Jadar Resources

ASX RELEASE: 11 May 2021

Jadar Enters into Collaboration Agreement with European Lithium to Progress Austrian Lithium Projects

Highlights

- **Jadar enters into Collaboration Agreement with European Lithium (ASX:EUR) (FRA:PF8) (VSE:ELI) in order to progress the Company's Weinebene and Eastern Alps Lithium Projects (Jadar 80% interest), located in Austria.**
- **Jadar has waived its first right of refusal over the remaining 20% interest in the Austrian Lithium Projects, allowing Exchange Minerals to sell their 20% interest to European Lithium.**
- **The Collaboration Agreement includes the establishment of Technical Advisory Committee to enhance the projects with potential economies of scale and an ability to leverage relationships in Europe**.
- **The proximity of the Weinebene and Eastern Alps Projects to European Lithium's Wolfsberg Project (JORC compliant mineral resources of 11Mt @ 1% Li_2O[1]) creates optionality and potential synergistic development and production scenarios for both parties.**
- **Both parties have agreed to a pre-emptive right, if either party should choose to sell their interest in the projects.**

Jadar Resources Limited (ASX:JDR) ("**Jadar**", the "**Company**") is pleased to announce to shareholders that the Company has entered into a Collaboration Agreement with European Lithium Limited ("**European Lithium**") in order to progress the Company's Austrian Lithium assets.

Jadar holds an 80% interest in Subsidiary Jadar Lithium GmbH ("**Jadar Lithium**"), the holder of the Weinebene and Eastern Alps Projects. Jadar has waived its first right of refusal over the remaining 20% interest in Jadar Lithium, allowing Exchange Minerals Limited to sell their 20% interest to European Lithium.

The Collaboration Agreement includes the establishment of a Technical Advisory Committee for the purpose of jointly collaborating in connection with the Weinebene and Eastern Alps Projects and sharing information to identify the best options to advance those assets and operations. This includes making recommendations for exploration programs, budgets and development scenarios in relation to the assets and operations.

The Weinebene and Eastern Alps Lithium Projects lie only 20km to the east of European Lithium's Wolfsberg Project and as such provide both parties with optionality in terms of future development and production scenarios.

[1] EUR ASX Announcement 3 Jul 2017 - European Lithium Increases Resources at Wolfsberg Adding 4.7 Million Tonnes At 0.78% Li2o In Zone 1

Jadar Resources' Executive Director Adrian Paul commented:

"This partnership and Collaboration Agreement formed with European Lithium will allow Jadar to progress our Austrian Lithium assets with the assistance of a key strategic partner with significant JORC compliant resources neighboring our exploration assets. We are thrilled to have the opportunity to work with European Lithium and develop detailed exploration programs which will see these Projects progress further."

European Lithium's Chairman Tony Sage commented:

"This is a fantastic result and gives European Lithium access to a greater portfolio of highly prospective Austrian lithium projects which have the potential to increase the useful life of the proposed infrastructure for our production ready Wolfsberg Lithium Project. The proximity of Jadar's lithium Projects to Wolfsberg presents a number of potential synergistic benefits for both companies and we look forward to beginning work to further the exploration activities at the Projects."

Weinebene Lithium Project

The Weinebene project is immediately adjacent to European Lithium's Wolfsberg deposit. The Company believes the veins which comprise the JORC compliant resource at the Wolfsberg deposit, strike into Jadar´s Weinebene project area.

In November the Company announced that a maiden stratigraphic diamond drill hole program had been completed at Weinebene Lithium Project. The drilling program allowed the Company to renew the Austrian tenement for a further 5 year term[2]. Initial mapping, rock chips and soil sampling undertaken in the area to-date have identified numerous spodumene bearing pegmatites with very high lithium values up to 3.39% Li_2O[3].

Figure 1 – Weinebene Lithium Project Location

[2] JDR ASX Announcement 25 Nov 2020 - First Exploratory Drill Hole Underway at Weinebene Project
[3] JDR ASX Announcement 19 Feb 2019 - Initial Soil Sampling Work Done on Weinebene Project Area

Eastern Alps Lithium Project

The Eastern Alps Lithium Project licences are located in Southern Austria approximately 3 hours south-west of Vienna. These Austrian prospects contain indications of high-grade lithium targets with significant residual brownfields plus greenfields exploration potential across the entire 64.1 km^2 project area.

The Company has also identified several prospect areas within its Eastern Alps projects that require follow up evaluation and drill testing.

Details of the Collaboration Agreement

Jadar, European Lithium and Jadar Lithium have entered into a Collaboration Agreement on the following terms and conditions:

- **Technical Advisory Committee**: Jadar and European Lithium will form a technical committee which will consist of 3 members in total, including up to 2 representatives appointed by European Lithium ("Technical Advisory Committee") for the purpose of jointly collaborating in connection with assets and operations and sharing information to identify the best options to advance those assets and operations, pursuant to which European Lithium may provide (at nil cost):
  - (i) technical advice regarding exploration programs, and metallurgical and processing issues;
  - (ii) business and technical support regarding development and mining studies; and
  - (iii) financial support in accessing new capital to fund the growth of Jadar Lithium's business.
- **Pre-emptive Rights:** the agreement allows for each party to exercise a pre-emptive right to acquire the other party's interest in Jadar Lithium. Tag along and drag along rights are also in place.
- **Termination:** Either party may terminate the agreement without liability at any time by notice in writing by providing 90 days' written notice.

ABOUT JADAR RESOURCES LIMITED

Jadar Resources Limited (ASX:JDR) is an innovative materials explorer, strategically diversified across precious metals and lithium within Latin America and Europe respectively. The Company aims to generate shareholder value through targeted exploration and development of these assets.

On 2 February 2020, Jadar announced that the Company had completed the acquisition of Minera Wealth Peru S.A.C., the holder of five concessions known as the Yanamina Gold Project. Following the acquisition of Yanamina, a Maiden JORC Resource Estimate was announced of 6,742,260 tonnes @ 1.23g/t gold and 4.31 g/t silver for 265,987 ounces of contained gold, and 934,528 ounces of contained silver, confirming the Yanamina Gold Project as a significant bulk mining development opportunity with strong economic potential[4].

On 17th November 2020, Jadar announced the acquisition of an option over the Tierra Blanca project, a silver zinc and Lead prospect in Chihuahua State, Mexico. The district surrounding Chihuahua is a significant silver

[4] ASX Announcement 2 Jan 2020 - Acquisition of Yanamina Gold Project Completed, &
ASX Announcement 10 Feb 2020 Maiden JORC 2012 Resource of 265,987ozs Gold and 934,528ozs Silver at Yanamina

producing region with several substantial mines operated by majors and mid-tier companies, District Historical Production of 50Mt at 310 g/t Ag, 8.2% Pb and 7.1% Zn[5].

Tierra Blanca is a drill-ready project close to infrastructure and several processing plants. Sampling in an exploration drive has revealed high-grade zinc mineralisation outcropping to surface, with structural interpretation suggesting potential for high-grade silver at deeper levels[6].

Jadar announced in February 2021 that is has signed a sale and purchase agreement with Jervois Mining Limited for the purchase of the Khartoum Tin, Silver and Tungsten tenement portfolio. Due diligence has been completed on the Khartoum Tin-Silver-Tungsten Project in North Queensland Australia and is now moving towards final settlement of the sale and purchase agreement[7]. Once final settlement has been completed Jadar is planning to complete a sampling and mapping program to refine the most prospective drill targets with the aim to complete a drilling program in 2021[8].

The Company also holds a number of lithium assets located within Austria adding additional diversification to the asset portfolio. The Company's Weinebene Project in Austria surrounds European Lithium Limited's Wolfsberg lithium deposit with 11MT @ 1.0%Li2O[9].

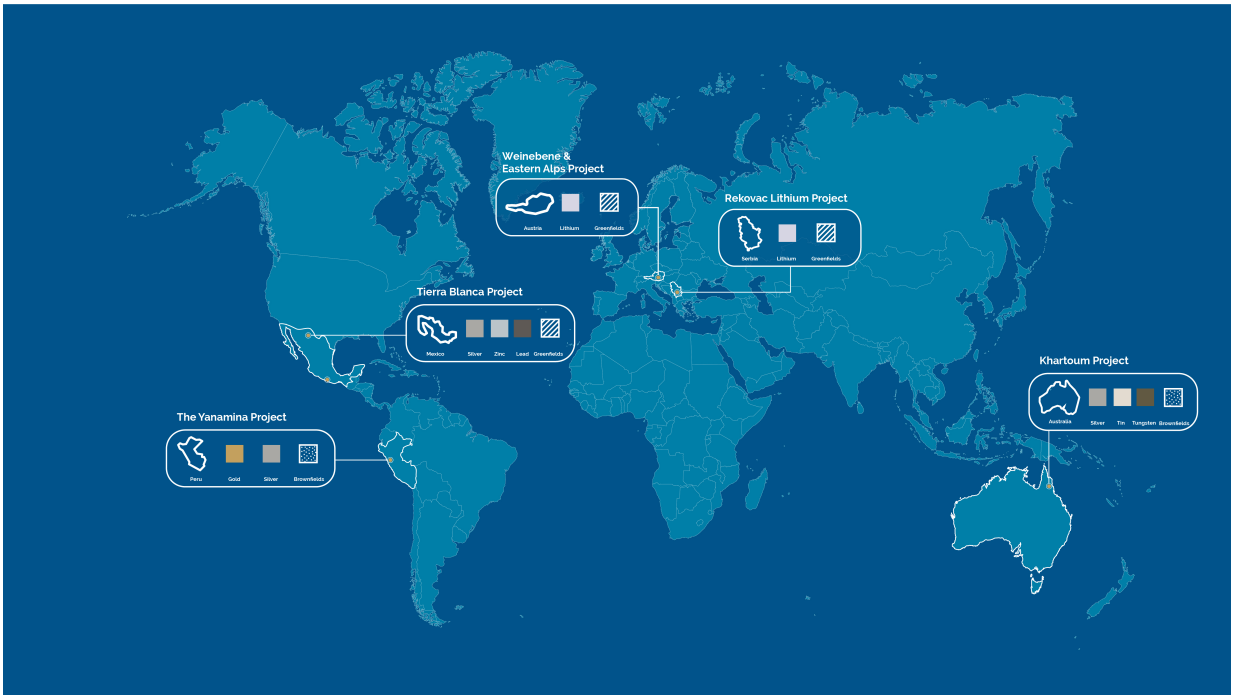

Figure 2 – Jadar Asset Portfolio

[5] Ryana Silver Presentation - https://reynasilver.com/presentations/GuiguiProject.pdf
[6] ASX Announcement 17 Nov 2020 - Jadar Portfolio Grows with Acquisition of Tierra Blanca Project in Prolific Mining District
[7] ASX Announcement 9 February 2021- Acquisition of Khartoum Tin-Silver-Tungsten Project in North Queensland Australia
[8] ASX Announcement 30 March 2021- Due Diligence Completed and Moving Towards Settlement of Khartoum Tin-Silver-Tungsten Project
[9] ASX Announcement 17 Nov 2020 – First Exploratory Drill Hole Underway at Weinebene Project, Austria

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

Compliance Statement

Yanamina Project

This announcement contains information relating to a Mineral Resource in respect of the Yanamina Project extracted from an ASX market announcement dated 10 February 2020 and reported in accordance with the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" ("2012 JORC Code"). JDR confirms that it is not aware of any new information or data that materially affects the information included in the original ASX market announcement and that all material assumptions and technical parameters underpinning the estimates in the original market announcement continue to apply and have not materially changed.

Khartoum Project

This announcement contains information on the Khartoum Project extracted from an ASX market announcements dated 9 February 2021 and 30 March 2021 and reported in accordance with the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" ("2012 JORC Code"). JDR confirms that it is not aware of any new information or data that materially affects the information included in the original ASX market announcement.

Rekovac Project

This announcement contains information on the Rekovac Project extracted from an ASX market announcements dated 7 August 2019 and 20 May 2020 and reported in accordance with the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" ("2012 JORC Code"). JDR confirms that it is not aware of any new information or data that materially affects the information included in the original ASX market announcement.

Austrian Lithium Project

This announcement contains information on the Weinebene and Eastern Alps Projects extracted from an ASX market announcements dated 19 February 2019, 14 March 2019 and 25 November 2020 and reported in accordance with the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" ("2012 JORC Code"). JDR confirms that it is not aware of any new information or data that materially affects the information included in the original ASX market announcement.

Tierra Blanca Project

This announcement contains information on the Tierra Blanca Project extracted from an ASX market announcement dated 17 November 2020 and reported in accordance with the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" ("2012 JORC Code"). JDR confirms that it is not aware of any new information or data that materially affects the information included in the original ASX market announcement.

Forward Looking Statements

Forward Looking 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.