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JADAR EXECUTES MOU WITH YAHUA TO ACQUIRE AND DEVELOP LITHIUM PROJECTS

Highlights

- **Jadar executes non-binding Memorandum of Understanding ("MOU") with Yahua International Investment and Development Co. Ltd ("Yahua")**
- **MOU for a strategic partnership to acquire and develop lithium projects and supply spodumene concentrates globally**
- **Under the MOU the parties are to enter into a Strategic Partnership Agreement within 6 months**
- **Under the proposed Strategic Partnership Agreement Jadar will sell 100% of the lithium concentrate from the lithium projects it controls to Yahua**
- **Yahua has the right to participate in an equity stake of up to 80m Shares (approx. 10%) at $0.045**

Jadar Resources Limited (ASX:JDR) ("**Jadar**," the "**Company**") is pleased to announce that it has signed a non-binding Memorandum of Understanding ("**MOU**") Yahua International Investment and Development Co Ltd for the establishment of a long-term strategic partnership for the development and acquisition of lithium projects and for the supply of spodumene concentrates.

The MOU sets out the terms for discussion, to comprise the Strategic Partnership Agreement.

Jadar Resources' Executive Director Adrian Paul commented:
"I am extremely excited to progress this MOU and strategic partnership with Yahua. The EV and lithium markets have seen substantial growth over the past year as global adoption of EV technologies starts to materialise. The MOU provides a potential mechanism for both the development of our current lithium assets as well as an avenue for further growth in the portfolio through acquisition."

Terms of the Non-Binding Memorandum of Understanding (MOU)
Under the MOU, the parties have agreed to enter into a Strategic Partnership Agreement for the development and acquisition of lithium projects and for the supply of spodumene concentrates.

The Strategic Partnership Agreement is to be entered into within 6 months of signing the MOU (the "**Completion Period**").

The following terms are to be negotiated for inclusion in Strategic Partnership Agreement:

- Yahua to be offered an equity position of up to 80m Shares in Jadar (approximately 10%) at $0.045 per share. Should this eventuate, Jadar is to ensure that investment funds are only used for exploration and development of its lithium projects;
- Establishment of a joint venture for the acquisition and development of lithium projects;
- Jadar to sell 100% of the lithium concentrate produced by the Company to Yahua;
- Jadar to ensure all governmental and local mining approvals and licenses necessary for operation are acquired;
- Obtaining any required approvals to enter into the Strategic Partnership Agreement.

The MOU shall terminate on signing of the Strategic Partnership Agreement. If the parties are unable to finalise the Strategic Partnership Agreement before the expiry of the Completion Period, then:

- Either party shall have the option to extend negotiations for an additional 1 month, provided that such intention to extend the negotiations is conveyed to the other party in writing at least seven working days prior to expiry of the Completion Period; or
- Either party may terminate the MOU upon seven days written notice; or
- Termination on conclusion of the Completion Period.

About Yahua International Investment and Development Co. Ltd ("Yahua"),

Yahua is a wholly owned subsidiary of Sichuan Yahua Industrial Group Co., Ltd which is a listed company on the Shenzhen-stock exchange in China, principally engaged in the manufacture and sales of civil explosive materials and of lithium salt products ("Yahua Group"). Yahua Group is one of China's major lithium hydroxide and lithium carbonate producers, with existing operations of a 43,000tpa refinery for lithium carbonate, lithium hydroxide and other lithium products, and is in expansion for a further 50,000tpa of lithium hydroxide and 1,000tpa of lithium metal by 2025.

About Jadar's Lithium Projects

Shaw River Lithium, Tin & Tantalum Project (80%) - Australia

The Shaw River Project located 220km from Port Hedland, is strategically located within 80km radius of three major lithium developments Wodgina Mine, Pilgangoora Mine and Marble Bar Lithium Project.

The Project comprises a granted exploration license comprising 22 blocks. The area has a strong history with successful mining of alluvial tin and tantalum as part of the Shaw River Tin Field and demonstrated potential for lithium and rare earth minerals.

Initial geological reconnaissance and sampling and due diligence has been completed. Several areas of historic alluvial and hard rock tin-tantalum mining were visited to verify proximal pegmatite occurrences as documented by previous geological mapping. The initial reconnaissance, covering over 50 line-kilometres, encountered a considerable number of individual pegmatites that were sampled.[1]

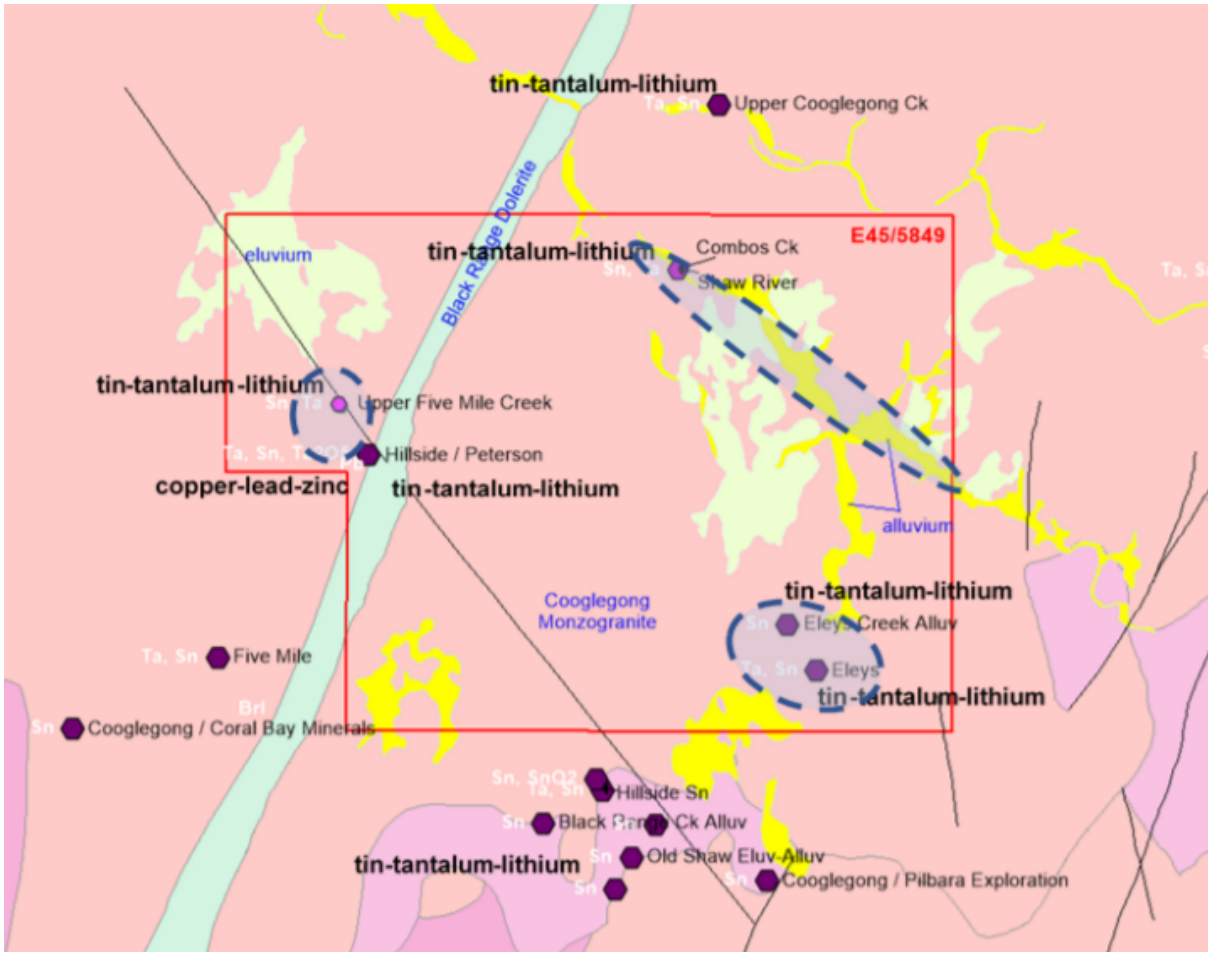

Figure 1 - Areas of initial geological reconnaissance and sampling, highlighted in blue

[1] ASX Announcement 30 Nov 2021 - Shaw River Project Due Diligence Completed

In addition, the Company is currently in the process of acquiring 100% of a further four tenements; E45/6088, E45/5717, E45/5821 and E45/5879 which are located within 100km of the Shaw River Tin-Tantalum-Lithium Project.[2]

Weinebene & Eastern Alps Lithium Project (80%) – Austria

Jadar holds an 80% interest in the Weinebene and Eastern Alps Lithium Projects located in Austria with the remaining 20% of the projects owned by European Lithium (ASX: EUR). The projects are located immediately adjacent to European Lithium's Wolfsberg deposit.

Jadar Resources has entered into a Collaboration Agreement with European Lithium which includes the establishment of Technical Advisory Committee to enhance the projects for the purpose of jointly collaborating in connection with the Weinebene and Eastern Alps Projects and sharing information to identify the best options to advance those assets and operations. This includes making recommendations for exploration programs, budgets and development scenarios in relation to the assets and operations.[3]

Figure 2 – Weinebene Lithium Project Location

[2] ASX Announcement 10 Nov 2021 - Jadar Expands Lithium Footprint in Pilbara Region
[3] ASX Announcement 11 May 2021 - Jadar enters Collaboration Agreement with European Lithium

ENDS

For further information, please contact:

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

Adrian Paul
Executive Director
Tel: +61 8 6489 0600
E: adrian@jadar.com.au

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

Forward Looking Statement

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.