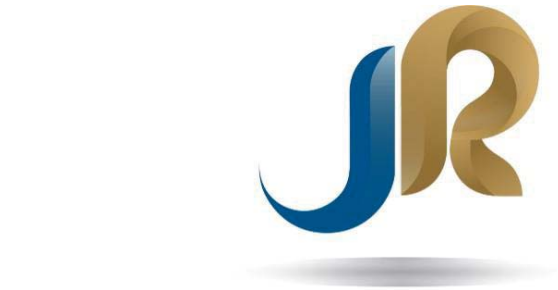

Jadar Resources

JADAR RESOURCES LIMITED

ABN 66 009 144 503

FINANCIAL REPORT
FOR THE HALF YEAR ENDED
31 DECEMBER 2019

This Half-Year Report should be read in conjunction with the Company's Annual Report for the year ended 30 June 2019.

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Directors
Mr Luke Martino – Non-Executive Chairman
Mr Nicholas Sage – Non-Executive Director
Mr Steve Dellidis – Non-Executive Director

Company Secretary
Ms Louisa Martino

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ASX Code – JDR
Frankfurt Exchange; R1E.F
Berlin Exchange; R1E.B
Stuttgart Exchange; R1E.SG

The Directors' present their report together with the financial report of Jadar Resources Limited (ASX: **JDR**) and its controlled entities ("the Company", "JDR" or "consolidated entity") for the half year ended 31 December 2019.

Directors

The names and the particulars of the Directors who held office during or since the end of the half year and until the date of this report are disclosed below.

Name	Status	Appointed	Resigned
Mr Luke Martino	Non-Executive Chairman	22 December 2017	-
Mr Nicholas Sage	Non-Executive Director	22 December 2017	-
Mr Stefan Müller	Non-Executive Director	24 July 2018	18 November 2019
Mr Steve Dellidis	Non-Executive Director	4 February 2019	-

Financial Results

During the period the Company made a loss of $552,239 (loss of $855,496 in December 2018). As at 31 December 2019, the Group had cash and cash equivalents of $1,595,369 (30 June 2019: $2,022,957) and net assets of $4,331,922 (30 June 2019: $4,433,544).

Review of Operations

Throughout the reporting period, the Company has advanced its strategy of becoming a leading diversified exploration company by completing the acquisition of its Peruvian Gold project and by executing multiple disciplined exploration campaigns across its' projects.

In conjunction with its European exploration programs, the Company completed a significant acquisition in Peru, by acquiring 100% of the Yanamina Gold Project. The Yanamina Gold Project presented a rare opportunity for the Company in which such an advanced gold project with exploration upside and the potential for near term production was able to be acquired with minimal upfront cost. The project provides shareholders with a balanced diversification from the Company's European lithium projects in Serbia and Austria, and provides a cost effective exposure to the gold market in the current strong climate for that metal.

The objective of the exploration programs carried out during the half year at Rekovac and Vranje-South was to gain a better understanding of the projects' geology and result in generating drill targets for both pegmatite style mineralisation, as well as sediment hosted Lithium-Boron type deposits. During the reporting period, the programs carried out by the Company's exploration teams have added to the understanding of the various projects and in identifying the most promising areas for follow up work and drill target location. These works culminated in the Company commencing its first drilling program at its Rekovac project in Serbia during February 2020.

Yanamina – Gold & Silver, Peru (100%)

Work during the half-year period focused on the acquisition of the Yanamina gold project located in Peru. On 16 September 2019, the Company announced that it had executed a term sheet for the purchase of the Yanamina Gold Project. Following this announcement, on 10 December 2019 the Company signed a sale and purchase agreement with Wealth Minerals Limited to acquire Minera Wealth Peru S.A.C. On 31 December 2019, the Company completed its acquisition of Minera Wealth Peru S.A.C, the holder of five concessions known as the Yanamina Gold Project.

The Yanamina Project is a low sulphidation epithermal gold and silver resource with favorable 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.

As announced on 10 February 2020, the Company has reported a total Indicated and Inferred Mineral Resource, estimated in accordance with the guidelines set out by the JORC Code (2012) with respect to the Yanamina project. The estimated total resources at the lower cut-off grade of 0.5g/t gold **("Au") are 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 ("Ag"),** confirming Yanamina as a significant bulk mining development opportunity with strong economic potential.[1] This study has identified lateral and at depth exploration potential to expand the existing resource outline. Additionally, this study has also highlighted a significant exploration target in the down faulted hanging wall that bounds the upper part of the resource.

Rekovac – Lithium & Borate, Serbia (100%)

On 7 August 2019, the Company provided an update on detailed soil and rock chip sampling on the Rekovac project area. During the soil-sampling program, the Company collected 291 soil samples over entire project area. The assays results returned with elevated Li and B values with up to 342 ppm of boron and up to 149 ppm of lithium. Elevated lithium and boron values were related to the exposed lower Miocene lacustrine sediments exposed on southern and central part of the project area. [2]

In conjunction with the soil-sampling program, the Company collected 26 rock samples from exposed lower Miocene sediments in an attempt to identify evidence of sources of the elevated Li and B values in soil samples. The assays results returned with elevated Li and B values with up to 100 ppm of boron and up to 280 ppm of lithium. [3] During sampling program, the Company also identified presences of scattered spherical nodules and pseudomorphs, which are most likely replacing evaporate minerals within the fine pelitic sediments. XRD analyses of selected samples indicated the presence of two evaporate minerals; Dolomite and Analcime, both of which are considered to being indicators of a saline-alkaline environment.

In parallel with the sampling program the Company acquired regional gravity and magnetic survey data sets from a local contractor who re-interpreted the data with the objective to outline underlying basin geometry and defining thickness of sedimentary sequences.

During the reporting period the Company provided an operation update for Rekovac and confirmed that it had initiated preparatory activities in advance of a scout drilling program. The drilling program is currently ongoing having commenced in February 2020, and is designed to test a gravity low in the northern portion of the Rekovac license and will include up to two drill holes between 500 to 600 meters each.

Vranje-South – Lithium & Borate, Serbia (100%)

During the reporting period the Company provided an update on detailed sampling of outcroppings sediments and acquisition and interpretation of regional gravity and magnetic survey data on the Vranje-South project in Serbia. The main objective from the follow-up field program was to identify sources of elevated lithium and boron values from the soil sampling within the Vranje sedimentary basin. During field work the Company collected 28 rock chip samples. The assays results returned with elevated Li and B values with up to 430 ppm of boron and up to 180 ppm of lithium. [4] Regional gravity and

[1] Refer ASX announcement dated 10 February 2020

[2] Refer ASX announcement dated 7 August 2019

[3] Refer ASX announcement dated 7 August 2019

[4] Refer ASX announcement dated 16 July 2019

magnetic data sets were acquired to assist in defining basin geometry and thickness of sedimentary formations as well as presences of calk-alkaline volcanic formations that may be a source of lithium and boron.

Corporate

During the half-year the Company appointed Mr Dejan Jovanovic as General Manager of Exploration, commencing 1 October 2019. Mr Jovanovic has over 12 years of experience managing complex geological projects focusing on exploration and development. Mr Jovanovic has held numerous positions throughout his career including roles most notably with Rio Tinto, Serbia where he worked on Rio Tinto's jadar lithium-borate deposit; senior exploration roles with Lithium Li Ltd / Pan Global Resources Inc serving as a key leadership capacity for exploration programs in the Balkans. Mr Jovanovic has also acted as a consulting geologist to various clients including European Lithium and he has extensive experience working with a variety of mineral commodities including lithium, borates, gold, cobalt, nickel and rare earths.

The Company has also completed a placement of 44,444,444 fully paid ordinary shares at $0.009, totaling $400,000 (before costs), with capital used to fund the acquisition of the Yanamina Project, to review the project's data and to verify the historical estimates of mineral resources.

As the Company completed its acquisition of the Yanamina project during the half year, it changed its name from Jadar Lithium Limited to Jadar Resources Limited, to reflect the diversification of assets into gold.

On 18 November 2019 Mr Stefan Müller resigned as Non-Executive Director of Jadar. The Company thanked Mr Müller for the tremendous support provided for the Company in Europe, which has strengthened its shareholder base.

Significant Events After the Balance Date

Subsequent to period end the following key events have occurred:

On 10 February 2020 the Company announced its Maiden Mineral JORC Resource Estimate for the Yanamina Gold Project at the lower cut-off grade of 0.5g/t gold ("Au") as 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 ("Ag"), confirming Yanamina as a significant bulk mining development opportunity with strong economic potential. [5]

In addition, subsequent to balance date, the Company has commenced a diamond drill program for two holes, each between 500 and 600 meters at the Rekovac Project in Central Serbia, targeting Lower Miocene Strata. The results of the drilling program will form part of the Group's decision to renew its Serbian tenements which are scheduled for renewal in April 2020.

Other than the above-mentioned events, there are no other subsequent events to date.

Compliance Statement

Yanamina Project

This half year report contains information on 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.

[5] Refer ASX announcement dated 10 February 2020

Rekovac Project

This half year 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.

Vranje-South Project

This half year report contains information on the Vranje-South Project extracted from an ASX market announcement dated 16 July 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.

Auditor's Independence Declaration

The lead auditor's independence declaration under section 307C of the Corporations Act 2001 is set out on page 9 for the half-year ended 31 December 2019.

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

Luke Martino
Non-Executive Chairman

Dated this day of 13 March 2020

In accordance with a resolution of the directors of Jadar Resources Limited, I state that:

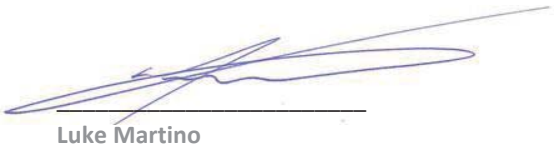
In the opinion of the directors:

1. The financial statements and notes of the consolidated entity are in accordance with the Corporations Act 2001, including:

   (a) complying with Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001; and

   (b) give a true and fair view of the economic entity's financial position as at 31 December 2019 and the performance for the half-year ended on that date.

2. there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.



Luke Martino
Non-Executive Chairman
Dated this 13 March 2020

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Auditor's Independence Declaration

To the Directors of Jadar Resources Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Jadar Resources Limited for the period ended 31 December 2019, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

b no contraventions of any applicable code of professional conduct in relation to the review.

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

M D Dewhurst
Partner – Audit & Assurance

Perth, 13 March 2020

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	Note	31 December 2019 $	31 December 2018 $
Interest income		11,340	24,437
Consulting fees		(7,000)	(6,900)
Director fees		(102,400)	(82,200)
Marketing and investor relations		(18,797)	(84,976)
Share registry and listing fees		(32,339)	(20,802)
Exploration written off		-	(439,696)
Professional fees		(147,378)	(185,090)
Other expenses		(125,639)	(44,051)
Share based payments		(130,026)	(16,218)
Loss before income tax		(552,239)	(855,495)
Income tax expense		-	-
Loss after tax		**(552,239)**	**(855,496)**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Exchange difference on translation of foreign operations		(4,650)	(1,185)
Other comprehensive loss for the period, net of tax		**(4,650)**	**(1,185)**
Total comprehensive loss for the period		**(556,889)**	**(856,681)**
Loss attributable to:			
Members of the parent entity		(547,770)	(855,496)
Non-controlling Interest		(4,469)	-
		(552,239)	**(855,496)**
Total comprehensive loss for the period attributable to:			
Members of the parent entity		(553,067)	(856,681)
Non-controlling interest		(3,821)	-
		(556,889)	**(856,681)**
Loss per share			
Basic and diluted loss per share (cents)	8	(0.12)	(0.22)

The consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to and forming part of the consolidated interim financial report.

Statement of Financial Position

As at 31 December 2019

	Note	31 December 2019 $	30 June 2019 $
Current Assets			
Cash and cash equivalents		1,595,369	2,022,957
Trade and other receivables		46,343	39,848
Other current assets		32,663	34,276
Total Current Assets		**1,674,375**	**2,097,081**
Non-Current Assets			
Plant and equipment		1,820	-
Exploration asset	5	2,854,272	2,464,994
Total Non-Current Assets		**2,856,092**	**2,464,944**
Total Assets		**4,530,467**	**4,562,075**
Current Liabilities			
Trade and other payables	3	198,546	128,531
Total Current Liabilities		**198,546**	**128,531**
Total Liabilities		**198,546**	**128,531**
Net Assets		**4,331,921**	**4,433,544**
Equity			
Issued capital	6	40,480,698	40,154,698
Reserves	7	229,878	104,502
Accumulated losses		(36,383,178)	(35,835,408)
Non-controlling interest		4,523	9,752
Total Equity		**4,331,921**	**4,433,544**

The consolidated statement of financial position is to be read in conjunction with the notes to and forming part of the consolidated interim financial report.

	Note	Issued capital	Share Based Payment Reserves	Foreign Currency Reserve	Accumulated Losses	Non-controlling Interest	Total
		$	$	$	$		$
Balance at 1.7.2018		**39,336,517**	**62,794**	**(9,723)**	**(34,604,137)**	**-**	**4,785,451**
Loss attributable to members of parent entity		-	-	-	(855,496)	-	(855,496)
Other comprehensive income		-	-	(1,185)	-	-	(1,185)
Sub-total		**-**	**-**	**(1,185)**	**(855,496)**	**-**	**(856,681)**
Issued capital		-	-	-	-	-	-
Share based payment		-	16,218	-	-	-	16,218
Balance at 31.12.2018		**39,336,517**	**79,012**	**(10,908)**	**(35,459,633)**	**-**	**3,944,988**
Balance at 1.7.2019		**40,154,698**	**118,198**	**(13,696)**	**(35,835,408)**	**9,752**	**4,433,544**
Loss attributable to members of parent entity		-	-	-	(547,770)	(4,469)	(552,239)
Other comprehensive income		-	-	(4,650)	-	(760)	(5,410)
Sub-total		-	-	(4,650)	(547,770)	(5,229)	(557,649)
Issued Capital		400,000	-	-	-	-	400,000
Capital raising cost		(74,000)	-	-	-	-	(74,000)
Share based payment	7	-	130,026	-	-	-	130,026
Balance at 31.12.2019		**40,480,698**	**248,224**	**(18,346)**	**(36,383,178)**	**4,523**	**4,331,921**

The consolidated statement of changes in equity is to be read in conjunction with the notes to and forming part of the consolidated interim financial report.

	31 December 2019	31 December 2018
	$	$
Cash Flow from Operating Activities		
Payments to suppliers and employees	(247,368)	(125,955)
Payments for staff costs	(159,868)	(117,704)
Business development	(18,777)	(72,796)
Interest received	12,319	21,734
Net cash flows used in operating activities	(413,694)	(294,721)
Cash Flow from Investing Activities		
Payment for exploration and evaluation	(399,926)	(357,543)
Net cash flows used in investing activities	(399,926)	(357,543)
Cash Flow from Financing Activities		
Proceeds from issue of shares	400,000	-
Net cash flows provided by financing activities	400,000	-
Net decrease in cash and cash equivalents	(413,620)	(652,264)
Foreign exchange	(13,968)	(8,848)
Cash and cash equivalents at the beginning of the period	2,022,957	3,419,022
Cash and cash equivalents at the end of the period	1,595,369	2,757,910

The consolidated statement of cash flows is to be read in conjunction with the notes to and forming part of the consolidated interim financial report.

1. Statement of Significant Accounting Policies

(a) Reporting Entity

Jadar Resources Limited is a company domiciled in Australia. The consolidated interim financial statement of the Company as at and for the six months ended 31 December 2019 comprises the Company and its controlled entities (together referred to as the consolidated entity).

This interim financial report was issued on 13 March 2020 by the directors of the Company.

(b) Statement of Compliance

The half-year consolidated financial statements are general purpose financial statements prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134: Interim Financial Reporting, Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

These half-year financial statements do not include full disclosures of the type normally included in an annual financial report. Therefore, they cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Company as in the full financial report.

It is recommended that these financial statements be read in conjunction with the annual financial report for the year ended 30 June 2019 and any public announcements made by Jadar Resources Limited during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001.

(c) Basis of Preparation

The half-year report has been prepared on a historical cost basis. Cost is based on the fair value of the consideration given in exchange for assets. The Company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted. The financial statements have been prepared on a going concern basis.

The Accounting policies adopted in the preparation of this half-year financial report are consistent with those followed in preparation of the Group's annual consolidated financial statements for the year ended 30 June 2019, except for the adoption of new standards and interpretations effective as of 1 July 2019 applied retrospectively. The adoption of these Standards and Interpretations has had no material impact.

Estimates and Judgements

When preparing the Interim Financial Statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

The judgements, estimates and assumptions applied in the Interim Financial Statements, including the key sources of estimation uncertainty, were the same as those applied in the Group's last annual financial statements for the year ended 30 June 2019.

(c) Basis of Preparation (Continued)

New, revised or amending Accounting Standards and Interpretations adopted

The adoption of new accounting standards applicable to the Group for the first time in 2019 has not had a material impact on the financial statements.

AASB 16 'Leases'

This standard is applicable to annual reporting periods beginning on or after 1 January 2019. This standard replaces the current accounting requirements applicable to leases in AASB 117 'Leases and related Interpretations'. AASB 16 introduces a single lessee accounting model that eliminates the requirements for leases to be classified as operating or finance leases typically. Refer below for detailed accounting policy adopted under AASB 16.

The transitional provisions of AASB 16 allow a lessee to retrospectively apply the Standard to comparatives in line with AASB 108 or recognise the cumulative effect of retrospectively apply the Standard to comparatives in line with AASB 108 or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application. The Group has chosen to retrospectively apply the Standard to the comparatives, however no restatement has been required given the Group did not have any lease arrangements in place in the comparative period.

Lease policy - With the exception of leases with terms of less than 12 months and leases relating to low-value assets, right-of-use assets and lease liabilities are recognised in relation to all leases. The lease liabilities are recognised at the present value of the lease payments that are remaining to be paid and include, where applicable, any payments applicable under extension options expected to be exercised. The right-of-use assets are initially recognised as the amount of the initial lease liability adjusted for any lease payments made at or before commencement, lease incentives received, initial direct costs incurred, and an estimate of costs of dismantling, removing or restoring the asset that are required to be incurred under the terms of the lease. The right-of-use asset is then depreciated on a straight-line basis over the term of the lease.

Going concern basis of preparation

The financial statements have been prepared on the basis of going concern which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business. Whilst acknowledging the inherent uncertainties of progressing to profitable mining operations and managing working capital requirements, the Directors consider this to be appropriate.

For the half-year ended 31 December 2019 the Group recorded a loss of $552,239 (31 December 2018: $855,496 loss), a net working capital surplus of $1,475,830 (30 June 2019: surplus of $1,968,550) and had net cash outflows from operating activities of $413,694 (31 December 2018: $294,721).

The Directors are mindful of the Company's working capital requirements and cognisant of its developed capital management program that will provide funding to maximize the potential of its current asset portfolio and the newly acquired gold assets and provide a strong base for increasing shareholder value. Based on the forecasts and achieving the future financing, the directors consider the basis of going concern to be appropriate. The ability of the consolidated entity to continue as a going concern is also dependent upon the successful exploitation of its mineral tenements and progression of its exploration activities into a successful production stage.

(c) Basis of Preparation (Continued)

Should the entity not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements and that the financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the entity not continue as a going concern.

2. Contingent Assets and Liabilities

There have been no other changes in the Contingent Assets and Liabilities since 30 June 2019.

3. Current Trade and Other Payables

	31 December 2019	30 June 2019
	$	$
Trade and other payables	198,546	128,531
	198,546	128,531

All amounts are short-term and the carrying values are considered to approximate fair value.

4. Acquisition of Subsidiary

On 31 December 2019, the Company acquired 100% of the equity instruments of Wealth Minerals Peru SAC, a Peru based company and the holder of the Peruvian Yanamina exploration licenses. Consideration for the acquisition was as follows:

- Cash payments of $202,334; and
- Contingent consideration consisting of:
  - Payment of a 1% net smelter royalty on all metal production from the Yanamina gold project; and
  - The assumption of US$8,000,000 in production linked milestone payments and 6% royalties:
    - US$1,500,000 payment, payable on the or before the 5th business day following commencement of mine constriction;
    - US$1,000,000 payment, payable on production greater than 275,000ozs of gold;
    - US$1,000,000 payment, payable before the 10th business day following the date of the initial gold pour;
    - US$1,000,000 payment, payable before the 10th business day following the first anniversary of the date of the initial gold pour;
    - US$1,000,000 payment, payable before the 10th business day following the second anniversary of the date of the initial gold pour;
    - US$2,500,000 payment; payable following the delivery of a technical report commissioned by the Company which discloses an inferred mineral resources of 250,000 ozs of gold, as calculated using a cut-off grade equal to or less than 0.8 grams of gold per metric tonne from the Yanamina fault target; payable upon the earlier of (a) the first anniversary of the Company having been in gold production in Peru from the Yanamina fault target; or b) the company completing a transaction to sell the Yanamina fault target for cash or shares (should such a transaction be carried out);
    - 1% net smelter royalty on all gold production from the Yanamina project of greater than 200,000 ozs of gold;
    - Assumption by the Company of a 5% NSR on all metal production from the Yanamina Project. This royalty can be purchased outright for US$200,000 and is payable to Franco-Nevada Corporation.

4. Acquisition of Subsidiary (Continued)

Given the proximity of the acquisition to reporting date and uncertainty over whether any of these milestones will be achieved, no contingent consideration has been recognised at 31 December 2019.

The assets and liabilities recognised as a result of the acquisitions are as follows:

	$
Total Consideration:	
Cash payments	202,334
Production milestone payments & royalties	-
Total fair value consideration paid	202,334
Net identifiable assets acquired:	
Exploration assets	187,888
Other pre-acquisition net assets acquired[1]	14,446
Total consideration paid	202,334

1. Pre-Acquisition Net Assets Acquired

	$
Pre-acquisition net assets acquired	
Exploration assets	31,170
Cash and cash equivalents	3,104
Trade and other receivables	1,410
Plant & equipment	1,820
Trade Payables	(23,058)
Total Pre-acquisition net assets acquired	14,446

The acquisition of Subsidiary Wealth Minerals Peru SAC has been accounted for as an acquisition of an asset on the basis that it does not constitute a business as defined by AASB 3 Business Combinations.

5. Exploration Asset

	Consolidated Entity	
	31 December 2019	30 June 2019
	$	$
Opening balance	2,464,994	1,292,193
Asset acquisition [6]	187,888	881,360
Exploration capitalized	201,390	759,078
Exploration write off	-	(467,637)
Closing balance	2,854,272	2,464,994

[6] Refer to Note 4 Acquisition of Subsidiary

6. Share Capital

	Note	31 December 2019 $	30 June 2019 $
524,884,071 (30 June 2019: 480,439,627) Fully paid ordinary shares	(a)	40,480,698	40,154,698

a) Ordinary Shares

	31 December 2019 $	30 June 2019 $
At beginning of the reporting period	40,154,698	39,336,517
Issue of shares – placement	400,000	818,181
Capital raising cost	(74,000)	-
At reporting date	40,480,698	40,154,698

	No. of shares	No. of shares
At beginning of the reporting period	480,439,627	389,530,536
Issue of shares – placement	44,444,444	90,909,091
At reporting date	524,884,071	480,439,627

Ordinary shares have no par value and participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. 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.

7. Reserves

	31 December 2019 $	30 June 2019 $
Reserves		
Foreign currency reserve	(18,346)	(13,696)
Option reserve 125,250,000 (30 June 2019: 100,250,000)	239,641	118,198
Performance right reserve 18,000,000 (30 June 2019: nil)	8,583	-
	229,878	104,502

a) Foreign Currency Reserve

	$	$
At the beginning of reporting period	(13,696)	(9,723)
Movement	(4,650)	(3,974)
At the end of reporting period	(18,346)	(13,697)

7. Reserves (Continued)

b) Share Based Payment Reserves

Option Reserve	$	$
At beginning of the reporting period	118,198	62,794
Issue of options	121,443	55,404
At the end of reporting period	239,641	118,198

	No. of options	No. of options
At beginning of the reporting period	100,250,000	70,250,000
Issue of incentive options	25,000,000	-
Issue of free attaching options	-	25,000,000
Issue of consultant options	-	5,000,000
At the end of reporting period	125,250,000	100,250,000

Performance Right Reserve	$	$
At beginning of the reporting period	-	-
Performance rights expense	8,583	-
At the end of reporting period	8,583	-

	No. of performance rights	No. of performance rights
At beginning of the reporting period	-	-
Issue of performance rights	18,000,000	-
At the end of reporting period	18,000,000	-

8. Loss Per Share

Both the basic and diluted loss per share have been calculated using the profit attributable to shareholders of the parent company (Jadar Resources Limited) as the numerator, ie, no adjustments to losses were necessary during the six month periods to 31 December 2019 and 31 December 2018. The weighted average number of shares for the purposes of the calculation of diluted loss per share can be reconciled to the weighted average number of ordinary shares used in the calculation of basic loss per share as follows:

	31 December 2019 $	31 December 2018 $
Basic and diluted loss per share:		
Losses used to calculate basic and diluted EPS	(556,889)	(855,496)
Weighted average number of ordinary shares outstanding during the period used in calculating basic EPS*	482,371,994	389,530,536
Weighted average number of ordinary shares outstanding during the period used in calculating dilutive EPS*	482,371,994	389,530,536

Anti-dilutive options and performance rights have not been used in the EPS calculation. As at 31 December 2019 there were 125,250,000 options and 18,000,000 performance rights on issue.

9. Segment Information

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

The Group's reportable segments have been identified around geographical areas and regulatory environments. The following table presents revenue and result information and certain asset and liability information regarding the relevant segments for the year ended 31 December 2019 for the consolidated entity.

6 months to 31 December 2019	Serbia	Austria	Peru	Total
Segment result	$	$	$	$
Supplier, consulting, investor relations and other	(29,598)	(7,754)	-	(37,352)
Employment	(7,295)	(7,295)	-	(14,590)
Segment result	(36,893)	(15,049)	-	(51,942)
Corporate				(500,297)
Segment assets and liabilities				
Cash at bank, trade and other receivables	16,861	55,212	4,458	76,531
Segment other assets	119	-	-	119
Segment Property, plant and equipment	-	-	1,820	1,820
Segment exploration asset	1,495,104	1,140,110	219,058	2,854,272
Segment liabilities	(917)	(2,955)	(23,002)	(26,874)
Corporate assets				1,597,725
Corporate liabilities				(171,672)

6 months to 31 December 2018	Serbia	Austria	Peru	Total
Segment result	$	$	$	$
Supplier, consulting, investor relations and other	(31,945)	-	-	(31,945)
Impairment	(441,767)	-	-	(441,767)
Segment result	(473,712)	-	-	(473,712)
Corporate				(381,783)

Year to 30 June 2019	Serbia	Austria	Peru	Total
Segment assets and liabilities				
Cash at bank, trade and other receivables	35,630	53,498	-	89,128
Segment other assets	120	-	-	120
Segment exploration asset	1,473,423	991,572	-	2,464,995
Segment liabilities	(1,203)	(9,135)	-	(10,338)
Corporate assets				2,007,833
Corporate liabilities				(118,193)

10. Events Subsequent to Balance Date

Subsequent to period end the following key events have occurred:

On 10 February 2020, the Company announced a maiden JORC 2012 Resource Estimate of 6,742,260 tonnes @ 1.23/t gold and 4.31 g/t silver for 265,987 ounces of contained gold, and 634,528 ounces of contained silver, confirming the Yanamina Gold Project as a significant bulk mining development opportunity with strong economic potential.

On 11 February 2020, the Company announced commences of drilling at Rekovac Project in Serbia for two holes each between 500 to 600 metres, targeting the permissive Lower Miocene Strata. The drill program is expected to be completed within approximately four weeks from the announcement date with results released to the market. Please see ASX announcements for further details. The results of the drilling program will form part of the Group's decision to renew its Serbian tenements which are scheduled for renewal in April 2020.

Other than the above-mentioned events, there are no other subsequent events to date.

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Independent Auditor's Report

To the Members of Jadar Resources Limited

Report on the review of the half year financial report

Conclusion

We have reviewed the accompanying half year financial report of Jadar Resources Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated condensed statement of financial position as at 31 December 2019, and the consolidated condensed statement of profit or loss and other comprehensive income, consolidated condensed statement of changes in equity and consolidated condensed statement of cash flows for the half year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half year financial report of Jadar Resources Limited does not give a true and fair view of the financial position of the Group as at 31 December 2019, and of its financial performance and its cash flows for the half year ended on that date, in accordance with the *Corporations Act 2001*, including complying with Accounting Standard AASB 134 *Interim Financial Reporting*.

Material uncertainty related to going concern

We draw attention to Note 1(c) in the financial report, which indicates that the Group incurred a net loss of $552,239 during the half year ended 31 December 2019 and, as of that date, the Group's net cash outflows from operating activities were $413,694. The events as stated in Note 1(c), along with other matters as set forth in Note 1(c), indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Directors' responsibility for the half year 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.

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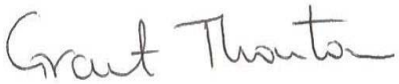
Auditor's responsibility

Our responsibility is to express a conclusion on the half year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, 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 2019 and its performance for the half year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Jadar Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



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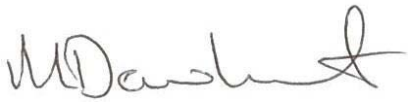

M D Dewhurst
Partner – Audit & Assurance

Perth, 13 March 2020