Jadar Resources

ASX RELEASE: 28 July 2020

Quarterly Activities Report

For the period ending 30 June 2020

Highlights

- **The Company is actively working with its Peruvian in-country teams on a drilling program for the Yanamina project.**
- **Discovery of Borate and Lithium Mineralisation Intersections at Rekovac Project.**
- **Appointment of Mr Adrian Paul as Executive Director and Mr Jim Malone as a Non-Executive Director of Jadar.**

Jadar Resources Limited (ASX: **JDR**) ("**Jadar**" or "the **Company**") is pleased to provide shareholders with this Quarterly Activities Report for the three (3) months ending 30 June 2020.

Peru

YANAMINA PROJECT

The Company and its Peruvian in-country consultant are actively working on a drilling program, and discussing with the local community to obtain permission to drill in the area. The total Mineral Resource for Yanamina Project is estimated (at a cut-off grade of 0.5g/t Au) to contain 6,742,260 MT at 1.23 Au g/t (265,987 Au ozs) and 4.31 Ag g/t (934,528 Ag ozs) [1]. The Resource remains largely open along the strike and at depth with significant potential to expand. Additional drilling is planned to test for a number of exploration targets, including lateral and vertical extensions to the existing resource envelope and a down faulted hanging wall extension of potentially significant tonnage. Completion of the drilling programme will also allow conversion of Inferred resources into Measured and Indicated.

[1] Refer ASX Announcement dated 20 February 2020.

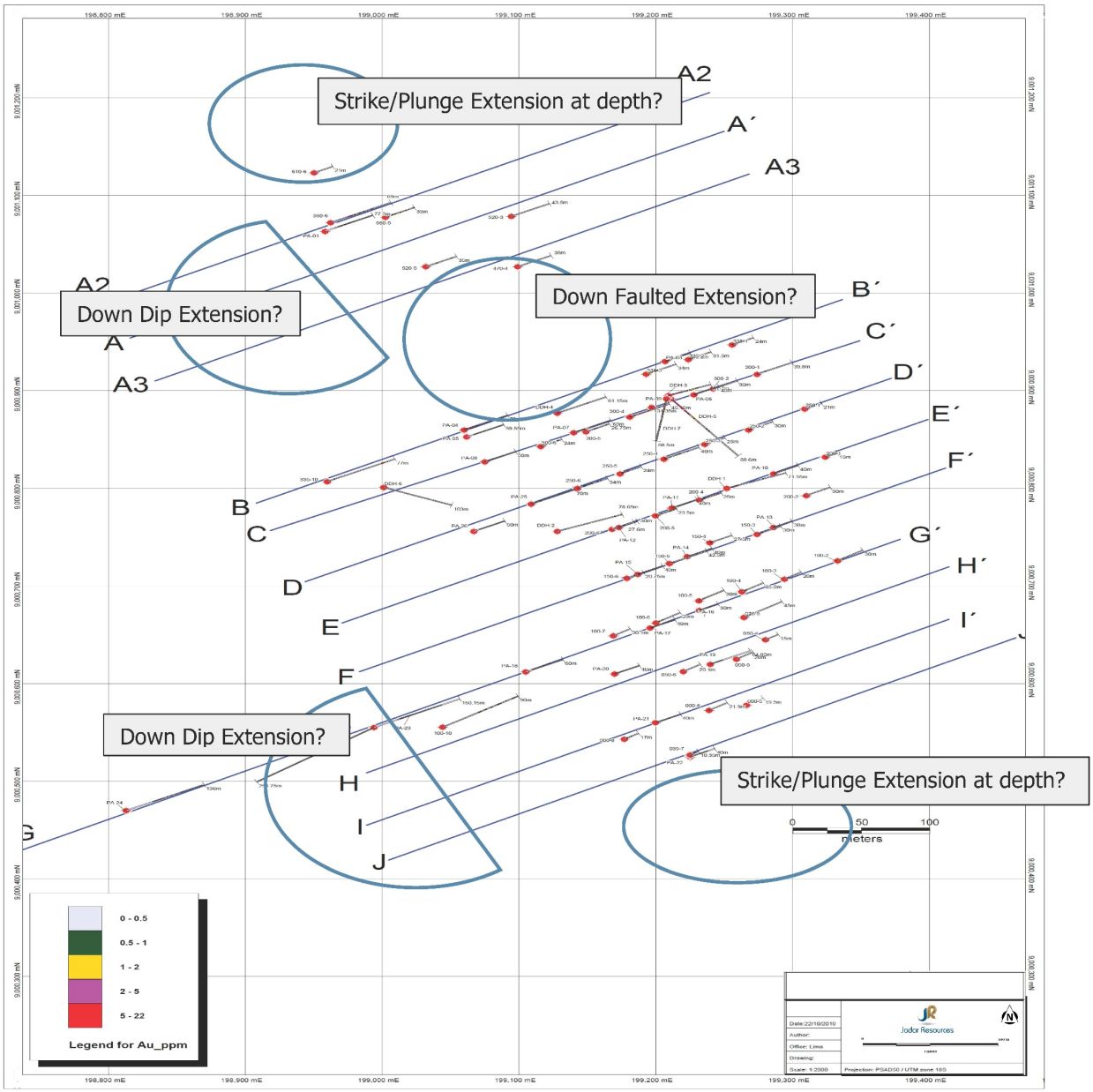

Figure 1: Yanamina Project Exploration Targets

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 Project is located 40 km to the north and 120 km south respectively of Barrick Gold's ("Barrick") Pierina (210 MT @ at 1.1 g/t for 7.5 million ounces), and Alto Chicama/Lagunas Norte (227 MT @ 1.1 g/t for 8 million ounces) gold mines.

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. 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. The eastern edge of the Yungay Graben 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.

The Yanamina gold resource is contained within 50 metres of the surface and the large majority of the resource outcrops or sub outcrops, consequently reducing potential waste ore.

Figure 2: Regional Location Map

The summary tables for the 0.5g/t Au cut-offs with contained metal are as follows.[2]

Resources	Tonnes	Grade (Au g/t)	Grade (Ag g/t)	Total ozs (Au)	Total ozs (Ag)
Indicated	2,790,620	1.35	4.34	121,136	389,431
Inferred	3,951,640	1.14	4.29	144,851	545,097
Total/average	**6,742,260**	**1.23**	**4.31**	**265,987**	**934,528**

[2] Refer ASX Announcement dated 20 February 2020.

Serbia

REKOVAC LI-B PROJECT

On 20 May 2020 the Company announced drilling results at Rekovac lithium - borate project in Serbia.[3]

The drilling program enveloped two diamond drill holes (REK_001 and REK_002), totalling 1,238.1 meters. Drilling intersected numerous sequences that contained high concentrations of boron (up to 60,858 ppm B_2O_3) as well as lithium bearing clay mineral sequences (up to 969 ppm Li_2O).

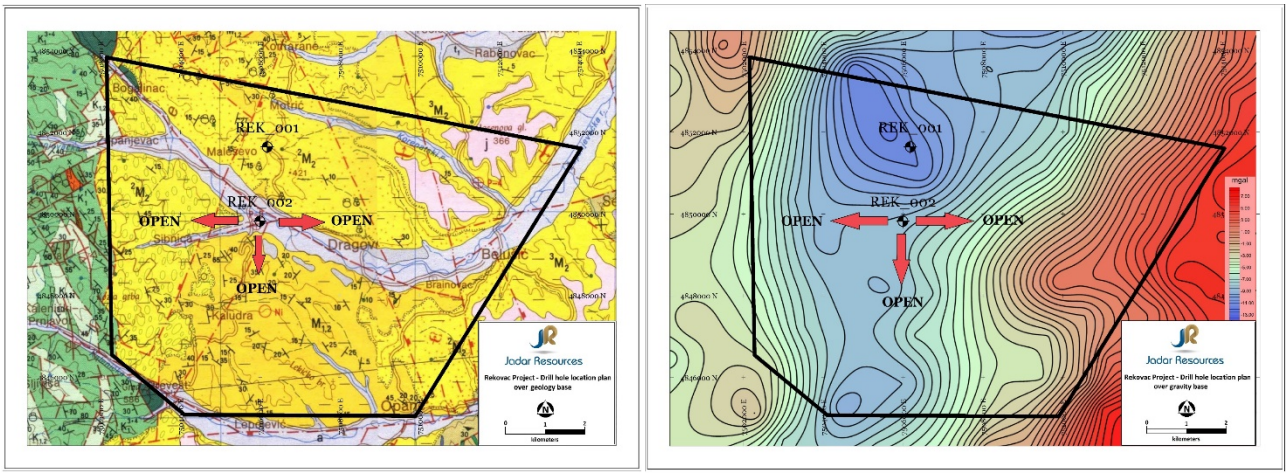

Figure 3: Rekovac Project – Drill hole location plan over geology and gravity base

Drill hole REK_001 encountered two sequences with preserved mineralisation contained in the sodium borosilicate mineral tentatively identified as searlesite in the form of irregular veinlets and mm-sized radial crystals constrained into the parallel layers from 515.9m and over 195m of elevated borate geochemistry from 405m.

REK-001 resulted in 2.5m with over 12,000 ppm of B_2O_3 and up to 484 ppm Li_2O from 515.9m including:

- 0.6m at 16,454 ppm B_2O_3 and 474 ppm Li_2O from 515.9m; and
- 1.9m at 12,349 ppm B_2O_3 and 484 ppm Li_2O from 578.5m.

Drill hole REK_002 encountered five mineralised sequences represented by searlesite as a dominated and major mineral in the form of irregular veinlets, patches, layers in the upper stratigraphic sequence from 35m and mm-sized scattered searlesite nodules in lower stratigraphic sequence from 98.8m.

REK-002 intercepted over 171m with over 10,000 ppm of B_2O_3 and up to 969 ppm Li_2O from 35m including 49.6m with over 20,000 ppm of B_2O_3 and up to 624 ppm Li_2O from 51.5m, including:

- 6.75m at 21,860 ppm B_2O_3 and 278 ppm Li_2O from 170.4m (including 0.6m at 26,565 ppm B_2O_3 and 258 ppm Li_2O from 176.55m),
- 0.4m at 60,858 ppm B_2O_3 and 108 ppm Li_2O from 263.15m,
- 8.2m at 21,390 ppm B_2O_3 and 496 ppm Li_2O from 269.6m,

[3] Refer ASX Announcement dated 20 May 2020.

- 9.15m at 31,820 ppm B_2O_3 and 321 ppm Li_2O from 305.35m (including 3.44m at 39,928 ppm B_2O_3 and 215 ppm Li_2O from 311.1m),
- 7.3m at 29,570 ppm B_2O_3 and 303ppm Li_2O from 387m (Including 1.8m at 32,683 ppm B_2O_3 and 344 ppm Li_2O from 388.9m).

Assay data is considered partial and any intervals containing greater than 10,000 ppm B_2O_3 will be further analysed by NaOH fusion/ICP high grade analysis for total boron and lithium content. The results are expect to be received in Q3.

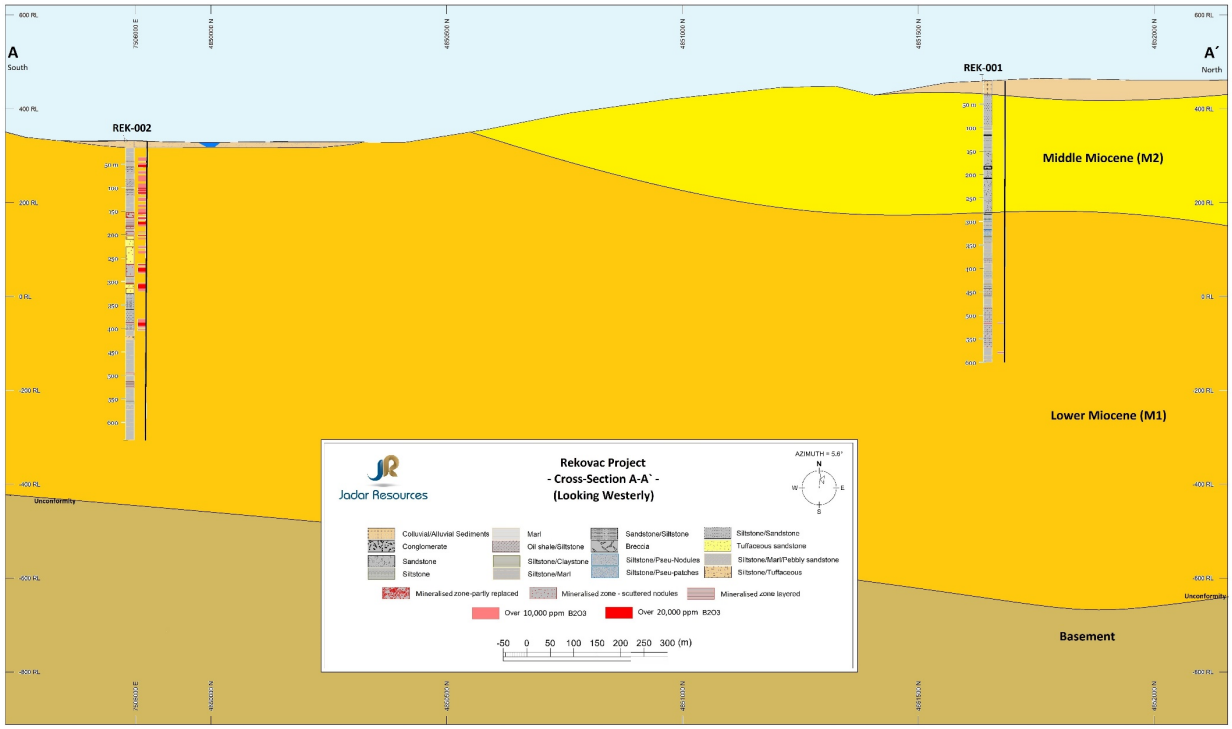

Figure 4: Rekovac project cross-section (looking westerly)

Considering the downhole distribution of both boron and lithium as well as the thickness of preserved mineralisation and the thickness of lacustrine boratiferous sequence, the targets for B-Li mineralisation remain open to the east, west and south as well as at depth. One thickness is a conjectural thickening of mineralised beds laterally within the "pelitic section" and the other is the potential for an earlier mineralising event (lower stratigraphy).

The completion of the drilling program has enabled the Company to complete all required documentation for the extension of the Rekovac license for a three-year term. The Company is expecting to receive the extension notice from the Serbian Ministry of Mines and Energy in the near term. Regretable, with recent world events regarding COVID-19, the Company is experiencing some delays with its exploration license renewal.

About the Rekovac Li-B Exploration Project

The Rekovac exploration license covers Neogene age basins containing continental sediments mapped as early and middle Miocene. The basin is elongated in shape and roughly limited by two deep-seated parallel

faults forming a NE-SW trending shallow sag-basin, gradually filled with lower Miocene aged lacustrine sediments and middle Miocene marine sediments. The basement rocks consist of ophiolites, older metasedimentary sequences and cretaceous flysch sediments. The early Miocene boratiferous strata concordantly overly basement formation and have good surface exposures in the southern and central part of the project area. A dominated sedimentary section comprised of mostly laminated to poorly bedded dolomitic claystone, siltstone, marlstone accompanied by ash-fall tuffs and tuffaceous sandstones. Fine pelitic sediments are frequently associated with dolomite and analcime. The drilling indicates several broad zones of borate-bearing sediments, an upper zone characterised by irregular crystalline aggregates, patches and veinlets of searlesite and a lower zone by disseminated searlesite grains.

The early Miocene formation extends to the north as well as to the south where it's hidden under younger marine fossiliferous sediments composed of siltstone, sandstone, and coarse clastic sequences. The Eastern portion of the license area is over clastic formations composed of conglomerates and debris flow.

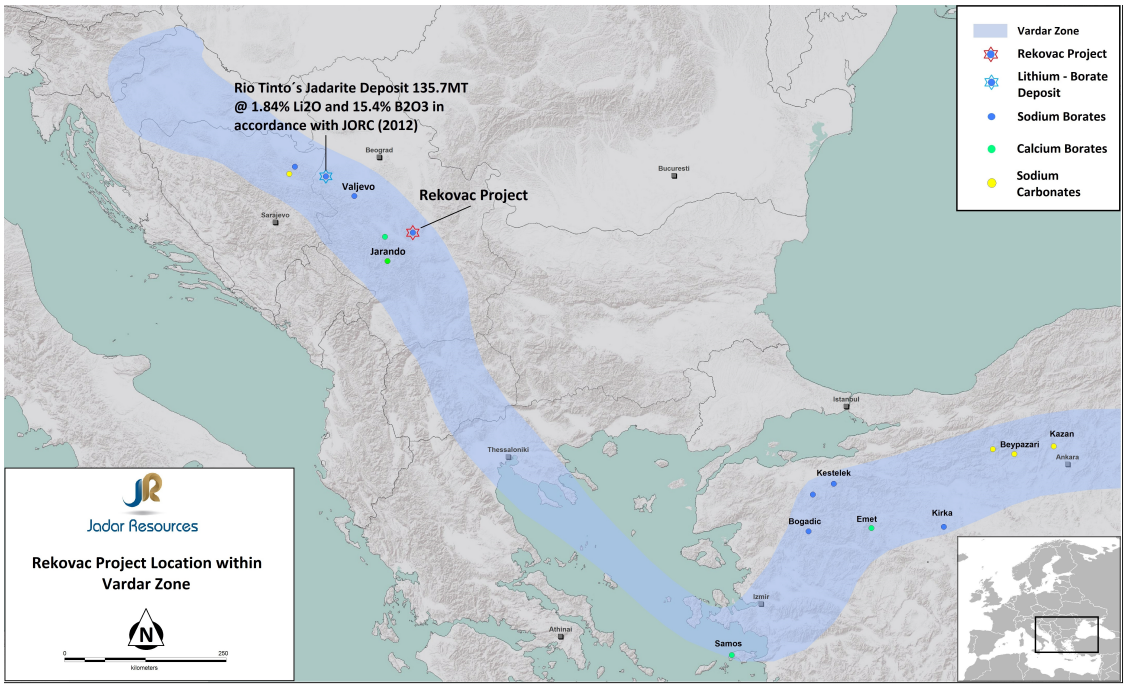

Figure 5: Projects location map showing the Jadar´s Project locations within the Vardar trend and the major lithium and borate deposits and occurrences

The sediments within the license 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 consisting 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.

OTHER SERBIAN PROJECTS

Consistent with the Company's strategy to diversify its asset portfolio with the acquisition of the Yanamina gold project and focus its resources on projects which are likely to provide the greater return for shareholders, the Company has carried out an assessment of its Serbian exploration results. As a result of rigorous project prioritisation, the Company has decided to focus its Serbian resources on its Rekovac project and has sought to relinquish its Cer and Vranje-South projects. Additionally, the Company has submitted applications for additional Serbian exploration permits in the area. Regretable, with recent world events regarding COVID-19, the Company is experiencing some delays with its applications.

Austria

WEINEBENE PROJECT

The Company and its Austrian in-country consultant are actively working on a drilling program, and is in discussion with the local landowner to obtain permission to drill in the Weinebene area.

EASTERN ALPS PROJECT

No field exploration activities occurred during the reporting period. The Company used this time to process all data, consider implications and plan field activities.

Corporate Activities

On 14 April 2020 the Company announced the appointment of Mr Adrian Paul as Executive Director of Jadar. Mr Paul has over 30 years of experience in the securities industry and was previously a partner in the Australian stockbroking firm D.J. Carmichael & Co. Mr Paul has held various non-executive directorships of public companies listed on ASX such as Chrysalis Resources Limited. Mr Paul drives execution of the Company's strategy to add shareholder value.

On 8 May 2020 the Company announced the resignation of Mr Nicholas Sage as Non-Executive Director of Jadar. Mr Sage has provided tremendous support for the Company to grow its operations.

On 13 May 2020, the Company appointed Mr Jim Malone as as a Non-Executive Director of Jadar. Mr Malone has over 30 years' experience in the mining, resources, financial, broking and sporting industries. Mr Malone was a Founder and the Managing Director of Latin Gold Limited (ASX: LAT) from 2001 to 2011. During that time, Latin Gold Limited acquired and developed the Yanamina Gold Project in Peru, which it subsequently sold to Coronet Metals Inc, a TSX Company, in 2011. Throughout the acquisition and development of the Yanamina Gold Project, Mr Malone assisted Latin Gold Limited in carrying out a number of drilling and testing campaigns, together with completing several scoping and metallurgical studies.

The Group's cash balance as 30 June 2020 was $965k.

During the quarter the aggregated amount of payments made to related parties and their associates totalled $49k comprising director fees, company secretarial fees and accounting fees.

$139k was spent on exploration expenditure during the quarter and further details of the exploration activity during the quarter are set out in this report.

ANNOUNCEMENTS

This Quarterly Activities Report contains information extracted from ASX market announcements reported in accordance with the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" ("2012 JORC Code"). Further details (including 2012 JORC Code reporting tables, where applicable) of the resource estimate and exploration results referred to in this Quarterly Activities Report can be found in the following announcements lodged on the ASX:

New Discovery of Borate and Lithium Mineralisation Intersections at Rekovac Project	20 May 2020

This announcement is 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.

SCHEDULE OF TENEMENTS

Project	Tenement ID	Indirect Interest *
SERBIA PERMITS**		
Rekovac	2224	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

** During the Quarter the Company relinquished its 100% interest in the Cer and Vranje-South Serbian Permits

ENDS

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

Compliance Statement

Yanamina Project

This quarterly report contains information on the Yanamina Project extracted from an ASX market announcement dated 20 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

Rekovac Project

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

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Jadar Resources Limited

ABN	Quarter ended ("current quarter")
66 009 144 503	30 June 2020

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
1.	**Cash flows from operating activities**		
1.1	Receipts from customers		
1.2	Payments for		
	(a) exploration & evaluation		
	(b) development		
	(c) production		
	(d) staff costs	(27)	(232)
	(e) administration and corporate costs	(17)	(446)
1.3	Dividends received (see note 3)		
1.4	Interest received	-	16
1.5	Interest and other costs of finance paid		
1.6	Income taxes paid		
1.7	Government grants and tax incentives	19	19
1.8	Other (provide details if material)	-	(19)
1.9	**Net cash from / (used in) operating activities**	**(25)**	**(662)**

2.	**Cash flows from investing activities**		
2.1	Payments to acquire or for:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) exploration & evaluation	(139)	(707)
	(e) investments		
	(f) other non-current assets		

Consolidated statement of cash flows		Current quarter $A'000	Year to date (12 months) $A'000
2.2	Proceeds from the disposal of:		
	(a) entities		
	(b) tenements		
	(c) property, plant and equipment		
	(d) investments		
	(e) other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	**Net cash from / (used in) investing activities**	**(139)**	**(707)**

3.	**Cash flows from financing activities**		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	400
3.2	Proceeds from issue of convertible debt securities		
3.3	Proceeds from exercise of options		
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	(74)
3.5	Proceeds from borrowings		
3.6	Repayment of borrowings		
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
3.10	**Net cash from / (used in) financing activities**	**-**	**326**

4.	**Net increase / (decrease) in cash and cash equivalents for the period**		
4.1	Cash and cash equivalents at beginning of period	1,245	2,023
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(25)	(662)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(139)	(707)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	326

Consolidated statement of cash flows		**Current quarter $A'000**	**Year to date (12 months) $A'000**
4.5	Effect of movement in exchange rates on cash held	(116)	(15)
4.6	**Cash and cash equivalents at end of period**	**965**	**965**

5.	**Reconciliation of cash and cash equivalents** at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	**Current quarter $A'000**	**Previous quarter $A'000**
5.1	Bank balances	965	1,245
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	**Cash and cash equivalents at end of quarter (should equal item 4.6 above)**	**965**	**1,245**

6.	**Payments to related parties of the entity and their associates**	**Current quarter $A'000**
6.1	Aggregate amount of payments to related parties and their associates included in item 1	49
6.2	Aggregate amount of payments to related parties and their associates included in item 2	

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

7.	**Financing facilities** *Note: the term "facility' includes all forms of financing arrangements available to the entity.* *Add notes as necessary for an understanding of the sources of finance available to the entity.*	**Total facility amount at quarter end $A'000**	**Amount drawn at quarter end $A'000**
7.1	Loan facilities		
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	**Total financing facilities**	-	-
7.5	**Unused financing facilities available at quarter end**		-

7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.

Subsequent to the quarter end, the Company received a firm commitment from Valens International Pty Ltd, a Hong Kong based private investment fund specializing in investing in global mining projects, to subscribe for 41,666,666 fully paid ordinary shares in the Company at an issue price of $0.012 per Share to raise gross proceeds of $500,000 (Placement)

8.	**Estimated cash available for future operating activities**	**$A'000**
8.1	Net cash from / (used in) operating activities (item 1.9)	(25)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(139)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(164)
8.4	Cash and cash equivalents at quarter end (item 4.6)	965
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	965
8.7	**Estimated quarters of funding available (item 8.6 divided by item 8.3)**	6

Note: if the entity has reported positive relevant outgoings (ie a net cash inflow) in item 8.3, answer item 8.7 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.

8.8 If item 8.7 is less than 2 quarters, please provide answers to the following questions:

8.8.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer:

8.8.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?
Answer:	

Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.

Compliance statement

1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.

2 This statement gives a true and fair view of the matters disclosed.

Date: 28 July 2020

Authorised by: The Board
(Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.

2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.

3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.

4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [*name of board committee – eg Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".

5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.