



# Jadar Lithium

**JADAR LITHIUM LIMITED**

ABN 66 009 144 503

**ANNUAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2019**

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## COMPLIANCE STATEMENT

This Annual 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") and available for viewing at [jadarlithium.com.au](http://jadarlithium.com.au). Jadar Lithium Limited confirms that it is not aware of any new information or data that materially effects the information included in the original ASX market announcement. Such ASX announcements are as follows: Cer Project 6 July 2018, Bukulja Project 2 August 2016, Vranje-South Project 20 August 2018, 14 November 2018, 16 July 2019 and Austrian Lithium Projects 19 February 2019 and 14 March 2019.

## Corporate Directory

### Directors

Mr Luke Martino – Non-Executive Chairman  
Mr Steven Dellidis – Non-Executive Director  
Mr Stefan Müller – Non-Executive Director  
Mr Nicholas Sage – Non-Executive Director

### Company Secretary

Ms Louisa Martino

### Registered office

311-313 Hay Street  
SUBIACO, WESTERN AUSTRALIA 6008

**Website:** [www.jadarlithium.com.au](http://www.jadarlithium.com.au)

### Auditor

Grant Thornton Audit Pty Ltd  
Level 43, Central Park  
152-158 St Georges Terrace  
PERTH, WESTERN AUSTRALIA 6000

### Bankers

National Australia Bank  
1238 Hay Street  
WEST PERTH, WESTERN AUSTRALIA 6005

### Share Registry

Advance Share Registry  
110 Stirling Highway  
NEDLANDS, WESTERN AUSTRALIA 6909

### Securities Exchange Listing

ASX Limited  
20 Bridge Street  
SYDNEY, NEW SOUTH WALES 2000  
**ASX Code – JDR**

Frankfurt Exchange; R1E.F  
Berlin Exchange; R1E.B  
Stuttgart Exchange; R1E.SG

# Directors' Report

## DIRECTORS' REPORT

The Directors' present their report together with the financial report of Jadar Lithium Limited ("the Company") (ASX: JDR) and its controlled entities ("the Group", "JDR" or "Consolidated Entity") for the year ended 30 June 2019.

The Company was reinstated on ASX on 29 December 2017. For the 2019 financial year the entity has used the cash and assets in a form readily convertible to cash that it had at the time of reinstatement in a way consistent with the Company's business objectives.

### Directors

The names and the particulars of the Directors who held office during or since the end of the financial year and until the date of this report are disclosed below.

Name	Status	Appointment/ Resignation
Mr Luke Martino	Non-Executive Chairman	Appointed on 22 December 2017
Mr Nicholas Sage	Non-Executive Director	Appointed on 22 December 2017
Mr Stefan Müller	Non-Executive Director	Appointed on 24 July 2018
Mr Steven Dellidis	Non-Executive Director	Appointed on 4 February 2019
Mr Michael Davy	Non-Executive Director	Resigned on 15 April 2019
Mr Martin Pawlitschek	Non-Executive Director	Resigned on 6 November 2018

### Principal activities

During the year the principal activity of the Group was mineralisation exploration in the Republic of Serbia and Austria.

### Operating and financial review

The Group made a loss for the year ended 30 June 2019 of \$1,231,651 (2018: loss of \$1,216,699). As at 30 June 2019, the Group had cash and cash equivalents of \$2,022,957 (2018: \$3,419,022) and net assets of \$4,433,544 (2018: \$4,785,451).

Refer to the management discussion and analysis contained in the Review of Operations on page 3 of the Annual Report for a review of the result and operations, which forms part of this Directors' Report.

### Dividends paid or recommended

There were no dividends paid or recommended during the financial year ended 30 June 2019 (2018: Nil).

### Significant changes in state of affairs

On 4 February 2019, the Company completed the transaction to acquire 80% of Subsidiary Jadar Lithium GmbH, the holder of the Company's Austrian exploration assets. As approved by shareholders on 23 November 2018, in consideration, the Company issued 90,909,091 fully paid ordinary shares and 25,000,000 unlisted options (exercise price \$0.03; expiry date 31 July 2020).

In the opinion of the Directors, there were no other significant changes in the state of affairs of the Group which have not been disclosed elsewhere in the Annual Report.

## Review of operations

Throughout the reporting period, the Company has advanced its strategy of becoming a leading exploration company by executing multiple disciplined exploration campaigns across all its projects. The objective of the exploration program was to gain a better understanding of the projects geology and result in generating drill targets for both pegmatite style mineralisation, as well as sediment hosted Lithium-Boron type deposits. During the reporting period, the Companies exploration teams have executed disciplined exploration programs, all of which have added to the understanding of the various projects and in identifying the most promising areas for follow up work and drill target location.

In conjunction with its Serbian exploration program, the Company executed a significant acquisition in Austria, by acquiring 80% of the Weinebene and seven Satellite projects located in South and South Eastern Austria. The Weinebene project is a brownfield exploration project, which surrounds European Lithium's (ASX:EUR) Wolfsberg project, which has a defined JORC compliant resource of 10.98MT @ 1.00% Li<sub>2</sub>O. The Company has undertaken work programs on the Weinebene project to determine the presence of the pegmatite, lithium bearing dykes from the Wolfsberg deposit resource and are assumed to strike into the Jadar Lithium ground holding. The Weinebene project provides the Company with an opportunity to potentially define brownfield resources within a near term production district.

Following are the key activities undertaken by the Company on all the projects during the 2019 financial year.

### Cer Project

On the 6th of July 2018, the Company announced the results of the preliminary sampling campaign on the Cer project. The Cer project is considered to be prospective for pegmatite hosted lithium and tin mineralisation, as well as, possible associated minerals.

As a result of the initial campaign, the Company defined a target area in the south eastern part of the project area. The target was defined by elevated multi element values (stream sediment sampling). In total, the Company collected 100 stream sediment samples and 144 rock chip samples on the Cer project.

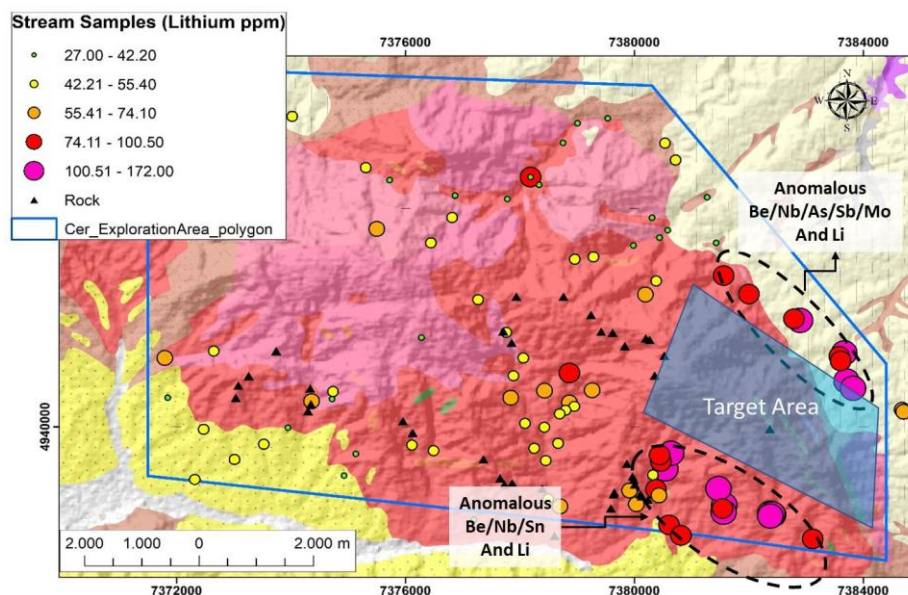


Figure 1 - Cer project sampling points with Lithium results; underlying geology and target zones. [Geology legend – the red and pink areas represent various phases of the Cer granitoid; the yellow and beige units represent younger sedimentary units].

### Vranje-South Project

The Company carried out three sampling and reconciliation programs, with the last program being completed in July 2019, which resulted in the collection and analysis of 493 soil samples, 39 rock chip samples, 30 stream sediment samples. Additionally, the Company acquired and analysed regional gravity and magnetic survey data

from a local contractor who re-interpreted the data with the aim to outline underlying basin geometry and define the presence Calc-Alkaline volcanism that may be a source of mineral-bearing fluids.

In August 2018, the Company completed its first maiden reconnaissance sampling and mapping activities on the Vranje-South project in southern Serbia. The objective of the program was to identify anomalous zones within the license area, which may point to lithium-borate mineralisation at depth. The soil sampling program defined 4 zones with elevated Boron anomalies, two of which were also elevated in lithium.

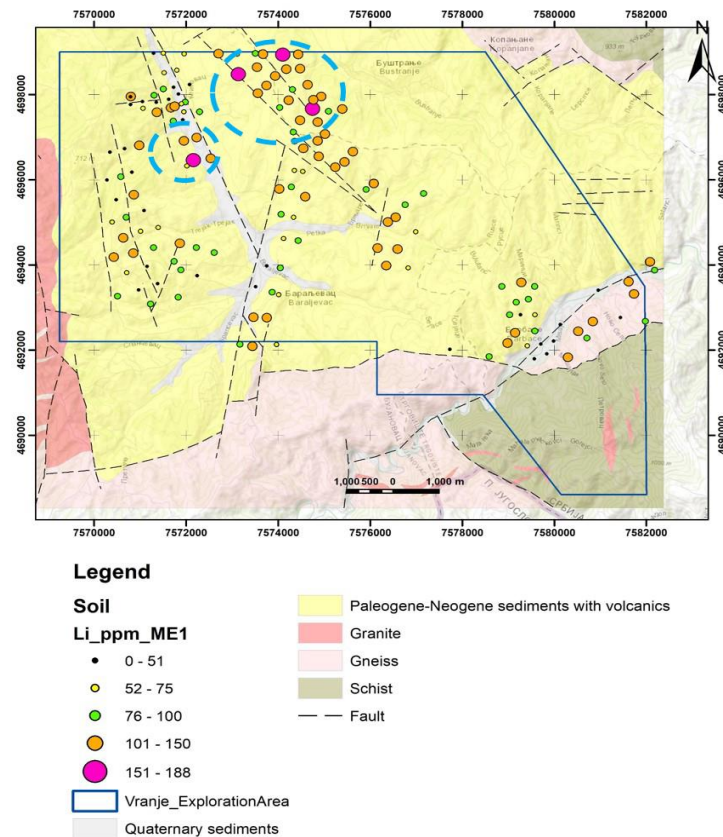


Figure 2 - Vranje-South project geology and Lithium soil sampling locations and results

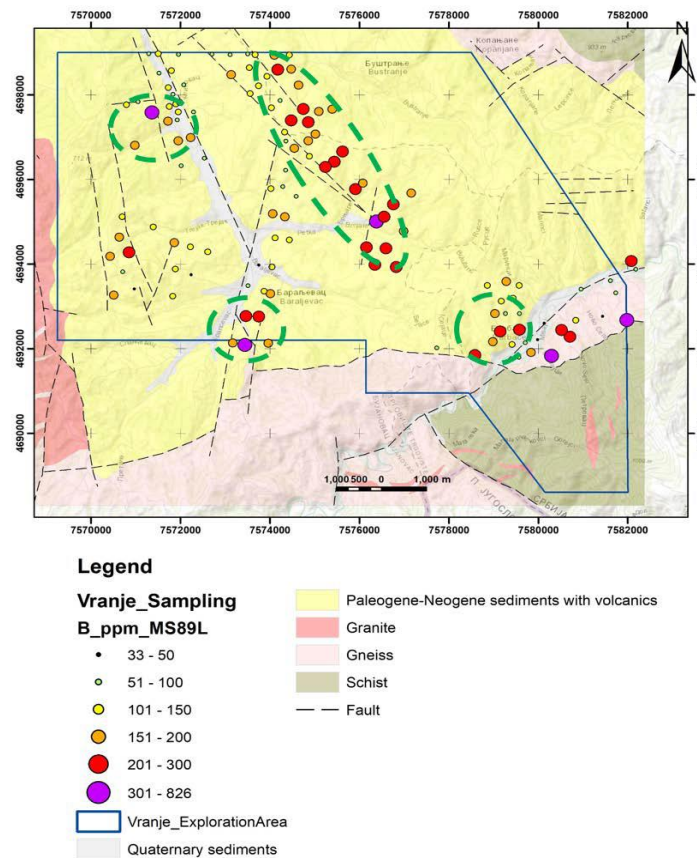


Figure 3 - Vranje-South geology, soil sampling positions and Boron results

As a result of the second phase sampling program, announced on 14 November, preliminary stream sediment and soil surveys defined a number of areas with elevated lithium and borate values on the project with good correlation between borate and lithium zones defined in two areas. Of particular interest were the encouraging borate values, with the highest value peaking above 800ppm borate and the lithium values peaking at 220ppm both of which are considered anomalous soil samples.



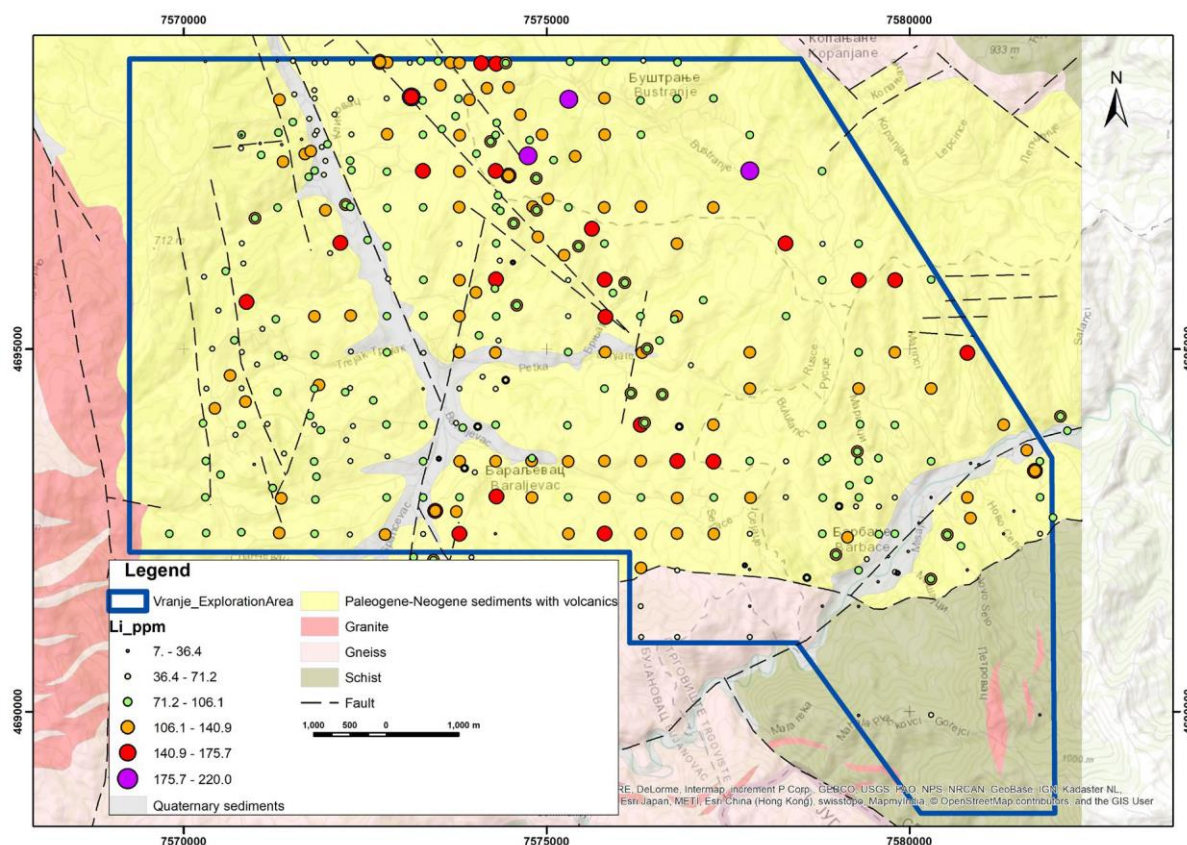


Figure 4 - Vranje-South project area with Phase 1 and Phase 2 lithium values in soil sampling

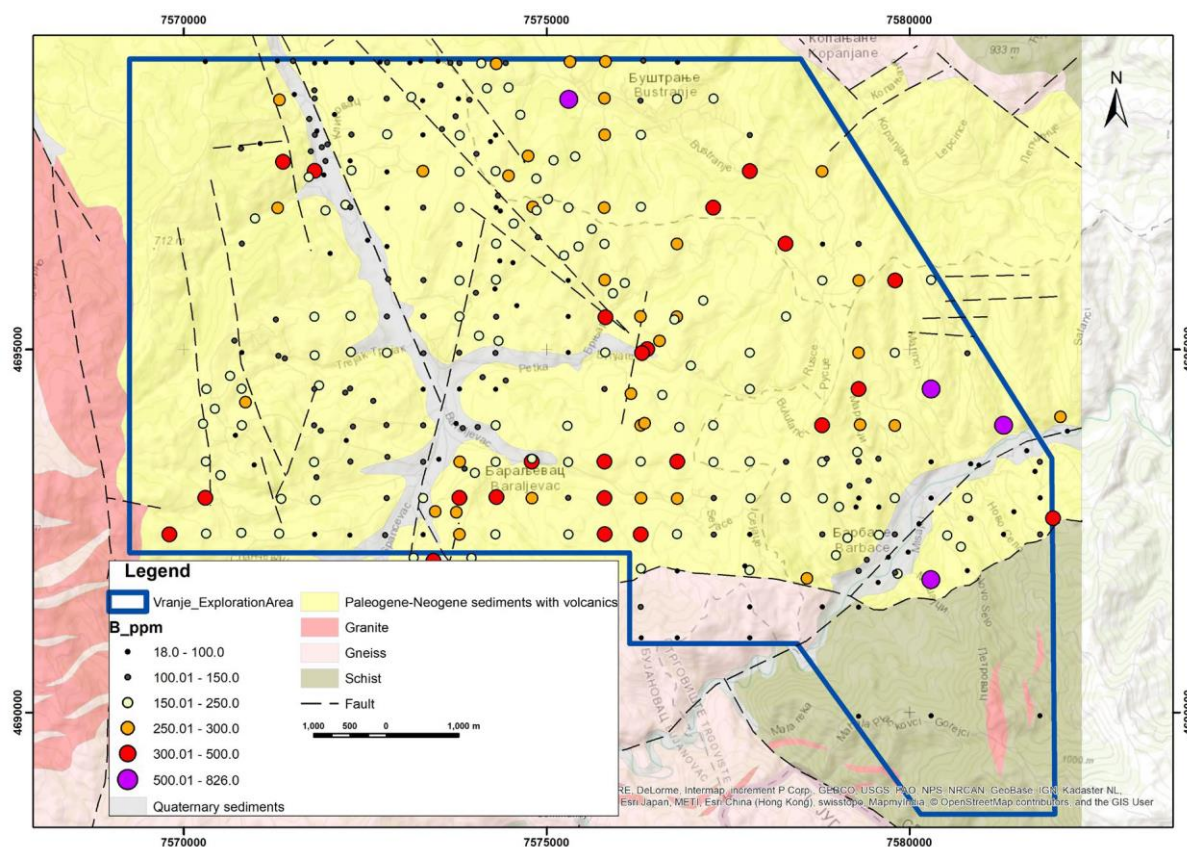


Figure 5 - Vranje-South project area with Phase 1 and 2 Boron values in soil sampling



On the basis of the positive results, the Company initiated follow up mapping and rock sampling work, with the objective of defining zones of interest for drill testing. Reconciliation provided further encouraging indications of potential mineralisation within the basin, which was reported subsequent to the reporting period, on the 16th of July 2019.

This was further encouraged by the reinterpretation of historical gravity and magnetic data.

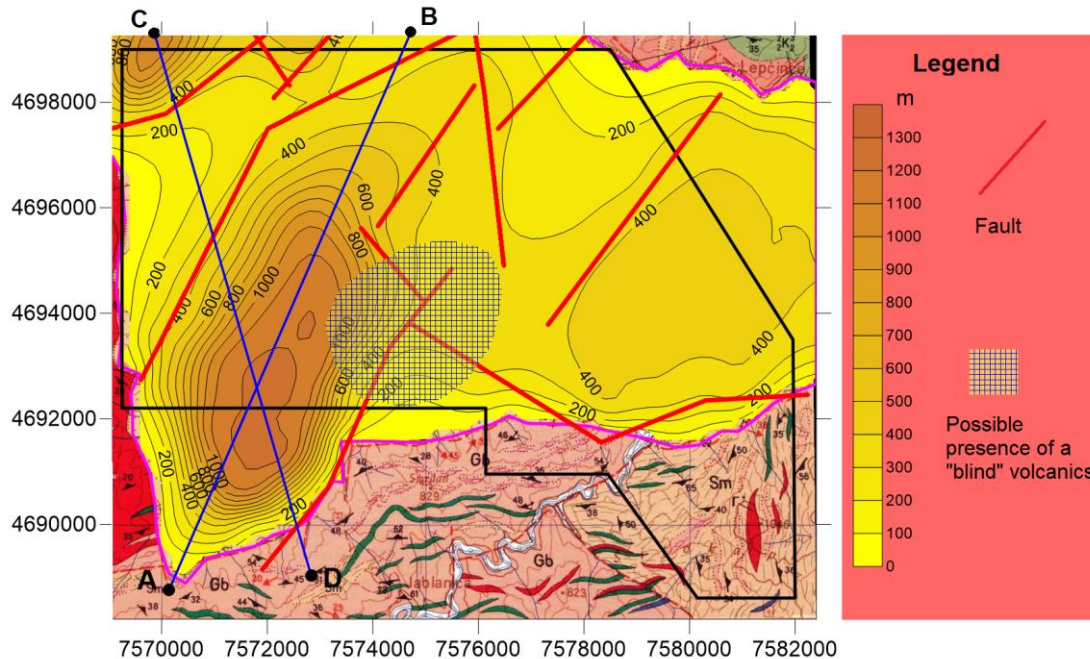


Figure 6 - Map indicating the interpreted depth and structure of the basin, which also indicates the possible presence of a "blind" volcanics

#### Rekovac Project

During the year, the company carried out its first soil and rock sampling program on the Rekovac project which returned encouraging results. The objective of the field mapping and soil sampling program was to outline areas with anomalous Li and B values and associated elements as well as to determine the most prospective area for follow up detail rock chips sampling. This program was completed after the financial year and the results were announced on 7 August 2019.

During the maiden sampling campaign on the Rekovac project, the Company undertook two soil sampling programs and collected a total of 291 samples. The assays returned with elevated Lithium and Boron values with up to 342 ppm of boron and up to 149 ppm of lithium. The elevated values highlight a prospective area in the central and the southern part of the project area.

As a result of encouraging soil sampling results, the Company conducted a follow up detail rock chip sampling with a focus on the identified anomalies with 26 rock samples being collected and analysed. The rock chip sampling focused on exposed lower and middle Miocene sedimentary formations (which are known to host large Lithium Boron deposits in Serbia, such as Rio Tinto's Jadar deposit), in an attempt to identify the presence of potentially permissive environment or evidence of sources of the elevated Li and B values.

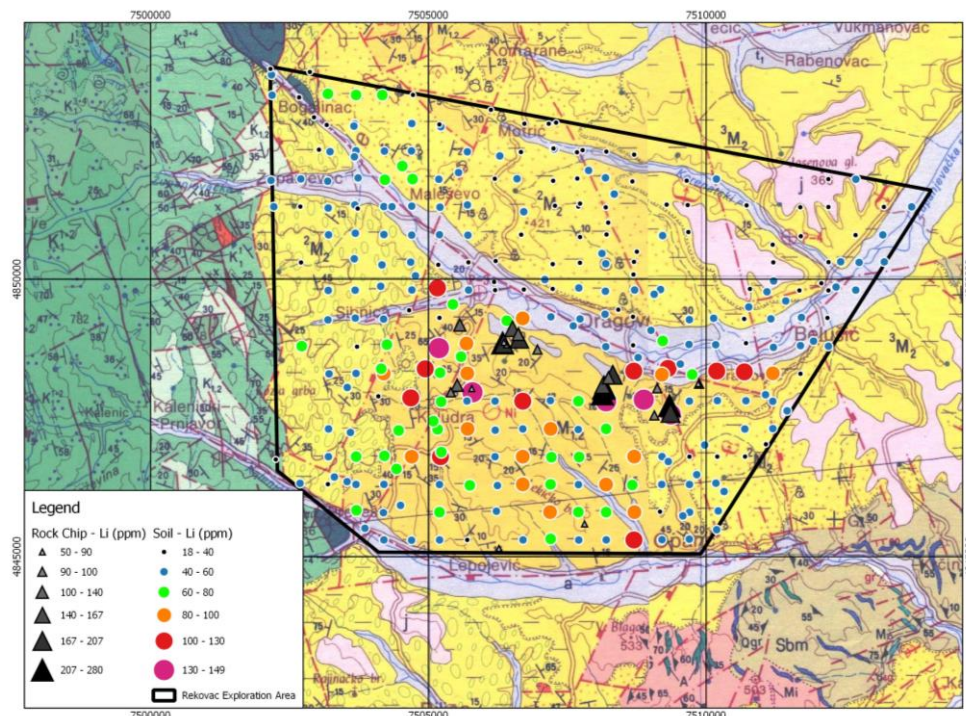


Figure 7 – Rekovac project geology map with soil and rock sampling positions and lithium values

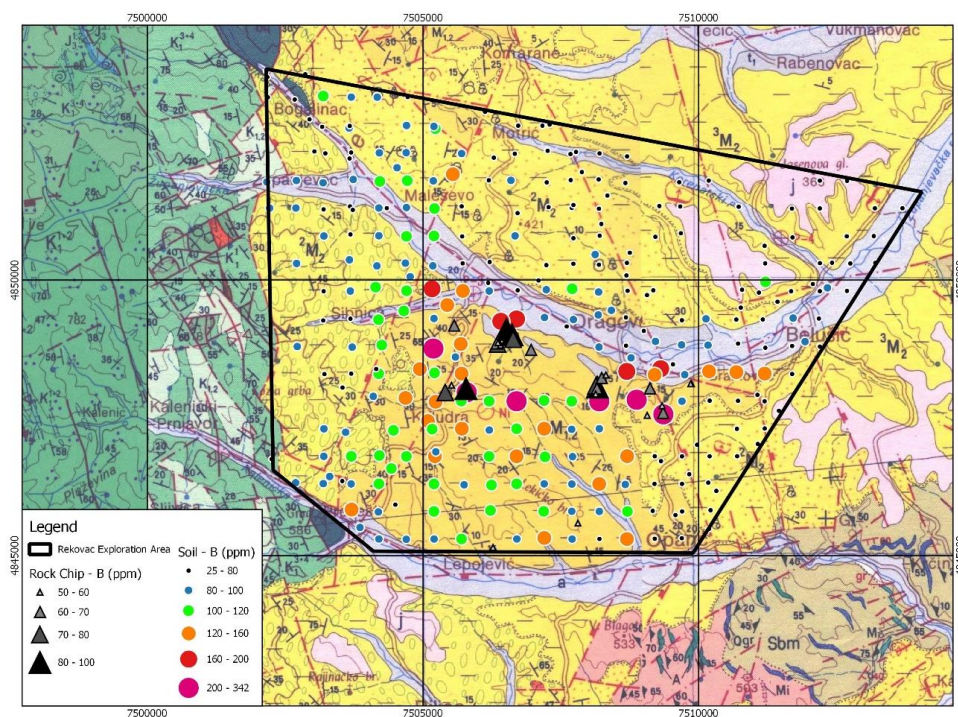


Figure 8 – Rekovac project geology map with soil and rock sampling positions and boron values



During the sampling program, the presence of scattered spherical nodules and pseudomorphs were identified, which are most likely replacing evaporite minerals within the fine pelitic sediments. XRD analyses of selected samples, indicated the presence of two evaporate minerals; Dolomite and Analcime, both of which are considered to be indicators of a saline-alkaline environment

In conjunction with the field activities, the Company acquired regional gravity and magnetic survey data from a local contractor who re-interpreted the data with the aim to outline underlying basin geometry and define the presence Calc-Alkaline volcanism that may be a source of mineral-bearing fluids. The data was analysed in conjunction with the surface sampling data and used to assist in defining target zones which will be the focus of the Company's scout drilling program.

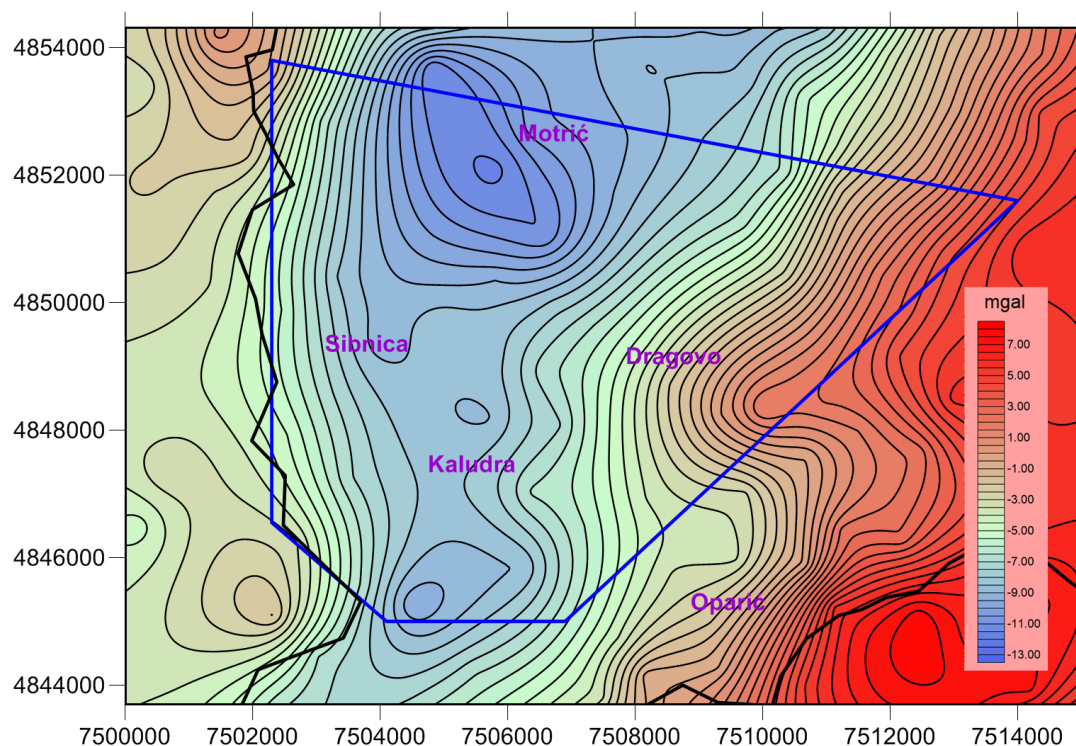


Figure 9 - Bouguer gravity image contoured at 0.5 mGal

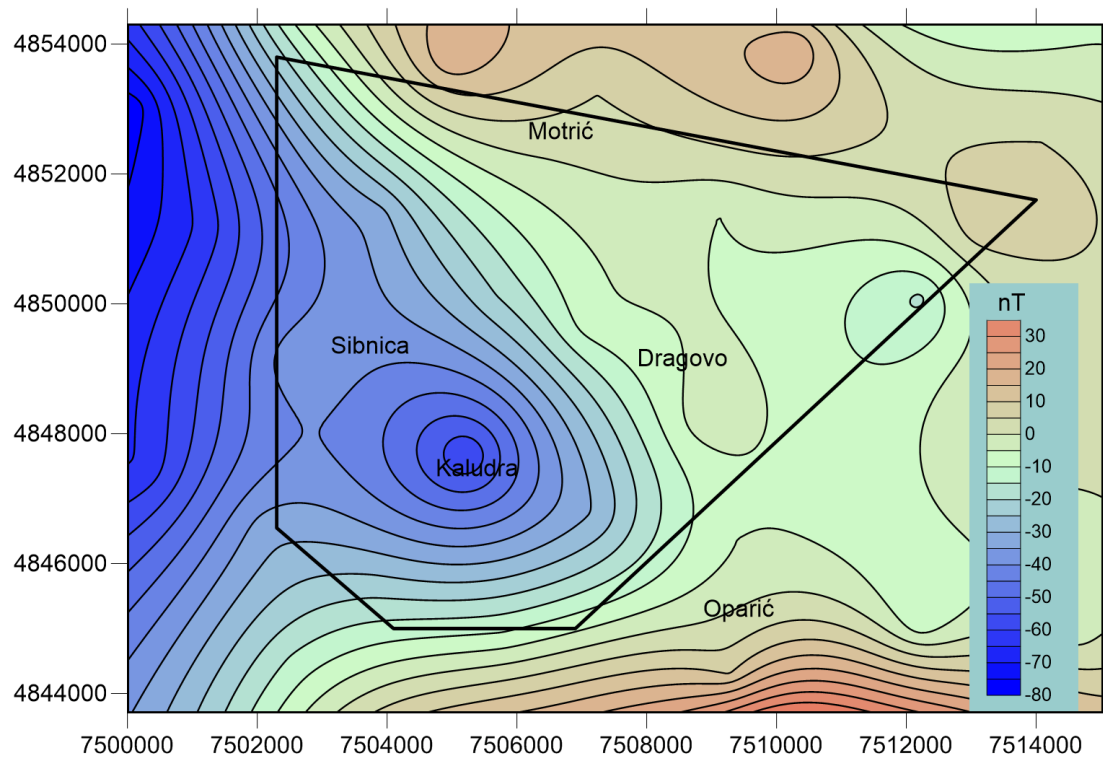


Figure 10 - Map of magnetic anomalies with 10 nT contour interval. The elevated values in the southern part of the license indicate a possible "blind" volcanic

#### Bukulja Project

During the year, the Company carried out a maiden sampling campaign on the Bukulja project, during which a total of 54 stream samples; 16 soil samples and 10 rock samples were collected. Preliminary stream sediment and soil surveys defined several anomalous zones on the Bukulja granitoid, which is considered prospective for pegmatite hosted lithium mineralisation. The anomalies were defined by multi-element values including Be, Sb, Sn, As and Li.

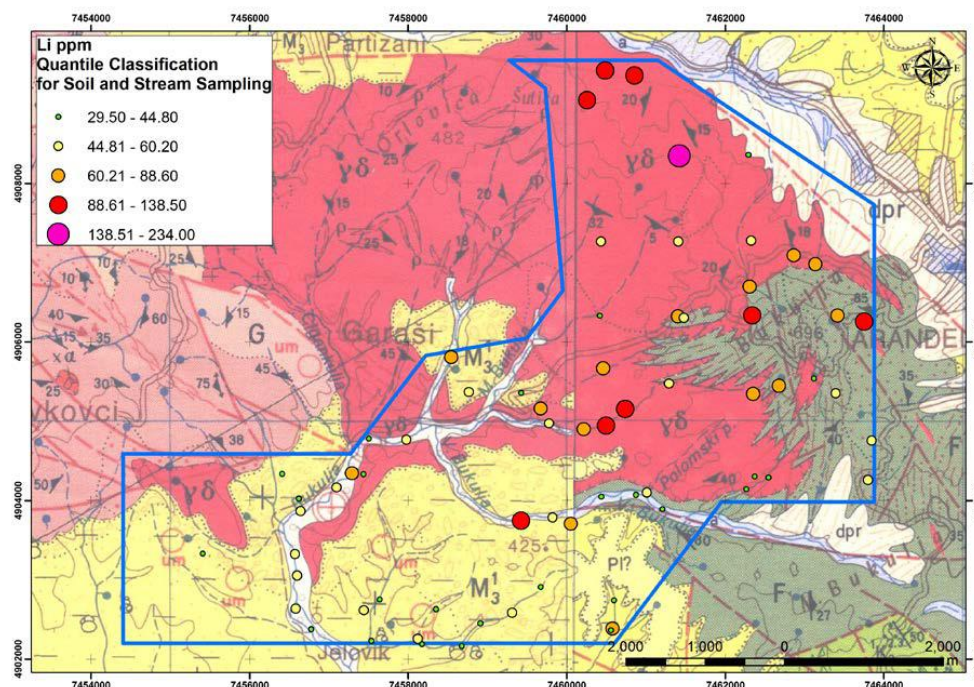


Figure 11 - Bukulja stream and soil sampling points and anomalous zones. Most of the anomalies are located on the Bukulja granitoid (represented as dark red on the map) and on the contacts of the granitoid on the western contact. The As/Sn anomaly on the southern.

After further follow up work on the license, which included further mapping and soil sampling, the Company decided to relinquish the Bukulja project, as it was determined that the likelihood of defining economic lithium resources on the project areas was low.

#### Krajkovac Project

During the year, the Company carried out its two sampling programs on the Krajkovac project, which resulted in a total of 48 stream sediment samples, 149 soil samples and 13 rock chip samples being collected.

After further follow up work on the license, which included further mapping and soil sampling, the Company decided to relinquish the Krajkovac project, as it was determined that the likelihood of defining economic lithium resources on the project areas was low.

#### Austrian Lithium Exploration Projects

On the 4th of February 2019, the Company completed the acquisition of its Austrian Lithium Exploration Licenses through its 80% owned entity, Subsidiary Jadar Lithium GmbH. As part of the terms of agreement, the Company issued 90.9 million shares and 25 million options to the vendors and appointed Mr Steven Dellidis to the Board of Jadar Lithium Limited. The exploration areas in Austria, which is considered to be a mining-friendly jurisdiction within the EU, contain 135 licenses, or "Freischürfe" and comprise of the Weinebene project together with seven satellite projects located in the South and South East of Austria.

The Weinebene surround European Lithium Limited's (ASX:EUR) Wolfsberg lithium deposit, which is an advanced lithium pre-development project. The projects are strategically placed for European manufacturers utilising lithium therefore providing the Company with an opportunity to enter the European Lithium supply market.



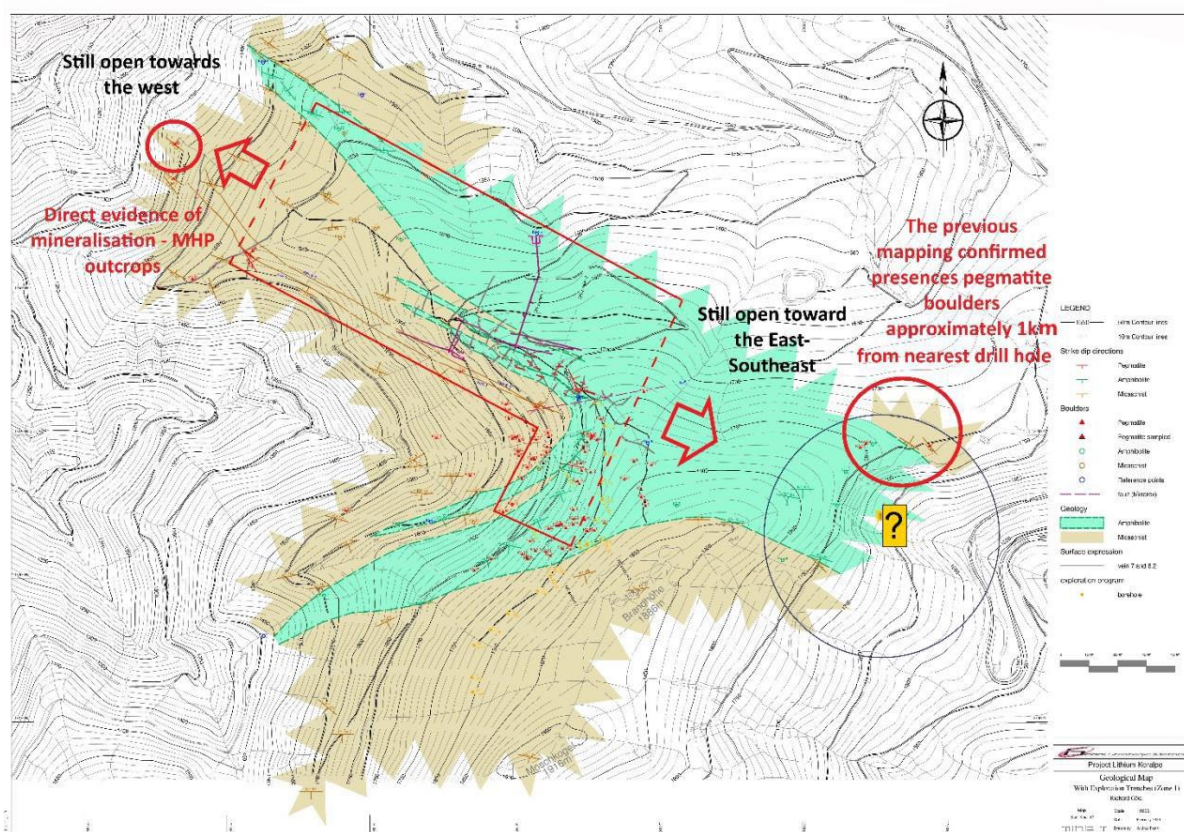


Figure 12 - Geological Map showing the potential extensions of European Lithium Ltd's lithium deposit. (source: European Lithium Limited Corporate Presentation – November 2017. The original has been edited)

Following the completion of the acquisition, the Company released the results of its maiden soil sampling and mapping program on the Weinebene project on the 19<sup>th</sup> February 2019. Initial work provided some very encouraging results with an initial rock sampling program returning high-grade lithium values situated adjacent and along strike of European Lithium Limited's (ASX:EUR) Wolfsberg deposit indicating the spodumene veins which form the Wolfsberg deposit continue into the Weinebene project area. Mapping of these target areas indicated spodumene showings within the outcrops and sampling of these outcrops yielded very high lithium values - up to 3.39% Li<sub>2</sub>O and the average value of 1.61% Li<sub>2</sub>O.

Importantly, follow up soil sampling program which was executed on the project area defined geochemical anomalies along strike of European Lithium's Wolfsberg Deposit indicating the spodumene veins which form the Wolfsberg deposit continue into the Weinebene project area.



Figure 13 – Field samples with spodumene (1 cm) crystals embedded into a qtz-feldspar matrix. Figure left sample 75001 3.39% Li<sub>2</sub>O, Figure right sample 75010 1.68% Li<sub>2</sub>O.

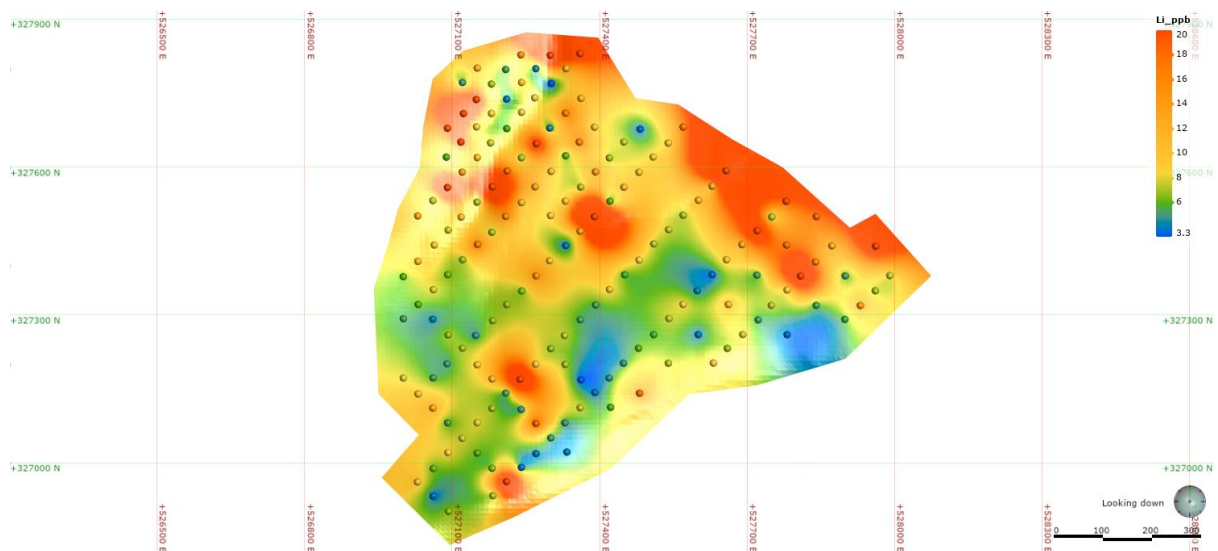


Figure 14 - Li spatial distribution in soils.

Further initial reconnaissance sampling carried out during the year on the Eastern Alps Satellite projects of Austria, which the Company reported on the 14th of March 2019, indicated that a number of the project areas host the potential for high grade Lithium bearing pegmatites as well.



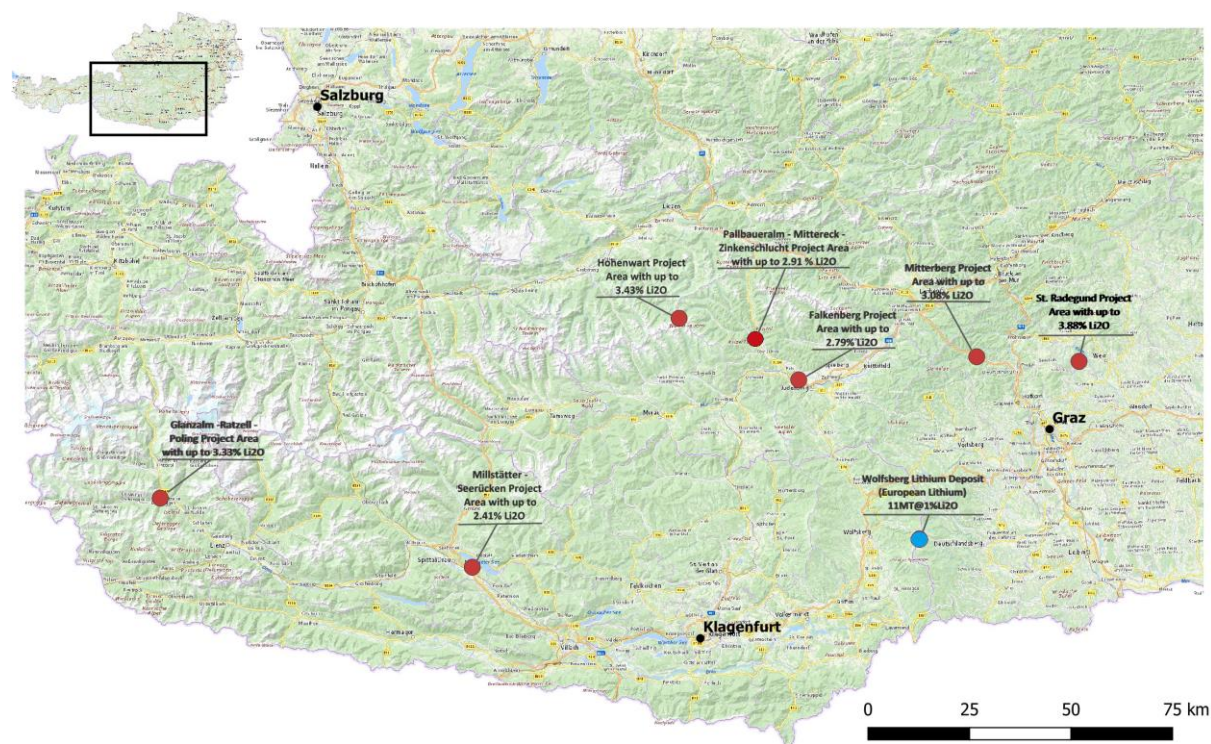


Figure 15 - Regional location map showing sampling location with highest lithium grades

The initial reconnaissance rock sampling program was designed with the objective of determining the spodumene bearing pegmatites and their grades. The Company's consultants collected 70 rock chips samples from numerous outcropping pegmatites on the projects. Initial pegmatite outcrops sampling results returned high-grade Li2O values with the highest value returning 3.88% Li2O and the average value over the 70 samples being 1.54% Li2O.

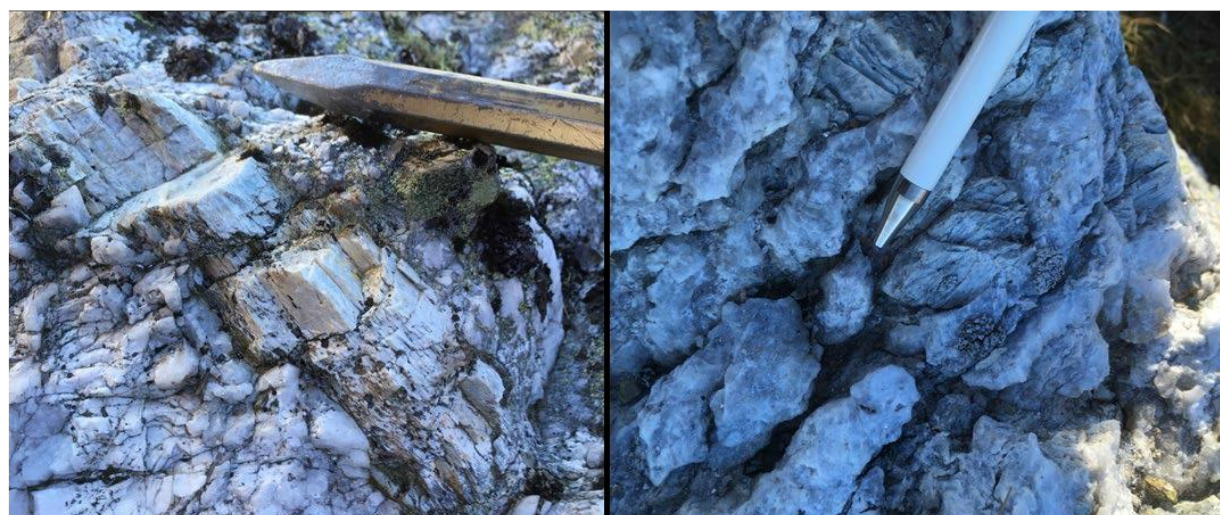


Figure 16 - Field samples with large spodumene crystals (up to 10 cm) embedded int qtz-feldspar matrix. Figure left sample 75065 2.91% Li2O, Figure right sample 75091 2.06% Li2O.



## Directors' Report

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### Significant events after reporting date

Subsequent to year end the following key events have occurred:

- On 13 August 2019, the Company issued 25,000,000 unlisted incentive options (exercise price \$0.02; expiry date 31 May 2023) to Directors, staff and contractors (Director incentive options were approved by shareholders at the general meeting of the Company held on 2 August 2019).
- As announced on 16 September 2019<sup>1</sup>, subsequent to 30 June 2019, the Company executed a term sheet for the purchase of the Yanamina Gold Project ("Yanamina" or the "Project") located in the Ancash region of northern Peru.

The Yanamina Gold Project hosts an outcropping epithermal derived inferred and indicated gold resource of +200,000 ozs of gold with additional significant exploration potential.

The Yanamina project is being purchased from Canadian TSX listed company Wealth Minerals Limited ("Wealth Minerals") for US\$100,000 in cash, a 1.0% net smelter royalty ("NSR") and the assumption of US\$8 million in production linked milestone payments and additional NSR's of 3.0%. In addition, a payment of \$100,000 is to be made to the party who introduced the acquisition (Happy Diamonds Pty Ltd) for services relating to the acquisition.

The Company will undertake a capital placement of \$380,000 at \$0.009 to fund the acquisition, review the Project's data and prepare an economic study to determine work required to fast track the Project to production status.

The acquisition is subject to a number of conditions precedent including, execution of a binding Sale and Purchase Agreement, Due Diligence and Shareholder approval in accordance with Listing Rule 11.1.2.

Other than operational results as detailed in the review of operations, there are no other significant matters subsequent to year end.

1. Jadar Lithium Limited confirms that it is not aware of any new information or data that materially effects the information included in the original ASX market announcement.

## Information on Directors

<b>Luke Martino</b>	
<b>Non-Executive Chairman (appointed on 22 December 2017)</b>	
Experience	<p>Mr Martino holds a Bachelor of Commerce (BCom) is a Fellow of the Institute of Chartered Accountant Australia and New Zealand (FCA) and a member of the Institute of Company Directors (FAICD).</p> <p>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.</p>
Interest in Shares and Options	<p>594,074 ordinary fully paid shares</p> <p>10,000,000 options</p>
Special Responsibilities	Member of Audit & Risk Committee and Nominations & Remuneration Committee
Directorships held in other listed entities	<p>Skin Elements Limited (current)</p> <p>Pan Asia Corporation Limited (resigned 9 June 2017)</p>
<b>Nicholas Sage</b>	
<b>Non-Executive Director (appointed on 22 December 2017)</b>	
Experience	<p>Mr Sage is an experienced marketing and communications professional with excess of 25 years in various management and consulting roles. Mr Sage is based in Western Australia and currently consults to various companies and has held various management roles within Tourism Western Australia. Mr Sage also runs his own management consulting business and is a Non-Executive director of ASX listed Cauldron Energy Limited (resigned 25 February 2019) and Fe Limited.</p>
Interest in Shares and Options	5,000,000 options
Special Responsibilities	Member of Audit & Risk Committee
Directorships held in other listed entities	<p>Cauldron Energy Limited (resigned 25 February 2019)</p> <p>Fe Limited (current)</p> <p>International Goldfields Limited (current)</p>
<b>Stefan Müller</b>	
<b>Non-Executive Director (appointed on 24 July 2018)</b>	
Experience	<p>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.</p> <p>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. Mr Müller has completed the Executive Program, INSEAD.</p>
Interest in Shares and Options	5,000,000 options
Special Responsibilities	Nil
Directorships held in other listed entities	<p>European Lithium Limited (current)</p> <p>Cape Lambert Resources Limited (current)</p>



<b>Steven Dellidis</b>	<b>Non-Executive Director (appointed on 4 February 2019)</b>
Experience	<p>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.</p> <p>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.</p>
Interest in Shares and Options	5,000,000 options
Special Responsibilities	Member of Nomination & Remuneration Committee
Directorships held in other listed entities	Nil
<b>Michael Davy</b>	<b>Non-Executive Director (resigned on 15 April 2019)</b>
Experience	<p>Mr Davy is an Accountant with over 15 years' experience and holds a Bachelor of Commerce (Bcom Acc). His experience is broad having working 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.</p>
Interest in Shares and Options	1,000,000 ordinary fully paid shares
Special Responsibilities	Nil
Directorships held in other listed entities	<p>Aus Asia Minerals Limited (current)</p> <p>Raiden Resources Limited (current)</p> <p>Dotz Nano Limited (resigned 31 October 2016)</p>
<b>Martin Pawlitschek</b>	<b>Non-Executive Director (resigned on 6 November 2018)</b>
Experience	<p>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.</p>

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.

Mr Pawlitschek later joined one of the junior companies set up by BHP and moved forward an ambitious diamond exploration program in the DRC. From there he continued his career in the junior sector with a move to Senegal where he managed a large portfolio of exploration permits for gold in Eastern Senegal, which resulted in the development of what is now the 10MOz Sabodala gold camp with an annual output in excess of 200KOz of gold. He also had early input in the evaluation of the Grand Cote Mineral sands project on the coast of Senegal, this is now the world's largest mineral sands dredging operation.

Mr Pawlitschek is a Fellow of the Australasian Institute of Geoscientists and holds the following qualifications M Science, B. Science - Applied Geology (Honours), Dip. Applied Chemistry.

Interest in Shares and Options	Nil
Special Responsibilities	Nil
Directorships held in other listed entities	Raiden Resources Limited (current)

## Information on Company Secretary

<b>Louisa Martino</b>	<p>Ms Martino has provided company secretarial and accounting services for the past 7 years. Prior to this she was the Chief Financial Officer of a private company during its stage seeking investor financing.</p> <p>Ms Martino previously worked for a corporate finance company, assisting company compliance (ASIC and ASX) and capital raisings. She also has experience working for a government organisation in its Business Development division where she performed reviews of business opportunities and prepared business case documents seeking Government funding.</p> <p>Ms Martino also worked for a major accounting firm in Perth, London and Sydney where she provided corporate advisory services, predominantly on IPOs and mergers and acquisitions and also performed due diligence reviews.</p> <p>She has a Bachelor of Commerce from the University of Western Australia, is a member of Chartered Accountants Australia and New Zealand and a member of Financial Services Institute of Australasia (FINSIA).</p>
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## Directors' Report

### Directors Meetings & Committee Meetings

The following table sets out the number of Directors' meetings held during the financial year and the number of meetings attended by each Director (while they were a Director or committee member) of the Company. During the financial year, 6 Board meetings were held.

	Director's Meetings		Audit & Risk Committee Meetings		Nomination & Remuneration Committee Meetings	
	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
Luke Martino	6	6	1	1	1	1
Nicholas Sage	6	4	1	1	-	-
Steven Dellidis	2	2	-	-	1	1
Stefan Müller	6	5	-	-	-	-
Michael Davy	5	5	-	-	-	-
Martin Pawlitschek	3	3	-	-	-	-

Members of the Audit & Risk and Nomination & Remuneration committees as at the date of this report are noted in the table below.

Audit & Risk Committee	Nomination & Remuneration Committee
Luke Martino	Steven Dellidis
Nicholas Sage	Luke Martino

### Share Options

At the date of this report, the un-issued ordinary shares of Jadar Lithium Limited under option are as follows:

Issue Date	Expiry Date	Exercise Price	Number of shares under option
22/12/2017	22/12/2020	\$0.02	70,250,000
22/12/2018	31/07/2020	\$0.03	5,000,000
04/02/2019	31/07/2020	\$0.03	25,000,000
13/08/2019	31/05/2023	\$0.02	25,000,000
			<b>125,250,000</b>

Option holders do not have any right, by virtue of the option, to participate in any share issue of the Company or any related body corporate.

### Likely Future Developments

The Company's strategy is to increase shareholder value by maximising the value of its exploration assets in Serbia and Austria and over time diversification of its asset portfolio.

The Group intends to continue to undertake appropriate exploration and evaluation activities sufficient to maintain tenure of its exploration licences, as well as, determine the technical prospectively of the projects, until such time that an informed decisions can be made in order to commercially exploit or relinquish them.

### Indemnifying Officers

During the financial year, the Company paid a premium in respect of a contract insuring the Directors of the Company (as named above), the company secretary, and all executive officers of the Company and of any related body corporate against a liability incurred as such a Director, secretary or executive officer to the extent permitted



## Directors' Report

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by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Company has not otherwise, during or since the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred as such an officer or auditor.

### Environmental Regulations

The Company's operations are not regulated by any significant environmental regulation under the Law of the Commonwealth or of a State or Territory of Australia. However, the group's operations in the Republic of Serbia and Austria are subject to environmental regulations under the Serbian and Austrian laws. The group has a policy of complying with its environmental performance obligations and at the date of this report, it is not aware of any breach of such regulations.

### Proceedings on behalf of the Company

No person has applied for leave of Court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or any part of those proceedings. The Group was not a party to any such proceedings during the year

### Auditor

Grant Thornton Audit Pty Ltd are the Company's Auditor and continue in office in accordance with section 327 of the Corporations Act 2001.

### Non-Audit Services

An amount of \$Nil (2018: \$ Nil) was paid to the external auditor during the year for non-audit services. The Directors are satisfied that any non-audit services provided during the year ended 30 June 2019 did not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

### Corporate Governance Statement

The Company's Corporate Governance Statement can be found on the Company's website at the following URL: [www.jadarlithium.com.au/corporate-governance](http://www.jadarlithium.com.au/corporate-governance).

### REMUNERATION REPORT (AUDITED)

This remuneration report, which forms part of the directors' report, sets out information about the remuneration of the Company's directors and key management personnel for the financial year ended 30 June 2019. The key management personnel of the Company include the Directors and other officers of the Company. For the purposes of this report "key management personnel" are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company.

### Remuneration Policy

The nature and amount of remuneration for the non-executive Directors and executives depends on the nature of the role and market rates for the position, with the assistance of external surveys and reports, and taking into account the experience and qualifications of each individual. The Board ensures that the remuneration of key management personnel is competitive and reasonable. Fees and payments to the non-executive Directors reflect the demands which are made on, and the responsibilities of the Directors. Non-executive Director's fees and payments are reviewed annually by the Board.

In undertaking a review of the performance of both directors and executives, consideration is given to the respective performance of the person during the review period; however, there are no prescribed performance measures or hurdles connected with the level of remuneration.

The Company's Nomination and Remuneration Committee has responsibility and oversight for making recommendations to the Board regarding remuneration for directors and employees.

## Directors' Report

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In August 2019, the Company (following shareholder approval) adopted a Performance Rights and Option Plan to:

- establish a method by which directors or employees of the Company (Eligible Persons) can participate in the future growth and profitability of the Company;
- provide an incentive and reward for Eligible Persons for their contributions to the Company; and
- attract and retain a high standard of managerial and technical personnel for the benefit of the Company.

Given the current size, nature and risks of the Company, having the ability to offer incentive options and performance rights will be useful to attract and retain directors and executives. The grant of such options or rights is at the discretion of the Board and subject, as appropriate, to shareholder approval. The Board believes participation in the Company's Performance Rights and Options Plan (incentive scheme) motivates key management and executives with the long-term interests of shareholders.

The Company will continue to monitor its remuneration framework against market benchmarks and ensure that the linkages between remuneration and company performance remain strong.

### Securities Trading Policy

The trading of JDR's securities by directors, key management personnel, their associates and employees of the Company is subject to, and conditional upon, compliance with the Company's Dealings in Securities Policy ("Securities Trading Policy"). The Company's security trading policy applies to trading in all Company securities, which includes:

- Company securities (such as shares);
- any other securities issued by the Company, such as options;
- derivatives and other financial products issued or created over or in respect of Company securities; and
- securities of any other company or entity that may be affected by inside information.

The securities trading policy details acceptable and unacceptable times for trading in Company Securities including detailing potential civil and criminal penalties for misuse of "inside information".

Any Director, executive or key management personnel wishing to trade in the Company's securities must consult the Chairman and Company Secretary to gain approval to trade and ensure that trading restrictions are not in force. All trades by Directors during the financial year were conducted in compliance with the Company's securities trading policy. The Directors are responsible for disclosure to the market of all transactions or contracts involving the Company's shares.

### Directors' Remuneration

The Non-Executive Directors' fees are approved by the Board within the aggregate approved by the shareholders at a general meeting. The fee pool currently stands at \$200,000 as approved at the Company's AGM in October 2017. The Company does not provide retirement benefits, however directors may salary sacrifice an element of their total remuneration to superannuation. In addition, the Board seeks shareholder approval for any options that may be issued to directors.

Fees paid to non-executive directors are determined with reference to the nature of the role, responsibilities and time commitment, including membership of board committees and industry benchmarking data; and the need to attract a diverse and well-balanced group of individuals with relevant experience and knowledge.

The amount of aggregate remuneration and the manner in which it is apportioned amongst directors is reviewed annually. Shareholder approval is sought where there is a proposed change in the total remuneration paid to non-executive directors.

The Board considers the Company's particular circumstances as well as the fees paid to non-executive directors of comparable companies when undertaking the annual review process and determining the nature and amount of key management remuneration.



## Directors' Report

### Details of the Remuneration

The Key Management Personnel of Jadar Lithium Limited includes the Directors of the Company.

The following tables show details of the remuneration received by the key management personnel of the group for the current and previous financial year.

		Short Term Salary, Fees & Commissions \$	Post Employment Superannuation \$	Other/ Bonus \$	Share-based payments \$	Total \$	Performance based remuneration %
L Martino	2019	41,000 <sup>1</sup>	-	-	-	41,000	-
(Non-Executive Chairman)	2018	18,000	-	-	-	18,000	-
N Sage	2019	36,000 <sup>2</sup>	-	-	-	36,000	-
(Non-Executive Director)	2018	18,000	-	-	-	18,000	-
S Dellidis <sup>7</sup>	2019	15,000 <sup>3</sup>	-	-	-	15,000	-
(Non-Executive Director)	2018	-	-	-	-	-	-
S Müller <sup>7</sup>	2019	33,600	-	-	-	33,600	-
(Non-Executive Director)	2018	-	-	-	-	-	-
M Davy	2019	28,500 <sup>4</sup>	-	-	-	28,500	-
(Non-Executive Director)	2018	12,266	-	-	-	12,266	-
M Pawlitschek	2019	12,600 <sup>5</sup>	-	-	-	12,600	-
(Non-Executive Director)	2018	12,000	-	-	-	12,000	-
G Williams <sup>6</sup>	2019	-	-	-	-	-	-
(Executive Director)	2018	7,599	-	-	-	7,599	-
J Tsaban <sup>6</sup>	2019	-	-	-	-	-	-
(Non-Executive Director)	2018	-	-	-	-	-	-
W Knight <sup>6</sup>	2019	-	-	-	-	-	-
(Non-Executive Director)	2018	-	-	-	-	-	-
<b>Total</b>	<b>2019</b>	<b>166,700</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>166,700</b>	<b>-</b>
	<b>2018</b>	<b>67,865</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>67,865</b>	<b>-</b>

1. Fees paid to Indian Ocean Consulting Group Pty Ltd.

2. Fees paid to Okewood Pty Ltd

3. Fees paid to SDC Corporate Pty Ltd

4. For the period 1 July 2018 to 15 April 2019

5. For the period 1 July 2018 to 6 November 2018

6. G Williams, J Tsaban & W Knight all resigned as directors during the financial year ending 30 June 2018. No remuneration was paid to these directors in the year ended 30 June 2019.

7. S Dellidis and S Müller were appointed in the year end 30 June 2019 and as such, earned no compensation in the prior year.

### Employment Contracts of Directors and Senior Executives

There were no service agreements in place for the year ended 30 June 2019 (2018: Nil).



## Directors' Report

### KMP Holdings

The number of shares and options held by each Director of the Group during the financial year was as follows:

30-Jun-19	Balance at the start of the year		Granted as Remuneration during the year		Issued on exercise of options during the year		Other changes during the year		Balance at the end of the year	
	Shares	Options	Shares	Options	Shares	Options	Shares	Options	Shares	Options
L Martino	594,074	5,000,000	-	-	-	-	-	-	594,074	5,000,000
N Sage	-	-	-	-	-	-	-	-	-	-
S Dellidis	-	-	-	-	-	-	-	-	-	-
S Müller	-	-	-	-	-	-	-	5,000,000**	-	5,000,000
M Davy *	1,000,000	-	-	-	-	-	-	-	1,000,000	-
M Pawlitschek *	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>1,594,074</b>	<b>5,000,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,000,000</b>	<b>1,594,074</b>	<b>10,000,000</b>

\* End of year balance represents the directors' interests at the date of their resignations (M Davey 15/04/2019; M Pawlitschek, 06/11/2018)

\*\* Relates to issue of options to Deutsche Gesellschaft für Wertpapieranalyse GmbH ("DGWA"), an entity related to Mr Müller, for the provision of investor relations services in Germany and Europe agreed prior to being appointed a director.

There was no performance rights or other held by Key Management Personnel during the financial year (2018: Nil).

Since 30 June 2019, as approved by shareholders on 2 August 2019, the following unlisted incentive options have been issued to key management personnel:

KMP	Grant Date	Issue Date	Expiry Date	Exercise Price	Number of shares under option
L Martino	02/08/2019	13/08/2019	31/05/2023	\$0.02	5,000,000
N Sage	02/08/2019	13/08/2019	31/05/2023	\$0.02	5,000,000
S Dellidis	02/08/2019	13/08/2019	31/05/2023	\$0.02	5,000,000
					<b>15,000,000</b>

The grants of options to the Directors were indirectly linked to performance through having an option exercised price set at a 122% premium to the Company's share price at issue. Whilst not directly linked to operational performance, the Board considered the issues of the options to be reasonable in the circumstances given the Company's size, stage of development and need to retain and attract directors and key management personnel of a high calibre while still maintaining cash reserves.

Options granted carry no dividend or voting rights. When exercisable, each option is convertible into one ordinary share at \$0.02 per option. The assessed fair value at grant date of options granted to the individuals is allocated equally over the period from the grant date to vesting date. Fair values at grant date are independently determined using a Black and Scholes pricing model.

### Loans to Key Management Personnel

There were no loans to Key Management Personnel during the financial year (2018: Nil).

### Other Related Party Transactions

Purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. During the year, the Group acquired the services from entities that are controlled by members of the Group's key management personnel. Please refer to Note 18 for details of the transactions.

## Engagement of Remuneration Consultants

During the financial year, the Company did not engage any remuneration consultants to review the Key Management Personnel remuneration for the year ended 30 June 2019.

## 2018 Remuneration Report Vote

At the Company's 2018 Annual General Meeting, the Company's Remuneration Report received a vote in favour of 95.1 %. Feedback on the Remuneration Report was not received during the 2018 Annual General Meeting.

## Historical Information

The table below sets out summary information about the Group's earnings and movements in share price for the five years to 30 June 2019.

	2015	2016	2017	2018	2019
Revenue (\$)	1,931,020	-	63,054	12,275	46,123
Net profit (loss) after tax (\$)	960,588	(32,106)	(266,646)	(1,216,699)	(1,231,651)
Dividends (\$)	-	-	-	-	-
Basic earnings (loss) per share (\$ cents)	0.30	(0.01)	(1.17)	(0.62)	(0.29)
Diluted earnings (loss) per share (\$ cents)	0.30	(0.01)	(1.17)	(0.62)	(0.29)
Share price at the start of the year (A\$)*	0.38	n.a	n.a	0.34	0.013
Share price at the end of the year (A\$)*	n.a	n.a	n.a	0.013	0.008

\* The Company's securities were suspended from official quotation for the period 1 October 2014 until 29 December 2017. Following completing the acquisition of the Company's Serbian assets, the Company was re-capitalised and reinstated to official quotation on 29 December 2017.

## REMUNERATION REPORT (END)

This report is made in accordance with a resolution of the Board of Directors.



Luke Martino

**Non-Executive Chairman**

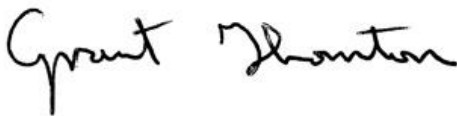
26 September 2019

## Auditor's Independence Declaration

### To the Directors of Jadar Lithium Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of (Jadar Lithium Limited) for the year ended 30 June 2019, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and
- b no contraventions of any applicable code of professional conduct in relation to the audit.



Grant Thornton Audit Pty Ltd  
Chartered Accountants



P W Warr  
Partner – Audit & Assurance

Perth, 26<sup>th</sup> September 2019



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T +61 8 9480 2000

## Independent Auditor's Report

To the Members of Jadar Lithium Limited

### Report on the audit of the financial report

#### Opinion

We have audited the financial report of Jadar Lithium Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as 30 June 2019, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- a giving a true and fair view of the Group's financial position as at 30 June 2019 and of its financial performance for the year then ended; and
- b complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

#### Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

ACN-130 913 594

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## Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p><b>Exploration and Evaluation Assets</b> <b>Note 11</b></p> <p>At 30 June 2019 the carrying value of Exploration Assets was \$2.46 million.</p> <p>In accordance with AASB 6 <i>Exploration for and Evaluation of Mineral Resources</i>, the Group is required to assess at each reporting date if there are any triggers for impairment which may suggest the carrying value is in excess of the recoverable value.</p> <p>The process undertaken by management to assess whether there are any impairment triggers in each area of interest involves an element of management judgement.</p> <p>This area is a key audit matter due to the significant judgement involved in determining the existence of impairment triggers.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> <li>• Obtaining management's reconciliation of capitalised exploration and evaluation expenditure and agreeing to the general ledger;</li> <li>• Reviewing management's area of interest considerations against AASB 6;</li> <li>• Conducting a detailed review of management's assessment of trigger events prepared in accordance with AASB 6 including; <ul style="list-style-type: none"> <li>○ Obtaining legal confirmation over tenement ownership;</li> <li>○ Enquiring of management regarding their intentions to carry out exploration and evaluation activity in the relevant exploration area, including review of management's budgeted expenditure;</li> <li>○ Understanding whether any data exists to suggest that the carrying value of these exploration and evaluation assets are unlikely to be recovered through development or sale;</li> </ul> </li> <li>• Assessing the accuracy of impairment recorded for the year as it pertained to exploration interests; and</li> <li>• Assessing the appropriateness of the related financial statement disclosures.</li> </ul>

Acquisition of Company Note 8	
<p>On 4 February 2019, the Company acquired 80% of Jadar Lithium GmbH, an Austrian based company, and holder of exploration licences in Austria.</p> <p>Accounting for this transaction requires management judgement to determine if this was a business combination or an asset acquisition, the fair value of the purchase consideration and the allocation of the purchase price to assets acquired.</p> <p>We considered this transaction to be a key audit matter because of the degree of complexity involved in the acquisition and the materiality of the matter to the users of the financial statements.</p>	<p>Our procedures included, amongst others:</p> <ul style="list-style-type: none"> <li>• Considering the legal documents and managements position paper on the acquisition to obtain an understanding of the transaction;</li> <li>• Assessing the acquisition in relation to identifying whether the acquisition transaction is a business combination in accordance to AASB 3 <i>Business Combinations</i> or an asset acquisition;</li> <li>• Assessing the determination of the fair value of the consideration calculated; and</li> <li>• Assessing the adequacy of the disclosures in the financial statements.</li> </ul>

#### Information Other than the Financial Report and Auditor's Report Thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2019, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Responsibilities of the Directors for the Financial Report

The Directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

#### Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: [http://www.auasb.gov.au/auditors\\_responsibilities/ar1.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf). This description forms part of our auditor's report.

## **Report on the Remuneration Report**

### **Opinion on the Remuneration Report**

We have audited the Remuneration Report included in pages 19 to 23 of the directors' report for the year ended 30 June 2019.

In our opinion, the Remuneration Report of Jadar Lithium Limited, for the year ended 30 June 2019, complies with section 300A of the *Corporations Act 2001*.

### **Responsibilities**

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.



GRANT THORNTON AUDIT PTY LTD  
Chartered Accountants



P W Warr  
Partner – Audit & Assurance

Perth, 26 September 2019

### Directors' Declaration

In the Director's opinion:

1. The consolidated financial statements and notes set out on pages 31 and 58 are in accordance with the Corporations Act 2001, including:
  - a) complying with Australian Accounting Standards and Corporations Regulations 2001;
  - b) giving a true and fair view, the consolidated entity's financial position as at 30 June 2019 and of its performance for the year ended on that date;
  - c) complying with International Financial Reporting Standards as disclosed in Note 1; and
2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
3. This declaration has been made after receiving the declaration required to be made to the directors in accordance with Section 295A of the Corporations Act 2001 for the financial year ended 30 June 2019.

This declaration is made in accordance with a resolution of the Board of Directors and is signed for and on behalf of the Directors by:



Luke Martino

**Non-Executive Chairman**

26 September 2019

# Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2019

	NOTE	2019 \$	2018 \$
Interest income		46,123	12,275
Other Income		-	-
Consulting fees		(19,100)	(173,750)
Director fees		(166,700)	(67,865)
DOCA expense		-	(160,000)
Exploration written off		(467,637)	-
Marketing and investor relations		(178,650)	(120,958)
Other expenses		(70,000)	(29,708)
Professional fees	3	(318,099)	(211,569)
Reinstatement expense		-	(373,937)
Share registry and listing fees		(41,370)	(91,187)
Share based payments		(16,218)	-
Loss before income tax expense		(1,231,651)	(1,216,699)
Income tax expense	4	-	-
<b>Loss for the year</b>		<b>(1,231,651)</b>	<b>(1,216,699)</b>

## Other comprehensive income:

Items which may be subsequently reclassified to profit or loss

Exchange differences on translating foreign operations	(3,974)	(9,722)
Total other comprehensive income for the year	(3,974)	(9,722)
<b>Total Comprehensive loss for the year</b>	<b>(1,235,625)</b>	<b>(1,226,421)</b>

## Total loss for the period attributable to:

Owners of the parent	(1,231,271)	(1,216,699)
Non-controlling interest	(380)	-
	<b>(1,231,651)</b>	<b>(1,216,699)</b>

## Total comprehensive loss for the period attributable to:

Owners of the parent	(1,235,357)	(1,226,421)
Non-controlling interest	(268)	-
	<b>(1,235,625)</b>	<b>(1,226,421)</b>

Earnings per share for loss attributable to the ordinary equity holders of the Company:

		Cents	Cents
Basic and diluted earnings per share earnings/(loss)	7	(0.29)	(0.62)

The accompanying notes form part of these financial statements.

	NOTES	2019 \$	2018 \$
<b>Current Assets</b>			
Cash & cash equivalents	9	2,022,957	3,419,022
Trade & other receivables	10	39,848	89,840
Prepayments		34,276	38,886
<b>Total Current Assets</b>		<b>2,097,081</b>	<b>3,547,748</b>
<b>Non-Current Assets</b>			
Exploration asset	11	2,464,994	1,292,193
<b>Total Non-Current Assets</b>		<b>2,464,994</b>	<b>1,292,193</b>
<b>Total Assets</b>		<b>4,562,075</b>	<b>4,839,941</b>
<b>Current Liabilities</b>			
Trade & other payables	13	128,531	54,490
<b>Total Current Liabilities</b>		<b>128,531</b>	<b>54,490</b>
<b>Total Liabilities</b>		<b>128,531</b>	<b>54,490</b>
<b>Net Assets/ (liabilities)</b>		<b>4,433,544</b>	<b>4,785,451</b>
<b>Equity</b>			
Issued capital	14	40,154,698	39,336,517
Reserves	15	104,502	53,071
Accumulated losses	16	(35,835,408)	(34,604,137)
Parent entity interest		4,423,792	4,785,451
Non-controlling interest		9,752	-
<b>Total Equity</b>		<b>4,433,544</b>	<b>4,785,451</b>

The accompanying notes form part of these financial statements.



# Statement of Changes in Equity

For the Year Ended 30 June 2019

CONSOLIDATED ENTITY	Note	Issued Capital \$	Option Reserve \$	Foreign Currency Reserve \$	Accumulated Losses \$	Non-controlling Interest \$	Total \$
<b>Balance at 1 July 2017</b>		<b>31,210,629</b>	-	-	<b>(33,387,438)</b>	-	<b>(2,176,809)</b>
Loss for the year	16	-	-	-	(1,216,699)	-	(1,216,699)
Other comprehensive income		-	-	(9,722)	-	-	(9,722)
Total Comprehensive loss for the year		-	-	(9,722)	(1,216,699)	-	(1,226,421)
<b>Transactions with owners, recognised directly in equity</b>							
Issued capital		5,637,000	-	-	-	-	5,637,000
Acquisition of Centralist Pty Ltd		1,000,000	-	-	-	-	1,000,000
Capital raising costs		(456,562)	-	-	-	-	(456,562)
Conversion of debt to equity		1,632,450	-	-	-	-	1,632,450
Share based payments		313,000	62,793	-	-	-	375,793
<b>Balance at 30 June 2018</b>		<b>39,336,517</b>	<b>62,793</b>	<b>(9,722)</b>	<b>(34,604,137)</b>	-	<b>4,785,451</b>
<b>Balance at 1 July 2018</b>		<b>39,336,517</b>	<b>62,793</b>	<b>(9,722)</b>	<b>(34,604,137)</b>	-	<b>4,785,451</b>
Loss for the year	16	-	-	-	(1,231,271)	(380)	(1,231,651)
Other comprehensive income		-	-	(3,974)	-	112	(3,862)
Total Comprehensive loss for the year		-	-	(3,974)	(1,231,271)	(268)	(1,235,513)
<b>Transactions with owners, recognised directly in equity</b>							
Acquisition of Austria Assets	8	818,181	39,187			10,020	867,388
Share based payments		-	16,218	-	-	-	16,218
<b>Balance at 30 June 2019</b>		<b>40,154,698</b>	<b>118,198</b>	<b>(13,696)</b>	<b>(35,835,408)</b>	<b>9,752</b>	<b>4,433,544</b>

# Statement of Cash Flows

For the Year Ended 30 June 2019

	NOTES	2019 \$	2018 \$
<b>Cash Flows from Operating Activities</b>			
Receipts from suppliers		-	-
Payments to suppliers and employees		(682,265)	(861,298)
Payments for transaction costs		-	(743,937)
Interest received		44,492	12,275
<b>Net cash (used in) operating activities</b>	20	<b>(637,773)</b>	<b>(1,592,960)</b>
<b>Cash Flows from Investing Activities</b>			
Payments for exploration and evaluation		(751,361)	(266,765)
<b>Net cash (used in) investing activities</b>		<b>(751,361)</b>	<b>(266,765)</b>
<b>Cash Flows from Financing Activities</b>			
Proceeds from issue of shares		-	5,637,000
Capital raising costs		-	(364,343)
Proceeds from borrowings		-	-
Repayment of borrowings		-	(26,339)
<b>Net cash provided by financing activities</b>		<b>-</b>	<b>5,246,318</b>
<b>Net (decrease)/ increase in cash and cash equivalents</b>		<b>(1,389,134)</b>	<b>3,386,593</b>
Cash and cash equivalents at the beginning of the financial year		3,419,022	30,674
Foreign exchange		(6,931)	1,755
<b>Cash and cash equivalents at the end of the financial year</b>	9	<b>2,022,957</b>	<b>3,419,022</b>

The accompanying notes form part of these financial statements.

## 1. Statement of Significant Accounting Policies

The financial report covers the consolidated entity of Jadar Lithium Limited (the “Company”) and controlled entities (the “Group”). Jadar Lithium Limited is a listed public company, incorporated and domiciled in Australia. The company is a for-profit entity for the purpose of preparing financial statements. The financial report was authorised for issue by a resolution of the Board of Directors on 26 September 2019.

### Basis of Preparation

This financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

### Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The reporting currency is Australian Dollars.

#### a. Principles of Consolidation

The Group financial statements consolidate those of the Parent Company and all of its subsidiaries as of 30 June 2019. The Parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All subsidiaries have a reporting date of 30 June.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

Non-controlling interests, presented as part of equity, represent the portion of a subsidiary’s profit or loss and net assets that is not held by the Group. The Group attributes total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

## **b. Income Tax**

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to the profit or loss is the tax payable on taxable income calculated using applicable income tax rates enacted, or substantially enacted, as at the end of the reporting period. Current tax liabilities (assets) are therefore measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses.

Current and deferred income tax expense (income) is charged or credited directly to equity instead of the profit or loss when the tax relates to items that are credited or charged directly to equity.

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates enacted or substantively enacted at the end of the reporting period. Their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where a legally enforceable right of set-off exists, the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

## **c. Property, Plant & Equipment**

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

### **Plant & Equipment**

The cost of fixed assets constructed within the consolidated entity includes the cost of materials, direct labor, borrowing costs and an appropriate proportion of fixed and variable overheads.



Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future consolidated benefits associated with the item will flow to the group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

### Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets, but excluding freehold land, is depreciated on a straight-line basis over their useful lives to the consolidated entity commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Office Furniture	6% - 40%
Office Equipment	12.5% - 40%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in profit or loss.

### d. Leases

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of leased non-current assets, and operating leases under which the lessor effectively retains substantially all such risks and benefits.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred. Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

### e. Financial Instruments

#### Recognition and Initial Measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at fair value plus transactions costs where the instrument is not classified as at fair value through profit and loss. Transaction costs related to instruments classified as at fair value through profit or loss are expensed to profit or loss immediately. Financial instruments are classified and measured as set out below.

### Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised as profit or loss.

### Classification and Subsequent Measurement

#### i. Financial assets at fair value through profit or loss

Financial assets are classified at fair value through profit and loss when they are held for trading for the purpose of short term profit taking, where they are derivatives not held for hedging purposes, or designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Realised and unrealised gains and losses arising from changes in fair value are included in profit or loss in the period in which they arise.

#### ii. Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost using the effective interest rate method.

#### iii. Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the group's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

#### iv. Available-for-sale (AFS) financial assets

AFS financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments. All AFS financial assets are measured at fair value. Gains and losses are recognised in other comprehensive income and reported within the AFS reserve within equity, except for impairment losses and foreign exchange differences on monetary assets, which are recognised in profit or loss. When the asset is disposed of or is determined to be impaired the cumulative gain or loss recognised in other comprehensive income is reclassified from the equity reserve to profit or loss and presented as a reclassification adjustment within other comprehensive income. Interest calculated using the effective interest method and dividends are recognised in profit or loss within 'finance income'.

v. Impairment

At each reporting date, the Group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in profit or loss.

vi. Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

f. **Derivative financial instruments**

Derivative financial instruments are accounted for at FVTPL.

All derivative financial instruments are recognised initially at fair value and reported subsequently at fair value in the statement of financial position.

If a forecast transaction is no longer expected to occur any related gain or loss recognised in other comprehensive income is transferred immediately to profit or loss.

g. **Impairment of Non-Financial Assets**

At each reporting date, the group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Statement of profit or loss and other comprehensive income.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

h. **Intangibles**

**Exploration and evaluation**

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

- i. *the rights to tenure of the area of interest are current; and*
- ii. *at least one of the following conditions is also met:*
  - a. *the exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; or*
  - b. *exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest is continuing.*

Exploration and evaluation assets are initially measured at cost and include acquisition of rights to explore, studies, exploratory drilling, trenching and sampling and associated activities and an allocation of depreciation and amortised of assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are related directly to operational activities in a particular area of interest.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (for the cash generating unit(s) to which it has been allocated being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Where a decision has been made to proceed with development in respect of a particular area of interest, the relevant exploration and evaluation asset is tested for impairment and the balance is then reclassified to development.

## **i. Foreign Currency Transactions and Balances**

### **Functional and presentation currency**

The functional currency of each of the group's entities is measured using the currency of the primary consolidated environment in which that entity operates. The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

### **Transaction and balances**

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the year-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items are recognised in profit or loss, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognised directly in equity to the extent that the gain or loss is directly recognised in equity; otherwise the exchange difference is recognised in profit or loss.

### **Group companies**

The financial results and position of foreign operations whose functional currency is different from the group's presentation currency are translated as follows:

Assets and liabilities are translated at year-end exchange rates prevailing at that reporting date;

Income and expenses are translated at average exchange rates for the period;

Retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to the group's foreign currency translation reserve in the statement of financial position. These differences are recognised in profit or loss in the period in which the operation is disposed.



## **j. Employee Entitlements**

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to reporting date. Employee benefits that are expected to be settled wholly within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

## **k. Cash**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of one month or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

## **l. Revenue**

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

All revenue is stated net of the amount of goods and services tax (GST).

## **m. Borrowing Costs**

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are expensed in the period in which they are incurred.

## **n. Trade and Other Creditors**

These amounts represent liabilities for goods and services provided to the Consolidated Entity prior to the end of the financial year and which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

## **o. Contributed Equity**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

## **p. Earnings Per Share**

- Basic earnings per share: Basic earnings per share are determined by dividing the net loss attributable to equity holders of the Company, by the weighted average number of ordinary shares outstanding during the year.
- Diluted earnings per share: Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

## q. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

## r. Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

## s. Critical Accounting Estimates and Judgements

The application of accounting policies requires the use of judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical knowledge and experience, best available information and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions are recognised in the period in which the estimate is revised if it affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The critical accounting estimates and judgements applicable to this financial report are as follows:

### Exploration and evaluation expenditure

The Group capitalises expenditure relating to exploration and evaluation where it is considered likely to be recovered or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. While there are certain areas of interest from which no reserves have been extracted, the directors are of the continued belief that such expenditure should not be written off since feasibility studies in such areas have not yet concluded. Such capitalised expenditure is carried at reporting date at nil value.

### Share-based payment transactions:

The Group measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined using a Black and Scholes model.

The Group measures the cost of cash-settled share-based payments at fair value at the grant date using the Black and Scholes formula taking into account the terms and conditions upon which the instruments were granted.

### Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors of Jadar Lithium Limited. The current operating segments of the Group are Austria and Serbia.

**t. Equity-settled compensation**

Share-based payments to employees are measured at the fair value of the instruments issued. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the option reserve. The fair value of options is determined using the Black-Scholes pricing model. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognised for services received as consideration for the equity instruments granted is based on the number of equity instruments that eventually vest.

**u. New, revised or amending Accounting Standards and Interpretations adopted*****Australian Accounting Standards***

AASB No.	Title	Application date of standard *	Issue date
AASB 9	Financial Instruments	1 January 2018	December 2014
AASB 15	Revenues from Contracts with Customers	1 January 2018	October 2015
AASB 16	Leases	1 January 2019	February 2016

\* Annual reporting periods beginning after

The above table is complete as at 30 June 2019, therefore any further standards/interpretations issued after this date will also need to be disclosed up until the date of authorisation of the financial report.

***AASB 9 Financial Instruments***

AASB 9 Financial Instruments replaces AASB 139 Financial Instruments: Recognition and Measurement. It makes major changes to the previous guidance on the classification and measurement of financial assets and introduces an 'expected credit loss' model for impairment of financial assets.

The adoption of this standard has had no impact on the current or previous reporting period and as such there have been no adjustments to the opening balance of retained earnings

***AASB 15 Revenue from Contracts with Customers***

AASB 15 replaces AASB 118 Revenue, AASB 111 Construction Contracts and several revenue-related Interpretations. The new Standard has been applied as at 1 July 2018 using the modified retrospective approach. Under this method, the cumulative effect of initial application is recognised as an adjustment to the opening balance of retained earnings at 1 July 2018 and comparatives are not restated.

New standards and interpretations not yet adopted

## *AASB 16 Leases*

AASB 16 eliminates the operating and finance lease classifications for lessees currently accounted for under AASB 117 Leases. It instead requires an entity to bring most leases onto its balance sheet in a similar way to how existing finance leases are treated under AASB 117. An entity be required to recognise a lease liability and a right of use asset in its balance sheet for most leases. There are some optional exemptions for leases with a period of 12 months or less and for low value leases.

Lessor accounting remains largely unchanged from AASB 117.

The entity is yet to undertake a detailed assessment of the impact of AASB 16. However, based on the entity's preliminary assessment, the Standard is not expected to have any impact on the transactions and balances, material or other, recognised in the financial statements when it is first adopted for the year ending 30 June 2020.

There are no other standards that are not yet effective and that are expected to have a material impact on the Group in the current or future reporting period and in the foreseeable future.

## **2. Financial Risk Management Policies**

The group's principal financial instruments comprise mainly of deposits with banks, receivable and payables.

The Group manages its exposure to key financial risks, including interest rate and currency risk in accordance with the Group's financial risk management policy. The objective of the policy is to support the delivery of the Group's financial targets whilst protecting future financial security.

Primary responsibility for identification and control of financial risks rests with the Board. The Board reviews and agrees policies for managing each of the risks identified below.

### **a. Treasury Risk Management**

Due to the size of the group, responsibility for identification and control of financial risks rests with the Board of Directors. This includes the use of hedging derivative instruments, credit risk policies and future cash flow requirements. The level of activity during the financial year did not warrant using derivative financial instruments such as foreign exchange contracts and interest rate swaps to hedge certain risk exposures.

### **b. Financial Risk Exposures and Management**

The group's activities expose it to financial risks, market risk (including currency risk, fair value interest rate risk), credit risk, liquidity risk and cash flow interest rate risk. The level of activity during the financial year did not warrant using derivative financial instruments such as foreign exchange contracts and interest rate swaps to hedge certain risk exposures. Where relevant and appropriate, the Company will avail itself of appropriate hedging instruments in future financial years.

### **c. Foreign Exchange Risk**

Foreign exchange risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the entity's functional currency.

As a result of operations in Serbia and Austria, the Group's statement of financial position can be affected by movements in the RSD/AUD and EUR/AUD exchange rates. The Group also has transaction currency exposure. Such exposure arises from purchases by an operating entity in currencies other than the functional currency.



**d. Credit Risk**

The maximum exposure to credit risk, excluding the value of any collateral or other security, at reporting date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the statement of financial position and notes to the financial statements. The group did not have any material credit risk exposure to any single debtor or group of debtors at reporting date.

**e. Liquidity Risk**

Prudent liquidity risk management implies maintaining sufficient cash to fund the group's activities. The directors regularly monitor the Company's cash position and on an on-going basis consider a number of strategic initiatives to ensure that adequate funding continues to be available.

The table below reflects all contractually fixed pay-offs and receivables for settlement, repayments and interest resulting from recognised financial assets and liabilities. The undiscounted cash flows for the respective upcoming fiscal years are presented. Cash flows for financial assets and liabilities without fixed amount or timing are based on the conditions existing at 30 June 2019.

*Maturity analysis of financial assets and liability based on management's expectation*

The risk implied from the values shown in the table below, reflects a balanced view of cash inflows and outflows. Trade payables and other financial liabilities mainly originate from the financing of the day to day operations of the group. These assets are considered in the group's overall liquidity risk.

Year ended 30 June 2019	≤ 6 months \$	6-12 months \$	1-5 years \$	> 5 years \$	Total \$
<b>Consolidated financial assets</b>					
Cash and cash equivalents	2,022,957	-	-	-	2,022,957
Loans and receivables	39,848	-	-	-	39,848
	2,062,805	-	-	-	2,062,805
<b>Consolidated financial liabilities at amortised cost</b>					
Trade and other payables	128,531	-	-	-	128,531
	128,531	-	-	-	128,531

Year ended 30 June 2018	≤ 6 months \$	6-12 months \$	1-5 years \$	> 5 years \$	Total \$
<b>Consolidated financial assets</b>					
Cash and cash equivalents	3,419,022	-	-	-	3,419,022
Loans and receivables	89,840	-	-	-	89,840
	3,508,862	-	-	-	3,508,862
<b>Consolidated financial liabilities at amortised cost</b>					
Trade and other payables	54,490	-	-	-	54,490
	54,490	-	-	-	54,490

**f. Interest Rate Risk**

From time to time the Group has significant interest bearing assets, but they are as results of the timing of equity raisings and capital expenditure rather than a reliance on interest income. The interest rate risk arises on the rise and fall of interest rates. The Group's income and operating cash flows are not expected to be materially exposed to changes in market interest rates in the future and the expose to interest rates is limited to the cash and cash equivalents balances.

At reporting date, the group had the following mix of financial assets and liabilities exposed to Australian variable interest rate risk that are not designated in cash flow hedges:

	2019 \$	2018 \$
<b>Financial Assets</b>		
Cash and cash equivalents	2,022,957	3,419,022
Net exposure	2,022,957	3,419,022

The following sensitivity analysis is based on the interest rate risk exposures in existence at the reporting date.

At 30 June 2019, if interest rates had moved, as illustrated in the table below, with all other variables held constant, post tax profit and equity would have been affected as follows:

Judgments of reasonably possible movements:	Post Tax Profit Higher/(Lower)		Equity Higher/(Lower)	
	2019 \$	2018 \$	2019 \$	2018 \$
<b>Consolidated</b>				
+/- 1% in interest rates	27,209	17,248	27,209	17,248

The movements in profit are due to higher/lower interest costs from variable rate cash balances. The movements are reasonable with reference to the historical interest rate fluctuations.

**f. Price Risk**

The Group's exposure to commodity and equity securities price risk is minimal at present.

**g. Net Fair Values**

Due to short term nature of the receivables and payables the carrying value approximates the fair value.

**3. Professional fees**

	Consolidated entity	
	2019 \$	2018 \$
Accounting and company secretary fees	100,885	86,190
Audit fees	36,884	98,101
Legal fees	180,330	27,278
	318,099	211,569

#### 4. Income Tax Expense

Reconciliation of income tax expense to prima facie tax payable

	Consolidated entity	
	2019	2018
	\$	\$
Profit/(loss) from ordinary activities before income tax expense	(1,231,651)	(1,216,699)
Prima facie tax benefit on loss from ordinary activities before income tax at 27.5% (2018: 27.5%)	(338,704)	(334,592)
Tax effect of amounts which are taxable (deductible) in calculating taxable income:		
- deferred tax assets not recognised	338,704	334,592
Income tax expense	-	-
* Tax losses not able to be carried forward for the period from 2008 to 2017	(14,303,370)	-
Unused tax losses for which no deferred tax asset has been recognised	2,502,961	15,782,574
Potential Tax Benefit at 27.5% (2018: 27.5%)	688,314	4,340,208

Income tax benefit due to timing differences not brought to account. Deferred tax liability is reduced to nil by benefits attributable to tax losses not brought to account. The potential tax benefit will only be obtained if:

- i. *The consolidated entity derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deductions for the losses to be realised;*
- ii. *The consolidated entity continues to comply with the conditions for deductibility imposed by tax legislation<sup>(a)</sup>; and*
- iii. *No changes in tax legislation adversely affect the consolidated entity in realising the benefit from the deductions for the losses.*

\*The Consolidated Entity's ability to realise and recognise the deferred tax asset in future periods is dependent on the Entity satisfying the "Continuity of Ownership" or "Same Business" tests. Given the significant changes in share structure, the Board of directors assessed the tax losses from the period 2008 to 2017 will no longer continue to be available.

#### 5. Key Management Personnel Disclosures

	Consolidated entity	
	2019	2018
	\$	\$
Aggregate Compensation		
Short term employee benefits	166,700	67,865
Post-Employment Benefits	-	-
	<b>166,700</b>	<b>67,865</b>

# Notes to and Forming Part of the Accounts

For the Year Ended 30 June 2019

## 6. Auditor's Remuneration

	Consolidated entity	
	2019	2018
	\$	\$
Remuneration of Grant Thornton Audit Pty Ltd of the parent entity for:		
Auditing or reviewing of financial reports	36,884	98,101

In the year ended 30 June 2018 the audit fee relates to Grant Thornton fees in respect to the audit and review of financial accounts from 31 December 2015 to 30 June 2018.

## 7. Loss per Share

	Consolidated entity	
	2019	2018
	\$	\$
Loss attributable to ordinary equity holders	(1,235,625)	(1,226,421)
Losses used to calculate basic and diluted EPS	(1,235,625)	(1,226,421)
		No.
Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS*	425,894,172	197,257,411
Weighted average number of ordinary shares outstanding during the year used in calculating diluted EPS*	425,894,172	197,257,411

\* The 2018 weighted average number of ordinary shares used in the calculation of loss per share has been adjusted for the share consolidation completed by the Company on 13 December 2018.

Anti-dilutive options have not been used in the EPS calculation. As at 30 June 2019 there were 100,250,000 options on issue.

## 8. Acquisition of Subsidiary

On 4 February 2019, the Company acquired 80% of the equity instruments of Subsidiary Jadar Lithium GmbH, an Austrian based company and the holder of the Austrian exploration licenses.

The consideration for the acquisition as follows:

- Issue of 90,909,091 consideration shares to the vendors at a fair value price of \$0.009 per share;
- Issue of 25,000,000 unlisted options in JDR with an exercise price of \$0.03 per option and a 31 July 2020 expiry date. There are no vesting conditions attached to the options.
- Cash payments of \$64,072

The assets and liabilities recognised as a result of the acquisitions are as follows:

	\$
<b>Total Consideration:</b>	
Ordinary Shares	818,181
Options	39,187
Cash expenses	64,072
Total fair value consideration paid	921,440

# Notes to and Forming Part of the Accounts

For the Year Ended 30 June 2019

## Net identifiable assets acquired:

Exploration assets	881,360
Pre-acquisition net assets acquired <sup>1</sup>	50,100
Non-controlling interest in pre-acquisition net assets acquired	(10,020)
Total consideration paid	<u>921,440</u>

### 1. Pre-Acquisition Net Assets Acquired

	\$
--	----

## Pre-acquisition net assets acquired

Cash and Cash Equivalents	52,142
Trade Payables	(2,450)
Sales Tax	408
Total Pre-acquisition net assets acquired	<u>50,100</u>

The acquisition of Subsidiary Jadar Lithium GmbH has been accounted for as an acquisition of an asset on the basis that it does not constitute a business as defined by AASB 3 Business Combinations.

## 9. Cash and Cash Equivalents

	Consolidated entity	
	2019	2018
	\$	\$
Cash at bank and on hand	<u>2,022,957</u>	<u>3,419,022</u>

## 10. Current Trade and other Receivables

	Consolidated entity	
	2019	2018
	\$	\$
Other receivables	39,848	89,840
Total	<u>39,848</u>	<u>89,840</u>

There are no balances within trade and other receivables that are impaired and are past due. It is expected these balances will be received when due.

The Group has no significant concentration of credit risk with respect to any single counter party or group of counter party. The class of assets described as trade and other receivables is considered to be the main source of credit risk related to the Group.

# Notes to and Forming Part of the Accounts

For the Year Ended 30 June 2019

## 11. Exploration Asset

	Consolidated entity	
	2019	2018
	\$	\$
Opening balance	1,292,193	-
Asset acquisition <sup>1</sup>	881,360	1,026,769
Exploration capitalised	759,078	265,424
Exploration written off	(467,637)	-
Closing balance	2,464,994	1,292,193

1. Refer to note 8 for further details.

## 12. Controlled Entities

The Consolidated Entity incorporates the assets, liabilities and results of the following companies:

	Country of Incorporation	Percentage Interest	
		2019	2018
Jadar Lithium Limited (Parent Entity)	Australia		
Centralist Pty Ltd	Australia	100%	100%
Jadar Lithium d.o.o (Previously named Centurion Metals d.o.o), Beograd	Republic of Serbia	100%	100%
Subsidiary Jadar Lithium GmbH	Austria	80%	-

## 13. Trade and Other Payables

	Consolidated Entity	
	2019	2018
	\$	\$
<b>Unsecured liabilities</b>		
Trade payables	128,531	54,490
	128,531	54,490

All amounts are short-term and the carrying values are considered to approximate fair value.



**14. Contributed equity**

		Consolidated entity	
		2019	2018
		\$	\$
480,439,627 (2018: 389,530,536) fully paid ordinary shares	(a)	40,154,698	39,336,517
		40,154,698	39,336,517

**a) Ordinary Shares**

	2019	2018
	\$	\$
At the beginning of the reporting period	39,336,517	31,210,629
Issue of shares - placement	-	637,000
Issue of shares – share based payment	-	313,000
Issue of shares – acquisition <sup>1</sup>	818,181	1,000,000
Issue of shares – conversion of debt to equity	-	1,632,450
Issue of shares – public offer (net of costs)	-	4,543,438
At reporting date	40,154,698	39,336,517

		No. Shares
At the beginning of reporting period	389,530,536	807,956,577
Issue of shares – conversion of debt to equity	-	32,649,005
Issue of shares – placement	-	637,000,000
Issue of shares – share based payments	-	313,000,000
1 for 20 consolidation	-	(1,701,075,046)
Issue of shares – public offer	-	250,000,000
Issue of shares – acquisition of subsidiaries <sup>1</sup>	90,909,091	50,000,000
At the end of reporting period	480,439,627	389,530,536

1. Refer to note 8 for further details.

Ordinary shares have no par value and participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held. Every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

**b) Capital management**

Management controls the capital of the group in order to maintain a good debt to equity ratio, provide the shareholders with adequate returns and ensure that the group can fund its operations and continue as a going concern.

The group's debt and capital includes ordinary share capital and financial liabilities, supported by financial assets.

There are no externally imposed capital requirements.

# Notes to and Forming Part of the Accounts

For the Year Ended 30 June 2019

Management effectively manages the group's capital by assessing the group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

	Consolidated entity	
	2019	2018
	\$	\$
Total borrowings	-	-
Less cash and cash equivalents	(2,022,957)	(3,419,022)
Net debt	(2,022,957)	(3,419,022)
Total equity	40,154,698	39,336,517
Total capital	38,131,741	35,917,495

## 15. Reserves

	Consolidated entity	
	2019	2018
	\$	\$
<b>Reserves</b>		
Foreign currency reserve	(13,696)	(9,723)
Option reserve 100,250,000 (30 June 2018: 70,250,000)	118,198	62,794
	104,502	53,071
<b>a) Foreign Currency Reserve</b>		
At the beginning of reporting period	(9,723)	-
Movement	(3,974)	(9,723)
At the end of reporting period	(13,697)	(9,723)
<b>b) Option Reserve</b>		
At beginning of the reporting period	62,794	-
Issue of options	55,404	62,794
At the end of reporting period	118,198	62,794
	<b>No. of options</b>	<b>No. of options</b>
At beginning of the reporting period	70,250,000	-
Issue of free attaching options	25,000,000	65,250,000
Issue of consultant options	5,000,000	5,000,000
At the end of reporting period	100,250,000	70,250,000

Issue of free attached options relates to Acquisition of Subsidiary Jadar Lithium GmbH. Please refer to Note 8 for details of the transaction.

### 16. Accumulated Losses

	Consolidated Entity	
	2019	2018
	\$	\$
Accumulated losses at the beginning of the financial year.	34,604,137	33,387,438
Loss during the current year	1,231,271	1,216,699
Accumulated losses at the end of the financial year	35,835,408	34,604,137

### 17. Segment Information

The Group has identified its operating segments based on the internal reports that are reviewed and used by the Board of Directors (the chief operating decision makers) in assessing performance and in determining the allocation of resources.

The Group's reportable segments have been identified around geographical areas and regulatory environments. The following table presents revenue and result information and certain asset and liability information regarding the relevant segments for the year ended 30 June 2019 for the consolidated entity.

Segment Information 2019	Serbia	Austria	Total
<b>Segment Result</b>	\$	\$	\$
Supplier, consulting, investor relations and other	(51,011)	1,902	(49,109)
Impairment	(467,637)	-	(467,637)
Segment result	(518,648)	1,902	(516,746)
Corporate			(714,906)
<b>Segment assets and liabilities</b>			
Cash at bank, trade and other receivables	35,630	53,498	89,128
Segment other assets	120	-	120
Segment exploration asset	1,473,423	991,572	2,464,995
Segment liabilities	(1,203)	(9,135)	(10,338)
Corporate assets			2,007,833
Corporate liabilities			(118,193)

# Notes to and Forming Part of the Accounts

For the Year Ended 30 June 2019

Segment Information 2018	Serbia	Austria	Total
<b>Segment Result</b>	\$	\$	\$
Supplier, consulting, investor relations and other	(16,357)	-	(16,357)
Segment result	(16,357)	-	(16,357)
Corporate			(1,200,342)
<b>Segment assets and liabilities</b>			
Cash at bank, trade and other receivables	117,722	-	117,722
Segment other assets	22,533	-	22,533
Segment exploration asset	1,292,193	-	1,292,193
Segment liabilities	(2,034)	-	(2,034)
Corporate assets			3,407,494
Corporate liabilities			(52,456)

## 18. Related Party Transactions

### Directors and key management personnel

Disclosures relating to directors and key management personnel are set out in Directors' Report and in Note 6.

### Other related party transactions

Purchases from and sales to related parties are made on terms equivalent to those that prevail in arm's length transactions. The Group acquired the following services from entities that are controlled by members of the Group's key management personnel:

Entity	Nature of transactions	Key Management Personnel	Total Revenue / (Expense)		Payable Balance	
			2019	2018	2019	2018
			\$	\$	\$	\$
Indian Ocean Group	Corporate advisory	Luke Martino	(71,900)	(140,263)	(17,500)	(3,000)
Indian Ocean Group	Lead manager options	Luke Martino	-	(62,794)	-	-
Okewood Pty Ltd	Consulting Services	Nicholas Sage	(36,000)	(20,000)	(3,000)	-
Jackori Consulting	Accounting and Reporting Fees	Kobi Tsaban	-	(35,000)	-	-
DGWA	Investor relations	Stefan Müller	(112,419)	-	-	-
DGWA	Consultant Options	Stefan Müller	(16,218)	-	-	-
Annabel Davy	Consulting Services	Michael Davy	(2,250)	-	-	-

During the year transactions of \$71,900 were made with Indian Ocean Group (IOG) of which Mr Luke Martino is a director. The transactions included the provision of various professional services, not all directly provided by Mr Martino and included the following:

- corporate work,
- accounting support and
- company secretarial

At 30 June 2019 the outstanding balance relating to IOG totaled to \$17,500.

During the year transactions of \$112,419 and \$16,218 were made to Deutsche Gesellschaft für Wertpapieranalyse GmbH ("DGWA"), an entity related to Mr Müller relating to European investor relations fees and the value of unlisted options issued to DGWA upon their engagement.

During the year transactions of \$36,000 were made with Okewood Pty Ltd (Okewood), an entity related to Mr Sage. The transactions related to provision of consulting services during the year.

During the year transaction of \$2,250 were made to Annabel Davy, a related party to former director Mr Davy. The transaction related to provision of investor relations material and graphic design during the year.

During the year ended 30 June 2019 there was no other related party transactions.

## 19. Contingent Liabilities

In relation to the contingent liabilities disclosed at 30 June 2018, the Company reached a settlement with one party resulting in \$100,000 being recognised as a settlement liability at 31 December 2018.

There were no contingent liabilities at 30 June 2019.

## 20. Cash Flow Information

### Reconciliation of Loss after Income Tax to Net Cash Outflow from Operating Activities

	Consolidated entity	
	2019 \$	2018 \$
Loss after income tax	(1,231,651)	(1,216,699)
<i>Adjustment for non-cash items</i>		
Foreign loss	3,070	2,847
Share based payments	16,218	-
<i>Increase/(decrease) in:</i>		
(Decrease) in GST receivables	48,267	(79,801)
(Decrease) in other receivables	1,724	(1,746)
(Decrease) in other current assets	4,611	(38,886)
(Decrease)/ increase in exploration asset	445,947	-
(Decrease)/ increase in trade and other payables	74,041	(258,675)
Net cash outflow from operating activities	(637,773)	(1,592,960)

**21. Parent Entity Disclosures**

	2019 \$	2018 \$
<b>Parent Entity</b>		
<b>Assets</b>		
Current assets	2,007,823	3,407,484
Non-current assets	2,304,934	1,138,593
<b>Total Assets</b>	<b>4,312,757</b>	<b>4,546,077</b>
<b>Liabilities</b>		
Current liabilities	118,193	52,456
<b>Total Liabilities</b>	<b>118,193</b>	<b>52,456</b>
<b>Net Assets/(Liabilities)</b>	<b>4,194,564</b>	<b>4,493,621</b>
<b>Equity</b>		
Issued capital	40,154,698	39,336,517
Options Reserve	118,198	62,794
Accumulated losses	(36,078,332)	(34,905,690)
<b>Total Equity</b>	<b>4,194,564</b>	<b>4,493,621</b>
<b>Financial Performance</b>		
Loss for the year	(1,172,641)	(1,518,252)
Other comprehensive income	-	-
<b>Total comprehensive Loss</b>	<b>(1,172,641)</b>	<b>(1,518,252)</b>

**22. Subsequent Events**

Subsequent to year end the following key events have occurred:

- On 13 August 2019, the Company issued 25,000,000 unlisted incentive options (exercise price \$0.02; expiry date 31 May 2023) to Directors, staff and contractors (Director incentive options were approved by shareholders at the general meeting of the Company held on 2 August 2019).
- As announced on 16 September 2019<sup>1</sup>, subsequent to 30 June 2019, the Company executed a term sheet for the purchase of the Yanamina Gold Project ("Yanamina" or the "Project") located in the Ancash region of northern Peru. The Yanamina Gold Project hosts an outcropping epithermal derived inferred and indicated gold resource of +200,000 ozs of gold with additional significant exploration potential.

The Yanamina project is being purchased from Canadian TSX listed company Wealth Minerals Limited ("Wealth Minerals") for US\$100,000 in cash, a 1.0% net smelter royalty ("NSR") and the assumption of US\$8 million in production linked milestone payments and additional NSR's of 3.0%. In addition, a payment of \$100,000 is to be made to the party who introduced the acquisition (Happy Diamonds Pty Ltd) for services relating to the acquisition. The Company will undertake a capital placement of \$380,000 at \$0.009 to fund the acquisition, review the Project's data and prepare an economic study to determine work required to fast track the Project to production status.

The acquisition is subject to a number of conditions precedent including, execution of a binding Sale and Purchase Agreement, Due Diligence and Shareholder approval in accordance with Listing Rule 11.1.2.

- Jadar Lithium Limited confirms that it is not aware of any new information or data that materially effects the information included in the original ASX market announcement.



**23. Contractual Commitments**

	30 June 2019	30 June 2018
	\$	\$
<b>Exploration expenditure commitments:</b>		
No longer than 1 year	830,779	243,858
Longer than 1 year and not longer than 5 years	-	1,668,447
	<u>830,779</u>	<u>1,912,305</u>

## Corporate Governance Statement

For the Year Ended 30 June 2019

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The Board of Jadar Lithium Limited are committed to achieving and demonstrating the highest standards of corporate governance. As such, the Company has adopted what it believes to be appropriate corporate governance policies and practices having regard to its size and the nature of its activities.

The Board has adopted the ASX Corporate Governance Principles and Recommendations which are complemented by the Company's core principles of honesty and integrity. The corporate governance policies and practices adopted by the Board are outlined in the Corporate Governance section of the Company's website <http://jadarlithium.com.au/corporate-governance>.

The Company has also lodged an Appendix 4G with this Annual Report.

Additional information required by Australian Securities Exchange Limited and not shown elsewhere in this Annual Report is as follows. The information is as at 10 September 2019.

### NUMBER OF HOLDERS OF EQUITY SECURITIES

#### ORDINARY SHAREHOLDERS

There are 480,439,627 fully paid ordinary shares on issue, held by 874 individual shareholders.

#### TWENTY LARGEST SHAREHOLDERS (AS AT 10 September 2019)

Ordinary Shareholders	Number	Fully Paid Ordinary
		Percentage
JP Morgan Nominees Australia Limited	66,288,460	13.80
Battle Mountain Pty Limited	20,414,945	4.25
Sunshore Holdings Pty Ltd	20,050,000	4.17
Mr Adrian Stephen Paul & Mrs Noelene Faye Paul <ZME Superannuation Fund>	18,987,450	3.95
Bennelong Resource Capital Pty Ltd	12,727,273	2.65
ADKSK Superfund Pty Ltd <ADKSK Superfund a/c>	12,500,000	2.60
Fanucci Pty Ltd	12,121,212	2.52
Okewood Pty Ltd	8,750,000	1.82
Juneday Pty Ltd	8,187,500	1.70
Okewood Pty Ltd	8,106,061	1.69
Fanucci Pty Ltd	6,250,000	1.30
Hongkong Hokoco Limited	6,060,606	1.26
Mr Colin Jee Fai Low	5,772,373	1.20
Romfal Sifat Pty Ltd	5,462,727	1.13
Benito Toscana Pty Ltd <Benito A/C>	5,250,000	1.09
HM Pension Fund Pty Ltd <HM Pension Fund Pty Ltd>	5,062,500	1.05
Mr Bozo Guzijan	5,000,000	1.04
Coal Contractors Pty Ltd <Coal Contractors A/C>	5,000,000	1.04
Sunshore Holdings Pty Ltd	5,000,000	1.04
Mr Stephen McQuillan & Mrs Victoria McQuillan	4,500,000	0.94
	<b>241,491,107</b>	<b>50.24</b>

### VOTING RIGHTS

Each member entitled to vote may vote in person or by proxy or by attorney and on a show of hands. Every person who is a member or a representative or a proxy of a member shall have one vote and on a poll every member present in person or by proxy or attorney or other authorised representative shall have one vote for each share held.

### HOLDERS OF NON-MARKETABLE PARCELS

There are 316 shareholders who hold less than a marketable parcel of shares.

### DISTRIBUTION OF SHARE HOLDERS (AS AT 10 September 2019)

		Number of Holders	Number of Shares
1 to	1,000	84	22,659
1,001 to	5,000	48	123,447
5,001 to	10,000	18	131,063
10,001 to	100,000	365	19,148,513
100,001 and over		359	461,013,945
		874	480,439,627

### SUBSTANTIAL SHAREHOLDERS

As at report date, there is no shareholder recorded in the Register as a Substantial Shareholder.

### SHARE BUY-BACKS

There is no current on-market buy-back scheme.

### OPTIONS

As at 10 September 2019 the Company had 70,250,000 unlisted options on issue with an exercise price of \$0.02 and an expiry date of 22 December 2020. Unlisted options do not carry any voting rights.

### DISTRIBUTION OF OPTION HOLDERS - \$0.02, expiry 22/12/2020 unlisted options (AS AT 10 September 2019)

		Number of Holders	Number of Options
1 to	1,000	-	-
1,001 to	5,000	-	-
5,001 to	10,000	-	-
10,001 to	100,000	1	100,000
100,001 and over		39	70,150,000
		40	70,250,000

No person holds 20% or more of these unlisted options.

As at 10 September 2019 the Company had 30,000,000 unlisted options on issue with an exercise price of \$0.03 and an expiry date of 31 July 2020. Unlisted options do not carry any voting rights.

### DISTRIBUTION OF OPTION HOLDERS - \$0.03, expiry 31/7/2020 (AS AT 10 September 2019)

		Number of Holders	Number of Options
1 to	1,000	-	-
1,001 to	5,000	-	-
5,001 to	10,000	-	-
10,001 to	100,000	-	-
100,001 and over		3	30,000,000
		3	30,000,000

Holders of greater than 20% or more of these unlisted options are as follows:

Exchange Minerals Limited	12,500,000
Okewood Pty Ltd	12,500,000

As at 10 September 2019 the Company had 25,000,000 unlisted options on issue with an exercise price of \$0.02 and an expiry date of 31 May 2023. Unlisted options do not carry any voting rights.

### DISTRIBUTION OF OPTION HOLDERS - \$0.02, expiry 31/5/2023 (AS AT 10 September 2019)

		Number of Holders	Number of Options
1 to	1,000	-	-
1,001 to	5,000	-	-
5,001 to	10,000	-	-
10,001 to	100,000	-	-
100,001 and over		5	25,000,000
		5	25,000,000

Holders of greater than 20% or more of these unlisted options are as follows:

Mr Steven Dellidis	5,000,000
Indian Ocean Corporate Pty Ltd	5,000,000
Pembury Nominees Pty Ltd	5,000,000
Mr Harry Michael Spindler <The Spindler Family a/c>	5,000,000
Ms Louisa Anne Martino <Louisa Anne Martino Family a/c>	5,000,000

### RESTRICTED SECURITIES

As at 10 September 2019 restricted securities are as follows:

- 50,000,000 ordinary shares, escrowed to 29 December 2019;
- 6,700,000 unquoted options (\$0.02, expiry 22/12/2020), escrowed to 29 December 2019

### OTHER INFORMATION

Jadar Lithium Limited, incorporated and domiciled in Australia, is a public listed Company limited by shares.

### SCHEDULE OF TENEMENTS

Project	Tenement ID	Indirect Interest *
<b>SERBIA PERMITS</b>		
Cer	2223	100%
Rekovac	2224	100%
Vranje-South	2225	100%
<b>AUSTRIA – CENTRAL PERMIT</b>		
Weinebene	82/16 (001/16) – 141/16 (060/16)	80%
<b>AUSTRIA – EASTERN ALPS PERMITS</b>		
Glanzalm-Ratzell-Poling	2/16/T (FS 14) 25/19/T (01/19/JDR) – 41/19/T (17/19/JDR)	80%
Millstätter Seerücken	55/16 (FS 13) 327/19 (18/19/JDR) – 332/19 (23/19/JDR)	80%
Falkenberg	43/16 (FS 1) 44/16 (FS 2)	80%
Hohenwart	56/16 (1083/16) – 81/16 (1181/16)	80%
Mitterberg	45/16 (FS 3) – 49/16 (FS 7)	80%
St. Radegund	51/16 (FS 9) – 53/16 (FS-11)	80%
Untere Mittagwand	70/16 (1134/16), 71/16 (1135/16), 75/16 (1156/16)	80%
Garrach	53/16 (FS 11)	80%
Pallbaueralm	333/19 (24/19/JDR) – 345/19 (36/19/JDR)	80%
Mittereck		80%
Zinkenschlucht		80%
Lug-ins-Land	55/16 (FS 13)	80%
Kreuzstein	329/19 (20/19/JDR) 330/19 (21/19/JDR)	80%

\* Designates Jadar Lithium Limited's interest in permits held through subsidiaries as follows:

- Jadar Lithium DOO, Beograd incorporated in Serbia and owned 100% by Jadar Lithium Limited; and
- Subsidiary Jadar Lithium GmbH incorporated in Austria and owned 80% by Jadar Lithium Limited.