Jadar Resources

ASX RELEASE: 26 MAY 2021

Balkan Mining and Minerals Limited IPO Prospectus Lodged

Highlights

- **Balkan Mining and Minerals Limited's ("BMM", "Balkan Mining") IPO Prospectus issued to raise $6.5 million.**
- **Jadar to retain approximately 22% of the equity in Balkan Mining upon successful completion of the IPO allowing Jadar and, indirectly, its shareholders to retain exposure to the Serbian Lithium-Borate assets.**
- **Jadar and Balkan Mining have entered into a subscription and collaboration agreement with Sandfire Resources Limited ("Sandfire") (ASX:SFR) whereby Sandfire has conditionally agreed to a $2M cornerstone investment in the IPO and to allow Balkan Mining to benefit from Sandfire's technical and strategic resources.**
- **Balkan Mining has appointed a strong board including Chairman Sean Murray, Managing Director Ross Cotton and fellow non-executive directors, Luke Martino and Milos Bosnjakovic.**
- **Jadar to remain focused on its growing precious, base and technology metals portfolio in Latin America, Australia and Austria.**

Jadar Resources Limited (ASX:JDR) ("**Jadar**", the "**Company**") is pleased to provide an update on the proposed spin out and listing of its subsidiary, Balkan Mining and Minerals Limited ("**Balkan Mining**", "**BMM**") (proposed code ASX:BMM), on the Australian Securities Exchange by way of an initial public offer.

Balkan Mining has lodged its IPO prospectus with the Australian Securities and Investments Commission ("**ASIC**") on 25 May 2021 (**IPO Prospectus**) to raise $6,500,000 (before costs). Sandfire Resources Limited has conditionally agreed to a $2,000,000 cornerstone investment and Sixty Two Capital Pty Ltd ("**62 Capital**") and ARQ Capital Pty Ltd ("**ARQ Capital**") have been engaged to act as co-lead managers to the initial public offer.

The completion of this transaction will create a new listed company with the sole focus on exploration and development of mineral projects in the Balkans. This will allow Jadar to retain exposure to the Serbian lithium and borate assets via its shareholding in Balkan Mining whilst giving direct focus to the Company's rapidly growing precious metals portfolio in Latin America, its Austrian lithium assets as well as its base and green technology metals Project in Australia which is currently being acquired.

Further details regarding the Balkan Mining spin out can be found in the Company's announcement of 24 February 2021, notice of general meeting dated 12 March 2021 and in Balkan Mining's IPO Prospectus which is available upon request from Balkan Mining or can be found at www.balkanmin.com.

ABOUT JADAR RESOURCES LIMITED

Jadar Resources Limited (ASX:JDR) is an innovative materials explorer, strategically diversified across precious metals and lithium within Latin America and Europe respectively. The Company aims to generate shareholder value through targeted exploration and development of these assets.

On 2 February 2020, Jadar announced that the Company had completed the acquisition of Minera Wealth Peru S.A.C., the holder of five concessions known as the Yanamina Gold Project. Following the acquisition of Yanamina, a Maiden JORC Resource Estimate was announced 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, confirming the Yanamina Gold Project as a significant bulk mining development opportunity with strong economic potential[1].

On 17th November 2020, Jadar announced the acquisition of an option over the Tierra Blanca project, a silver zinc and Lead prospect in Chihuahua State, Mexico. The district surrounding Chihuahua is a significant silver producing region with several substantial mines operated by majors and mid-tier companies, District Historical Production of 50Mt at 310 g/t Ag, 8.2% Pb and 7.1% Zn[2].

Tierra Blanca is a drill-ready project close to infrastructure and several processing plants. Sampling in an exploration drive has revealed high-grade zinc mineralisation outcropping to surface, with structural interpretation suggesting potential for high-grade silver at deeper levels[3].

Jadar announced in February 2021 that is has signed a sale and purchase agreement with Jervois Mining Limited for the purchase of the Khartoum Tin, Silver and Tungsten tenement portfolio. Due diligence has been completed on the Khartoum Tin-Silver-Tungsten Project in North Queensland Australia and is now moving towards final settlement of the sale and purchase agreement[4]. Once final settlement has been completed Jadar is planning to complete a sampling and mapping program to refine the most prospective drill targets with the aim to complete a drilling program in 2021[5].

The Company also holds a number of lithium assets located within Austria adding additional diversification to the asset portfolio. The Company's Weinebene Project in Austria surrounds European Lithium Limited's Wolfsberg lithium deposit with 11MT @ 1.0%Li2O[6].

[1] ASX Announcement 2 Jan 2020 - Acquisition of Yanamina Gold Project Completed, &
ASX Announcement 10 Feb 2020 Maiden JORC 2012 Resource of 265,987ozs Gold and 934,528ozs Silver at Yanamina
[2] Ryana Silver Presentation - https://reynasilver.com/presentations/GuiguiProject.pdf
[3] ASX Announcement 17 Nov 2020 - Jadar Portfolio Grows with Acquisition of Tierra Blanca Project in Prolific Mining District
[4] ASX Announcement 9 February 2021- Acquisition of Khartoum Tin-Silver-Tungsten Project in North Queensland Australia
[5] ASX Announcement 30 March 2021- Due Diligence Completed and Moving Towards Settlement of Khartoum Tin-Silver-Tungsten Project
[6] ASX Announcement 17 Nov 2020 – First Exploratory Drill Hole Underway at Weinebene Project, Austria

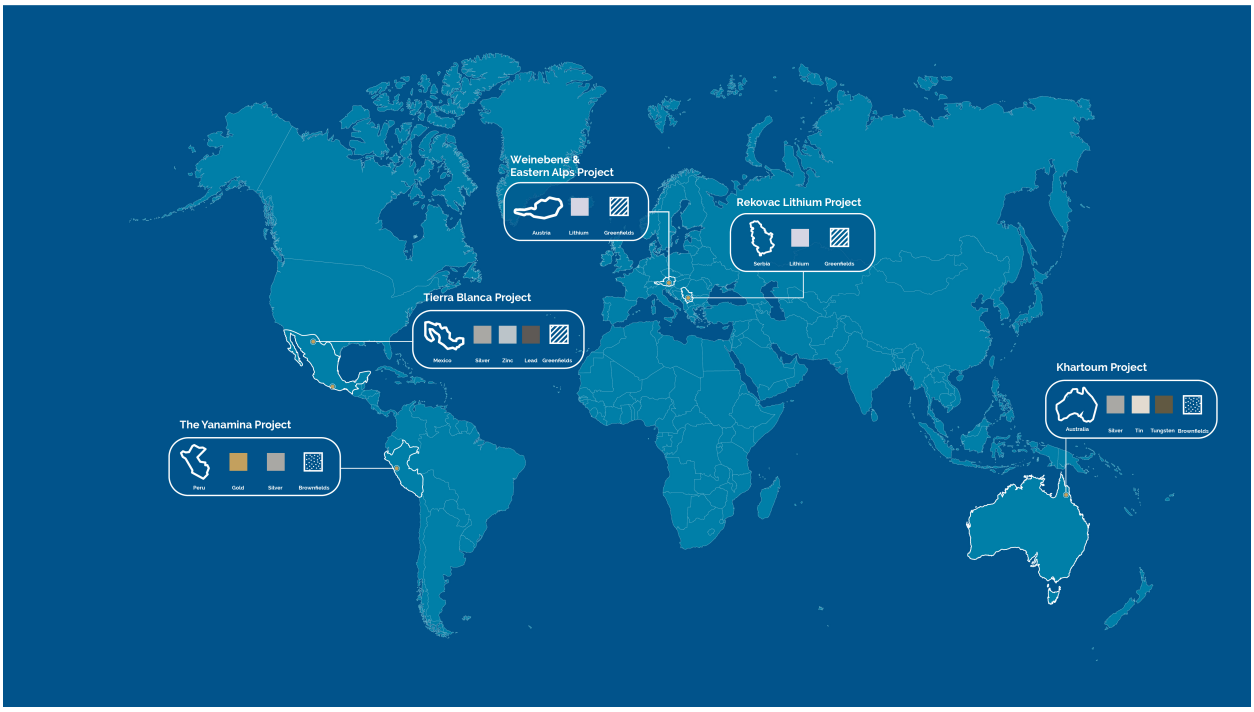

Figure 1 – Jadar Asset Portfolio

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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"). 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 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.