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11 July 2018

Ms Jessica Coupe  
Adviser, Listings Compliance  
Level 40, Central Park  
152-158 St Georges Tce  
Perth WA 6000

Via email: [jessica.coupe@asx.com.au](mailto:jessica.coupe@asx.com.au)

## RESPONSE TO ASX AWARE QUERY LETTER

We refer to your letter dated 9 July 2018 ("ASX Aware Letter") in relation to Jadar Lithium Limited's (ASX: JDR) ("the Company") announcement entitled "Preliminary Sampling on Cer Project Defines Anomalous Zones" released on the ASX Market Announcements Platform on 6 July 2018 ("Announcement"). Unless defined below, terms defined in the ASX Aware Letter have the same meaning in this letter.

The Company responds to each of your queries as follows:

### 1. When did the Company first become aware of the Relevant Information?

On 24 June 2018, a Company director emailed the external geological consultant to follow up on the status of the return of the preliminary sampling results. The external consultant advised that the initial results had been received and in accordance with standard industry practice, they were subject to review, analysis, quality assurance / quality control (QAQC) and interpretation, and requested that the Company engage with a Geochemist to carry out work on the multi element analysis, which was approved. Following receipt of the final Geochemistry feedback on 3 July 2018, the technical team held a meeting to form a final interpretation decision on the results received. The Company then proceeded promptly to prepare the necessary announcement for release to the market and obtain the necessary competent person and director approvals which culminated in the announcements submission to the ASX announcement platform on the evening of 5 July 2018.

We note that at its request, following receipt of a price query from the ASX, the Company's securities were placed into a trading halt the morning of 3 July 2018.

### 2. Does the Company consider the Relevant Information to be information that a reasonable person would expect to have a material effect on the price or value of its securities?

No.

**3. If the answer to question 2 is “no”, please advise the basis for that view.**

Over the past couple of months, the Company has announced updates regarding its preliminary sampling program, and in particular the completion of its maiden field program at Cer (refer announcements 5 April 2018 and 8 June 2018). The Company also announced in its March 2018 Quarterly Report, the existence of outcropping pegmatite at Cer (refer announcement 30 April 2018).

The Company is in the very early stages of exploring its Serbian greenfields project areas which will require extensive phases of exploration and interpretation. In the Announcement, the Company reported that although no economic lithium grades were returned from the current rock chip samples, there were only minimal samples taken from the target area due to lack of visible outcrops from heavy vegetation and soil cover in the area. Given the Lithium anomalism identified by this recent work, additional prospecting and sampling is justified.

Additionally, per the Company's announcements on 8 June 2018 and 6 July 2018, the objective of the maiden sampling and recognisance program was to determine anomalous areas that will be the focus of a follow up program. As such, given the early nature of the exploration program, and as noted in the Company's price query response, the Company does not anticipate any material outcomes until further exploration activities are undertaken.

Further, we note the change in the price of the Company's securities from a closing price of \$0.017 on 2 July 2018, to \$0.015 on the day that the Relevant Information was announced. Prior to the price increase noted in ASX's price query, the Company's shares were trading at \$0.013.

**4. When did the Company first become aware of the Relevant Information? In answering this question, please detail the date and time that the Company first became aware of the Relevant Information.**

Please refer to response to question 1 above.

**5. If the Company first became aware of the Relevant Information before the Announcement was lodged on the Platform did the Company make any announcement prior to the Relevant Date which disclosed the information? If so, please provide details. If not, please explain why the Relevant Information was not released to the market at an earlier time, commenting specifically on when you believe the Company was obliged to release the Relevant Information under Listing Rules 3.1 and 3.1A and what steps the Company took to ensure that the Relevant Information was released promptly and without delay.**

As referred to in question 1 above, the Company acted promptly in accordance with standard industry practice for exploration results to clarify, understand and confirm the results received, but the information was not sufficiently definite to allow the Company to release an announcement prior to the Relevant Date. In any event, the Company did not at any time consider the Relevant Information to be material in the context of the early stage of the Company's exploration activities (soil sampling and mapping) and the objective of determining anomalous areas that will be the focus of a follow up program.

See the response in questions 1 and 3 above in relation to prior announcements.

**6. Please confirm that the Company is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.**

The Company confirms it is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

7. **Please confirm that the Company's responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of the Company with delegated authority from the board to respond to ASX on disclosure matters.**

The Company confirms that the responses provided in this letter have been authorised and approved by the Board.

Yours faithfully

Louisa Martino  
Company Secretary  
**Jadar Lithium Limited**



9 July 2018

**Ms Louisa Martino**

Company Secretary  
Jadar Lithium Limited  
PO Box 8282  
Subiaco East WA 6008

By email:

Dear Ms Martino

**Jadar Lithium Limited (the “Company”) aware query**

ASX Limited (“ASX”) refers to the following:

- A. The ASX price query letter sent to the Company on 2 July 2018 (“Relevant Date”), which stated:
- We note the change in the price of the Company’s securities from a low of \$0.014 to a high of \$0.018 today. We also note the significant increase in the volume of the Company’s securities traded today.*
- B. The announcement released on the ASX Market Announcements Platform (“MAP”) at 09:41 am on 6 July 2018 entitled “Preliminary Sampling on Cer Project Defines Anomalous Zones” (“Announcement”), disclosing the results of the Company’s stream sediment survey (“Relevant Information”).
- C. The Company’s announcement entitled “Response to ASX Price Query” released on MAP at 09:41 am on 6 July 2018 disclosing, amongst other things, that the Company has completed its Phase 1 reconnaissance and mapping program on all five of its projects in Serbia;
- D. Listing Rule 3.1, which requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity’s securities.
- E. The definition of “aware” in Chapter 19 of the Listing Rules, which states that:
- “an entity becomes aware of information if, and as soon as, an officer of the entity (or, in the case of a trust, an officer of the responsible entity) has, or ought reasonably to have, come into possession of the information in the course of the performance of their duties as an officer of that entity”*
- and section 4.4 in Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B “When does an entity become aware of information”*.
- F. Listing Rule 3.1A, which sets out exceptions from the requirement to make immediate disclosure, provided that each of the following are satisfied.
- “3.1A Listing rule 3.1 does not apply to particular information while each of the following is satisfied in relation to the information:*
- 3.1A.1 One or more of the following applies:*
- *It would be a breach of a law to disclose the information;*
  - *The information concerns an incomplete proposal or negotiation;*

- *The information comprises matters of supposition or is insufficiently definite to warrant disclosure;*
- *The information is generated for the internal management purposes of the entity; or*
- *The information is a trade secret; and*

3.1A.2 *The information is confidential and ASX has not formed the view that the information has ceased to be confidential; and*

3.1A.3 *A reasonable person would not expect the information to be disclosed.”*

- G. ASX’s policy position on the concept of “*confidentiality*”, which is detailed in section 5.8 of Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. In particular, the Guidance Note states that:

*“Whether information has the quality of being confidential is a question of fact, not one of the intention or desire of the listed entity. Accordingly, even though an entity may consider information to be confidential and its disclosure to be a breach of confidence, if it is in fact disclosed by those who know it, then it ceases to be confidential information for the purposes of this rule.”*

Having regard to the above, ASX asks the Company to respond separately to each of the following questions and requests for information:

1. When did the Company first become aware of the Relevant Information?
2. Does the Company consider the Relevant Information to be information that a reasonable person would expect to have a material effect on the price or value of its securities?
3. If the answer to question 2 is “no”, please advise the basis for that view.
4. When did the Company first become aware of the Relevant Information? In answering this question, please detail the date and time that the Company first became aware of the Relevant Information.
5. If the Company first became aware of the Relevant Information before the Announcement was lodged on the Platform did the Company make any announcement prior to the Relevant Date which disclosed the information? If so, please provide details. If not, please explain why the Relevant Information was not released to the market at an earlier time, commenting specifically on when you believe the Company was obliged to release the Relevant Information under Listing Rules 3.1 and 3.1A and what steps the Company took to ensure that the Relevant Information was released promptly and without delay.
6. Please confirm that the Company is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.
7. Please confirm that the Company’s responses to the questions above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of the Company with delegated authority from the board to respond to ASX on disclosure matters.

#### **When and where to send your response**

This request is made under, and in accordance with, Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later than **half an hour before the start of trading (i.e. before 7.30 a.m. WST) on Thursday 12 July 2018**.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at [tradinghaltsp Perth@asx.com.au](mailto:tradinghaltsp Perth@asx.com.au). It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

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### **Listing Rules 3.1 and 3.1A**

In responding to this letter, you should have regard to the Company's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

It should be noted that the Company's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, providing the information requested in this letter.

Further, if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, the Company's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in this letter and may require the Company to request a trading halt immediately.

If you wish to request a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We will require the request for the trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

### **Suspension**

If you do not respond to this letter by the deadline set out above or if ASX does not consider your response to be satisfactory, ASX is likely to suspend trading in the Company's securities under Listing Rule 17.3.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

*[Sent electronically without signature]*

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**Jessica Coupe**

Listings Adviser, Listings Compliance (Perth)