
JADAR LITHIUM LIMITED

ACN 009 144 503

NOTICE OF ANNUAL GENERAL MEETING

TIME: 11:00 am (WST)

DATE: Friday, 23 November 2018

PLACE: Indian Ocean Group
311-313 Hay Street
Subiaco WA 6008

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on +61 2 8823 3179.

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IMPORTANT INFORMATION

Time and place of Meeting

Notice is given that the Meeting will be held at 11.00am (WST) on Friday, 23 November 2018 at:

Indian Ocean Group
311-313 Hay Street
Subiaco WA 6008

Your vote is important

The business of the Meeting affects your shareholding and your vote is important.

Voting eligibility

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 4.00pm (AEDT) on 21 November 2018.

Voting in person

To vote in person, attend the Meeting at the time, date and place set out above.

Voting by proxy

To vote by proxy, please complete and sign the enclosed Proxy Form and return by the time and in accordance with the instructions set out on the Proxy Form.

In accordance with section 249L of the Corporations Act, Shareholders are advised that:

- each Shareholder has a right to appoint a proxy;
- the proxy need not be a Shareholder of the Company; and
- a Shareholder who is entitled to cast 2 or more votes may appoint 2 proxies and may specify the proportion or number of votes each proxy is appointed to exercise. If the member appoints 2 proxies and the appointment does not specify the proportion or number of the member's votes, then in accordance with section 249X(3) of the Corporations Act, each proxy may exercise one-half of the votes.

Shareholders and their proxies should be aware that changes to the Corporations Act made in 2011 mean that:

- if proxy holders vote, they must cast all directed proxies as directed; and
 - any directed proxies which are not voted will automatically default to the Chair, who must vote the proxies as directed.
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BUSINESS OF THE MEETING

AGENDA

1. ORDINARY BUSINESS

Financial Statements and Reports

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2018 together with the declaration of the Directors, the Directors' Report, the Remuneration Report and the Auditor's Reports.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

"That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2018."

Note: the vote on this Resolution is advisory only and does not bind the Directors or the Company.

Voting Prohibition Statement:

A vote on this Resolution must not be cast (in any capacity) by or on behalf of either of the following persons:

- (a) a member of the Key Management Personnel, details of whose remuneration are included in the Remuneration Report; or
- (b) a Closely Related Party of such a member.

However, a person (the **voter**) described above may cast a vote on this Resolution as a proxy if the vote is not cast on behalf of a person described above and either:

- (a) the voter is appointed as a proxy by writing that specifies the way the proxy is to vote on this Resolution; or
- (b) the voter is the Chair and the appointment of the Chair as proxy:
 - (i) does not specify the way the proxy is to vote on this Resolution; and
 - (ii) expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR LUKE MARTINO

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, for the purpose of clauses 10.3(d) and 10.3(e) of the Constitution, and for all other purposes, Mr Luke Martino, a Director, retires by rotation, and being eligible, is re-elected as a Director."

4. RESOLUTION 3 – ELECTION OF DIRECTOR – MR MICHAEL DAVY

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of clause 10.3(j) of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Mr Michael Davy, a Director who was appointed casually on 15 February 2018, retires, and being eligible, is elected as a Director.”

5. RESOLUTION 4 – ELECTION OF DIRECTOR – MR MARTIN PAWLITSCHKE

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of clause 10.3(j) of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Mr Martin Pawlitschke, a Director who was appointed casually on 15 February 2018, retires, and being eligible, is elected as a Director.”

6. RESOLUTION 5 – ELECTION OF DIRECTOR – MR STEFAN MÜLLER

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of clause 10.3(j) of the Constitution, ASX Listing Rule 14.4 and for all other purposes, Mr Stefan Müller, a Director who was appointed casually on 24 July 2018, retires, and being eligible, is elected as a Director.”

7. RESOLUTION 6 – APPROVAL OF 10% PLACEMENT CAPACITY

To consider and, if thought fit, to pass the following resolution as a **special resolution**:

“That, for the purposes of Listing Rule 7.1A and for all other purposes, approval is given for the issue of Equity Securities totaling up to 10% of the issued capital of the Company at the time of issue, calculated in accordance with the formula prescribed in Listing Rule 7.1A.2 and on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who is expected to participate in or who will obtain a material benefit as a result of, the proposed issue (except a benefit solely by reason of being a holder of ordinary securities in the Company) or an associate of that person (or those persons). However, the Company will not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

8. RESOLUTION 7 – RATIFICATION OF PRIOR ISSUE OF SHARES UNDER PLACEMENT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, Shareholders ratify the issue of 5,050,000 Shares at an issue price of \$0.02, on terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who participated in the issue or any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the Proxy Form to vote as the proxy decides.

9. RESOLUTION 8 – ISSUE OF OPTIONS TO RELATED PARTY - MR STEFAN MÜLLER

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of ASX Listing Rule 10.11 and for all other purposes, approval is given for the Company to issue 5,000,000 Options to Mr Stefan Müller (or his nominee) on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion Statement: The Company will disregard any votes cast in favour of the Resolution by or on behalf of Mr Stefan Müller (or his nominee) or any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Voting Prohibition Statement:

A person appointed as a proxy must not vote, on the basis of that appointment, on this Resolution if:

- (a) the proxy is either:
 - (i) a member of the Key Management Personnel; or
 - (ii) a Closely Related Party of such a member; and
- (b) the appointment does not specify the way the proxy is to vote on this Resolution.

However, the above prohibition does not apply if:

- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

10. RESOLUTION 9 – ISSUE OF SHARES TO VENDOR PURSUANT TO ACQUISITION

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

'That for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 90,090,091 fully paid ordinary shares in the Company to the Vendor (or its nominee), on the terms and conditions set out in the Explanatory Statement.'

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of the Vendor (or its nominee) or any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the Proxy Form to vote as the proxy decides.

11. RESOLUTION 10– ISSUE OF OPTIONS TO VENDOR PURSUANT TO ACQUISITION

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

'That for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of 25,000,000 options in the Company to the Vendor (or its nominee), on the terms and conditions set out in the Explanatory Statement.'

Voting Exclusion: The Company will disregard any votes cast in favour of the Resolution by or on behalf of the Vendor (or its nominee) or any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the Proxy Form to vote as the proxy decides.

12. RESOLUTION 11 – ELECTION OF PROPOSED DIRECTOR – MR STEVEN DELLIDIS

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That, subject to and conditional upon the passing of Resolutions 9 and 10 and Completion occurring, for the purpose of clause 10.2(c) of the Constitution, and for all other purposes, Mr Steven Dellidis, being eligible and having consented to act, be appointed as a Director on and from Completion."

Dated: 16 October 2018
By Order of the Board



Louisa Martino
Company Secretary

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions which are the subject of the business of the Meeting.

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2018 together with the declaration of the Directors, the Directors' Report, the Remuneration Report and the Auditor's Reports.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report is available on its website (www.jadarlithium.com.au).

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

2.1 General

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the company or the directors of the company.

The remuneration report sets out the Company's remuneration arrangements for the directors and senior management of the Company. The remuneration report is part of the directors' report contained in the annual financial report of the Company for a financial year.

The chair of the meeting must allow a reasonable opportunity for its shareholders to ask questions about or make comments on the remuneration report at the annual general meeting.

2.2 Voting consequences

Under changes to the Corporations Act which came into effect on 1 July 2011, a company is required to put to its shareholders a resolution proposing the calling of another meeting of shareholders to consider the appointment of directors of the company (**Spill Resolution**) if, at consecutive annual general meetings, at least 25% of the votes cast on a remuneration report resolution are voted against adoption of the remuneration report and at the first of those annual general meetings a Spill Resolution was not put to vote. If required, the Spill Resolution must be put to vote at the second of those annual general meetings.

If more than 50% of votes cast are in favour of the Spill Resolution, the Company must convene a shareholder meeting (**Spill Meeting**) within 90 days of the second annual general meeting.

All of the Directors of the Company who were in office when the directors' report (as included in the company's annual financial report for the most recent financial year) was approved, other than the Managing Director of the Company, will cease to hold office immediately before the end of the Spill Meeting but may stand for re-election at the Spill Meeting.

Following the Spill Meeting those persons whose election or re-election as directors of the company is approved will be the directors of the company.

2.3 Previous voting results

At the Company's previous annual general meeting the votes cast against the remuneration report considered at that annual general meeting were less than 25%. Accordingly, the Spill Resolution is not relevant for this Annual General Meeting.

3. RESOLUTIONS 2 – RE-ELECTION OF DIRECTOR – MR LUKE MARTINO

3.1 General

The Constitution sets out the requirements for determining which Directors are to retire by rotation at an annual general meeting.

Mr Luke Martino, who has served as a director since 22 December 2017 and was elected on 6 October 2017, retires by rotation and seeks re-election.

3.2 Qualifications and other material directorships

Mr Martino is a Fellow of the Institute of Chartered Accountant Australia and New Zealand and a member of the Institute of Company Directors.

His area of expertise includes corporate finance and business growth consulting advice to the mining and resources sector and a wide range of other industries. Mr Martino was a Director of Pan Asia Corporation Ltd and is a Non-Executive Director of Skin Elements Limited

Qualifications: BCom, FCA, FAICD

Special Responsibilities: Member of Audit & Risk Committee and Nominations & Remuneration Committee.

Directorships held in other listed entities: Skin Elements Limited (current) and Pan Asia Corporation Limited (resigned 9 June 2017).

If elected, the Board does not consider that Mr Martino will be an independent Director.

3.3 Director's Recommendation

The Board of Directors (other than Mr Luke Martino) supports the re-election of Mr Luke Martino and recommends that Shareholders vote in favour of Resolution 2.

4. RESOLUTIONS 3 TO 5 – ELECTION OF DIRECTORS

4.1 General

The Constitution allows the Directors to appoint at any time a person to be a Director either to fill a casual vacancy or as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Pursuant to the Constitution and ASX Listing Rule 14.4, any Director so appointed holds office only until the next following annual general meeting and is then

eligible for election by Shareholders but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Mr Michael Davy and Mr Martin Pawlitschek, having been appointed by other Directors on 15 February 2018 in accordance with the Constitution, will each retire in accordance with the Constitution and ASX Listing Rule 14.4 and being eligible, seek election from Shareholders pursuant to Resolutions 3 and 4 (respectively).

Mr Stefan Müller, having been appointed by other Directors on 24 July 2018 in accordance with the Constitution, will retire in accordance with the Constitution and ASX Listing Rule 14.4 and being eligible, seek election from Shareholders pursuant to Resolution 5.

4.2 Election of Director – Michael Davy

Mr Davy is an Accountant with over 15 years' experience. His experience is broad having worked in oil and gas, resources, property, food distribution, Restaurants and startup technology companies. Mr Davy is also a director and owner of a number of successful private companies. During the past five years Mr Davy has held directorships in three other ASX listed companies.

Qualifications: BCom, FCA, FAICD

Special Responsibilities: Member of Audit & Risk Committee

Directorships held in other listed entities: Aus Asia Minerals Limited (current), Raiden Resources Limited (current) and Dotz Nano Limited (resigned 31 October 2016)

If elected, the Board considers that Mr Davy will be an independent Director.

4.3 Election of Director – Martin Pawlitschek

Mr Pawlitschek currently serves as Senior Vice President of Geology for a mining focused Private Equity fund. Mr Pawlitschek is based in Europe and is responsible for undertaking technical due diligence on mining projects, principally from a geology and resource risk perspective, but also to evaluate exploration upside. He has taken part in over forty detailed due diligence reviews and site visits over the last three years and was a key member in the selection of the funds projects to date.

Mr Pawlitschek has over 20 years of experience primarily in exploration and resource drilling with some exposure to underground and open pit mines. During his 11-year tenure with BHP Billiton, he oversaw numerous exploration programs in Australia, Laos and several countries in Southern and Central Africa. Later in his career with BHP he was responsible for the technical aspects setting up several new business opportunities in the diamond sector in Botswana, South Africa, Angola and DRC. The Angolan projects resulted in the discovery of several large, diamond-bearing kimberlites.

Qualifications: M Science, B. Science - Applied Geology (Honours), Dip. Applied Chemistry

Directorships held in other listed entities: Raiden Resources Limited (current).

If elected, the Board considers that Mr Pawlitschek will be an independent Director.

4.4 Election of Director – Stefan Müller

Mr Müller has extensive financial markets and investment banking knowledge and experience built over his 25 year career. Mr Müller is CEO and founder of DGWA Deutsche Gesellschaft für Wertpapieranalyse GmbH ('DGWA'), a boutique European Investment and financial markets consulting firm for national and international SME's based in Frankfurt Germany.

Mr Müller graduated as banker and began his career at Dresdner Bank AG as senior vice president of global equity trading. He held senior positions with Equinet AG, Bankhaus Sal Oppenheim (largest European private bank at that time) as Head of global propriety trading and managing partner at Proprietary Partners AG, a Swiss based hedge fund advisory company.

Qualifications: Executive Program, INSEAD

Directorships held in other listed entities: European Lithium Limited (current), Cape Lambert Limited (current)

If elected, the Board does not consider that Mr Müller will be an independent Director.

4.5 Director's Recommendation

The Board of Directors (other than Mr Michael Davy) supports the election of Mr Michael Davy and recommends that Shareholders vote in favour of Resolution 3.

The Board of Directors (other than Mr Martin Pawlitschek) supports the election of Mr Martin Pawlitschek and recommends that Shareholders vote in favour of Resolution 4.

The Board of Directors (other than Mr Stefan Müller) supports the election of Mr Stefan Müller and recommends that Shareholders vote in favour of Resolution 5.

5. RESOLUTION 6 – APPROVAL OF 10% PLACEMENT CAPACITY

5.1 General

ASX Listing Rule 7.1A provides that an Eligible Entity may seek Shareholder approval at its annual general meeting to allow it to issue Equity Securities up to 10% of its issued capital (**10% Placement Capacity**) without using that company's existing 15% annual placement capacity granted under ASX Listing Rule 7.1.

An Eligible Entity is one that, as at the date of the relevant annual general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

As at the date of this Notice, the Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$5,453,427 (based on the number of Shares on issue and the closing price of Shares on the ASX on 4 October 2018).

An Equity Security is a share, a unit in a trust, a right to a share or unit in a trust or option, an option over an issued or unissued security, a convertible security, or, any security that ASX decides to classify as an equity security.

Any Equity Securities issued under the 10% Placement Capacity must be in the same class as an existing class of quoted Equity Securities.

As at the date of this Notice, the Company currently has one (1) class of quoted Equity Securities on issue, being Shares (ASX Code: JDR) and two (2) classes of unquoted Equity Securities on issue, being Unquoted Options.

The exact number of Equity Securities that the Company may issue under an approval under Listing Rule 7.1A will be calculated according to the following formula:

$$(A \times D) - E$$

Where:

- A** is the number of Shares on issue 12 months before the date of issue or agreement:
- (i) plus the number of Shares issued in the previous 12 months under an exception in ASX Listing Rule 7.2;
 - (ii) plus the number of partly paid shares that became fully paid in the previous 12 months;
 - (iii) plus the number of Shares issued in the previous 12 months with approval of holders of Shares under Listing Rules 7.1 and 7.4. This does not include an issue of fully paid ordinary shares under the entity's 15% placement capacity without shareholder approval; and
 - (iv) less the number of Shares cancelled in the previous 12 months.
- D** is 10%.
- E** is the number of Equity Securities issued or agreed to be issued under ASX Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of holders of Ordinary Securities under ASX Listing Rule 7.1 or 7.4.

Resolution 6 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 6 for it to be passed.

5.2 Technical information required by ASX Listing Rule 7.1A

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 6:

(a) Minimum Price

The minimum price at which the Equity Securities may be issued is 75% of the volume weighted average price of Equity Securities in that class, calculated over the 15 ASX trading days on which trades in that class were recorded immediately before:

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 ASX trading days of the date in section 5.2(a)(i), the date on which the Equity Securities are issued.

(b) Date of Issue

The Equity Securities may be issued under the 10% Placement Capacity commencing on the date of the Meeting and expiring on the first to occur of the following:

- (i) 12 months after the date of this Meeting; and
- (ii) the date of approval by Shareholders of any transaction under ASX Listing Rules 11.1.2 (a significant change to the nature or scale of the Company's activities) or 11.2 (disposal of the Company's main undertaking) (after which date, an approval under Listing Rule 7.1A ceases to be valid),

(10% Placement Capacity Period).

(c) Risk of voting dilution

Any issue of Equity Securities under the 10% Placement Capacity will dilute the interests of Shareholders who do not receive any Shares under the issue.

If Resolution 6 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

The table below shows the dilution of existing Shareholders calculated in accordance with the formula outlined in ASX Listing Rule 7.1A(2), on the basis of the current market price of Shares and the current number of Equity Securities on issue as at the date of this Notice.

The table also shows the voting dilution impact where the number of Shares on issue (Variable A in the formula) changes and the economic dilution where there are changes in the issue price of Shares issued under the 10% Placement Capacity.

Number of Shares on Issue (Variable 'A' in ASX Listing Rule 7.1A2)	Dilution			
	Issue Price (per Share)	0.007 50% decrease in Issue Price	0.014 Issue Price	0.021 50% increase in Issue Price
389,530,536 (Current Variable A)	Shares issued - 10% voting dilution	38,953,054 Shares	38,953,054 Shares	38,953,054 Shares
	Funds raised	\$272,671	\$545,343	\$818,014
584,295,804 (50% increase in Variable A)	Shares issued - 10% voting dilution	58,429,580 Shares	58,429,580 Shares	58,429,580 Shares
	Funds raised	\$409,007	\$818,014	\$1,227,021
779,061,072 (100% increase in Variable A)	Shares issued - 10% voting dilution	77,906,107 Shares	77,906,107 Shares	77,906,107 Shares
	Funds raised	\$545,343	\$1,090,686	\$1,636,028

*The number of Shares on issue (Variable A in the formula) could increase as a result of the issue of Shares that do not require Shareholder approval (such as under a pro-rata rights issue or scrip issued under a takeover offer) or that are issued with Shareholder approval under Listing Rule 7.1.

The table above uses the following assumptions:

1. There are currently a total of 389,530,536 Shares on issue as at the date of this Notice of Meeting.
2. The issue price set out above is the closing price of the Shares on the ASX on 4 October 2018.
3. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
5. The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities.
6. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
7. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
8. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
9. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

- (i) the market price for the Company's Shares may be significantly lower on the issue date than on the date of the Meeting; and
- (ii) the Shares may be issued at a price that is at a discount to the market price for those Shares on the date of issue.

(d) **Purpose of Issue under 10% Placement Capacity**

The Company may issue Equity Securities under the 10% Placement Capacity for the following purposes:

- (i) as cash consideration in which case the Company intends to use funds raised for the acquisition of new resources, assets and investments (including expenses associated with such an acquisition), continued exploration expenditure on the Company's current assets, ongoing project administration and for general working capital; or
- (ii) as non-cash consideration for the acquisition of new resources, assets and investments and in such circumstances the Company will provide a valuation of the non-cash consideration as required by listing Rule 7.1A.3.

The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any Equity Securities.

(e) **Allocation policy under the 10% Placement Capacity**

The Company's allocation policy for the issue of Equity Securities under the 10% Placement Capacity will be dependent on the prevailing market conditions at the time of the proposed placement(s).

The recipients of the Equity Securities to be issued under the 10% Placement Capacity have not yet been determined. However, the recipients of Equity Securities could consist of current Shareholders or new investors (or both), none of whom will be related parties of the Company.

The Company will determine the recipients at the time of the issue under the 10% Placement Capacity, having regard to the following factors:

- (i) the purpose of the issue;
- (ii) alternative methods for raising funds available to the Company at that time, including, but not limited to, an entitlement issue or other offer where existing Shareholders may participate;
- (iii) the effect of the issue of the Equity Securities on the control of the Company;
- (iv) the circumstances of the Company, including, but not limited to, the financial position and solvency of the Company;
- (v) prevailing market conditions; and
- (vi) advice from corporate, financial and broking advisers (if applicable).

Further, if the Company is successful in acquiring new resources, assets or investments, it is likely that the recipients under the 10% Placement Capacity will be vendors of the new resources, assets or investments.

(f) **Previous approval under ASX Listing Rule 7.1A**

The Company did not obtain approval from its Shareholders pursuant to Listing Rule 7.1A at its annual general meeting held on 28 November 2017. However, previously obtained approval under Listing Rule 7.1A at its annual general meeting held on 28 November 2014 (**Previous Approval**).

The Company was reinstated to trading on the Official List on the ASX on 29 December 2017 following effectuation of a deed of company arrangement. As part of its reinstatement, the Company undertook a consolidation of its issued capital on a 20:1 basis. During the 12-month period preceding the date of the Meeting, the Company issued 305,050,000 Shares and 70,250,000 Options (both on a post-consolidation basis) which represents approximately 444% of the total diluted number of Equity Securities on issue in the Company 12 months prior to the Meeting, which was 84,480,280 (on a post-consolidation basis).

Further details of the issues of Equity Securities by the Company during the 12 month period preceding the date of the Meeting are set out in Schedule 1.

(g) **Compliance with ASX Listing Rules 7.1A.4 and 3.10.5A**

When the Company issues Equity Securities pursuant to the 10% Placement Capacity, it must give to ASX:

- (i) a list of the recipients of the Equity Securities and the number of Equity Securities issued to each (not for release to the market), in accordance with Listing Rule 7.1A.4; and
- (ii) the information required by Listing Rule 3.10.5A for release to the market.

5.3 Voting Exclusion

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 6.

6. RESOLUTION 7 – RATIFICATION OF PRIOR ISSUE OF SHARES

6.1 Overview

On 8 December 2017, the Company issued 101,000,000 Shares (being, 5,050,000 Shares on a post consolidation basis) at an issue price of \$0.001 per Share (being, \$0.02 per Share on a post consolidation basis) to participants under the Company's placement. The Shares were issued pursuant to the Company's capacity under Listing Rule 7.1

Resolution 7 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Shares (**Ratification**).

6.2 ASX Listing Rule 7.1

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue more equity securities during any 12-month period than that amount which represents 15% of the number of fully paid ordinary securities on issue at the commencement of that 12-month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in a general meeting ratifies a previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying the issue, the Company will retain the flexibility to issue securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

6.3 Technical information required by ASX Listing Rule 7.4

Pursuant to and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the issue:

- (a) 5,050,000 Shares were issued;
- (b) the issue price was \$0.02 per Share;
- (c) the Shares issued were fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Shares were issued to institutional and sophisticated investors participating in the Company's placement. None of these subscribers were related parties of the Company; and
- (e) the funds raised from this issue were used for working capital purposes.

7. RESOLUTION 8 – ISSUE OF OPTIONS TO RELATED PARTY – MR STEFAN MÜLLER

7.1 General

On 16 February 2018, the Company announced the appointment of Deutsche Gesellschaft für Wertpapieranalyse GmbH (**DGWA**), a boutique European investment and financial markets consulting firm based in Frankfurt, Germany. Mr Stefan Müller (a Director) is the CEO and founder of DGWA. To incentivise DGWA and as part of its appointment, the Company agreed to issue to DGWA (or its nominee), 5,000,000 Options.

Subsequently, on 24 July 2018, the Company announced the appointment of Mr Stefan Müller as non-executive Director of the Company. As part of the terms of Mr Müller's appointment, the Company agreed, subject to obtaining Shareholder approval, to issue a total of 5,000,000 Options (**Related Party Options**) to Mr Müller (or his nominee) as an incentive component of Mr Müller's remuneration. The Company and Mr Stefan Müller have agreed that these Options (being, the 5,000,000 Replated Party Options) will replace those that were to be issued to DGWA (or its nominee) as announced on 16 February 2018 (being, the subject of this Resolution).

Resolution 8 seeks Shareholder approval for the grant of the Related Party Options to Mr Müller (or his nominee).

7.2 Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The grant of Related Party Options constitutes giving a financial benefit and Mr Müller is a related party of the Company by virtue of being a Director.

The Directors (other than Mr Müller who has a material personal interest in the Resolution) consider that Shareholder approval pursuant to Chapter 2E of the Corporations Act is not required in respect of the grant of Related Party Options because the agreement to grant the Related Party Options, reached as part of the remuneration package for Mr Müller, is considered reasonable remuneration in the circumstances and was negotiated on an arm's length basis.

7.3 ASX Listing Rule 10.11

ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

As the grant of the Related Party Options involves the issue of securities to a related party of the Company, Shareholder approval pursuant to ASX Listing Rule 10.11 is required unless an exception applies. It is the view of the Directors that the exceptions set out in ASX Listing Rule 10.12 do not apply in the current circumstances.

7.4 Technical Information required by ASX Listing Rule 10.13

Pursuant to and in accordance with ASX Listing Rule 10.13, the following information is provided in relation to Resolution 8:

- (a) the Related Party Options will be granted to Mr Stefan Müller (or his nominee);
- (b) the number of Related Party Options to be issued is 5,000,000;
- (c) the Related Party Options will be granted no later than 1 month after the date of the Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Options will occur on the same date;
- (d) the Related Party Options will be issued for nil cash consideration, accordingly no funds will be raised; and

- (e) the terms and conditions of the Related Party Options are set out in Schedule 2.

Approval pursuant to ASX Listing Rule 7.1 is not required for the grant of the Related Party Options as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the grant of Related Party Options to Mr Stefan Müller (or his nominee) will not be included in the use of the Company's 15% annual placement capacity pursuant to ASX Listing Rule 7.1.

8. RESOLUTIONS 9 AND 10 – ISSUE OF SHARES AND OPTIONS PURSUANT TO ACQUISITION

8.1 General

On 2 October 2018, the Company announced that it had entered into an agreement with Exchange Minerals Limited (**Exchange** or the **Vendor**) (**Agreement**), under which the Company agreed, subject to the satisfaction of certain conditions precedent, to acquire an 80% interest in a number of exploration licences located in Austria (**Austrian Exploration Licences**) from the Vendor, with a first right of refusal over the remaining 20% interest which was to be held by Exchange, on the terms set out below (**Acquisition**).

The material terms of the Acquisition are as follows:

- (a) **Acquisition:** The Company (or its nominee) agrees to acquire, and Exchange agrees to sell, 100% of the Austrian Exploration Licences to a special purpose vehicle entity (**SPV**) for the consideration set out below. The parties will have the following interests in the SPV:
 - (i) the Company - 80%; and
 - (ii) Exchange - 20%.
- (b) **Consideration:** In consideration for the Acquisition, the Company will issue the following securities to Exchange (or its nominee):
 - (i) 90,909,091 Shares at a deemed issue price of AU\$0.022 per Share; and
 - (ii) 25,000,000 unlisted Options, exercisable at AU\$0.03 per Option on or before 31 July 2020.
- (c) **First Right of Refusal:** Subject to holding an 80% interest in the SPV, the Company is granted a first right of refusal to acquire the remaining 20% in the SPV (which holds the Austrian Exploration Licences).
- (d) **Financing Commitment:** The Company agrees to spend up to AU\$250,000 on the exploration and development of the Austrian Lithium Exploration Licences. Once the AU\$250,000 has been spent, each party is to provide funding in proportion to their then interests in the SPV (being, 80:20, provided the Company has not exercised its first right of refusal).
- (e) **Conditions Precedent:** Completion of the Acquisition is subject to the satisfaction of a number of conditions precedent, including,
 - (i) completion of due diligence on the Austrian Exploration Licences by the Company;

- (ii) the Company obtaining all necessary Shareholder or regulatory approvals required by the Corporations Act or the ASX Listing Rules in relation to the Acquisition;
- (iii) Mr Martin Pawlitchek resigning from and Mr Steve Dellidis being appointed as a Director of the Company; and
- (iv) the parties obtaining any other necessary third party consents to allow the parties to lawfully complete the Acquisition.

8.2 ASX Listing Rule 7.1

A summary of ASX Listing Rule 7.1 is set out above in Section 6.2.

8.3 Technical information required by ASX Listing Rule 7.3

The following information is required by Listing Rule 7.3, for the purpose of Shareholder approval under Listing Rule 7.1:

- (a) the maximum number of securities to be issued is 90,909,091 Shares and 25,000,000 Options;
- (b) the Shares and Options will be issued no later than 3 months after the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares and Options will occur on the same date;
- (c) the Shares and Options will be issued for nil cash consideration, in consideration for the Acquisition of the Austrian Exploration Licences in accordance with the Agreement;
- (d) the Shares and Options will be issued to the Vendor (or its nominee) in accordance with the Agreement. The Vendor (or its nominee) are not related parties of the Company;
- (e) the Shares will be fully paid ordinary shares in the capital of the Company that will rank pari passu and form one class with all other ordinary Shares of the Company;
- (f) the Options will be issued on the terms and conditions set out in Schedule 3; and
- (g) no funds will be raised from the issue as the Shares and Options are being issued in consideration for the Acquisition of the Austrian Exploration Licences.

8.4 Director's Recommendation

None of the Directors have a personal interest in the subject matter of Resolutions 9 and 10. The Board recommends that Shareholders vote in favour of Resolutions 9 and 10.

9. RESOLUTION 11 – ELECTION OF PROPOSED DIRECTOR – MR STEVEN DELLIDIS

9.1 General

As set out above in Section 8.1, as part of the Acquisition, it is proposed that Mr Martin Pawlitschek will resign and Mr Steven Dellidis will be appointed as a Director at completion.

Mr Dellidis has been involved in project management and strategic investment for over 20 years. He has significant experience in managing a number of listed companies and has assisted in the initial acquisitions of important assets bolstering company profiles. Mr Dellidis has a broad range of experience from start to end project management and is a hands-on individual who is active in the supervision of early type of project management.

Mr Dellidis currently runs a variety of businesses across a range of industries from mechanical engineering to earth moving, with an understanding of site construction and off site camp building involving environmental study impact on areas of work and setup.

His skills will reinforce the talents and diversity of the Board.

Directorships held in other listed entities: Nil

If elected, the Board considers that Mr Dellidis will be an independent Director.

9.2 Director's Recommendation

The Board of Directors support the election of Mr Dellidis and recommend that Shareholders vote in favour of Resolution 11.

GLOSSARY

\$ means Australian dollars.

10% Placement Capacity has the meaning given in section 5.1 of the Explanatory Statement.

Acquisition means the acquisition of effectively 80% of Austrian Exploration Licences from the Vendor, with a first right of refusal over the remaining 20%

AEDT means Australian Eastern Daylight Time

Annual General Meeting or **Meeting** means the meeting convened by the Notice.

ASIC means the Australian Securities & Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by ASX Limited, as the context requires.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Chair means the chair of the Meeting.

Company means Jadar Lithium Limited (ACN 009 144 503).

Completion means completion of the Acquisition, once all conditions precedent have been met.

Constitution means the Company's constitution.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the current directors of the Company.

Eligible Entity means an entity that, at the date of the relevant general meeting:

- (a) is not included in the S&P/ASX 300 Index; and
- (b) has a maximum market capitalisation (excluding restricted securities and securities quoted on a deferred settlement basis) of \$300,000,000.

Eligible Persons means sophisticated and professional investors within the meaning of sections 708 (8) and (11) of the Corporations Act, and persons to whom section 708(1) of the Corporations Act applies.

Equity Securities includes a Share, a right to a Share or Option, an Option, a convertible security and any security that ASX decides to classify as an Equity Security.

Explanatory Statement means the explanatory statement accompanying the Notice.

Notice or **Notice of Meeting** means this notice of meeting including the Explanatory Statement and the Proxy Form.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Ordinary Securities has the meaning set out in the ASX Listing Rules.

Proxy Form means the proxy form accompanying the Notice.

Resolutions means the resolutions set out in the Notice, or any one of them, as the context requires.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a registered holder of a Share.

Variable A means "A" as set out in the calculation in section 5.1 of the Explanatory Statement.

Vendor means Exchange Minerals Limited, who holds the licences on behalf of it and other private non-related investors.

WST means Western Standard Time

SCHEDULE 1 – ISSUES OF EQUITY SECURITIES SINCE 23 NOVEMBER 2017

Date	Quantity	Class	Recipients	Issue price and discount to Market Price (if applicable) ¹	Form of consideration
Issue – 8 December 2017	5,050,000	Shares ²	Sophisticated and professional investors participating in the Company's placement	Issue price: \$0.02 per Share Discount to Market Price: 94%	Amount raised: \$101,000 Amount spent: \$101,000 Use of funds: for general working capital Amount remaining: \$Nil
Issue – 22 December 2017	250,000,000	Shares ²	Investors under the Company's public offer	Issue price: \$0.02 per Share Discount to Market Price: 94%	Amount raised = \$5,000,000 Amount spent = \$2,000,000 Use of funds Exploration and evaluation expenditure on the Company's projects and for general working capital Amount remaining = \$3,000,000 Proposed use of remaining funds ³ Exploration and evaluation expenditure on the Company's projects and for general working capital
Issue – 22 December 2017	37,500,000	Shares ²	Issued to the shareholders of Centralist Pty Ltd	Not applicable	Consideration: acquisition of all of the issued capital in Centralist Pty Ltd Current value ⁴ : \$450,000
Issue – 22 December 2017	65,250,000	Options ⁵	Issued to sophisticated and professional investors participating in the Company's placement	Not applicable	Consideration: free-attaching to Shares issued under the Company's placement Current value ⁴ : \$810,116
Issue – 22 December 2017	12,500,000	Shares ²	Issued to Dempsey Resources Pty Ltd an advisor to the Company	Not applicable	Consideration: advisory services provided by Dempsey Resources Pty Ltd to the Company in relation to the acquisition of Centralist Pty Ltd Current value ⁴ : \$150,000
Issue – 22 December 2017	5,000,000	Options ⁶	Issued to Indian Ocean Group, the Company's lead manager	Not applicable	Consideration: services provided by the lead manager to the Company Current value ⁴ : \$62,794

Notes:

1. Market Price means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the last trading day on which a sale was recorded prior to the date of issue of the relevant Equity Securities. The Company was suspended from trading on ASX from 1 October 2014 until being reinstated to trading on the Official List on 29 December 2017. The last traded price was 26 September 2014 at \$0.017, pre-consolidation (\$0.34 post consolidation).
2. Fully paid ordinary shares in the capital of the Company, ASX Code: JDR, terms are set out in the Constitution).
3. This is a statement of current intentions as at the date of this Notice. As with any budget, intervening events and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way the funds are applied on this basis.
4. In respect of quoted Equity Securities the value is based on the closing price of the Shares (\$0.012) on the ASX on 9 October 2018. In respect of unquoted Equity Securities the value of Options is measured at the time of issue using the Black & Scholes option pricing model. Measurement inputs include the Share price on the measurement date, the exercise price, the term of the Option, the impact of dilution, the expected volatility of the underlying Share (based on weighted average historic volatility adjusted for changes expected due to publicly available information), the expected dividend yield and the risk free interest rate for the term of the Option. No account is taken of any performance conditions included in the terms of the Option other than market based performance conditions (i.e. conditions linked to the price of Shares).
5. Unquoted Options, exercisable at \$0.02 each, on or before 22 December 2020.
6. Unquoted Options, exercisable at \$0.02 each, on or before 22 December 2020.

SCHEDULE 2 – TERMS AND CONDITIONS OF DIRECTOR OPTIONS

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (k), the amount payable upon exercise of each Option will be \$0.03 (**Exercise Price**).

(c) **Cashless Exercise Facility**

In lieu of paying the aggregate Exercise Price to purchase Shares, an Optionholder may elect to receive, without payment of cash or other consideration, upon surrender of the applicable portion of exercisable Options to the Company, a number of Shares determined in accordance with the following formula (**Cashless Exercise Facility**):

$$A = \frac{B (C - D)}{C}$$

where:

A = the number of Shares (rounded down to the nearest whole number) to be issued to the Optionholder;

B = the number of Shares otherwise issuable upon the exercise of the Options or portion of the Options being exercised;

C = the Market Value of one Share determined as of the date of delivery to the company secretary; and

D = the Exercise Price.

For the purposes of this Section, **Market Value** means, at any given date, the volume weighted average price per Share traded on the ASX over the five (5) trading days immediately preceding that given date, unless otherwise specified.

(d) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on 31 July 2020 (**Expiry Date**).

An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(e) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(f) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company or, if elected by the holder, by utilising the Cashless Exercise Facility.

(g) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(h) **Timing of issue of Shares on exercise**

Within 15 Business Days after the Exercise Date, the Company will:

- (i) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(i) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(j) **Quotation of Shares issued on exercise**

If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.

(k) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(l) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(m) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(n) **Unquoted**

The Company will not apply for quotation of the Options on ASX.

(o) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

SCHEDULE 3 – TERMS AND CONDITIONS OF VENDOR OPTIONS

(a) **Entitlement**

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) **Exercise Price**

Subject to paragraph (j), the amount payable upon exercise of each Option will be \$0.03 (**Exercise Price**).

(c) **Expiry Date**

Each Option will expire at 5:00 pm (WST) on 31 July 2020 (**Expiry Date**).

An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) **Exercise Period**

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) **Notice of Exercise**

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company or, if elected by the holder, by utilising the Cashless Exercise Facility.

(f) **Exercise Date**

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) **Timing of issue of Shares on exercise**

Within 15 Business Days after the Exercise Date, the Company will:

- (i) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and
- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) **Shares issued on exercise**

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) **Quotation of Shares issued on exercise**

If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.

(j) **Reconstruction of capital**

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(k) **Participation in new issues**

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(l) **Change in exercise price**

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(m) **Unquoted**

The Company will not apply for quotation of the Options on ASX.

(n) **Transferability**

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

LODGE YOUR PROXY APPOINTMENT ONLINE



ONLINE PROXY APPOINTMENT

www.advancedshare.com.au/investor-login



MOBILE DEVICE PROXY APPOINTMENT

Lodge your proxy by scanning the QR code below, and enter your registered postcode.

It is a fast, convenient and a secure way to lodge your vote.

2018 ANNUAL GENERAL MEETING PROXY FORM

I/We being shareholder(s) of Jadar Lithium Limited and entitled to attend and vote hereby:

APPOINT A PROXY

The Chair of the meeting

OR



PLEASE NOTE: If you leave the section blank, the Chair of the Meeting will be your proxy.

or failing the individual(s) or body corporate(s) named, or if no individual(s) or body corporate(s) named, the Chair of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf, including to vote in accordance with the following directions (or, if no directions have been given, and to the extent permitted by law, as the proxy sees fit), at the Annual General Meeting of the Company to be held **at Indian Ocean Group, 311-313 Hay Street, Subiaco WA 6008 on 23 November 2018 at 11:00am WST** and at any adjournment or postponement of that Meeting.

Chair authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chair of the Meeting as my/our proxy (or the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Items 1 and 8 (except where I/we have indicated a different voting intention below) even though these Items are connected directly or indirectly with the remuneration of a member(s) of key management personnel, which includes the Chair.

I/we acknowledge the Chair of the Meeting intends to vote all undirected proxies available to them in favour of each Item of Business.

VOTING DIRECTIONS

Agenda Items

	For	Against	Abstain*
1 ADOPTION OF REMUNERATION REPORT	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 RE-ELECTION OF DIRECTOR – MR LUKE MARTINO	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 ELECTION OF DIRECTOR – MR MICHAEL DAVY	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 ELECTION OF DIRECTOR – MR MARTIN PAWLITSCHKE	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 ELECTION OF DIRECTOR – MR STEFAN MÜLLER	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 APPROVAL OF 10% PLACEMENT CAPACITY	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7 RATIFICATION OF PRIOR ISSUE OF SHARES UNDER PLACEMENT	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8 ISSUE OF OPTIONS TO RELATED PARTY - MR STEFAN MÜLLER	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9 ISSUE OF SHARES TO VENDOR PURSUANT TO ACQUISITION	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10 ISSUE OF OPTIONS TO VENDOR PURSUANT TO ACQUISITION	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11 ELECTION OF PROPOSED DIRECTOR – MR STEVEN DELLIDIS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



* If you mark the Abstain box for a particular Item, you are directing your proxy not to vote on your behalf on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

This form should be signed by the shareholder. If a joint holding, all the shareholders should sign. If signed by the shareholder's attorney, the power of attorney must have been previously noted by the registry or a certified copy attached to this form. If executed by a company, the form must be executed in accordance with the company's constitution and the Corporations Act 2001 (Cth).

Email Address



Please tick here to agree to receive communications sent by the company via email. This may include meeting notifications, dividend remittance, and selected announcements.

HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

**IF YOU WOULD LIKE TO ATTEND AND VOTE AT THE MEETING, PLEASE BRING THIS FORM WITH YOU.
THIS WILL ASSIST IN REGISTERING YOUR ATTENDANCE.**

CHANGE OF ADDRESS

This form shows your address as it appears on Company's share register. If this information is incorrect, please make the correction on the form. Shareholders sponsored by a broker should advise their broker of any changes.

APPOINTMENT OF A PROXY

If you wish to appoint the Chair as your proxy, mark the box in Step 1. If you wish to appoint someone other than the Chair, please write that person's name in the box in Step 1. A proxy need not be a shareholder of the Company. A proxy may be an individual or a body corporate.

DEFAULT TO THE CHAIR OF THE MEETING

If you leave Step 1 blank, or if your appointed proxy does not attend the Meeting, then the proxy appointment will automatically default to the Chair of the Meeting.

VOTING DIRECTIONS – PROXY APPOINTMENT

You may direct your proxy on how to vote by placing a mark in one of the boxes opposite each item of business. All your shares will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted on any item by inserting the percentage or number of shares you wish to vote in the appropriate box or boxes. If you do not mark any of the boxes on a given item, your proxy may vote as they choose to the extent they are permitted by law. If you mark more than one box on an item, your vote on that item will be invalid.

PROXY VOTING BY KEY MANAGEMENT PERSONNEL

If you wish to appoint a Director (other than the Chair) or other member of the Company's key management personnel, or their closely related parties, as your proxy, you must specify how they should vote on Items 1 and 8, by marking the appropriate box. If you do not, your proxy will not be able to exercise your vote for Items 1 and 8.

PLEASE NOTE: If you appoint the Chair as your proxy (or if they are appointed by default) but do not direct them how to vote on an item (that is, you do not complete any of the boxes "For", "Against" or "Abstain" opposite that item), the Chair may vote as they see fit on that item.

APPOINTMENT OF A SECOND PROXY

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning Advanced Share Registry Limited or you may copy this form and return them both together.

To appoint a second proxy you must:

- On each Proxy Form state the percentage of your voting rights or number of shares applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded; and
- Return both forms together.

CORPORATE REPRESENTATIVES

If a representative of a nominated corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission in accordance with the Notice of Meeting. A Corporate Representative Form may be obtained from Advanced Share Registry.

SIGNING INSTRUCTIONS ON THE PROXY FORM

Individual:

Where the holding is in one name, the security holder must sign.

Joint Holding:

Where the holding is in more than one name, all of the security holders should sign.

Power of Attorney:

If you have not already lodged the Power of Attorney with Advanced Share Registry, please attach the original or a certified photocopy of the Power of Attorney to this form when you return it.

Companies:

Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held.

LODGE YOUR PROXY FORM

This Proxy Form (and any power of attorney under which it is signed) must be received at an address given below by 11:00am WST on 21 November 2018, being not later than 48 hours before the commencement of the Meeting. Proxy Forms received after that time will not be valid for the scheduled meeting.



ONLINE PROXY APPOINTMENT

www.advancedshare.com.au/investor-login



BY MAIL

Advanced Share Registry Limited
110 Stirling Hwy, Nedlands WA 6009; or
PO Box 1156, Nedlands WA 6909



BY FAX

+61 8 9262 3723



BY EMAIL

admin@advancedshare.com.au



IN PERSON

Advanced Share Registry Limited
110 Stirling Hwy, Nedlands WA 6009



ALL ENQUIRIES TO

Telephone: +61 8 9389 8033