Jadar Resources

ASX RELEASE: 20 January 2021

$1.8M Placement to Further Exploration and Update on Austrian Lithium Assets

Highlights

- **Company to raise up to $1.8m from the issue of up to 60m shares at $0.03 per share.**
- **Funds raised will be used to progress exploration activities on existing projects, specifically within Latin America.**
- **Maiden stratigraphic diamond drill hole completed at Weinebene Lithium Project.**
- **Austrian tenements have been extended for a further 5 year term.**
- **Weinebene project area surrounds European Lithium Limited's Wolfsberg lithium deposit with 11MT @ 1.0%Li2O now in DFS[1].**

Jadar Resources Limited (ASX:JDR) ("**Jadar**", the "**Company**") is pleased to report on its capital raising and update the market on its Austrian lithium assets.

Capital Raising

The Company is finalising commitments from sophisticated and institutional investors qualifying under s708 of the Corporations Act 2001 (Cth) to subscribe for a placement of up to 60,000,000 fully paid ordinary shares at $0.03 per share to raise gross proceeds of up to $1,800,000 (**Placement**).

The Placement Shares will be issued in a single tranche using the Company's existing capacity under ASX Listing Rule 7.1A (up to 60,000,000 Shares) and will not require shareholder approval. The issue price of $0.03 is a 3.8% premium to the Company's 15 trading day VWAP.

Fees associated with the capital raise total 6% of gross funds raised (up to $108,000). Net proceeds from the Placement will primarily be used to continue exploration activities over the Company's existing projects, specifically further exploratory drilling at the Yanamina Gold Project, to further the La Fortuna and Tierra Blanca projects, and for general working capital purposes.

Jadar Resources' Executive Director Adrian Paul commented:

"The completion of this well supported capital raising, from both existing and new sophisticated and institutional investors, is a great testament to the potential of Jadar's existing asset portfolio. The placement will enable the Company to progress exploration activity across our Latin American precious metal projects and continue to unlock more value to shareholders.

[1] EUR ASX announcement 3 July 2017 - Resource Increase at Wolfsberg & EUR ASX announcement 15 March 2019 Wolfsberg Lithium Project DFS Update

Additionally, the extension of our exploration licenses in Austria for a further five years provides the Company with increased optionality over the assets and an opportunity to execute our strategy of becoming an innovative and strategically diversified precious and green metals explorer."

Austrian Lithium Assets

Due to European travel restrictions as a result of COVID-19, the drilling program in Austria was shortened and included one diamond drill hole to a depth of up to 146m. Results are expected to be available in Q1 2021.

The Austrian Federal Ministry of Agriculture, Regions has renewed 97 exploration licenses for a further 5 year term. Two single licenses Birkfeld and Klementkogel have been returned due to very low potential. A further 36 licenses are held in Austria which are valid until 31 December 2023.

Weinebene Project

Mapping, rock chips and soil sampling undertaken in the area to-date have identified numerous spodumene bearing pegmatites with very high lithium values up to 3.39% Li_2O[2]. The project area has significant exploration potential.

About the Austrian Lithium Projects

The Austrian Lithium Projects are located in Southern Austria approximately 3 hours south-west of Vienna. The Austrian prospects containing indications of high-grade lithium targets with significant residual brownfields plus greenfields exploration potential across the entire 64 km^2 project area.

The Company's Weinebene project is immediately adjacent to European Lithium's (ASX: EUR) Wolfsberg deposit, where the Company postulates that the veins which comprise the JORC compliant 10.98MT @ 1.00% Li_2O resource at the Wolfsberg deposit[3], strike into the Jadar´s Weinebene project area.

The Company also has identified several prospect areas withing its Eastern Alps projects that require follow up evaluation and drill testing.

The initial reconnaissance and rock sampling within the eastern Alps, defined numerous outcropping high-grade multiple spodumene-bearing pegmatite veins with the average value over the 70 samples being 1.61% Li_2O and highest value 3.39% Li_2O. There has been no modern and systematic lithium exploration on outcropping pegmatite (refer ASX Announcement 19 February 2019).

[2] JDR ASX Announcement 19 February 2019 - Initial Soil Sampling Work Done on Weinebene Project Area
[3] EUR ASX announcement 3 July 2017 - Resource Increase at Wolfsberg

Figure 1 - Austrian projects location map

The lithium deposits of the type being explored in Austria are typically found in the form of spodumene-bearing pegmatite vein-type deposits hosted by Paleozoic metamorphic formations predominantly mica schist, amphibolite and marbles. The pegmatites withing the Eastern Alps are related to crustal melting (anatexis) chemistry and that lithium enriched fluids are formed during high-grade regional metamorphism (higher amphibolite to lower eclogite facies). Spodumene mineralisation occurs in the form of a fine to coarse-grained mineralisation associated with quartz, feldspar and muscovite.

ENDS

For further information, please contact:

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

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

Disclaimer

Forward-looking statements are statements that are not historical facts. Words such as “expect(s)”, “feel(s)”, “believe(s)”, “will”, “may”, “anticipate(s)”, “potential(s)”and similar expressions are intended to identify forward-looking statements. 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.

Compliance Statement

This announcement contains information extracted from a previous ASX market announcement dated 19 February 2019 reported in accordance with the 2012 edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves” ("2012 JORC Code") and available for viewing at www.jadar.com. JDR confirms that it is not aware of any new information or data that materially affects the information included in any original ASX market announcement.