Jadar Resources
ASX:JDR

31 January 2020

Quarterly Activities Report
For the period ending 31 December 2019

Highlights

- **Jadar completed the acquisition of the Yanamina Project in Peru, for consideration of US$100,000 and a 1.0% net smelter royalty on all metal production from the Project.**
- **Yanamina holds a N.I43-101 study estimated Indicated and Inferred resources of 4,801,900 tonnes grading 1.34g/t using a 0.5g/t cut-off (not 2012 JORC)[1].**
- **The Company aims to verify the historical estimates of mineral resources in accordance with the JORC Code 2012, with the resource estimation report expected to be finalised in 1Q20.**
- **Placement of 44,444,444 fully paid ordinary shares at $0.009, totaling $400,000 (before costs), with capital to be used to fund the acquisition of the Yanamina Project, review the project's data and economic data, and verify the historical estimates of mineral resources.**
- **Preparation of a scout drilling program at Rekovac Li-B exploration project in Serbia.**
- **European investor roadshow undertaken in London, Switzerland and Germany.**
- **The Company changed its name to Jadar Resources Limited, to reflect the diversification of assets and redirected focus on the Yanamina Gold Project.**

Jadar Resources Limited (ASX: **JDR**) ("**Jadar**", or "the **Company**") is pleased to provide an update on the Company's activities for the quarter ending 31 December 2019 ("**Quarter"**).

Peru

ACQUISITION OF YANAMINA PROJECT

On 31 December 2019, the Company completed the acquisition of Minera Wealth Peru S.A.C, the holder of five concessions known as the Yanamina Gold Project, for consideration of US$100,000 and a 1.0% net smelter royalty on all metal production from the Project.

Jadar Chairman, Luke Martino, commented on the acquisition: "With lithium prices currently under pressure, Jadar's asset diversification through the acquisition of the Yanamina Project provides shareholders with exposure to gold and silver, both commodities have experienced strong growth recently. Prior to acquiring the project, significant time was spent reviewing multiple projects, with Yanamina meeting the Company's criteria of near to production gold projects. Although the Yanamina Gold Project is Jadar's main focus going forwards, the Company is still committed to further exploration of its lithium assets, and the board is confident that the European projects will deliver shareholder value in due course."

The Yanamina Gold Project is advanced, located in the Ancash Province in Peru, with an outcropping epithermal gold resource with existing resource of +200,000 ounces gold. The Company considers the acquisition cost to be minimal relative to significant potential of the project, which may also provide significant exploration upside through potential depth and lateral extensions, and a significant faulted extension target at depth.

[1] Refer ASX Announcement dated 16 September 2019.

The previous N.I43-101 study estimated Indicated and Inferred resources as 4,801,900 tonnes grading 1.34g/t using a 0.5g/t cut-off (not 2012 JORC).[2]

Cut-off Grade	Indicated		Inferred		Total	
g/t	Tonnes	Au g/t:	Tonnes	Au g/t:	Tonnes	Au g/t
0.5	1,566,900	1.65	3,235,000	1.19	4,801,900	1.34

The above estimates are foreign estimates and are not reported in accordance with the JORC Code 2012. A competent person has not done sufficient work to classify the foreign estimates as mineral resources in accordance with the JORC Code 2012. It is uncertain that following evaluation and/or further work that the foreign estimates will be able to be reported as mineral resources in accordance with the JORC Code 2012. The Company is actively working with its consultant to verify the historical estimates of mineral resources in accordance with the JORC Code 2012, with the resource estimation report expected to be finalised in 1Q20

About the Yanamina Project

The Yanamina Project (historically also known as Paron) is a low sulphidation epithermal gold and silver resource with favourable geology, ore body geometry and metallurgical characteristics. The project is located in north-central Peru in the Department of Ancash, province of Huaylas, District of Caraz, and lies approximately 16km east of the town of Caraz.

The Yanamina Project area lies within a regional northerly trending belt of complexly folded and intensely faulted, Late Mesozoic marine sediments, which have been intruded by Tertiary batholithic rocks of various compositions. The oldest rocks in the region are Cretaceous quartzites and shales, and the most important structure in the region is the Yungay Graben, which trends northerly across the region and has been traced along strike for almost 100 kilometres.

Figure 1 - Yanamina Gold Project Location Map

Yungay Graben's eastern edge is defined by the Ancash Fault Zone which hosts the Yanamina Project. The intense structural deformation associated with the formation of the Yungay Graben and the Ancash Fault provided conduits for gold-bearing hydrothermal solutions giving rise to a number of gold occurrences and deposits in the region.

[2] Refer ASX Announcement dated 16 September 2019.

The mineralisation and alteration within the Yanamina Gold Project reflects a typical low sulfidation epithermal gold system. The vectors to mineralisation for the Yanamina gold deposit include structural and alteration parameters, and the gold is associated with the quartz-sericite alteration and ranges from 0.10g to 30g gold per tonne.

Serbia

SCOUT DRILLING AT REKOVAC LI-B PROJECT

During the reporting period, the Company announced that after revisiting the Serbian targets, Jadar decided to shift the focus of its scout drilling to its Rekovac project rather than Vranje-South.

The drilling program is designed to test a gravity low in the northern portion of the Rekovac license and south of Motric. Previous exploration results identified elevated lithium values and the presence of evaporate minerals and their pseudomorphs within exposed lacustrine sediments in the southern and central part of exploration license.[3] The target sediments are anticipated to extend to the north where a more complete stratigraphic section is preserved under younger sediments.

This diamond drilling program will likely include up to two planned holes between 500 to 600 meters targeting the permissive Lower Miocene strata, with drilling is anticipated to commence in February 2020.

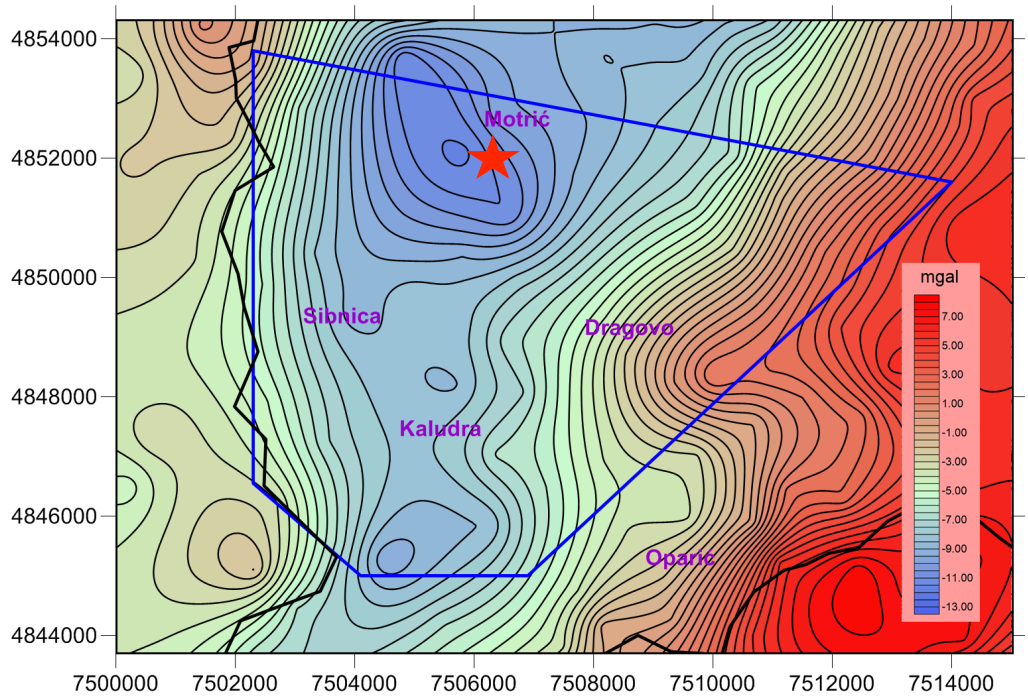

Figure 2 - Bouguer gravity image contoured at 0.5 mGal with proposed drilling location (red star)

[3] Refer ASX Announcement dated 7 August 2019

About the Rekovac Li-B Exploration Project

The Rekovac project is located in central Serbia and lies approximately 20km south of the town of Kragujevac. The Project area lies within a regional trending belt referred to as the Vardar. Basins along the long, narrow trend vary greatly in size, shape, sedimentation, and formed by the movement between two plate boundaries.

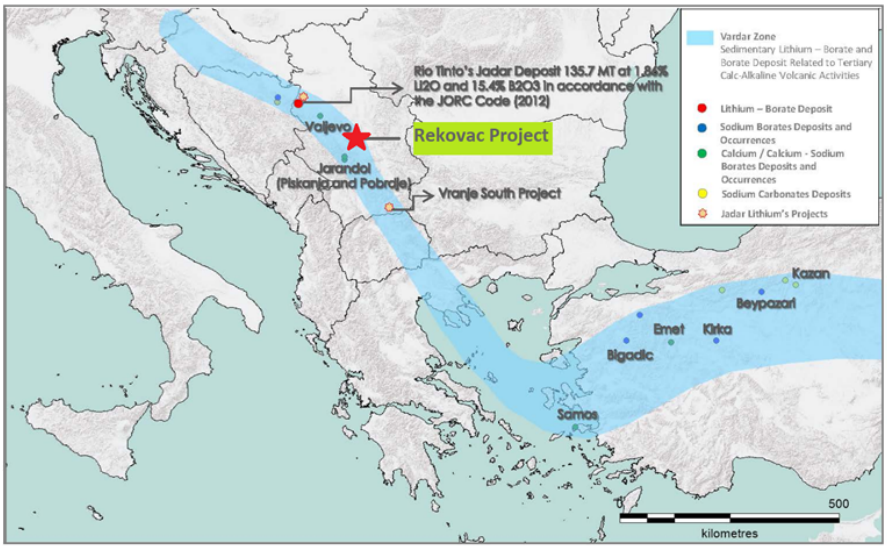

Figure 3 - Projects location map showing the Jadar´s Project locations within the Vardar trend and the major Lithium and borate deposits and occurrences

The sediments within the licenses area are mapped as early and middle Miocene lacustrine sediments. The lower Miocene lacustrine sediments are exposed in the southern and central part of the license area and consist of siltstone and claystone. The lower Miocene formation likely extends north, where it is covered and preserved by younger freshwater sediments consisting of siltstone, sandstone, and coarse clastic sequences. The Eastern part of the license area is made up of clastic formations composed of conglomerates and breccias.

Past work identified favourable lithology, structure, surface geochemistry, and indirect evidence of mineralisation in the form of pseudomorphs.

Jadar Chairman, Mr Luke Martino and Non-executive Director, Mr Steven Dellidis, travelled to Serbia and met in-country geological consultant and advisors. During the visit, the Company's representatives also met with the Deputy Minister of Energy and Mining Mr Ivan Jankovic and the Head of the Exploration and Mining Department, Mr Velizar Nikolic, at the Ministry of Mining and Energy of the Republic of Serbia. During the meeting, both parties expressed a willingness to work more closely through frequent meetings and communications.

Austria

During the Quarter, Jadar Chairman, Mr Luke Martino and Non-executive Director, Mr Steven Dellidis, met with DI Herwig Feix, the representative of Austrian Mining Authority in Leoben. During the meeting, the Company received confirmation from Mr DI Feix that all 135 exploration licenses are in good standing, with Jadar informing Mr Feix that the Company is actively working with its Austrian consultants to accelerate exploration activities.

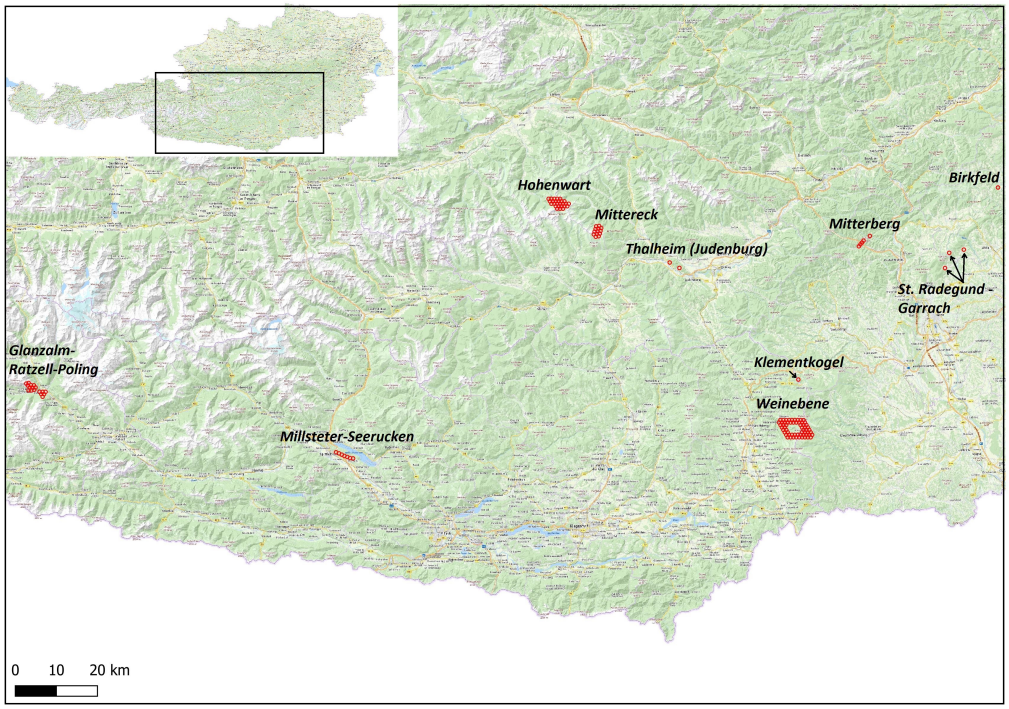

Figure 4 – The Austrian licenses status map

CORPORATE ACTIVITIES

European Investor Roadshow

The Company's Chairman, Mr Luke Martino and Non-executive Director, Mr Steven Dellidis travelled to Europe promoting the Company to advisers and investors in London, Switzerland and Germany.

Completion of Placement

The Company completed a placement for 44,444,444 fully paid ordinary shares to sophisticated and professional investors at an issue price of $0.009 per Share, to raise gross proceeds of $400,000. The Placement was made with shareholder approval received at the Company's Annual General Meeting held on 25 November 2019.

The capital will primarily be used to fund the acquisition of the Yanamina Project, review the project's data and economic data, verify the historical estimates of mineral resources in accordance with the JORC Code 2012, and prepare an economic study to determine work required to fast track the project to production status.

Change of Company Name

As announced on 6 December 2019, the Company changed its name from Jadar Lithium Limited to Jadar Resources Limited, to reflect the diversification of assets and redirected focus on the Yanamina Gold Project.

Management Change

Stefan Müller resigned as Non-Executive Director of Jadar during the quarter. The Company would like to thank Mr Müller for the tremendous support provided for the Company in Europe, which has strengthened Jadar's shareholder base.

The Group's cash balance as at 31 December 2019 was $1.60million.

ANNOUNCEMENTS

This Quarterly Activities Report contains information extracted from ASX market announcements. Further details of exploration results referred to in this Quarterly Activities Report can be found in the following announcements lodged on the ASX:

European Roadshow – Investor Presentation	07 Nov 2019
Jadar – Change to the Board	11 Nov 2019
Results of Annual General Meeting	25 Nov 2019
Jadar Signs Yanamina Gold Project Sale & Purchase Agreement	10 Dec 2019
Serbian Operations Update	18 Dec 2019
Completion of Placement	23 Dec 2019
Acquisition of Yanamina Gold Project Completed	2 Jan 2020

These announcements are available for viewing on the Company's website jadar.com.au under the News and Research tab. Jadar confirms that it is not aware of any new information or data that materially affects the information included in any original ASX announcement.

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SCHEDULE OF TENEMENTS

Project	Tenement ID	Indirect Interest *
SERBIA PERMITS		
Cer	2223	100%
Rekovac	2224	100%
Vranje-South	2225	100%
AUSTRIA – CENTRAL PERMIT		
Weinebene	82/16 (001/16) – 141/16 (060/16)	80%
AUSTRIA – EASTERN ALPS PERMITS		
Glanzalm-Ratzell-Poling	01/19/JDR – 17/19/JDR	80%
Millstätter Seerücken	18/19/JDR – 23/19/JDR, 55/16 (FS 13)	80%
Thalheim (Judenburg)	43/16 (FS 1) - 44/16 (FS 2)	80%
Hohenwart	56/16 (1083/16) – 81/16 (1181/16)	80%
Mitterberg	45/16 (FS 3) – 49/16 (FS 7)	80%
St. Radegund - Garrach	51/16 (FS 9) – 53/16 (FS-11)	80%
Mittereck	24/19/JDR - 36/19/JDR	80%
Klementkogel	54/16 (FS 12)	80%
Birkfeld	50/16 (FS 8)	80%
PERU PERMITS		
Malu I	RJ. N° 5721-95-RPM	100%
Malu II	R.P. N° 1294-2010	100%
Malu III	R.P. N° 4646-2010	100%
MonicaT	R.P.N°6057-2008	100%
Gladys E	R.P. N° 4152-2009	100%

* Designates Jadar Resources Limited's interest in permits held through subsidiaries as follows:

- Jadar Lithium DOO, Beograd incorporated in Serbia and owned 100% by Jadar Resources Limited;
- Subsidiary Jadar Lithium GmbH incorporated in Austria and owned 80% by Jadar Resources Limited; and
- Minera Wealth Peru S.A.C incorporated in Peru and owned 100% by Jadar Resources Limited

ENDS

For further information, please contact:

Luke Martino
Non-Executive Chairman
Tel: +61 8 6489 0600
E: luke@jadar.com.au

Jane Morgan
Investor Relations Advisor
Tel: +61 405 555 618
E: jm@janemorganmanagement.com.au

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

Compliance Statement

Rekovac Project

This quarterly report contains information on the Rekovac Project extracted from an ASX market announcement dated 7 August 2019 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.

Yanamina Project

The Company is not in possession of any new information or data relating to foreign estimates that materially impacts on the reliability of the estimates or the Company's ability to verify the foreign estimates as mineral resources of the Yanamina Project in accordance with Appendix 5A (JORC code). All material assumptions and technical parameters underpinning the foreign estimates in the original market announcement of 16 September 2019 continue to apply and have not materially changed.