

ASX RELEASE: 17 February 2021

Definitive Agreement for \$10,000,000 Financing Facility Executed

Jadar Resources Limited (ASX:JDR) (“**Jadar**”, the “**Company**”) refers to its announcement dated 15 October 2020¹ and confirms that it has executed a definitive Standby Placement Agreement (**SPA**) with Mint Capital Advsiors Ltd (**Mint**) for a financing facility of up to \$10 million over a two year term (**Facility**).

The Company’s entry into the Facility is part of the Company’s broader growth strategy. The equity funding provided by Mint, which Jadar can access on a discretionary basis as and when it is required, will be used to continue exploration activities over the Company’s existing projects, specifically further exploratory drilling at the Company’s Peru and Mexico projects.

The discretionary nature of the Facility will allow the Company to access funds only when they are needed and provide additional optionality. Whilst Jadar may not require the full \$10m over the next two years, having the Facility provides flexibility for the Company to capitalize on its opportunities and progress assets, as required.

Adrian Paul, Executive Director commented

“We are delighted to have finalised the definitive agreement with Mint. This equity capital source of funding provides the Company with an entirely new funding option that delivers great flexibility and strengthens our financial position in what is currently a transformational period for Jadar.”

Facility Key Terms

The key terms of the Facility are summarised below:

- Jadar may elect at its sole discretion to drawdown funds in consideration for the issue of shares to Mint in accordance with the terms of the Facility.
- Any shares issued to Mint following a request for drawdown made by Jadar will be issued at a price per share equal to 90% of the average of the 15 trading day daily VWAP of Jadar’s shares as published by Bloomberg for the 15 trading days following the date of issue of Jadar’s drawdown notification.
- The number of shares to be issued to Mint will be that number of shares equal to 5 times the average daily traded volume of shares on ASX for the 15 trading days following the date of issue of Jadar’s drawdown notification to the total value of the drawdown requested by Jadar.
- Jadar may drawdown up to \$300,000 per month (Maximum Drawdown) (or such larger amounts as agreed by the parties).
- Jadar will only be able to drawdown funds if the issue price that is calculated on notification of the drawdown is above a floor price of \$0.04 per share. No notification of a drawdown is able to occur if 90% of the average of the 15 daily VWAPs for the actual trading days immediately prior to the drawdown notice, is below \$0.04 per share. However, if the actual issuance price calculated according to the terms

¹ ASX Announcement 15 Oct 2020 - \$10M Finance Facility Secured <https://wcsecure.weblink.com.au/pdf/JDR/02294185.pdf>

of the Facility is less than the floor price, the drawdown will still proceed unless both parties agree otherwise.

- Mint shall not be entitled to own more than 9.99% of the shares in Jadar, either pursuant to the terms of the Facility or via one or more on-market acquisitions, at any given time. If Mint's shareholding was to increase above 9.99%, then Mint would need to use its reasonable endeavours to sell down part of its shareholding to ensure compliance with the terms of the Facility or a respective drawdown would be reduced accordingly.
- All issuances of shares under the Facility are subject to compliance with the Corporations Act 2001 and the ASX Listing Rules. Drawdowns will be undertaken in reliance on Listing Rules 7.1 or 7.1A – if the Company does not have sufficient placement capacity under Listing Rule 7.1, then it will not undertake a drawdown and no shares will be issued until such time as the Company has capacity to do so

As the Facility prescribes the issue price and mechanism for calculating the number of shares to be issued in the event of a drawdown, the Company will not be able to include an exact figure that it intends to raise in any drawdown notice provided to Mint – the final amount of funding received will be a function of the share price and trading volumes over the relevant calculation period, subject always to the \$300,000 monthly cap, \$10m limit and compliance with the ASX Listing Rules and the Corporations Act 2001.

Jadar has agreed to pay Mint a 3% fee on the total funding limit (i.e. \$10m). The fee will be paid by the issue of 7.5 million shares at an issue price of \$0.04 per share, with half of the shares to be issued upon execution of the definitive agreement and the remaining half to be issued prior to the first drawdown or 6 months, whichever is earlier. The 7.5 million shares will be issued in accordance with Listing Rule 7.1.

Please refer to the Company's announcement of 15 October 2020 for additional information and a worked example of how a drawdown will work².

ENDS

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

² ASX Announcement 15 Oct 2020 - \$10M Finance Facility Secured <https://wcsecure.weblink.com.au/pdf/JDR/02294185.pdf>

About Jadar Resources Limited

Jadar Resources Limited (ASX:JDR) has acquired a strategically diversified asset portfolio, across Gold/Silver and Lithium/Borate, with projects at varying stage of exploration, across Peru, Mexico, Serbia and Austria. Jadar 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 potential³.

On 17th November 2020, Jadar announced the acquisition of an option to purchase 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% Zn⁴.

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 levels⁵.

The Company bolstered its Latin America portfolio further in December 2020 with the signing of an option agreement to acquire the la Fortuna gold-copper project in Guerrero, Mexico⁶. The project is located in the prolific Guerrero Gold belt, which hosts several multi-million-ounce gold projects.

Significant exploration activity undertaken by previous owners at la Fortuna which has provided a number of potential near-term target for drilling following exercise of the purchase option.

The Company also holds a number of lithium and boron assets located within Serbia and Austria adding additional diversification to the asset portfolio. Drilling is currently underway at the Weinebene Project in Austria which surrounds European Lithium Limited's Wolfsberg lithium deposit.

Forward Looking Statements

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.

³ ASX Announcement 2 Jan 2020 - Acquisition of Yanamina Gold Project Completed, & ASX Announcement 10 Jan 2020 Maiden JORC 2012 Resource of 265,987ozs Gold and 934,528ozs Silver at Yanamina

⁴ Ryana Silver Presentation - <https://reynasilver.com/presentations/GuiguiProject.pdf>

⁵ ASX Announcement 17 Nov 2020 - Jadar Portfolio Grows with Acquisition of Tierra Blanca Project in Prolific Mining District

⁶ ASX Announcement 10 Dec 2020 - Acquisition of La Fortuna Project Strengthens Portfolio
<https://wsecure.weblink.com.au/pdf/JDR/02320560.pdf>

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