



RESOURCES LIMITED

ACN 064 121 133

Half-Year Financial Report

31 December 2020

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CORPORATE DIRECTORY

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

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Auditors

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38 Station Street
Subiaco, WA 6008

Legal Advisors

House Legal
86 First Avenue
Mount Lawley, WA 6050

Share Registry

Advanced Share Registry
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Securities Exchange Listing

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

ASX Code: **JRL**

THE DIRECTORS' REPORT

Your Directors present the financial report for the Consolidated Entity consisting of Jindalee Resources Limited and the entities it controlled at the end of, or during, the half-year ended 31 December 2020.

DIRECTORS

The names of persons who were directors of Jindalee Resources Limited during the whole of the half-year and up to the date of this report are:

Justin Mannolini *B.Com/LL (Hons), LLM (Law), GAICD.*
Lindsay Dudfield *B.Sc.*
Patricia Farr *GradCertProfAcc. GradDipACG, GAICD, FGIA/FCIS.*

OPERATING RESULT

The Consolidated Entity incurred an operating loss after income tax for the half-year ended 31 December 2020 of \$440,884 (half-year ended 31 December 2019: operating loss after income tax of \$1,049,600).

The loss for the year includes an expense of \$331,540 relating to options issued to the CEO (refer Corporate section below). The issue of these options was approved by the directors 1 August 2020 though, per Australian Accounting Standards, are required to be valued at the date of shareholder approval which was obtained on 27 November 2020. During the period from 1 August to 27 November 2020 the Company's share price increased from \$0.34 to \$0.83 which resulted in a significant increase in expense compared to if the options had been valued at the date of Board approval.

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

PRINCIPAL ACTIVITIES

The principal activity of the Group is mineral exploration. The Group holds interests in tenements in the United States, Tasmania and Western Australia prospective for lithium, magnesite, gold, diamonds, nickel and iron ore, with most of these tenements wholly owned. The Group also has indirect interests in uranium, gold and base metals through several investee companies.

REVIEW OF OPERATIONS

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 half year efforts were concentrated on the McDermitt lithium project (US) and included drilling designed to increase the current resource and 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

In November 2019 Jindalee announced¹ a maiden Inferred Mineral Resource estimate at McDermitt of 150Mt at an average grade of 2,000 ppm Li (0.43% Li₂O), using a relatively high cut-off grade of 1,750 ppm Li. This cut-off grade is appropriate in the context of similar projects and based on an assessment of the likelihood of future economic extraction as required by the JORC (2012) Code.

Fifteen reverse circulation (RC) holes were completed at the McDermitt Project mid-December 2020², with the drilling was designed to increase the size of the current Inferred Resource and exploration target and convert part of the Inferred Resource to Indicated status. Assay results from the drilling were received early 2021 and confirmed substantial thicknesses of lithium mineralisation in all holes⁵.

Results from metallurgical testwork undertaken during the period were very encouraging, indicating high lithium recoveries from conventional sulphuric acid leaching at low temperature and atmospheric pressure. In August 2020, the Company announced that beneficiation of McDermitt ore via attrition scrubbing at 20% solids had increased the lithium content in the <0.01mm fraction by more than 50% and had removed more than 50% of the carbonate and approximately 90% of the analcime (both acid consuming minerals), with positive implications for future economic studies³.

Additional work planned for McDermitt includes upgrading the current Mineral Resource and exploration target estimates ahead of a possible scoping study, further metallurgical test work on beneficiated samples, commencement of early stage permitting activities and more drilling to further expand the scale of the project.

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.

*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.

Western Australia

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

At Widgiemooltha Programs of Work to test gold targets at Mandilla and Chalice were approved by the WA Mines Department (DMIRS), with drilling expected to commence mid-2021.

Impact of COVID-19

The Company 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 Company's employees, contractors and stakeholders. The Company has implemented various health and safety measures and has concluded at this time there has been no material impact on the Company's exploration activities, solvency or its ability to continue as a going concern.

Corporate

On 3rd August 2020 Jindalee announced that Mrs Karen Wellman had been appointed Chief Executive Officer, effective 12 October 2020. At the Company's 2020 Annual General Meeting Shareholders approved the issue of two tranches of unlisted options to Mrs Wellman. Tranche 1 being 1,000,000 \$0.40 options vesting on 30 April 2021 with an expiry date of 30 June 2025. Tranche 2 being 1,000,000 \$0.50 options vesting on 30 April 2022 with an expiry date of 30 June 2025.

Financial

On 14 September 2020 the Company announced completion of a placement of 3.85M shares at \$0.32 to raise \$1.23M. At the same time the Company announced a 1 for 20 non-renounceable pro-rata entitlement offer to shareholders, also at \$0.32, to raise a further \$0.62M.

On 11 November 2020 the Company issued 50,000 shares following the exercise of 50,000 unlisted \$0.40 options issued pursuant to the Company's Employee Share Option Plan.

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

EVENTS OCCURRING AFTER REPORTING PERIOD

During the half year the Company commenced selling a portion of its shareholding in Energy Metals. As at the date of this report the Company has disposed of 649,000 shares for gross proceeds of \$124,398.

There has not arisen in the interval between the end of the financial period and the date of this report any other 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 periods.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 8 of this half-year report.

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



LINDSAY DUDFIELD
Executive Director

PERTH 3 March 2021

References:

Additional details including JORC 2012 reporting tables, where applicable, can be found in the following releases lodged with ASX and referred to in this report:

1. Jindalee Resources ASX announcement 19/11/2019: "Maiden Lithium Resource at McDermitt".
2. Jindalee Resources ASX announcement 14/12/2020: "McDermitt Lithium Project – Drilling Update".
3. Jindalee Resources ASX announcement 17/8/2020: "More Metallurgical Test Results from McDermitt".
4. Jindalee Resources ASX announcement 28/01/2021: "Quarterly Activities & Cashflow Report".
5. Jindalee Resources ASX announcement 01/02/2021: "McDermitt Lithium Project – First Assay Results."

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). Mr. van der Heyden consents to the inclusion in this report of the matters based on the information in the form and context in which it appears.

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 "Maiden Lithium Resource at McDermitt" released on 19 November 2019 and in the case of estimates of Minerals 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 Lyons River deposit is based on information compiled by Mr. Tim Callaghan, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr Callaghan is an independent mining consultant for Resource and Exploration Geology engaged by Jindalee Resources. Mr Callaghan 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). Mr. Callaghan consents to the inclusion in this report of the matters based on the information in the form and context in which it appears.

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 2021) 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 Minerals 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.

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' DECLARATION

In the opinion of the Directors of Jindalee Resources Limited:

- a) the consolidated financial statements, and notes set out on pages 12 to 18, are in accordance with the *Corporations Act 2001*, including:
 - i) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; and
 - ii) giving a true and fair view of the Consolidated Entity's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
- b) there are reasonable grounds to believe that the Consolidated Entity will be able to pay its debts as and when they become due and payable.

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:


LINDSAY DUDFIELD
Executive Director


PERTH
3 March 2021

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

As lead auditor for the review of Jindalee Resources Limited for the half-year ended 31 December 2020, 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 review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

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



Ashleigh Woodley
Director

BDO Audit (WA) Pty Ltd
Perth, 3 March 2021

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 31 December 2020

	Notes	31 December 2020 \$	31 December 2019 \$
Revenue from continuing operations		1,606	3,960
Other income	3	42,507	6,995
Employee benefits expenses		(56,209)	(93,551)
Depreciation expense		(29,119)	(34,269)
Exploration expenditure		(61,200)	(215,642)
Fair value movement on financial assets	6	418,135	(545,099)
Tenancy and operating		(17,505)	(20,484)
Other administration expenses		(146,757)	(151,017)
Foreign exchange loss		(183,592)	(22,101)
Share-based payments (expensed)/reversed	8	(359,873)	81,044
Corporate regulatory expenses		(40,923)	(48,146)
Finance costs		(7,954)	(11,290)
Loss before income tax		(440,884)	(1,049,600)
Income tax benefit		-	-
Loss for the half-year after tax		(440,884)	(1,049,600)
Other comprehensive loss for the period		-	-
Total comprehensive loss for the period		(440,884)	(1,049,600)
Loss per share attributable to the members of Jindalee Resources Ltd:			
Basic loss per share (cents per share)	4	(1.06)	(2.80)
Diluted loss per share (cents per share)		(1.06)	(2.80)

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 31 December 2020

	Notes	31 December 2020 \$	30 June 2020 \$
CURRENT ASSETS			
Cash and cash equivalents		1,407,025	839,726
Trade and other receivables		29,638	54,092
Financial assets at fair value through profit and loss	6	257,967	305,858
TOTAL CURRENT ASSETS		1,694,630	1,199,676
NON CURRENT ASSETS			
Other receivables		60,824	61,106
Property, plant and equipment		20,874	19,788
Right of use assets		95,645	122,215
Exploration and evaluation assets	5	3,117,396	2,310,327
Financial assets at fair value through profit and loss	6	2,273,475	1,827,574
TOTAL NON CURRENT ASSETS		5,568,214	4,341,010
TOTAL ASSETS		7,262,844	5,540,686
CURRENT LIABILITIES			
Trade and other payables		22,786	12,513
Provision for annual leave		1,367	1,748
Lease liabilities		68,743	63,299
TOTAL CURRENT LIABILITIES		92,896	77,560
NON CURRENT LIABILITIES			
Provision for long service leave		-	13,650
Lease liabilities		38,427	74,536
TOTAL NON-CURRENT LIABILITIES		38,427	88,186
TOTAL LIABILITIES		131,323	165,746
NET ASSETS		7,131,521	5,374,940
EQUITY			
Contributed equity	7	10,219,502	8,381,909
Accumulated losses		(5,978,862)	(5,537,977)
Reserves		2,890,881	2,531,008
TOTAL EQUITY		7,131,521	5,374,940

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

Consolidated Statement of Cash Flows

For the half-year ended 31 December 2020

	Notes	31 December 2020 \$	31 December 2019 \$
Cash flows from operating activities			
Payments to suppliers and employees		(457,713)	(568,531)
Interest received		1,606	3,960
Interest paid		(7,956)	(11,290)
Net cash outflow from operating activities		(464,063)	(575,861)
Cash flows from investing activities			
Proceeds from sale of financial assets at fair value through profit and loss	6	20,125	124,598
Payments for property, plant and equipment		(3,635)	-
Payments for exploration and evaluation	5	(892,055)	(832,720)
Payment of bond		-	(6,718)
Proceeds from sale of tenements		100,000	-
Net cash outflow from investing activities		(775,565)	(714,840)
Cash flows from financing activities			
Lease principal repayments		(30,666)	(25,900)
Proceeds from issue of shares net of costs	7	1,837,593	1,018,632
Net cash inflow/(outflow) from financing activities		1,806,927	992,732
Net decrease in cash and cash equivalents held		567,299	(297,969)
Cash and cash equivalents at the beginning of reporting period		839,726	908,486
Cash and cash equivalents at the end of reporting period		1,407,025	610,517

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

Consolidated Statement of Changes in Equity

For the half-year ended 31 December 2020

	Contributed equity	Share-based payment reserve	Accumulated losses	Total equity
	\$	\$	\$	\$
At 1 July 2020	8,381,909	2,531,008	(5,537,977)	5,374,940
<i>Total comprehensive income for the half-year:</i>				
Loss for the half-year			(440,884)	(440,884)
<i>Other comprehensive income</i>				
Total comprehensive loss for the half-year	-	-	(440,884)	(440,884)
<i>Transactions with owners in their capacity as owners:</i>				
Issue of shares net of costs	1,837,593	-	-	1,837,593
Share-based payment expense	-	359,873	-	359,873
At 31 December 2020	10,219,502	2,890,881	(5,978,862)	7,131,521
At 1 July 2019	7,255,254	2,612,052	(5,287,099)	4,580,207
<i>Total comprehensive income for the half-year:</i>				
Loss for the half-year	-	-	(1,049,600)	(1,049,600)
<i>Other comprehensive income</i>	-	-	-	-
Total comprehensive loss for the half-year	-	-	(1,049,600)	(1,049,600)
<i>Transactions with owners in their capacity as owners:</i>				
Issue of shares net of costs	1,018,632	-	-	1,018,632
Share-based payment expense reversal	-	(81,044)	-	(81,044)
At 31 December 2019	8,273,886	2,531,008	(6,336,699)	4,468,195

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

Notes to the Consolidated Financial Statements

1. Significant Accounting policies

Basis of preparation of the half-year financial report

This interim general purpose financial report for the half-year reporting period ended 31 December 2020 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This half-yearly financial report does not include all the notes of the type normally included in the annual financial statements and therefore cannot be expected to provide a full understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as full financial statements. Accordingly, this half-year financial report is to be read in conjunction with the annual financial statements for the year ended 30 June 2020 and any public announcements made by Jindalee Resources Limited during the interim reporting period in accordance with continuous disclosure requirements of the *Corporations Act 2001* and the ASX Listing Rules.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except for those detailed under 'adoption of new and revised Accounting Standards'.

The half-year financial report has been prepared on an historical cost basis, except where stated. For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

Adoption of new and revised Accounting Standards

For the half-year ended 31 December 2020, the Group has reviewed all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board ("AASB") that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2020. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Critical accounting estimates and judgements

The preparation of financial reports requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing the interim consolidated financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were consistent with those that applied to the annual consolidated financial statements as at and for the year ended 30 June 2020.

2. Segment Information

Management has determined that the Group has one reportable segment, 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 on the Group as a whole. 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. The reportable segment is represented by the primary statements forming this financial report.

Notes to the Consolidated Financial Statements

3. Other Income

	31 December 2020 \$	31 December 2019 \$
Sale of tenements	17,490	-
Other	25,018	6,995
	<u>42,507</u>	<u>6,995</u>

4. Loss Per Share

	31 December 2020 \$	31 December 2019 \$
Loss used in calculation of loss per share	<u>(440,884)</u>	<u>(1,049,600)</u>
Basic loss per share (cents per share)	(1.06)	(2.80)
Diluted loss per share (cents per share)	(1.06)	(2.80)
Weighted average number of ordinary shares used as the denominator in calculating loss per share	<u>41,781,522</u>	<u>37,480,743</u>

5. Exploration and Evaluation Assets

	31 December 2020 \$	30 June 2020 \$
Exploration and evaluation assets	<u>3,117,396</u>	<u>2,310,327</u>
Balance at the beginning of period	2,310,327	1,381,602
Exploration expenditure incurred	892,055	1,156,139
Tenements sold	(44,141)	(36,720)
Exploration expenditure written off	<u>(40,845)</u>	<u>(189,694)</u>
Balance at the end of period	<u>3,117,396</u>	<u>2,310,327</u>

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

The ultimate recoupment of costs carried forward is dependent on the successful development and commercial exploitation or sale of the areas of interest.

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.

Notes to the Consolidated Financial Statements

6. Financial Assets at Fair Value Through Profit and Loss

	31 December 2020 \$	30 June 2020 \$
Current		
Financial assets at fair value through profit and loss	257,967	305,858
Balance at the beginning of period	305,858	-
Additions	-	281,875
Fair value movement on investments held at end of period	(47,891)	23,983
Balance at the end of period	257,967	305,858
Non-current		
Financial assets at fair value through profit and loss	2,273,475	1,827,574
Balance at the beginning of period	1,827,574	2,228,085
Financial assets disposed	(20,125)	(241,727)
Fair value movement on investments held at end of period	466,026	(158,784)
Balance at the end of period	2,273,475	1,827,574

7. Contributed Equity

	31 December 2020 \$	30 June 2020 \$
Share capital		
Ordinary fully paid shares	10,219,502	8,381,909
	Number	\$
Balance at the beginning of the half-year	38,860,920	8,381,909
Issue of shares under entitlement offer and placement net of costs	5,793,046	1,817,593
Conversion of options	50,000	20,000
Balance at the end of the half-year	44,703,966	10,219,502

During the period the Company issued:

- 5,793,046 fully paid ordinary shares at \$0.32 per share for a total of \$1,817,595 net of issue costs; and
- 50,000 fully paid ordinary shares at \$0.40 per share on exercise of options for a total of \$20,000.

Notes to the Consolidated Financial Statements

8. Share-based Payment Transactions

Shareholders approved the issue of the following options to the Chief Executive Officer, Mrs Karen Wellman, at the Company's Annual General Meeting held on 27 November 2020.

Director, Executive	Grant Date	Expiry Date	Exercise Price	Number Granted	Vesting Date
Karen Wellman	27 November 2020	30 June 2025	\$0.40	1,000,000	30 April 2021
Karen Wellman	27 November 2020	30 June 2025	\$0.50	1,000,000	30 April 2022

Fair Value of Share Options and Assumptions

The fair value of services received in return for share options granted 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:

	CEO options	CEO options	Advisor options
Grant Date	27 Nov 20	27 Nov 20	19 Nov 20
Exercise Price	\$0.40	\$0.50	\$1.00
Expected Life	4.9 yrs	4.9 yrs	3.0 yrs
Share Price at Time of Issue	\$0.83	\$0.83	\$0.765
Expected Volatility	80%	80%	80%
Dividend Yield	0%	0%	0%
Risk Free Interest Rate	0.43%	0.43%	0.43%
Option Value	\$0.62	\$0.59	\$0.34
Total value	\$620,000	\$590,000	\$170,000

As a result of the options issued, a share-based payment expense of \$359,873 has been recognised in the statement of profit or loss, reflecting the fair value of the options over the respective vesting period.

9. Related Party Transactions

On 3 August 2020 the Company announced the appointment of Mrs Karen Wellman as Chief Executive Officer, effective 12 October 2020.

The terms of Mrs Wellman's appointment include a base salary of \$220,000, exclusive of statutory superannuation and a total of 2,000,000 unlisted options with various vesting, exercise and expiry dates (refer to Note 8 for further details). Mrs Wellman's contract has no fixed term and, in the event of termination without cause, the Company is required to give Mrs Wellman three months' notice.

10. Contingencies and Commitments

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

Notes to the Consolidated Financial Statements

11. 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 following table 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).

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
31 December 2020				
Financial assets at fair value through profit and loss	2,531,442	-	-	2,531,442
Total as at 31 December 2020	2,531,442	-	-	2,531,442
30 June 2020				
Financial assets at fair value through profit and loss	2,133,432	-	-	2,133,432
Total as at 30 June 2020	2,133,432	-	-	2,133,432

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

12. Dividends

No dividends have been paid or provided for during the half-year ended 31 December 2020 (31 December 2019: nil).

13. Events Occurring After Reporting Date

During the half year the Company commenced selling a portion of its shareholding in Energy Metals. As at the date of this report the Company has disposed of 649,000 shares for gross proceeds of \$124,398

There has not arisen in the interval between the end of the financial period and the date of this report any other 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 periods.

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Jindalee Resources Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the half-year financial report of Jindalee Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2020, 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 half-year ended on that date, a summary of statement of accounting policies and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- (i) Giving a true and fair view of the Group's financial position as at 31 December 2020 and of its financial performance for the half-year ended on that date; and
- (ii) Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of 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 the audit of the annual 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 the same terms if given to the directors as at the time of this auditor's review report.

Responsibility of the directors for the financial report

The directors of the Company are responsible for the preparation of the half-year 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 half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2020 and its financial performance for the half-year ended on that date and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

BDO Audit (WA) Pty Ltd

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

Ashleigh Woodley

Director

Perth, 3 March 2021