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$10M Finance Facility Secured

Highlights

- **Binding Term Sheet with US based Mint Capital Advisors to provide up to $10m in equity funding**
- **Controlled investment structure allowing Jadar to drawdown funds as and when required**
- **Enables Jadar to implement its growth strategy – diversify and developing its asset portfolio whilst progressing exploration and evaluation activities**

Jadar Resources Limited (ASX:JDR) ("**Jadar**", the "**Company**") is pleased to announce the execution of a Binding Term Sheet with US based Mint Capital Advisors Ltd (**Mint**) for a financing facility of up to $10m over a two year term (**Facility**).

The Company's entry into the Facility is part of the Company's broader growth strategy. The equity funding provided by Mint, which Jadar can access on a discretionary basis as and when it is required, will be used to develop the restart program for the Texas Silver Mine (when caveats removed), which will be designed to see the Company commence production in the short term. It will also be used to continue exploration activities over the Company's existing projects, specifically further exploratory drilling at the Yanamina Gold Project in Peru and for potential new project acquisitions.

The discretionary nature of the Facility will allow the Company to access funds only when they are needed. Whilst Jadar may not require the full $10m over the next two years, having the Facility provides flexibility for the Company to capitalize on its opportunities and progress assets, as required.

The key terms of the Facility are summarised below.

- Jadar may elect at its sole discretion to drawdown funds in consideration for the issue of shares to Mint in accordance with the terms of the Facility.
- Any shares issued to Mint following a request for drawdown made by Jadar will be issued at a price per share equal to 90% of the 15 trading day average daily VWAP of Jadar's shares traded on ASX for the 15 trading days following the date of issue of Jadar's drawdown notification.
- The number of shares to be issued to Mint will be that number of shares equal to 5 times the average daily traded volume of shares on ASX for the 15 previous trading days prior to the date of issue.
- Jadar may drawdown up to $300,000 per month (**Maximum Drawdown**) (or such larger amounts as agreed by the parties).
- Jadar will only be able to drawdown funds if the issue price that is calculated on notification of the drawdown is above a floor price of $0.03 per share. No notification of a drawdown is able to occur if this price is below $0.03 per share. However, if the actual issuance price calculated according to the terms of the Facility is less than the floor price, the drawdown will still proceed unless both parties agree otherwise.
- Mint shall not be entitled to own more than 9.99% of the shares in Jadar, either pursuant to the terms of the Facility or via one or more on-market acquisitions, at any given time. If Mint's

shareholding was to increase above 9.99%, then Mint would need to sell down part of its shareholding to ensure compliance with the terms of the Facility.

- All issuances of shares under the Facility are subject to compliance with the Corporations Act 2001 and the ASX Listing Rules. Drawdowns will be undertaken in reliance on Listing Rules 7.1 and 7.1A – if the Company does not have sufficient placement capacity under either of those Listing Rules, then it will not undertake a drawdown and no shares will be issued until such time as the Company has capacity to do so.

As the Facility prescribes the issue price and mechanism for calculating the number of shares to be issued in the event of a drawdown, the Company will not be able to include an exact figure that it intends to raise in any drawdown notice provided to Mint – the final amount of funding received will be a function of the share price and trading volumes over the relevant calculation period, subject always to the $300,000 monthly cap, $10m limit and compliance with the ASX Listing Rules and the Corporations Act 2001. Please refer to Schedule 1 for a worked example of how a drawdown will work.

The Facility will be documented in a definitive agreement, with terms that are consistent with the Binding Term Sheet.

Jadar has agreed to pay Mint a 3% fee on the total funding limit (i.e. $10m). The fee will be paid by the issue of 10 million shares at an issue price of $0.03 per share, with half of the shares to be issued upon execution of the definitive agreement and the remaining half to be issued prior to the first drawdown. The 10 million shares will be issued in accordance with Listing Rule 7.1.

Mint is a US-based investment group that specialises in servicing high net worth corporate and institutional clients globally. The Company was introduced to Mint through Valens International Pty Ltd, a Hong Kong based private investment fund associated with Mr Navin Sidhu.

Adrian Paul, Executive Director, said "*This equity capital source of funding provides the Company with an entirely new funding option that delivers great flexibility and strengthens our financial position. It enables the Company to impement its growth strategy in what is currently a transformational period for Jadar*."

ENDS

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This ASX announcement was authorised for release by the Board of Jadar Resources Limited.

Forward Looking Statement

Forward Looking Statements Statements regarding Jadar´s plans with respect to its mineral properties and programs are forward-looking statements. There can be no assurance that Jadar's plans for development of its mineral properties will proceed as currently expected. There can also be no assurance that Jadar will be able to confirm the presence of additional mineral resources, that any mineralisation will prove to be economic or that a mine will successfully be developed on any of Jadar's mineral properties. The performance of Jadar may be influenced by a number of factors which are outside the control of the Company and its Directors, staff, and contractors. These statements include, but are not limited to statements regarding future production, resources or reserves and exploration results. All of such statements are subject to certain risks and uncertainties, many of which are difficult to predict and generally beyond the control of the company, that could cause actual results to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. These risks and uncertainties include, but are not limited to: (i) those relating to the interpretation of drill results, the geology, grade and continuity of mineral deposits and conclusions of economic evaluations, (ii) risks relating to possible variations in reserves, grade, planned mining dilution and ore loss, or recovery rates and changes in project parameters as plans continue to be refined, (iii) the potential for delays in exploration or development activities or the completion of feasibility studies, (iv) risks related to commodity price and foreign exchange rate fluctuations, (v) risks related to failure to obtain adequate financing on a timely basis and on acceptable terms or delays in obtaining governmental approvals or in the completion of development or construction activities, and (vi) other risks and uncertainties related to the company's prospects, properties and business strategy. Our audience is cautioned not to place undue reliance on these forward-looking statements that speak only as of the date hereof, and we do not undertake any obligation to revise and disseminate forward-looking statements to reflect events or circumstances after the date hereof, or to reflect the occurrence of or non-occurrence of any events.

SCHEDULE 1 – WORKED EXAMPLE

Below is a worked example of a drawdown that could be made in accordance with the terms of the Facility.

ON TRADING DAY 1

Jadar advises Mint that it wishes to make a drawdown by written notice (Notice).

FOR TRADING DAYS 1 TO TRADING DAY 15

Calculation of number of shares to be issued

- The number of shares to be issued to Mint shall be equal to 5 times the average daily traded volume of shares on ASX for the 15 trading days prior to the date of issue of the shares.
- As such, assuming that the average daily traded volume of shares on ASX for the above 15 day period equals 1,500,000 shares, then the number of shares to be issued will be 7,500,000 (that is, 5 x 1,500,000).

Calculation of issue price

- The issue price of the shares shall be 90% of the 15 trading day average daily VWAP following the date of issue of the Notice.
- As such, assuming that the 15 trading day average daily VWAP equals $0.035, then the issue price will be $0.0315 per share (that is, 0.9 x $0.035). Note that no issue will occur if the issue price of the shares calculated in accordance with the Facility is less than $0.03 per share at the time of the Notice.

POST TRADING DAY 15

Following receipt of the subscription funds, the Company issues Mint 7,500,000 shares at an issue price of $0.0315 per share, raising $236,250 (that is, 7,500,000 x 0.0315).