

30 October 2018

Quarterly Activities Report

For the period ending 30 September 2018

Highlights

- **Phase 1 stream sediment sampling defines a zone of interest on the Cer project**
- **Initial soil and stream sampling at Vranje-South defines elevated Li and B values**
- **Phase 2 sampling and work commences on Cer, Vranje South and Rekovac projects**
- **The Company strengthens its board of directors by appointing Mr Stefan Müller**

Jadar Lithium Limited (ASX: **JDR**) ("**Jadar**" or "the **Company**"), is pleased to provide shareholders with this Quarterly Activities Report for the three (3) months ending 30 September 2018.

EXPLORATION ACTIVITIES

Bukulja Project

On the 2nd of August 2018, the Company announced the results from its phase one field program on the Bukulja exploration license. Analysis of the results from the program defined a number of elevated sample result clusters with regard to Lithium and associated mineralisation in both the soil and stream sediment samples.

The outlined anomalies are based on element association elevation over background values, rather than absolute values for individual elements. The stream sediment survey has defined five areas which are anomalous in Lithium and other pegmatite associated elements such as tin, beryllium and thallium.

As a result, the Company plans to follow up with further soil sampling, rock chip sampling and mapping of the areas defined as anomalous, as well as evaluate the remainder of the project in more detail. The Company plans to execute the second phase of sampling in the following reporting quarter.

The Bukulja tenement covers part of the Bukulja granitoid complex which is overlain by younger Tertiary sediments to the east and Quaternary sediments to the south.

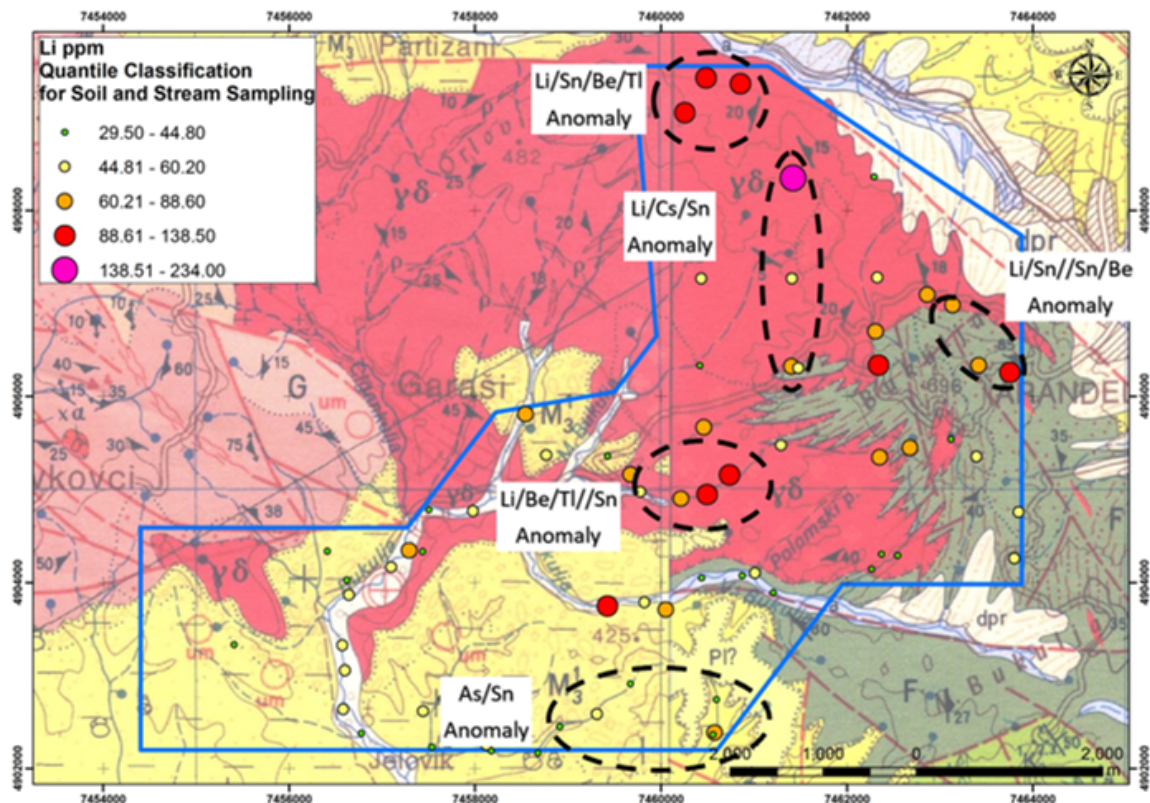


Figure 1 – Bukulja project area and anomaly locations

Cer Project

On the 6th of July 2018, the Company announced the results of the preliminary sampling program from the Cer project. The analysis of the data indicated that the stream sediment survey defined two, multi-element anomalies which are located on the south-eastern part of the license. Both anomalous stream sample clusters drain from a single area within the South-eastern corner of the project license.

Due to these encouraging initial results, the Company planned and executed a follow up sampling program in the 'area of interest'. The program consisted of further reconnaissance mapping and rock sampling of pegmatite dykes. All the samples from the follow up program have been dispatched to an Accredited ALS laboratory for analysis. Furthermore, a number of samples have been submitted for spectrometry analysis with the objective of determining the chemical composition of selected samples. On receipt and full interpretation of the results, the Company will update the market.

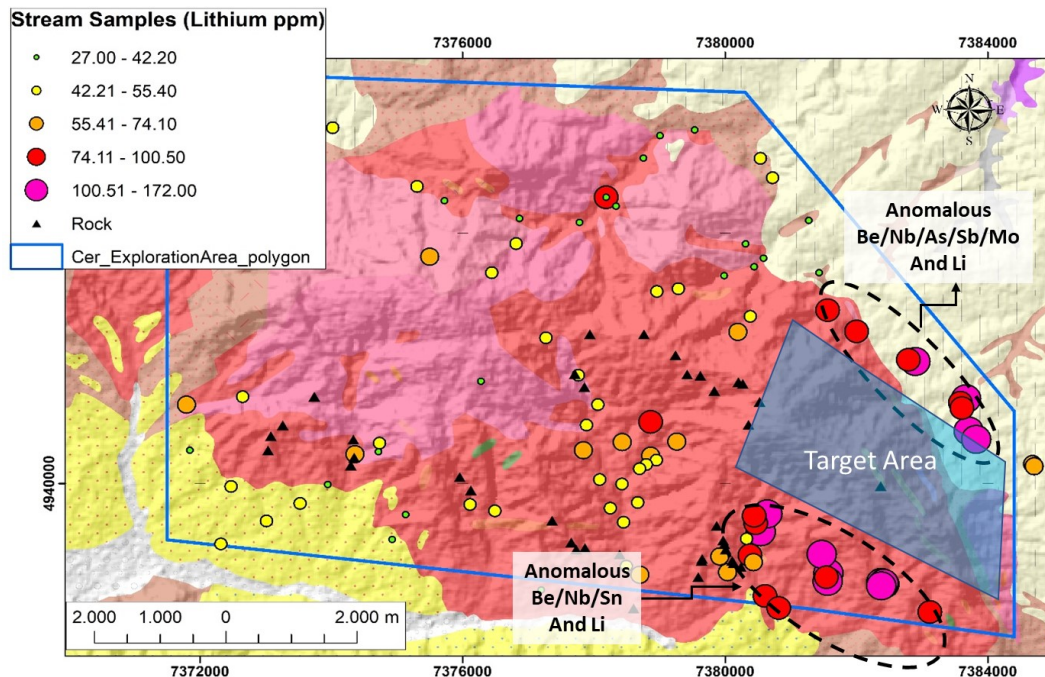


Figure 2 – Cer project area geology with locations of sampling locations of phase one program

The Tertiary Cer Granitoid Complex (granodiorite 24-28 million years and pegmatite about 20 million years) formed as two stages of intrusion. The older granodiorites form the western, central and north-east parts of the massif are represented by biotite and biotite - amphibole variants, usually exhibiting hypidiomorphic grain structures. The younger granite varieties are of particular importance for their development of the numerous pegmatites and greisens that host the economic minerals. They are spatially widespread in the south-eastern and north-eastern parts of the massif.

Rekovac Project

During the reporting period the Company received and analysed the results of the phase 1 soil sampling program over the Rekovac exploration license. Due to the low sampling density of the initial sampling grid and lack of coverage throughout the entire project area, the results were deemed to be inconclusive. As a result, the Company has planned a phase 2 sampling program which will ensure adequate coverage of the prospective units within the exploration license. The program is expected to be completed within the following reporting period/quarter. On receipt of the results from the follow up program, the Company will update the market with respect to the results and planned actions.

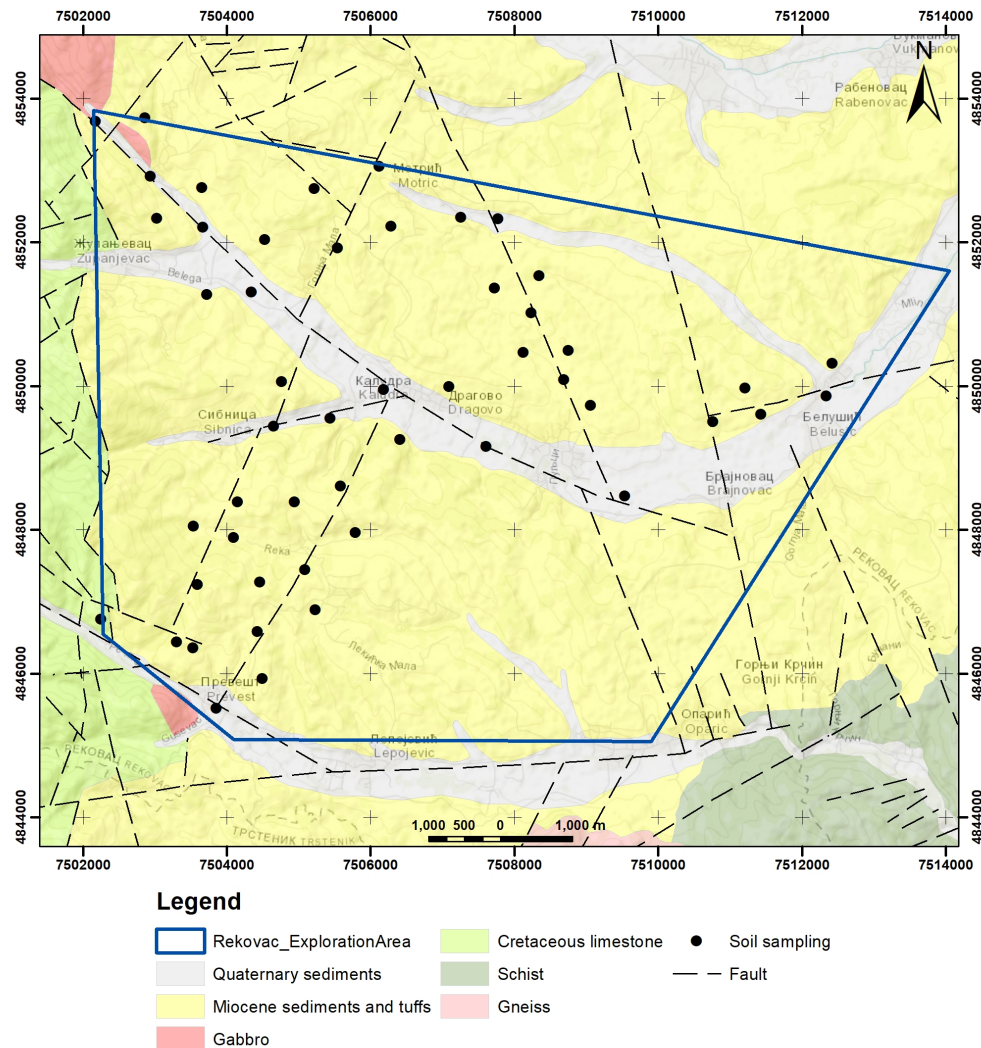


Figure 3- Rekovac project geology with locations of sampling locations from phase 1 program

The Company's tenement area is composed entirely of lacustrine Lower and Middle Miocene sediments overlaying Proterozoic gneisses and lepidolites bearing pegmatites intruded by granites, aplite, other pegmatite dykes and quartz and veins to the east of the tenement and the Gledičkih Chalk unit to the west of the tenement. The lacustrine Miocene sediments grade from coarser conglomerates through to silts and also include a coal-bearing series.

Krajkovac Project

During the reporting period the Company received and interpreted the results from the Phase 1 sampling program. Due to the low number of samples collected in phase one of the field program, the results of were inconclusive. As a result, the Company has designed a phase 2, follow up sampling program, which will cover the entire permit and increase the sampling density. The completion of phase 2 program is scheduled for completion by the end of October 2018. On receipt of the results of the phase 2 sampling, the Company will provide the market with an update.

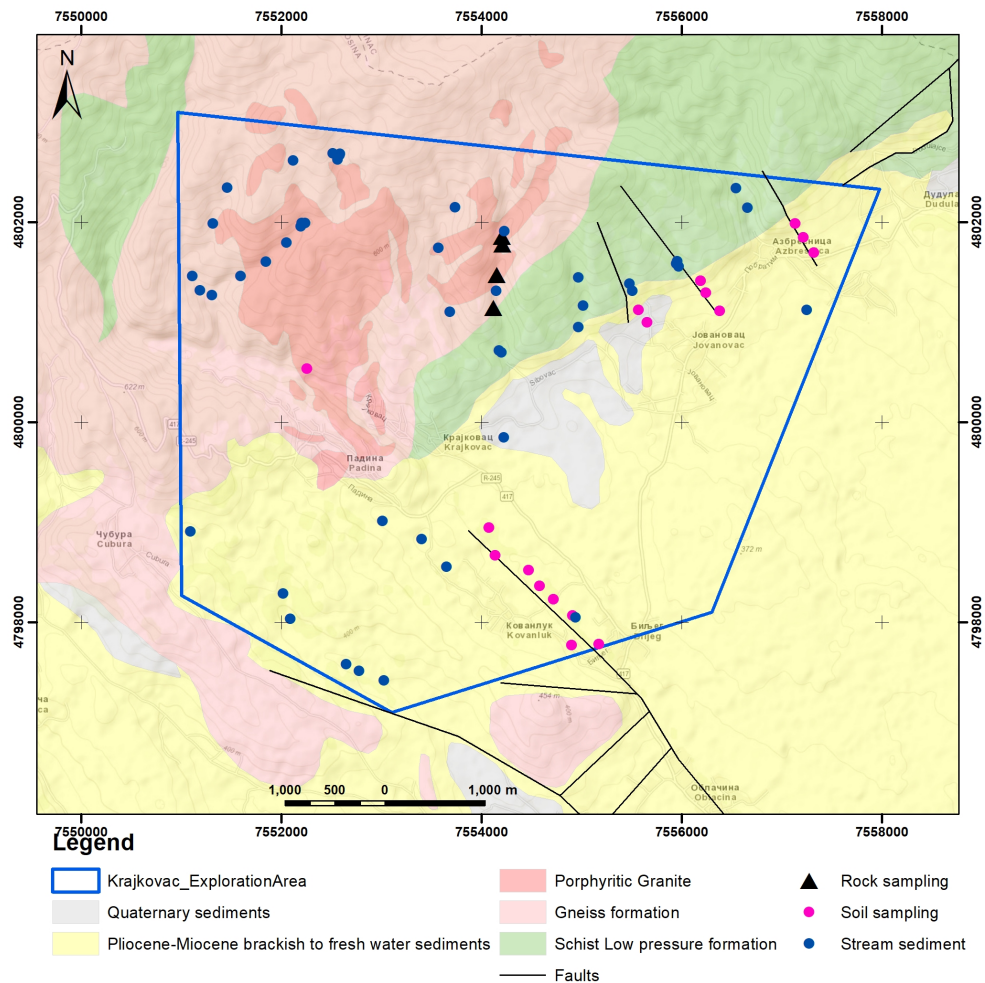


Figure 4 – Krajkovac project geology with locations of phase 1 sampling locations

The Krajkovac project consists of a granite complex intruding highly metamorphosed Proterozoic gneisses, schists, quartzites and marbles that are overlain by Miocene silts, sands and gravels.

Vranje-South Project

On the 20th of August 2018, the Company announced the results of the phase 1 soil and stream sediment sampling program undertaken on the Vranje-South project.

The soil sampling program has defined 4 zones with elevated Boron anomalies, two of which are also elevated in lithium. The program has defined four clusters with elevated B in soil results and within what are considered prospective sedimentary sequences.

The zones which are elevated in Boron are located on, and in close proximity to fault lines and trends within the basin sediments. The Boron values reach over 800 part per million (ppm) which is considered significant.

The lithium values within the soil samples define two areas which are considered anomalous. Importantly, the elevated lithium clusters are also associated with the elevated Boron values.

As a result of these early stage results, the Company plans to conduct further sampling to cover the entire permit area, with the objective of testing the entire prospective sequence within the Company's exploration

license. The sampling and receipt of results is expected in the following quarter, during which period the Company also plans to evaluate a number of geophysical techniques aimed at defining the sedimentary basin.

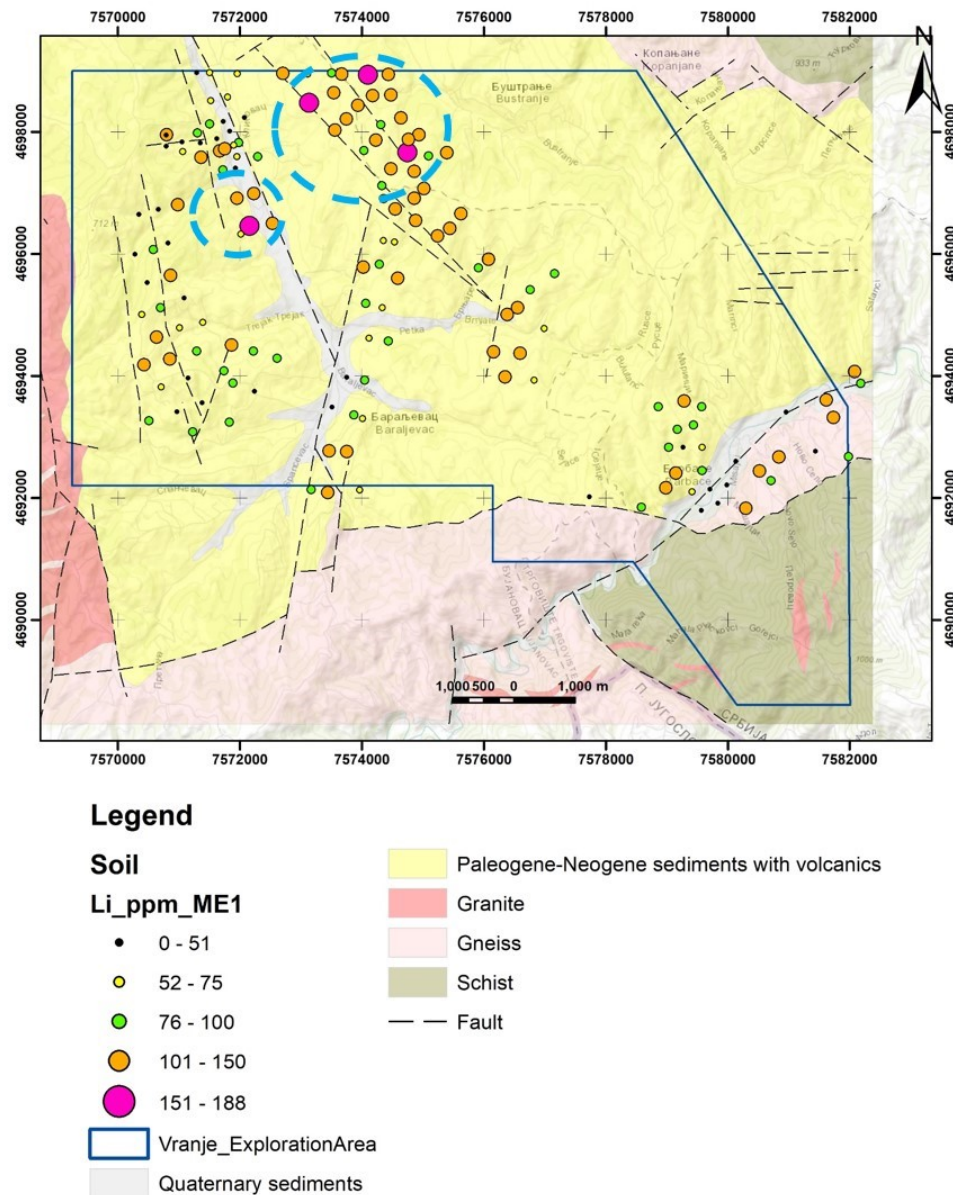


Figure 5- Vranje-South project area geology with reported Li values from phase 1 program

CORPORATE MATTERS

On the 24th of July 2018 the Company announced that it had appointed Mr Stefan Müller to the Board of Directors. 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 SMEs based in Frankfurt, Germany. Mr. Müller graduated a 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 proprietary trading and managing partner at Proprietary Partners AG, a Swiss based hedge fund advisory company. Mr. Müller

holds a Non-Executive Director position at ASX listed European Lithium Limited and Cape Lambert Resources Ltd and a supervisory board position with Agrarius AG, an agriculture-based business listed on the Frankfurt Stock Exchange and also consults for various companies, institutions and federal organisations regarding their investment strategy

On the 28th of September 2018 the Company released its annual report and corporate governance statement.

The Company has continued to review further complementary and value-adding opportunities during the reporting period, particularly in relation to battery metals. In particular, the Company reviewed the acquisition of an 80% interest in Austrian Lithium Exploration Licences during the quarter. This resulted in a binding agreement as announced on ASX on 2 October 2018. These assets surround European Lithium Limited's Wolfsberg lithium deposit and are attractive assets, strategically placed for European manufacturers using lithium, which complement the Company's existing European projects. The transaction is subject to due diligence which is currently underway. The Company continues to assess potential opportunities.

The Group's cash balance as 30 September 2018 was \$3.24 million.

SEPTEMBER QUARTER ANNOUNCEMENTS

This Quarterly Activities Report contains information extracted from ASX market announcements reported in accordance with the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" ("2012 JORC Code"). Further details (including 2012 JORC Code reporting tables, where applicable) of exploration results referred to in this Quarterly Activities Report can be found in the following announcements lodged on the ASX:

Annual Report and Corporate Governance Statement	28 Sep 2018
First Pass Sampling on Vranje-South Project Defines Li-B Anomalies	20 Aug 2018
Preliminary Sampling on Bukulja Defines Anomalous Zones	2 Aug 2018
Jadar Lithium Strengthens its Board	24 July 2018
Preliminary Sampling on Cer Project Defines Anomalous Zones	6 July 2018

These announcements are available for viewing on the Company's website jadarlithium.com.au under the News and Research tab. Jadar confirms that it is not aware of any new information or data that materially affects the information included in any original ASX announcement.

SCHEDULE OF TENEMENTS

Project	Tenement ID	Location	Interest
Cer	2223	Serbia	100%
Bukulja	2226	Serbia	100%
Rekovac	2224	Serbia	100%
Krajkovac	2209	Serbia	100%
Vranje-South	2225	Serbia	100%

Competent Person Statement

The information contained in this ASX release relating to Exploration Results has been compiled by Mr Jerry L Aiken, who is a Registered Member of the Society for Mining, Metallurgy & Exploration (SME). Mr. Aiken has sufficient experience that is relevant to the style of mineralization and type of deposit under consideration, and to the activity being undertaken to qualify as a competent person as defined in the 2012 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves" (the 2012 JORC Code). Mr. Aiken is a consultant to Jadar Lithium Limited and consents to the inclusion in this announcement of this information in the form and context in which it appears.