ASX RELEASE: 13 May 2021

Jadar Signs Streaming Agreement to Fund Development of Yanamina Gold Project

Highlights

- **Jadar subsidiary, Minera Wealth Peru S.A.C. ("Minera", the "Seller"), the holder of five concessions known as the Yanamina Gold Project ("Yanamina"), signs Metal Streaming Term Sheet ("Streaming Agreement") with VCI Holdings SDN BHD ("VCI", the "Purchaser") for up to USD$17m of funding ("Deposit Amount").**
- **The Deposit Amount will be specifically used for development funding of plant and machinery to produce gold and silver at Yanamina.**
- **An initial payment of USD$5m (being part of the Deposit Amount) ("Initial Payment") will be made on the later of satisfaction (or waiver) of the conditions precedent to the Streaming Agreement, 1 March 2022 and completion of the Pre-Feasibility Study.**
- **Under the Streaming Agreement, Minera is to deliver to VCI refined gold of a minimum of 850 ozs per month until 13,000 ozs have been delivered and thereafter 250 ozs per month and refined silver monthly that is equal to all silver production at Yanamina for that month for the life of mine and at the prices set out in Schedule 1.**
- **The Streaming Agreement continues in perpetuity for the life of all mining and processing and tailings retreatment on all mineral leases comprising Yanamina.**
- **Jadar will provide two board seats to VCI, of which current Executive Director Navin Sidhu is one.**
- **Payment of the Initial Amount by the Purchaser and metals delivery by the Seller pursuant to the Streaming Agreement is subject to a number of conditions precedent including but not limited to completion of a final pre-feasibility study (being the updating of the NI43-101 report referred to in the Company's announcement dated 16 September 2019) (the "Prefeasibility Study") and Jadar obtaining all necessary shareholder and regulatory approvals in accordance with the ASX Listing Rules.**
- **The streaming arrangement is to assist Jadar in executing its Latin America focused precious metals strategy.**

Jadar Resources Limited (ASX:JDR) ("**Jadar**", the "**Company**") is pleased to announce to shareholders that the Company's Peruvian subsidiary, Minera Wealth Peru S.A.C. ("Minera", the "Seller"), has signed a Metal Streaming Term Sheet with VCI Holdings SDN BHD ("VCI", the "Purchaser") for up to USD$17m of funding ("**Deposit Amount**").

Minera, the holder of five concessions known as the Yanamina Gold Project, will utilise the Deposit Amount received via the Streaming Agreement in order to develop Yanamina through the construction of plant and machinery for the production of gold and silver.

Jadar Resources' Executive Director Adrian Paul commented:
"The signing of the Metals Streaming Term Sheet marks a significant milestone for Jadar as we seek to execute on our Latin America precious metals focused strategy. The funding will allow the Company to progress into production and generate cashflows from Yanamina."

VCI is a related party of the Company by virtue of being an entity controlled by Director, Mr Navin Sidhu. Pursuant to the terms of the Streaming Agreement, Jadar and Minera will grant VCI security for the performance of their metals delivery obligations and as such, the arrangement is considered to be a disposal of a substantial asset to a person in a position of influence under ASX Listing Rule 10.1. As a result, the security granted pursuant to the Streaming Agreement and all issues of securities under the Streaming Agreement (the details of which are set out in Schedule 1) are subject to shareholder approval in accordance with the ASX Listing Rules. Further detail regarding the Streaming Agreement will be set out in the notice of meeting to be dispatched to shareholders in due course. The Company has agreed to hold a shareholder meeting prior to 30 November 2021.

Yanamina Gold Project

The Yanamina Gold Project ("**Yanamina**"), located in the Ancash Province in Central Peru, is an outcropping 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.

Yanamina contains an estimated total resource at the lower cut-off grade of 0.5g/t gold 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[1], confirming Yanamina as a significant bulk mining development opportunity with strong economic potential. The project provides significant exploration upside through potential depth and lateral extensions and a significant faulted extension target at depth with near-term production potential.

[1] ASX Announcement 10 Feb 2020 - Maiden JORC 2012 Resource at Yanamina

Figure 1 – Yanamina Gold Project Location

VCI Holdings SDN BHD

VCI Holdings SDN BHD ("**VCI**") is a newly incorporated company that has been established for the purpose of the Streaming Agreement. VCI is funded by Valens International Limited and has an experienced core team with a combined financial, capital and mining markets experience of over 50 years. As set out above, VCI is a related party of Jadar.

Attached in Schedule 1 are the key terms of the Streaming Agreement.

ENDS

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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"). The Company confirms that it is not aware of any new information or data that materially affects the information included in the original 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.

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.

Schedule 1 – Key Terms of Metal Streaming Agreement

- Streaming Agreement between VCI Holdings SDN BHD (**Purchaser**), Minera Wealth Peru S.A.C. (**Seller**) and Jadar Resources Limited (**Guarantor**) for the provision of up to US$17 million in funding (**Deposit Amount**) provided that the aggregate Deposit Amount at the time of any payment made by VCI on account of the Deposit Amount under the Streaming Agreement shall not exceed 15% of the market capitalisation of the Guarantor;
- The Deposit Amount is to be specifically used for the funding of plant and machinery to produce gold and silver at the Yanamina Gold Project in Peru (**Project**);
- The Streaming Agreement continues in perpetuity for the life of all mining and processing and tailings retreatment on all mineral leases comprising the Project (unless terminated earlier);
- The Seller has agreed to sell to the Purchaser refined gold and silver in the following quantities on and from Metals Sales Commencement (defined below):
    - Until 13,000 ounces of refined gold has been delivered, a minimum of 850 ounces of refined gold per month at a fixed price of US$400 per oz. Thereafter 250 ounces of refined gold per month for the life of mine; and
    - The amount of refined silver, at a fixed price of US$2.50 per oz, equal to the total amount of silver produced at the Project

  Payment for Metals will be made by crediting the price against the Deposit Amount and upon the Deposit Amount being fully utilised, by cash to be paid by the Purchaser to the Seller within 14 days after delivery of the Metals.
- Subject to satisfaction of a number of conditions precedent and the making of the Initial Payment (defined below), metal sales will commence on the earlier of commencement of commercial production at the Project (min 500 ozs per month / gold) and 2 months after the Project plant has been commissioned (**"Metal Sales Commencement**");
- An Initial Payment of US$5m ("**Initial Payment**") will be made on the later of satisfaction (or waiver) of the conditions precedent, 1 March 2022 and completion of the Pre-Feasibility Study, or at the election of the Purchaser, at an earlier date following completion of the Pre-feasibility Study. Prior to the Initial Payment being made, a funding schedule will be agreed between the parties;
- Subject to 24,000 ozs of gold in total having been delivered to the Purchaser, the Seller may terminate the Streaming Agreement in respect of gold only, if the price of gold increases above US$2,500 per oz for any consecutive period of 14 days and upon the Seller giving notice to terminate within a further 14 day period and paying US$5m in immediately available funds to the Purchaser ("**Seller Price Termination Option**"). The Seller Price Termination Option is a one-time option only, such that if the Seller gives notice to exercise the Seller Price Termination Option and fails to make the relevant payment, the Seller Price Termination Option will lapse. Silver deliveries will continue in accordance with the terms of the Streaming Agreement regardless of exercise of the Seller Price Termination Option;
- In addition to the above, the Seller may terminate the Streaming Agreement at any time up to 30 days prior to the Initial Payment being made by the Purchaser, upon payment of US$500,000 in

cash or shares (at Purchaser's option), with such shares to be issued at a deemed issue price equal to the 10 day Volume Weighted Average Price of Guarantor shares calculated after the date of the notice of termination (the "**Seller Termination Option**"). The issue of shares is subject to shareholder approval to be obtained by the Guarantor as soon as possible following the Purchaser's election to receive shares in lieu of the cash payment;

- The Purchaser has the right to terminate the Streaming Agreement at any time prior to Initial Payment being made with 30 days' written notice or with 14 days' written notice should the price of gold fall below $1,700 per oz ("the **Purchaser Termination Option**)";
- The Purchaser may, at any time prior to the Initial Payment being made, reduce the Deposit Amount by up to 50%, thereby reducing the quantum of gold deliveries proportionately;
- The conditions precedent to the Initial Payment and metals delivery are as follows:
    - Completion of the Pre-Feasibility Study by 30 June 2021 which complies with agreed parameters;
    - The Project having received all relevant approvals and licences for the construction and operation of the mine, plant and related infrastructure;
    - Execution of formal documents by the parties within 3 months of the Formal Document Fee Shares (defined below) being issued;
    - The Guarantor and Seller obtaining all necessary regulatory, ASX and/or shareholder approvals including disposal of substantial asset to person of influence under LR10.1, and issue of options/shares to related party (with the shareholder meeting to be held no later than 30 November 2021) (**Shareholder Approval Condition**),

  (together, the **Conditions Precedent**);
- Should Conditions Precedent (other than Shareholder Approval Condition) not be met (or waived) by 31 December 2021, the Purchaser has the right to terminate the Term Sheet;
- Should the Shareholder Approval Condition Precedent not be met by 30 November 2021, both the Purchaser and the Seller/Guarantor have the right to terminate the Term Sheet;
- Subject to shareholder approval in accordance with the ASX Listing Rules, the Seller and Guarantor will procure and/or grant in favour of the Purchaser security over the Project assets and/or 100% of the Shares in the Seller (at the Purchaser's discretion). If the Deposit Amount is reduced from US$17m and the Seller requires additional funding, the Purchaser shall not unreasonably withhold its consent to the Seller obtaining further funding and granting security for the same, provided the security ranks behind the Purchaser. The Guarantor has agreed to guarantee the obligations of the Seller under the Streaming Agreement;
- Subject to shareholder approval in accordance with the ASX Listing Rules, the Guarantor has agreed to issue to the Purchaser (or its nominated party) unlisted options expiring on 31 December 2024 ("**Options**") as follows:
    - 10m Options with an exercise price being equal to the 5 day VWAP prior to signing of the Term Sheet; and
    - 10m Options with an exercise price of AU$0.10.

The Options will be issued to the Purchaser within 14 days of receipt of shareholder approval, which approval is to be obtained as soon as practicable following execution of the Streaming Agreement and in any event, before 30 November 2021.

- Subject to shareholder approval in accordance with the ASX Listing Rules, the Guarantor has agreed to issue to the Purchaser that number of shares equal to 2% of the Deposit Amount, at a deemed issue price per share equal to the closing price of shares the day prior to signing the Streaming Agreement ("**Formal Document Fee Shares**"). The Formal Document Fee Shares will be issued to the Purchaser within 14 days of receipt of shareholder approval, which approval is to be obtained as soon as practicable following execution of the Streaming Agreement and in any event, before 30 November 2021;
- It is a Seller Event of Default where amongst other things:
    - The Seller fails to deliver the metals as and when due and such failure is not remedied within 5 business days after the receipt of notice to do so provided that:
        - Subject to the paragraph below, if for any month after Metals Sales Commencement gold throughput at the project falls below the amount (or minimum amount) of refined gold to be delivered for the relevant month, the amount of any shortfall in the amount of refined gold (the "**Shortfall**") shall be added to the delivery obligations for the following month (the "**Deferral Mechanism**"). If the Shortfall has not been delivered (or cash settled) within 3 months of the initial deferral, the Shortfall plus accrued interest shall be added to the delivery obligations for the following month. If the Shortfall has not been delivered (or cash settled) within a further 6 months (i.e. 9 months from the initial deferral) then an event of default shall be taken to have occurred; or
        - If there is any failure to deliver (or cash settle) in any month within the first 6 months after Metals Sales Commencement (other than in the circumstances set out above), the amount of Shortfall plus accrued interest shall be added to the delivery obligations for the following month and no event of default shall occur unless there is a Shortfall at the end of such 6 month period.

    On the occurrence of a Seller Event of Default, the Purchaser may:

    - Demand all amounts (including deliveries) due, but not yet made; or
    - Terminate the Term Sheet, in which case the Seller shall be liable to pay the Purchaser an amount equal to the Default Amount (being the net present value of the amount expected to be paid (or the metals to be delivered)) based on the life of mine plan.
- It is a Purchaser Event of Default where the Purchaser fails to provide the Initial Payment (or any further Deposit Amount) by the due date, if not remedied within 3 months. If the Initial Payment has not been made, the Seller may terminate the Term Sheet. If the Initial Payment has been made and/or any portion of the Deposit Amount made, the Seller is to deliver gold in proportion to the Deposit Amount received.
- The Seller and Guarantor will indemnify the Purchaser for all loss that the Purchaser suffers or incurs as a result of a Seller Event of Default, or the Purchaser exercising its rights and powers as a result of a Seller Event of Default.

- The Guarantor has agreed to allocate the Purchaser two Board seats upon execution of the Term Sheet (and subject to such person satisfying good fame and character requirements). It is acknowledged that 1 nominee of the Purchaser has already been appointed as a director of the Guarantor.

The Streaming Agreement contains other terms and conditions considered standard for an agreement of its nature including representations and warranties given by all parties.