	Granted	100%
St Ives	P15/6587	Western Australia	Application	100%
Mt Monger JV	P25/2568	Western Australia	Granted	100%
Bundie Bore	P51/3145-7	Western Australia	Granted	100%
Prospect Ridge*	EL5/2016	Tasmania	Granted	100%
Clayton North**	HTC 1-6, 12-18, 25-28	Nevada, USA	Granted	100%
McDermitt**	HTM 1-50,56-342,348-349, 420-585; HTX 1-120	Oregon, USA	Granted	100%
McDermitt**	HTM 586-682	Nevada, USA	Granted	100%

\* Tenement held or applied for through Jindalee's wholly-owned subsidiary, HiTec Minerals Pty Ltd.

\*\* Tenements held or applied for through Jinallee's wholly-owned US subsidiary, HiTech Minerals Inc.

*This page has been left blank intentionally.*







Level 2, 9 Havelock St, West Perth WA 6005, Australia  
PO Box 1033 | West Perth WA 6872, Australia  
**P** +61 8 9321 7550 | **F** +61 8 9321 7950

**E** [enquiry@jindalee.net](mailto:enquiry@jindalee.net) | **W** [www.jindalee.net](http://www.jindalee.net)

ABN 52 064 121 133