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**JADAR LITHIUM LIMITED**

**ACN 009 144 503**

**NOTICE OF ANNUAL GENERAL MEETING**

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**TIME:** 2:00pm (WST)

**DATE:** 25 November 2019

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

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

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

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## IMPORTANT INFORMATION

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### Time and place of Meeting

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Notice is given that the Meeting will be held at 2.00pm(WST) on Monday, 25 November 2019 at:

Indian Ocean Group  
311-313 Hay Street  
SUBIACO WA 6008

### Your vote is important

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

### Voting eligibility

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The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Meeting are those who are registered Shareholders at 2:00pm (WST) on Saturday, 23 November 2019.

### Voting in person

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

### Voting by proxy

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

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

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

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

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

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## BUSINESS OF THE MEETING

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### AGENDA

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#### 1. ORDINARY BUSINESS

##### Financial Statements and Reports

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2019 together with the declaration of the Directors, the Directors' Report, the Remuneration Report and the Auditor's Reports.

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#### 2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

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

*"That, for the purpose of section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the Remuneration Report as contained in the Company's annual financial report for the financial year ended 30 June 2019."*

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

##### Voting Prohibition Statement:

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

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

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

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

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#### 3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR NICHOLAS SAGE

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

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

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#### 4. RESOLUTION 3 – ELECTION OF DIRECTOR – MR STEVEN DELLIDIS

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

*"That, for the purpose of clauses 10.3(j) of the Constitution, and for all other purposes, Mr Steven Dellidis, a Director appointed as an additional Director on 4 February 2019, retires, and being eligible, is elected as a Director."*

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## 5. RESOLUTION 4 – ACQUISITION OF YANAMINA GOLD PROJECT

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

*“That for the purposes of ASX Listing Rule 11.1.2 and for all other purposes, approval is given for the Company to acquire the Yanamina Gold Project on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary shares, if the resolution is passed. However, the Company need not disregard a vote if it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the Proxy Form to vote as the proxy decides.

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## 6. RESOLUTION 5 – PLACEMENT - SHARES

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

*“That, subject to and conditional upon the passing of Resolution 4, for the purposes of Listing Rule 7.1 and for all other purposes, Shareholders approve the issue of up to 44,444,444 fully paid ordinary shares in the Company at an issue price of \$0.009 to institutional and sophisticated investors, on the terms and conditions set out in the Explanatory Statement.”*

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

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## 7. RESOLUTION 6 - APPROVAL TO GRANT PERFORMANCE RIGHTS TO MR LUKE MARTINO (OR HIS NOMINEE)

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

*“That, for the purposes of section 195(4) and section 208 of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue up to 4,000,000 Performance Rights as Director incentive remuneration to Mr Luke Martino (or his nominee) on the terms and conditions set out in the Explanatory Statement.”*

**Voting Exclusion:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of any director of the entity who is eligible to participate in the employee incentive scheme or any of their associates. However, the Company need not disregard a vote if it is cast by a **person** as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, provided the Chair is not a Resolution 6 Excluded Party, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**Voting Prohibition Statement:**

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

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

Provided the Chair is not a Resolution 6 Excluded Party, the above prohibition does not apply if:

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

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**8. RESOLUTION 7 - APPROVAL TO GRANT PERFORMANCE RIGHTS TO MR STEVEN DELLIDIS (OR HIS NOMINEE)**

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

*"That, for the purposes of section 195(4) and section 208 of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue up to 3,000,000 Performance Rights as Director incentive remuneration to Mr Steven Dellidis (or his nominee) on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of any director of the entity who is eligible to participate in the employee incentive scheme or any of their associates. However, the Company need not disregard a vote if it is cast by a **person** as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, provided the Chair is not a Resolution 7 Excluded Party, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**Voting Prohibition Statement:**

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

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

Provided the Chair is not a Resolution 7 Excluded Party, the above prohibition does not apply if:

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

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**9. RESOLUTION 8 - APPROVAL TO GRANT PERFORMANCE RIGHTS TO MR STEFAN MÜLLER (OR HIS NOMINEE)**

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

*"That, for the purposes of section 195(4) and section 208 of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue up to 2,000,000 Performance Rights as Director incentive remuneration to Mr Stefan Müller (or his nominee) on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of any director of the entity who is eligible to participate in the employee incentive scheme or any of their associates. However, the Company need not disregard a vote if it is cast by a **person** as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, provided the Chair is not a Resolution 8 Excluded Party, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**Voting Prohibition Statement:**

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

- (a) the proxy is either:
  - (i) a member of the Key Management Personnel; or

- (ii) a Closely Related Party of such a member; and
  - (b) the appointment does not specify the way the proxy is to vote on this Resolution.
- Provided the Chair is not a Resolution 8 Excluded Party, the above prohibition does not apply if:
- (a) the proxy is the Chair; and
  - (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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## 10. RESOLUTION 9 – APPROVAL TO GRANT PERFORMANCE RIGHTS TO MR NICHOLAS SAGE (OR HIS NOMINEE)

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

*"That, for the purposes of section 195(4) and section 208 of the Corporations Act, ASX Listing Rule 10.14 and for all other purposes, approval is given for the Company to issue up to 1,000,000 Performance Rights as Director incentive remuneration to Mr Nicholas Sage (or his nominee) on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast in favour of the Resolution by or on behalf of any director of the entity who is eligible to participate in the employee incentive scheme or any of their associates. However, the Company need not disregard a vote if it is cast by a **person** as a proxy for a person who is entitled to vote, in accordance with the directions on the Proxy Form, or, provided the Chair is not a Resolution 9 Excluded Party, it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

### **Voting Prohibition Statement:**

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

- (a) the proxy is either:
    - (i) a member of the Key Management Personnel; or
    - (ii) a Closely Related Party of such a member; and
  - (b) the appointment does not specify the way the proxy is to vote on this Resolution.
- Provided the Chair is not a Resolution 9 Excluded Party, the above prohibition does not apply if:
- (a) the proxy is the Chair; and
  - (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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## 11. RESOLUTION 10 – INCREASE IN NON-EXECUTIVE DIRECTOR'S REMUNERATION

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

*"That, for the purpose of clause 10.5(a) of the Company's Constitution, Listing Rule 10.17 and for all other purposes, Shareholders approve an increase of the maximum total aggregate amount of fees payable to non-executive Directors from \$200,000 per annum to \$350,000 per annum in accordance with the terms and conditions set out in the Explanatory Statement."*

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

### **Voting Prohibition Statement**

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

- (a) the proxy is either:
  - (i) a member of the Key Management Personnel; or
  - (ii) a Closely Related Party of such a member; and

- (b) the appointment does not specify the way the proxy is to vote on this Resolution. However, the above prohibition does not apply if:
- (a) the proxy is the Chair; and
- (b) the appointment expressly authorises the Chair to exercise the proxy even though this Resolution is connected directly or indirectly with remuneration of a member of the Key Management Personnel.

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## 12. RESOLUTION 11 – CHANGE OF COMPANY NAME

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

*"That for the purposes of section 157(1)(a) of the Corporations Act and for all other purposes, Shareholders approve, as a special resolution, a change of name of the Company from "Jadar Lithium Limited" to "Jadar Resources Limited."*

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## 13. RESOLUTION 12 – APPROVAL OF 10% PLACEMENT CAPACITY

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

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

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

**Dated: 18 October 2019**

**By Order of the Board**



**Louisa Martino**  
**Company Secretary**

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## EXPLANATORY STATEMENT

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

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### 1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2019 together with the declaration of the Directors, the Directors' Report, the Remuneration Report and the Auditor's Reports.

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

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### 2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

#### 2.1 General

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

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

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

#### 2.2 Voting consequences

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

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

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

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



## **2.3 Previous voting results**

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

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## **3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR NICHOLAS SAGE**

### **3.1 General**

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

ASX Listing Rule 14.5 provides that an entity which has directors must hold an election of directors at each annual general meeting.

The Constitution sets out the requirements for determining which Directors are to retire by rotation at an annual general meeting. Mr Nicholas Sage, who has served as a Director since 21 December 2017, and was last re-elected at the annual general meeting on 6 October 2017, retires by rotation and seeks re-election.

### **3.2 Qualifications and other material directorships**

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.

Special Responsibilities: Member of Audit & Risk Committee.

Directorships held in other listed entities: Cauldron Energy Limited (resigned 25 February 2019), Fe Limited (current) and International Goldfields Limited (current).

### **3.3 Independence**

If re-elected the Board does not consider that Mr Sage will be an independent Director.

### **3.4 Director's Recommendation**

The Board (other than Mr Nicholas Sage who has a material personal interest in the Resolution) supports the re-election of Mr Nicholas Sage and recommends that Shareholders vote in favour of Resolution 2.

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## **4. RESOLUTION 3 – ELECTION OF DIRECTOR – MR STEVEN DELLIDIS**

### **4.1 General**

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

Pursuant to the Constitution and ASX Listing Rule 14.4, any Director so appointed holds office only until the next following annual general meeting and is then eligible for election by Shareholders but shall not be taken into account in determining the Directors who are to retire by rotation (if any) at that meeting.

Mr Steven Dellidis, having been appointed as an additional Director by the Board on 4 February 2019 in accordance with the Constitution, retires in accordance with the Constitution and ASX Listing Rule 14.4 and being eligible, seeks election from Shareholders pursuant to Resolution 3.

#### **4.2 Qualifications and other material directorships**

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

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

Special Responsibilities: Member of Nominations & Remuneration Committee.

Directorships held in other listed entities: Nil.

#### **4.3 Independence**

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

#### **4.4 Director's Recommendation**

The Board of Directors (other than Mr Dellidis who has a material personal interest in the Resolution) supports the election of Mr Steven Dellidis and recommends that Shareholders vote in favour of Resolution 3.

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### **5. RESOLUTION 4 – ACQUISITION OF YANAMINA GOLD PROJECT**

#### **5.1 Background**

As announced on 16 September 2019<sup>1</sup>, Jadar Lithium Limited has executed a term sheet for the purchase of the Yanamina Gold Project (**Yanamina** or the **Project**) located in the Ancash region of northern Peru (**Acquisition**).

Resolution 4 seeks Shareholder approval for the Acquisition.

#### **5.2 ASX Listing Rule 11.1.2**

ASX Listing Rule 11.1 provides that where an entity proposes to make a significant change, either directly or indirectly, to the nature or scale of its activities, it must provide full details to ASX as soon as practicable and comply with the following:

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<sup>1</sup> The Company confirms that the information contained in the initial market announcement continues to apply and has not materially changed. The Company is not in possession of any new information or data relating to the foreign estimates that materially impacts on the reliability of the estimates or the Company's ability to verify the foreign estimates as mineral resources in accordance with Appendix 5A (JORC Code).

- (a) provide to ASX information regarding the change and its effect on future potential earnings, and any information that ASX asks for;
- (b) if ASX requires, obtain the approval of holders of its shares and any requirements of ASX in relation to the notice of meeting; and
- (c) if ASX requires, meet the requirements of Chapters 1 and 2 of the ASX Listing Rules as if the company were applying for admission to the official list of ASX.

ASX has advised the Company that, given the proposed change in the scale of the Company's activities resulting from the Acquisition, it requires the Company to obtain Shareholder approval for the change in scale of its activities but it will not be required to meet the requirements of Chapters 1 and 2 of the ASX Listing Rules as if the company were applying for admission to the official list of ASX.

Resolution 4 seeks Shareholder approval for the Acquisition on the terms set out in this Notice and the resulting change in the nature and scale of the Company's activities resulting from the Acquisition.

### 5.3 Summary of the Yanamina Gold Project Acquisition

The Company has entered into a terms sheet for the purchase of the Yanamina Gold Project located in the Ancash region of northern Peru from Canadian TSX listed company, Wealth Minerals Limited (**Wealth Minerals**) for US\$100,000 in cash and a 1.0% net smelter royalty (**NSR**).



**Figure 1: Yanamina Gold Project Location Plan**

The Company has also agreed to assume US\$8 million in production linked milestone payments and additional NSRs of 3.0% (refer section 5.4 below for further detail). 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 (being, the purpose of Resolution 5).

The Project has effectively lay dormant since 2012 and presents the Company with an advanced gold production opportunity to compliment the Company's high potential lithium projects located in Serbia and Austria.

#### 5.4 Term Sheet

The material terms of the Acquisition are as follows:

- (a) the Company has agreed to acquire Minera Wealth Peru S.A.C, the holder of five concessions known as the Yanamina Gold Project, being an entity 100% owned by Wealth Minerals;
- (b) the consideration for the Acquisition is US\$100,000 and a 1.0% net smelter royalty on all metal production from the Yanamina Project. In addition, a payment of AU\$100,000 is to be made to the party who introduced the acquisition (Happy Diamonds Pty Ltd (ACN 611 454 589)) for services relating to the Acquisition and for an agreed reduction in the potential production obligations to US\$8 million (see below);
- (c) the agreement is subject to a number of conditions precedent including:
  - (i) completion of due diligence on Minera Wealth Peru S.A.C and the concessions comprising the Project by the Company;
  - (ii) execution of a binding sale and purchase agreement by the parties; and
  - (iii) execution of an agreement with Happy Diamonds Pty Ltd for the assumption by the Company of potential production obligations of US\$8 million in production linked milestone payments and royalties, payable to Happy Diamonds Pty Ltd, comprised as follows<sup>2</sup>:
    - (A) on or before the 5<sup>th</sup> business day following commencement of mine construction, a payment of US\$1.5 million;
    - (B) on production of greater than 275,000ozs of gold, US\$1 million;
    - (C) before the 10th business day following the date of the initial gold pour, US\$1 million;
    - (D) before the 10th business day following the first anniversary of the date of the initial gold pour, US\$1 million;
    - (E) before the 10th business day following the second anniversary of the date of the initial gold pour, US\$1 million; and
    - (F) a payment of US\$2.5 million, following the delivery of a technical report commissioned by the Company which discloses an inferred mineral resources of 250,000 ozs or greater of gold, as calculated using a cut-off grade equal to or less than 0.8 grams of gold per metric tonne for the Yanamina fault target (being part of the Yanamina Project).

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<sup>2</sup> In April 2006, ASX listed Latin Gold Limited (Latin Gold) through its wholly owned subsidiary Golden Eagle Resources Peru SAC purchased 100% of the Yanamina Project from Arequipa Resources. When Coronet Metals Inc. acquired the Yanamina Project from Latin Gold in 2011, production obligations payable to Latin Gold were negotiated between the parties as a part of that transaction. These production obligations remain with the Yanamina Project. In March 2017, Latin Gold assigned its right to receive the production obligations to Happy Diamonds Pty Ltd. Happy Diamonds Pty Ltd and Jadar will enter into a separate agreement concerning the production obligations.

this payment will be payable upon the earlier of:

- (I) the first-year anniversary of the Company having been in gold production in Peru from the Yanamina fault target; and
  - (II) the Company completing a transaction to sell the Yanamina fault target for cash or Shares, should such a transaction be carried out,
- (G) 1% NSR on all gold production from the Yanamina Project of greater than 200,000ozs;
- (iv) assumption by the Company of a 2% NSR on all metal production from the Yanamina Project. This royalty can be purchased outright for US\$200,000 and is payable to Franco-Nevada Corporation, a gold focused company who owns a large diversified portfolio of royalties and streams. The Company notes that this is an historical obligation of the Project;
  - (v) the Company obtaining all necessary Shareholder or regulatory approvals required by the Corporations Act or the ASX Listing Rules in relation to the Acquisition; and
  - (vi) the parties obtaining any other necessary third party consents to allow the parties to lawfully complete the Acquisition.

The Company confirms that no changes are proposed to be made to the Board of the Company.

The Company has undertaken appropriate enquiries into the assets and liabilities, financial position and performance, profits and losses, and prospects of Minera Wealth to be satisfied that the Acquisition is in the interests of the Company and its security holders.

Please refer to Schedule 1 for further detail in relation to the Yanamina Project.

## **5.5 Proposed Work Programme**

The Yanamina Gold Project presents a neglected potential near term production opportunity with a low capex, low opex, solid cash flow and significant untested exploration potential.

In terms of the proposed work programme, the Company plans the following, and will use best endeavours to complete such programme within 12 months of obtaining Shareholder approval for the Acquisition:

- (a) establish a relationship with the local community as early as possible to facilitate local support and assistance with future programmes;
- (b) review the extensive existing data base to verify the historical estimates as mineral resources in accordance with the JORC Code 2012;
- (c) prepare a conceptual economic study to analyse the Project's potential economics with current costings and metal prices;
- (d) determine what additional drilling is required to elevate the majority of the Project resource to Measured status;
- (e) undertake sampling – bulk and drill – to secure additional material for metallurgical test work;

- (f) develop a drilling programme to test the fault block target together with potential extensions to the mineralisation at depth and to the north west of the existing resource boundaries; and
- (g) undertake the proposed resource definition and exploration drilling.

This work, and the costs of the Acquisition, will be largely funded from the placement (refer to Resolution 5) pursuant to Acquisition.

## 5.6 Pro forma Balance Sheet

The likely effect of the Acquisition on the Company's consolidated total assets and total equity is set out in the Pro-forma Statement of Financial Position contained in Schedule 2.

It is anticipated that going forward, approximately \$138,000 will be spent on the licences to be acquired which will be capitalised to the balance sheet, with nil effect on annual revenue, annual expenditure and annual profit before tax. Some due diligence costs will be expensed through the profit and loss account. This is estimated at \$35,000.

## 5.7 Pro forma Capital Structure

There will be no effect of the Acquisition on the capital structure of the Company.

In the preceding 6 months, the Company has issued 25,000,000 unlisted Options, with an exercise price of \$0.02 each and an expiry date of 31 May 2023, to Directors and management of the Company. Nil consideration was provided for these Options.

## 5.8 Indicative Timetable

Subject to the requirements of the ASX Listing Rules, the Company anticipates completion of the Acquisition will occur in accordance with the following timetable:

Event	Date
ASX announcement of Acquisition	16 September 2019
Notice of Meeting despatched to Shareholders	25 October 2019
Company to enter trading halt at the start of trading	25 November 2019
General Meeting to approve Acquisition	25 November 2019
Result of Meeting to be announced and trading halt to be lifted	25 November 2019
Settlement of Acquisition*	31 January 2020

*\*These dates are indicative only and subject to change.*

## 5.9 Additional Risk Factors

The risk profile of the Yanamina Project is similar to that of the Company's existing projects which has previously been disclosed to Shareholders as the Company would be continuing with mineral exploration and gold exploration does not carry with it any risks additional to those relating to lithium exploration. These risks include exploration and operational risks, environmental regulations, native title regulations, commodity price and foreign currency volatility. In addition to these risks, the Company will also be exposed to:

### (a) Sovereign Risk

The Project is located in northern Peru. Accordingly, the Company will be exposed to sovereign risks associated with Peru if the Acquisition completes.

Possible sovereign risks associated with operating outside of Australia include, without limitation, changes in the terms of mining legislation, changes to royalty arrangements, changes to taxation rates and concessions and changes in the ability to enforce legal rights. Any of these factors may, in the future, adversely affect the financial performance of the Company and the market price of its shares.

No assurance can be given regarding future stability in Peru, Austria or Serbia or any other country in which the Company may, in the future, have an interest.

**(b) Contractual and Completion risk**

Pursuant to the terms sheet, the Company has agreed to acquire Minera Wealth subject to the fulfilment of certain conditions precedent. If any of the condition's precedent are not satisfied or waived, or any of the counterparties do not comply with their obligations, completion of the Acquisition may be deferred or not occur.

The ability of the Company to achieve its stated objectives will depend on the performance by the parties of their obligations under the terms sheet. If any party defaults in the performance of their obligations, it may be necessary for the Company to approach a court to seek a legal remedy, which can be costly.

**5.10 Statement**

The Acquisition requires Shareholder approval under ASX Listing Rule 11.1.2 and therefore may not proceed if that approval is not forthcoming. Investors should take this into account in deciding whether or not to buy or sell the Company's securities.

ASX takes no responsibility for the contents of this Notice.

**5.11 Recommendation**

None of the Directors have a material personal interest in the Acquisition and the Board recommends that Shareholders vote in favour of Resolution 4.

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**6. RESOLUTION 5 –PLACEMENT - SHARES**

**6.1 Background**

Resolution 5 seeks shareholder approval for the issue of up to 44,444,444 Shares at an issue price of \$0.009 per Share, to raise up to \$400,000. As the Company intends to use the funds raised from the Placement as consideration for the acquisition of the Yanamina Gold Project, associated costs of the Acquisition and for the majority of the work programme described at section 5.5 above, should Resolution 4 not be approved by Shareholders, the Placement will not proceed.

**6.2 ASX Listing Rule 7.1**

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

The effect of Resolution 5 will be to allow the Company to issue the Shares pursuant to the Placement during the period of 3 months after the Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

If Shareholder approval is not obtained for the issue of Shares, the Company will issue the Shares to the extent permissible under the Company's existing placement capacity.

### 6.3 Technical Information required by ASX Listing Rule 7.1

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Placement:

- (a) The maximum number of Shares to be issued is 44,444,444.
- (b) The Shares will be issued no later than 3 months after the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that issue of the Shares will occur on the same date.
- (c) The issue price will be \$0.009 per Share.
- (d) The Shares will be issued to sophisticated and professional investors, who will not be related parties of the Company.
- (e) The Shares issued will be fully paid ordinary Shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares.
- (f) The Company intends to use the funds raised from the Placement as consideration for the Acquisition, associated costs of the Acquisition and for the majority of the work programme described at section 5.5 above.

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## 7. RESOLUTIONS 6 TO 9 - APPROVAL TO GRANT PERFORMANCE RIGHTS TO DIRECTORS

### 7.1 General

The Company has agreed, subject to obtaining Shareholder approval, to issue a total of 10,000,000 Performance Rights (**Director Performance Rights**) to Directors, Messrs Luke Martino, Steven Dellidis, Stefan Müller and Nicholas Sage (or their nominees) (**Related Parties**) pursuant to the Performance Rights Plan (**Plan**) and on the terms and conditions set out below.

The issue of the Director Performance Rights is to appropriately incentivise the continued performance of the Directors and to assist the Company in retaining their services and expertise in a manner which does not unduly impact on the cash reserves of the Company.

### 7.2 Summary of terms and conditions of Performance Rights

Each Director Performance Right will vest into one Share subject to the satisfaction of certain milestones and vesting conditions which are set out in Schedule 3.

Subject to the terms of the Plan, in the event that the applicable milestones and vesting conditions are not met, the Director Performance Rights will not vest and as a result, no new Shares will be issued. There is nil consideration payable upon the issue of the Performance Rights or on the vesting of a Performance Right to a Share.

See Schedule 3 for a summary of the terms and conditions of the Performance Rights (including milestones and vesting conditions) the subject of Resolutions 6 to 9.

### 7.3 Chapter 2E of the Corporations Act

Chapter 2E of the Corporations Act requires that for a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and



- (b) give the benefit within 15 months following such approval,

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

The grant of the Director Performance Rights constitutes giving a financial benefit and Messrs Luke Martino, Steven Dellidis, Stefan Müller and Nicholas Sage are related parties of the Company by virtue of being Directors.

In addition, ASX Listing Rule 10.14 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities under an employee incentive scheme to a director of the entity, an associate of the director, or a person whose relationship with the entity, director or associate of the director is, in ASX's opinion, such that approval should be obtained.

#### **7.4 Section 195(4) of the Corporations Act**

Section 195 of the Corporations Act provides that a director of a public company may not vote or be present during meetings of directors when matters in which that director holds a "material personal interest" are being considered, except in certain limited circumstances. Section 195(4) provides that if there are not enough directors to form a quorum for a directors meeting because of this restriction, one or more of the directors may call a general meeting and the general meeting may pass a resolution to deal with the matter.

As all of the Directors are to receive Director Performance Rights pursuant to Resolutions 7 to 10 (subject to Shareholder approval being obtained), the Company seeks Shareholder approval for the issue of the Director Performance Rights pursuant to 195(4) of the Corporations Act.

#### **7.5 Technical information required by Chapter 2E of the Corporations Act and ASX Listing Rule 10.14**

- (a) The related parties are:

- (i) Luke Martino;
- (ii) Steven Dellidis;
- (iii) Stefan Müller; and
- (iv) Nicholas Sage,

and they are related parties by virtue of being Directors;

- (b) The maximum number of Director Performance Rights (being the nature of the financial benefit being provided) to be granted to the Related Parties is 10,000,000 Director Performance Rights comprising:

- (i) 4,000,000 Director Performance Rights to Luke Martino (Resolution 6);
- (ii) 3,000,000 Director Performance Rights to Steven Dellidis (Resolution 7);
- (iii) 2,000,000 Director Performance Rights to Stefan Müller (Resolution 8); and
- (iv) 1,000,000 Director Performance Rights to Nicholas Sage (Resolution 9).

- (c) The Director Performance Rights will be granted for nil cash consideration (and there is no consideration payable on the vesting of Performance Rights to Shares), accordingly no funds will be raised on issue of the Director Performance Rights or the vesting into Shares.

- (d) The Plan was last adopted by Shareholders on 2 August 2019. No Options or Performance Rights have previously been issued under the Plan.
- (e) Any full or part time employee or Director of the Company is entitled to participate in the Plan, however, at the current time, the Company does not intend to make an offer to any other employees. Accordingly, approval is being sought only for the offer of the Director Performance Rights to the Related Parties.
- (f) No loans are being provided in connection with the issue of the Performance Rights;
- (g) The Director Performance Rights will be issued to the Related Parties no later than 12 months after the date of the Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Director Performance Rights will be issued on one date.
- (h) The terms of the Director Performance Rights are in accordance with the Plan, subject to the key terms and conditions of the Director Performance Rights are summarised in Schedule 3.
- (i) The value of the Director Performance Rights is set out in Schedule 4.
- (j) The relevant interests of the Related Parties in securities of the Company as at the date of this Notice are set out below:

Director	Shares <sup>(1)</sup>	Options
Luke Martino	594,074	10,000,000 <sup>(2)</sup>
Steven Dellidis	0	5,000,000 <sup>(3)</sup>
Stefan Müller	0	5,000,000 <sup>(4)</sup>
Nicholas Sage	0	5,000,000 <sup>(5)</sup>

**Notes:**

1. Fully paid ordinary shares in the capital of the Company (ASX: JDR).
  2. This comprises 5,000,000 unquoted Options exercisable at \$0.02 each on or before 22 December 2020 (escrowed until 29 December 2019) and 5,000,000 unquoted Options exercisable at \$0.02 on or before 31 May 2023.
  3. Unquoted Options exercisable at \$0.02 each on or before 31 May 2023.
  4. Unquoted Options exercisable at \$0.03 each on or before 31 July 2020.
  5. Unquoted Options exercisable at \$0.02 each on or before 31 May 2023.
- (k) The remuneration and emoluments from the Company to the Related Parties for the previous financial year and the proposed remuneration and emoluments for the current financial year are set out below:

Director	Current Financial Year	Previous Financial Year
Luke Martino	\$48,000	\$41,000
Steven Dellidis	\$48,000	\$15,000
Stefan Müller	\$48,000	\$33,600
Nicholas Sage	\$48,000	\$36,000

- (l) If the Director Performance Rights granted to the Related Parties are exercised, a total of 10,000,000 Shares would be issued. This will increase the number of Shares on issue from 480,439,627 (being the total number of Shares on issue as at the date of this Notice) to 490,439,627 (assuming that no Shares are issued and no convertible securities vest or are exercised) with the effect that the shareholding of existing Shareholders would be diluted by an aggregate of 2.08%, comprising 0.83% by Luke Martino and 0.62% by Steven Dellidis and 0.42% by Stefan Müller and 0.21% by Nicholas Sage.

- (m) The trading history of the Shares on ASX in the 12 months before the date of this Notice is set out below:

	Price	Date
Highest	0.0160	3 October 2018
Lowest	0.0070	28 June 2019
Last	0.011	16 October 2019

- (n) The Board acknowledges the grant of Director Performance Rights to Messrs Luke Martino, Steven Dellidis, Stefan Müller and Nicholas Sage is contrary to Recommendation 8.3 of The Corporate Governance Principles and Recommendations with 2014 Amendments (3rd Edition) as published by The ASX Corporate Governance Council. However, the Board considers the grant of Director Performance Rights to Messrs Luke Martino, Steven Dellidis, Stefan Müller and Nicholas Sage reasonable in the circumstances for the reason set out in paragraph (p).

- (o) The primary purpose of the grant of the Director Performance Rights to the Related Parties is to provide a performance linked incentive component in the remuneration package for the Related Parties to motivate and reward the performance of the Related Parties in their respective roles as Directors.

- (p) Luke Martino declines to make a recommendation to Shareholders in relation to the Resolution 6 due to his material personal interest in the outcome of Resolution 6 on the basis that he (or his nominee) is to be granted Director Performance Rights should the Resolution be passed. However, in respect of the Resolutions 7 to 9, Luke Martino recommends that Shareholders vote in favour of those Resolutions for the following reasons:

- (i) the grant of Director Performance Rights to the Related Parties will align the interests of the Related Parties with those of Shareholders;
- (ii) the grant of the Director Performance Rights is a reasonable and appropriate method to provide cost effective remuneration as the non-cash form of this benefit will allow the Company to spend a greater proportion of its cash reserves on its operations than it would if alternative cash forms of remuneration were given to the Directors; and
- (iii) it is not considered that there are any significant opportunity costs to the Company or benefits foregone by the Company in granting the Director Performance Rights upon the terms proposed.

- (q) Steven Dellidis declines to make a recommendation to Shareholders in relation to Resolution 7 due to his material personal interest in the outcome of the Resolution on the basis that he (or his nominee) is to be granted Director Performance Rights in the Company should Resolution 7 be passed. However, in respect of Resolutions 6,

8 and 9, Steven Dellidis recommends that Shareholders vote in favour of those Resolutions for the reasons set out in paragraph (p).

- (r) Stefan Müller declines to make a recommendation to Shareholders in relation to Resolution 8 due to his material personal interest in the outcome of the Resolution 8 on the basis that he/ (or his nominee) is to be granted Director Performance Rights in the Company should Resolution 9 be passed. However, in respect of Resolutions 6, 7 and 9, Stefan Müller recommends that Shareholders vote in favour of those Resolutions for the reasons set out in paragraph (p).
- (s) Nicholas Sage declines to make a recommendation to Shareholders in relation to Resolution 9 due to his material personal interest in the outcome of the Resolution 9 on the basis that he (or his nominee) is to be granted Director Performance Rights in the Company should Resolution 10 be passed. However, in respect of Resolutions 6, 7 and 8, Nicholas Sage recommends that Shareholders vote in favour of those Resolutions for the reasons set out in paragraph (p).
- (t) In forming their recommendations, each Director considered the experience of each other Director, the current market price of Shares, the current market practices when determining the number of Related Party Performance Rights to be granted as well as the exercise price and expiry date of those Related Party Performance Rights.
- (u) The Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolutions 6 to 9.

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## **8. RESOLUTION 10 – NON-EXECUTIVE DIRECTORS' REMUNERATION**

ASX Listing Rule 10.17 provides that an entity must not increase the total aggregate amount of directors' fees payable to all of its non-executive directors without the approval of holders of its ordinary securities.

Clause 10.5(a) of the Constitution provides that the remuneration for non-executive Directors must not exceed the maximum sum determined by the Company in general meeting or, until so determined, as the Directors resolve. Individual apportionments of that sum remain within the discretion of the Board of the Company.

This amount includes superannuation contributions made by the Company for the benefit of non-executive Directors and any fees which a non-executive Director agrees to sacrifice for other benefits. It does not include reimbursement of genuine out of pocket expenses, genuine "special exertion" fees paid in accordance with the Constitution, or securities issued to a non-executive Director under ASX Listing Rule 10.11 or 10.14 with approval of Shareholders.

The maximum aggregate amount of fees payable to all of the non-executive Directors is currently set at \$200,000. Resolution 10 seeks Shareholder approval to increase this figure by \$150,000 to \$350,000.

The maximum aggregate remuneration proposed to be paid to the non-executive Directors per annum has been determined after reviewing similar companies listed on ASX and the Directors believe that this level of remuneration is in line with corporate remuneration of similar companies.

The payment of non-executive Directors' fees will be divided between the non-executive Directors as the Directors shall determine and, in default of agreement between them, then in equal shares.

The payment of fees to the non-executive Directors does not mean that the Company must pay the entire amount approved as fees each year. However, the Board considers that it is reasonable and appropriate to seek payment of non-executive Directors' fees as this will provide the Company with the flexibility to attract and retain appropriately qualified non-executive Directors if circumstances require it.

In the past 3 years, the Company has issued 20,000,000 Options and no Performance Rights with prior Shareholder approval under ASX Listing Rules 10.11 and 10.14 to the non-executive Directors.

Given the interest of the non-executive Directors in this Resolution, the Board makes no recommendation to Shareholders regarding this Resolution.

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## **9. RESOLUTION 11 – CHANGE OF COMPANY NAME**

Resolution 11 seeks Shareholder approval by special resolution to change the Company's name from "Jadar Lithium Limited" to "Jadar Resources Limited".

Pursuant to section 157(1)(a) of the Corporations Act, the Company may change its name by passing a special resolution to that effect. The Special Resolution must be lodged with ASIC within 14 days after it is passed.

If Resolution 11 is passed the change of the name will take effect when ASIC alters the details of the Company's registration.

This change in name will not in itself, affect the legal status of the Company or any of its assets or liabilities.

The Directors believe that the new name more accurately reflects the proposed commercial undertaking of the Company (exploration for lithium and gold minerals).

The proposed name has been reserved by the Company and if Resolution 11 is passed, the Company will lodge a copy of the special resolution with ASIC following the meeting in order to effect the change.

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## **10. RESOLUTION 12 – APPROVAL OF 10% PLACEMENT CAPACITY**

### **10.1 General**

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

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

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

As at the date of this Notice, the Company is an Eligible Entity as it is not included in the S&P/ASX 300 Index and has a current market capitalisation of \$5.28 million (based on the number of Shares on issue and the closing price of Shares on the ASX on 16 October 2019).

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

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

As at the date of this Notice, the Company currently has one (1) class of quoted Equity Securities on issue, being Shares (ASX Code: JDR) and three (3) classes of unquoted Equity Securities on issue, being Unquoted Options.

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

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

Where:

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

Resolution 12 is a special resolution. Accordingly, at least 75% of votes cast by Shareholders present and eligible to vote at the Meeting must be in favour of Resolution 12 for it to be passed.

## 10.2 Technical information required by ASX Listing Rule 7.1A

Pursuant to and in accordance with ASX Listing Rule 7.3A, the information below is provided in relation to this Resolution 12:

(a) **Minimum Price**

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

- (i) the date on which the price at which the Equity Securities are to be issued is agreed; or
- (ii) if the Equity Securities are not issued within 5 ASX trading days of the date in section 10.2(a)(i), the date on which the Equity Securities are issued.

(b) **Date of Issue**

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

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

**(10% Placement Capacity Period).**

(c) **Risk of voting dilution**

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

If Resolution 12 is approved by Shareholders and the Company issues the maximum number of Equity Securities available under the 10% Placement Capacity, the economic and voting dilution of existing Shares would be as shown in the table below.

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

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

Number of Shares on Issue (Variable 'A' in ASX Listing Rule 7.1A2)	Dilution			
	Issue Price (per Share)	0.006 50% decrease in Issue Price	0.012 Issue Price	0.018 50% increase in Issue Price
480,439,627 (Current Variable A)	Shares issued - 10% voting dilution	48,043,963 Shares	48,043,963 Shares	48,043,963 Shares
	Funds raised	\$288,264	\$576,528	\$864,791
720,659,441 (50% increase in Variable A)	Shares issued - 10% voting dilution	72,065,944 Shares	72,065,944 Shares	72,065,944 Shares
	Funds raised	\$432,396	\$864,791	\$1,297,187
960,879,254 (100% increase in Variable A)	Shares issued - 10% voting dilution	96,087,925 Shares	96,087,925 Shares	96,087,925 Shares
	Funds raised	\$576,528	\$1,153,055	\$1,729,583

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

**The table above uses the following assumptions:**

1. There are currently a total of 480,439,627 Shares on issue as at the date of this Notice of Meeting.
2. The issue price set out above is the closing price of the Shares on the ASX on 1 October 2019.
3. The Company issues the maximum possible number of Equity Securities under the 10% Placement Capacity.
4. The Company has not issued any Equity Securities in the 12 months prior to the Meeting that were not issued under an exception in ASX Listing Rule 7.2 or with approval under ASX Listing Rule 7.1.
5. The issue of Equity Securities under the 10% Placement Capacity consists only of Shares. It is assumed that no Options are exercised into Shares before the date of issue of the Equity Securities.
6. The calculations above do not show the dilution that any one particular Shareholder will be subject to. All Shareholders should consider the dilution caused to their own shareholding depending on their specific circumstances.
7. This table does not set out any dilution pursuant to approvals under ASX Listing Rule 7.1.
8. The 10% voting dilution reflects the aggregate percentage dilution against the issued share capital at the time of issue. This is why the voting dilution is shown in each example as 10%.
9. The table does not show an example of dilution that may be caused to a particular Shareholder by reason of placements under the 10% Placement Capacity, based on that Shareholder's holding at the date of the Meeting.

Shareholders should note that there is a risk that:

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

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

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

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

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

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

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



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

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

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

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

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

The Company previously obtained approval from its Shareholders pursuant to Listing Rule 7.1A at its annual general meeting held on 23 November 2018 (**Previous Approval**).

The Company has issued nil Shares pursuant to the Previous Approval.

During the 12-month period preceding the date of the Meeting, the Company issued 90,909,091 Shares and 55,000,000 Options which represents approximately 31.73% of the total diluted number of Equity Securities on issue in the Company 12 months prior to the Meeting, which was 459,780,536.

Further details of the issues of Equity Securities by the Company during the 12 month period preceding the date of the Meeting are set out in Schedule 5.

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

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

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

### **10.3 Voting Exclusion**

A voting exclusion statement is included in this Notice. As at the date of this Notice, the Company has not invited any existing Shareholder to participate in an issue of Equity Securities under ASX Listing Rule 7.1A. Therefore, no existing Shareholders will be excluded from voting on Resolution 12.

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## GLOSSARY

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**\$** means Australian dollars.

**10% Placement Capacity** has the meaning given in section 10.1 of the Explanatory Statement.

**Acquisition** means the acquisition of the Yanamina Gold Project located in the Ancash region of northern Peru

**AEDT** means Australian Eastern Daylight Time

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

**ASIC** means the Australian Securities & Investments Commission.

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

**ASX Listing Rules** means the Listing Rules of ASX.

**Board** means the current board of directors of the Company.

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

**Chair** means the chair of the Meeting.

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

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

**Constitution** means the Company's constitution.

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

**Directors** means the current directors of the Company.

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

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

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

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

**Explanatory Statement** means the explanatory statement accompanying the Notice.

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

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

**Proxy Form** means the proxy form accompanying the Notice.

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

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

**Shareholder** means a registered holder of a Share.

**Vendor** means Wealth Minerals Limited.

**WST** means Western Standard Time.

**Yanamina** or **the Project** means the Yanamina Gold Project located in the Ancash region of northern Peru.

**Variable A** means "A" as set out in the calculation in section 10.1 of the Explanatory Statement.

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## **SCHEDULE 1 – FURTHER INFORMATION REGARDING THE YANAMINA GOLD PROJECT**

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### **1. Geology**

The Yanamina Gold Project area lies within a regional northerly trending belt of complexly folded and intensely faulted, Late Mesozoic marine sediments, which have been intruded by Tertiary batholithic rocks of various compositions. The oldest rocks in the region are Cretaceous quartzites and shales.

The most important structure in the region is the Yungay Graben, which trends northerly across the region and has been traced along strike for almost 100 kilometres. The eastern edge of the Yungay Graben is defined by the Ancash Fault Zone which hosts the Yanamina Gold Project.

The intense structural deformation associated with the formation of the Yungay Graben and the Ancash Fault provided conduits for gold bearing hydrothermal solutions giving rise to a number of gold occurrences and deposits in the region.

The mineralisation and alteration within the Yanamina Gold Project is a reflection of a typical low sulphidation epithermal gold system.

### **2. Access**

The Yanamina Gold Project is easily accessible by all-wheel drive vehicle and is located 16 kilometres east of the village of Caraz, which lies within the buffer zone around the Huascarán National Park. A small portion of the Project area covering approximately 28 hectares lies within the park boundary but does not impact the existing resource or any potential mining operation.

### **3. Past Exploration**

The Yanamina Gold Project has a history of artisanal mining dating back to the 1600's when Portuguese miners exploited small pockets of high grade gold within the current resource area. This mining was through small pits and no production records exist.

In 1994, the first modern recorded exploration was carried out on the Project by Arequipa Resources and this company completed over a two year period detailed geological mapping, surface sampling and 60 diamond drill holes totalling 2,179.18 metres.

In April 2006, ASX listed Latin Gold Limited (**Latin Gold**) through its wholly owned subsidiary Golden Eagle Resources Peru SAC purchased 100% of the Project and subsequently completed detailed mapping of the geology and alteration, channel sampling, limited adit sampling, digitizing of the historic and current data base and the drilling of an additional 25 diamond drill holes totalling 1,468 metres.

Latin Gold reported that the drilling confirmed the geology and the disseminated epithermal gold and silver mineralisation, which is locally exposed in outcrop. Latin Gold also reported that gold was intersected in the majority of the drill holes and demonstrated strong continuity along strike.



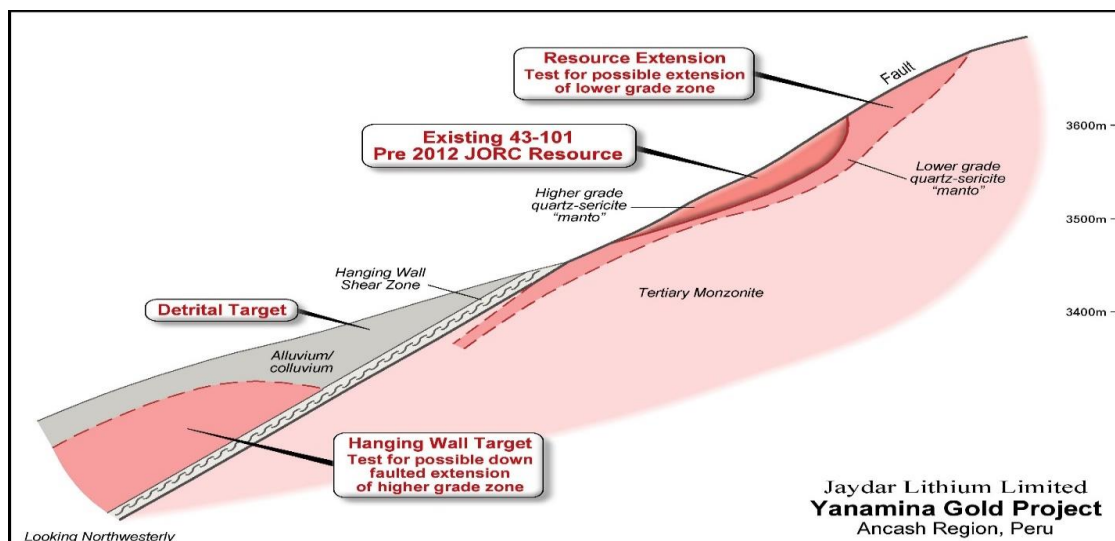
**Figure 2: Yanamina Gold Project showing drill pads and artisanal workings**

Following the 2006 exploration program, Latin Gold commissioned two contemporaneous independent JORC compliant resource estimates for the project (Note: pre 2012 JORC) and through 2007 to 2010 undertook two pre-feasibility studies which also included various metallurgical studies, processing circuit design and financial analysis. The results were reported by Latin Gold in June 2007 and March 2008 (refer to ASX announcements <https://www.asx.com.au/asxpdf/20070607/pdf/312v1tvmyxr5vr.pdf> and <https://www.asx.com.au/asxpdf/20080404/pdf/318dw35ybfgbgb.pdf>).

Latin Gold reported that the mineralized envelope had not been closed in a north-west direction and recommended additional drilling to explore this potential extension and also the source porphyry at depth.

In addition the company highlighted the potential for a possible down faulted extension to the mineralized zone at the base of the hill under alluvial cover (see Figure 3). This was on the basis of field evidence that the current surface of the mineralized zone is a fault plane.

The drilling programme by Latin Gold also highlighted the possibility of an increased tonnage to the north-west of the resource where the boundary of the mineralised zone remains open. Unfortunately, as a result of the limited capability of the diamond rig employed for the programme, Latin Gold was unable to comprehensively test this potential extension, the porphyry source at depth or significant potential of a possible faulted extension to the outcropping mineralization situated at the base of the hill under alluvial cover.



**Figure 3: Yanamina Gold Project cross section showing mineralized envelope and faulted extension target**

In 2011 Latin Gold sold the project to Coronet Metals Inc. (**Coronet**) a TSXV listed company. Coronet then undertook a complete review of the project which culminated in a NI43-101 compliant resource and preliminary economic assessment being completed. The NI43-101 document was disclosed on 28 February 2011.

The NI43-101 study by Coronet calculated indicated and inferred resources as 4,801,900 tonnes grading 1.34g/t using a 0.5g/t cut-off.

Cut-off Grade	Indicated		Inferred		Total	
g/t	Tonnes	Au g/t:	Tonnes	Au g/t:	Tonnes	Au g/t
0.5	1,566,900	1.65	3,235,000	1.19	4,801,900	1.34

The Company considers these historical estimates to be both material and relevant to the decision by the Company to acquire the Yanamina Project. There is a significant data base available over the Project from various companies dating from the initial diamond drilling carried out in 1994. This data base includes drilling and assay results, metallurgical testing, conceptual mine designs and costings and initial financial modelling. The NI43-101 report is based on this extensive data base and has synthesised this data into a comprehensive summary of the Project and its potential, including an estimate of available resources. The report was prepared on behalf of Coronet by a reputable and experienced consulting group (Southampton Associates). Our Competent Person has reviewed the report and informed the Company that it was prepared in a competent and conservative manner. The resource as calculated pursuant to the NI43-101 report has been classified as Indicated and Inferred. These categories are comparable (see Cautionary Statement below) with the categories used by JORC Code 2012. It is the opinion of the Company that these estimates are reliable and represent the results of work done to high standards, using quality sampling, testing and geological and geostatistical modelling. The foreign estimates represent best practice work at the time.

The Yanamina resource is epithermal derived with the primary host being a Tertiary Monzonite (see figure 3). The mineralisation forms an outcropping "blanket" of around 30 metres in thickness within the upper part of the Monzonite.

All the drilling completed over Yanamina has been by HQ diamond drilling. A total of 85 holes aggregating 3,647 metres have been drilled over the resource. The diamond drill core was oriented, cut using a diamond saw, logged and the interval selected for sampling was indicated by means of a black marker. The samples were geologically controlled and the sample interval was typically 1.0 metres. Generally, the core recovery was good. Each sample was placed in a plastic bag, tagged and secured with a ziplock tie. Drill Core

Samples were taken every metre and standards were introduced every 30 samples. Drill core the core recovery was typically greater than 90%, and the sampling was done by qualified geologists under geologic control, respecting the geology. The sample interval reflects true widths for the interval sampled. The continuity of the mineralized zone with respect to the true width, down-dip and on strike continuity is very consistent for a gold deposit.

The sample analysis method was fire assay 30g charge with acid digest for Au and AAS for Ag.

The resource block estimation was completed using:

- (a)  $1/D^2$  (Inverse distance squared) algorithm;
- (b) Search ellipsoids:
  - (i) Major axis: 337° horizontal, 25m and 50m radius;
  - (ii) Secondary axis: -40°, 25m and 50m radius; and
  - (iii) Minor axis: horizontal, 1/3 of major axis,
- (c) Number of informing samples per block:
  - (i) Maximum: 9;
  - (ii) Minimum: 3; and
  - (iii) Maximum of 6 samples per hole,
- (d) Specific gravity estimated to be 2.8g/cc

A total of 2643 sample results across 3,402 metres of core in 78 diamond holes comprised the data set.

The lower cut-off grade used was 0.5g/t. The basis for this lower cut-off was that it still provided an acceptable internal rate of return.

The NI43-101 report and financial analysis was determined with the Yanamina Project as an open cut resource. The metallurgical recoveries were based on extensive metallurgical work completed by a previous owners pre-feasibility studies.

A summary of the work programs used to prepare the indicated and inferred resources includes a data base comprising 85 holes aggregating 3,647 metres, adit sampling, channel sampling, geological mapping, metallurgical test work, conceptual financial analysis.

**Cautionary Statement:** The information disclosed above was prepared and first disclosed under the NI43-101. National Instrument 43-101 is a national instrument for the disclosure for mineral projects within Canada or mineral properties owned by, or explored by, companies which report these results on stock exchanges within Canada. The NI43-101 is broadly comparable to the JORC 2012 Code. The content of the technical reports, and the scientific rigors to which the mineral resource classifications within them are put, are often very similar and in many cases, NI43-101 and JORC Code technical reports are considered interchangeable. The NI43-101 report was based on the historic exploration work completed by parties prior to 2012 and hence to update the NI43-101 analysis to JORC 2012 the same historic data base will be evaluated. The NI43-101 report has not been prepared by the Company and has not been updated to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported. The resource estimates may not comply with JORC Code 2012 and a Competent Person has not done



sufficient work to classify the estimates to comply with the JORC Code 2012. A review of the data on behalf of the Company indicates the estimates were prepared in a competent manner and nothing has come to the attention of the Company that causes it to question the accuracy or reliability of the former owners' estimates but the Company has not independently validated the former owners' estimates and therefore is not to be regarded as reporting, adopting or endorsing these estimates.

It is possible that following further evaluation and/or further exploration work that the estimates presented may materially change and will be needed to be reported afresh under and accordance with the JORC Code 2012.

In late 2015, Coronet sold the project to Wealth Minerals, with little work performed on the Yanamina Project since that date.

## SCHEDULE 2 – PRO FORMA STATEMENT OF FINANCIAL POSITION

Historical Consolidated Statement of Financial Position of both Jadar Lithium Limited and Minera Wealth Peru S.A.C. adjusted to reflect the Acquisition

		JDR	Minera Wealth	JDR post-Acquisition
		Actual	Actual	Pro-forma Consolidated
		Audited	Unaudited	Unaudited
	Notes	30 June 2019	31 August 2019	30 June 2019
		AU\$	AU\$	AU\$
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	1	2,022,957	479	1,780,579
Trade and other receivables		39,848	1,829	41,677
Other current assets		34,276	-	34,726
<b>TOTAL CURRENT ASSETS</b>		<b>2,097,081</b>	<b>2,307</b>	<b>1,856,531</b>
<b>NON CURRENT ASSETS</b>				
Exploration Assets	2	2,464,994	-	2,607,851
Plant and equipment		-	757	757
<b>TOTAL NON CURRENT ASSETS</b>		<b>2,464,994</b>	<b>757</b>	<b>2,608,608</b>
<b>TOTAL ASSETS</b>		<b>4,433,544</b>	<b>3,065</b>	<b>4,465,140</b>
<b>CURRENT LIABILITIES</b>				
Trade and other payables		128,531	11,000	139,531
<b>TOTAL CURRENT LIABILITIES</b>		<b>128,531</b>	<b>11,000</b>	<b>139,531</b>
<b>NON CURRENT LIABILITIES</b>		-	-	-
<b>TOTAL LIABILITIES</b>		<b>128,531</b>	<b>11,000</b>	<b>139,531</b>
<b>NET ASSETS / (LIABILITIES)</b>		<b>4,433,544</b>	<b>(7,935)</b>	<b>4,325,609</b>
<b>EQUITY</b>				
Issued capital		40,154,698	-	40,154,698
Reserves		104,502	-	104,502
Accumulated losses	3	(35,835,408)	(7,935)	(35,943,343)
Non-controlling interest		9,752	-	9,752
<b>TOTAL EQUITY</b>		<b>4,433,544</b>	<b>(7,935)</b>	<b>4,325,609</b>

	JDR	Minera Wealth	JDR post-Acquisition
	Actual	Actual	Pro-forma Consolidated
	Audited	Unaudited	Unaudited
	30 June 2019	31 August 2019	30 June 2019
	AU\$	AU\$	AU\$
<b>Note 1: Cash and Cash Equivalents</b>			
Cash and cash equivalents	2,022,957	479	2,023,436
Jadar Lithium Limited payment for acquisition of Minera Wealth (US\$100,000)	-	-	(142,857)
Cost of acquisition	-	-	(100,000)
	<b>2,022,957</b>	<b>479</b>	<b>1,780,579</b>
<b>Note 2: Exploration Assets</b>			
Exploration assets	2,464,994	-	2,464,994
Acquisition of Peru licences	-	-	142,857
	<b>2,464,994</b>	<b>-</b>	<b>2,607,851</b>
<b>Note 3: Accumulated losses</b>			
Accumulated losses	(35,835,408)	(7,935)	(35,843,361)
Eliminate pre-acquisition losses of Minera Wealth	-	-	7,935
Cost of acquisition	-	-	(100,000)
Transaction Loss	-	-	(7,935)
	<b>(35,835,408)</b>	<b>(7,935)</b>	<b>(35,943,343)</b>

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## SCHEDULE 3 – TERMS AND CONDITIONS OF PERFORMANCE RIGHTS

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### *Terms and Conditions of the Performance Rights*

- (a) **Entitlement**) Each Performance Right entitles the holder (**Holder**) to subscribe for one Share upon satisfaction of the Milestone (defined below) and issue of the Conversion Notice (defined below) by the Holder.
- (b) **(Notice of satisfaction of Milestone)** The Company shall give written notice to the Holder promptly following satisfaction of a Milestone (defined below) or lapse of a Performance Right where the Milestone is not satisfied.
- (c) **(No voting rights)** A Performance Right does not entitle the Holder to vote on any resolutions proposed by the Company except as otherwise required by law.
- (d) **(No dividend rights)** A Performance Right does not entitle the Holder to any dividends.
- (e) **(No rights to return of capital)** A Performance Right does not entitle the Holder to a return of capital, whether in a winding up, upon a reduction of capital or otherwise.
- (f) **(Rights on winding up)** A Performance Right does not entitle the Holder to participate in the surplus profits or assets of the Company upon winding up.
- (g) **(Not transferable)** A Performance Right is not transferable.
- (h) **(Reorganisation of capital)** If at any time the issued capital of the Company is reconstructed, all rights of a Holder will be changed in a manner consistent with the applicable ASX Listing Rules and Corporations Act at the time of reorganisation.
- (i) **(Application to ASX)** The Performance Rights will not be quoted on ASX. However, if the Company is listed on ASX at the time of conversion of the Performance Rights into Shares, the Company must apply for the official quotation of a Share issued on conversion of a Performance Right on ASX within the time period required by the ASX Listing Rules.
- (j) **(Participation in new issues)** A Performance Right does not entitle a Holder (in their capacity as a holder of a Performance Right) to participate in new issues of capital offered to holders of Shares such as bonus issues and entitlement issues.
- (k) **(No other rights)** A Performance Right gives the Holders no rights other than those expressly provided by these terms and those provided at law where such rights at law cannot be excluded by these terms.

### *Conversion of the Performance Rights*

- (a) **(Milestone)** A Performance Right will be able to be converted into a Share by a Holder subject to satisfaction of:
  - (i) the 60 day volume weighted average price (**VWAP**) of Shares on the ASX being equal to or exceeding \$0.03 per Share within the 2 year period from the date of issue of the Performance Rights (the **Milestone**).
- (b) **(Conversion Notice)** A Performance Right may be converted by the Holder giving written notice to the Company (**Conversion Notice**) prior to the date that is 2 years from the date of issue of the Performance Right. No payment is required to be made for conversion of a Performance Right to a Share.

- (c) **(Lapse)** If the Milestone is not achieved by the required date or the Conversion Notice not given to the Company by the required date, then the relevant Performance Right will automatically lapse.
- (d) **(Issue of Shares)** The Company will issue Shares on conversion of a Performance Right within 10 business days following the conversion or such other period required by the ASX Listing Rules.
- (e) **(Holding statement)** The Company will issue the Holder with a new holding statement for any Shares issued upon conversion of a Performance Right within 10 business days following the issue of the Shares.
- (f) **(Ranking upon conversion)** The Shares into which a Performance Right may convert will rank pari passu in all respects with existing Shares.

## SCHEDULE 4 – VALUATION OF PERFORMANCE RIGHTS

The Performance Rights to be issued to the Related Parties pursuant to Resolutions 6 to 9 have been valued by internal management.

Using the Black & Scholes option model and based on the assumptions set out below, the Related Party Performance Rights were ascribed the following value:

<b>Assumptions:</b>	
Valuation date	3 October 2019
Market price of Shares	1.1 cents
Performance Condition	60 day VWAP of 3 cents
Performance Period	2 years
Conversion to shares ratio	1:1
Risk free interest rate	0.65%
<b>Indicative value per Related Party Performance Right</b>	1.1 cents
<b>Total Value of Related Party Performance Right</b>	\$110,000
- Luke Martino	\$44,000
- Steven Dellidis	\$33,000
- Stefan Müller	\$22,000
- Nicholas Sage	\$11,000

**Notes:**

- The valuation noted above is not necessarily the market price that the Related Party Performance Rights could be traded at and is not automatically the market price for taxation purposes.

## SCHEDULE 5 – ISSUES OF EQUITY SECURITIES SINCE 23 NOVEMBER 2018

Date	Quantity	Class	Recipients	Issue price and discount to Market Price (if applicable) <sup>(1)</sup>	Form of consideration
Issue – 22 December 2018	5,000,000	Unquoted Options <sup>(2)</sup>	DGWA (boutique European Investment and financial markets consulting firm based in Frankfurt)	Nil (non-cash consideration)	Non-cash Use of funds: Incentive-based remuneration, part of appointment of DGWA  Current value <sup>(6)</sup> = \$4,553
Issue – 4 February 2019	90,909,091	Shares <sup>(3)</sup>	Exchange Minerals Limited (vendor of acquisition of Austrian exploration licences)	Nil (non-cash consideration)	Non-cash Use of funds: Provided in consideration for the acquisition of Austrian exploration licences (approved by shareholders at annual general meeting held on 28 November 2018)  Current value <sup>(6)</sup> = \$1,000,000
	25,000,000	Unquoted Options <sup>(4)</sup>	Exchange Minerals Limited (vendor of acquisition of Austrian exploration licences)	Nil (non-cash consideration)	Non-cash Use of funds: Provided in consideration for the acquisition of Austrian exploration licences (approved by shareholders at annual general meeting held on 28 November 2018)  Current value <sup>(6)</sup> = \$275,000
Issue – 13 August 2019	25,000,000	Unquoted Options <sup>(5)</sup>	Mr Luke Martino, Mr Steven Dellidis, Mr Nicholas Sage, Ms Louisa Martino and Mr Harry Spindler	Nil (non-cash consideration)	Non-cash 15,000,000 Options issued as incentive-based remuneration to Mr Luke Martino, Mr Steven Dellidis and Mr Nicholas Sage (5,000,000 per Director)  10,000,000 Options issued without security holder approval under ASX Listing Rule 7.1  Current value <sup>(6)</sup> = \$32,275

### Notes:

1. Market Price means the closing price on ASX (excluding special crossings, overnight sales and exchange traded option exercises). For the purposes of this table the discount is calculated on the Market Price on the last trading day on which a sale was recorded prior to the date of issue of the relevant Equity Securities.
2. Unquoted Options, exercisable at \$0.03 each, on or before 31 July 2020.
3. Fully paid ordinary shares in the capital of the Company, ASX Code: JDR (terms are set out in the Constitution).
4. Unquoted Options, exercisable at \$0.03 each, on or before 31 July 2020.
5. Unquoted Options, exercisable at \$0.02 each, on or before 31 May 2023. The full terms and conditions were disclosed in the notice of meeting for the Shareholder meeting held on 2 August 2019.
6. Based on the Market Price of Shares of \$0.011 on 2 October 2019

## LODGE YOUR PROXY APPOINTMENT ONLINE



### ONLINE PROXY APPOINTMENT

[www.advancedshare.com.au/investor-login](http://www.advancedshare.com.au/investor-login)



### MOBILE DEVICE PROXY APPOINTMENT

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

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

## 2019 ANNUAL GENERAL MEETING PROXY FORM

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

### APPOINT A PROXY

The Chair of the meeting **OR**

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

or failing the individual(s) or body corporate(s) named, or if no individual(s) or body corporate(s) named, the Chair of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf, including to vote in accordance with the following directions (or, if no directions have been given, and to the extent permitted by law, as the proxy sees fit), at the Annual General Meeting of the Company to be held at **Indian Ocean Group, 311-313 Hay Street, SUBIACO WA 6008 on 25 November 2019 at 2:00pm (WST)** and at any adjournment or postponement of that Meeting.

**Chair authorised to exercise undirected proxies on remuneration related resolutions:** Where I/we have appointed the Chair of the Meeting as my/our proxy (or the Chair becomes my/our proxy by default), I/we expressly authorise the Chair to exercise my/our proxy on Resolution 1, 6, 7, 8, 9 & 10 (except where I/we have indicated a different voting intention below) even though these resolutions are connected directly or indirectly with the remuneration of a member(s) of key management personnel, which includes the Chair. I/we acknowledge the Chair of the Meeting intends to vote all undirected proxies available to them in favour of each Resolution of Business.

### VOTING DIRECTIONS

Resolutions	For	Against	Abstain*
1 Adoption of Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 Re-Election of Director – Mr Nicholas Sage	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Election of Director – Mr Steven Dellidis	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 Acquisition of Yanamina Gold Project	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 Placement - Shares	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6 Approval to Grant Performance Rights to Mr Luke Martino (Or His Nominee)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7 Approval to Grant Performance Rights to Mr Steven Dellidis (Or His Nominee)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8 Approval to Grant Performance Rights to Mr Stefan Müller (Or His Nominee)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9 Approval to Grant Performance Rights to Mr Nicholas Sage (Or His Nominee)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10 Increase in Non-Executive Director's Remuneration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11 Change of Company Name	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12 Approval of 10% Placement Capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

### SIGNATURE OF SHAREHOLDERS – THIS MUST BE COMPLETED

Shareholder 1 (Individual)

Joint Shareholder 2 (Individual)

Joint Shareholder 3 (Individual)

Sole Director and Sole Company Secretary

Director/Company Secretary (Delete one)

Director

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

Email Address

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



## HOW TO COMPLETE THIS SHAREHOLDER PROXY FORM

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

### CHANGE OF ADDRESS

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

### APPOINTMENT OF A PROXY

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

### DEFAULT TO THE CHAIR OF THE MEETING

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

### VOTING DIRECTIONS – PROXY APPOINTMENT

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

### PROXY VOTING BY KEY MANAGEMENT PERSONNEL

If you wish to appoint a Director (other than the Chair) or other member of the Company's key management personnel, or their closely related parties, as your proxy, you must specify how they should vote on Resolution 1, 6, 7, 8, 9 & 10, by marking the appropriate box. If you do not, your proxy will not be able to exercise your vote for Resolution 1, 6, 7, 8, 9 & 10.

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

### APPOINTMENT OF A SECOND PROXY

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

To appoint a second proxy you must:

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

### CORPORATE REPRESENTATIVES

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

### SIGNING INSTRUCTIONS ON THE PROXY FORM

#### Individual:

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

#### Joint Holding:

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

#### Power of Attorney:

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

#### Companies:

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

### LODGE YOUR PROXY FORM

This Proxy Form (and any power of attorney under which it is signed) must be received at an address given below by 2:00pm (WST) on 23 November 2019, being not later than 48 hours before the commencement of the Meeting. Proxy Forms received after that time will not be valid for the scheduled meeting.



#### ONLINE PROXY APPOINTMENT

[www.advancedshare.com.au/investor-login](http://www.advancedshare.com.au/investor-login)



#### BY MAIL

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



#### BY FAX

+61 8 9262 3723



#### BY EMAIL

[admin@advancedshare.com.au](mailto:admin@advancedshare.com.au)



#### IN PERSON

Advanced Share Registry Limited  
110 Stirling Hwy, Nedlands WA 6009



#### ALL ENQUIRIES TO

Telephone: +61 8 9389 8033