

Quarterly Activities Report For the period ending 31 December 2017

Highlights

- Successful reinstatement on the Australian Securities Exchange following an oversubscribed \$5million capital raising.
- Completion of the acquisition of five exploration licences in Serbia prospective for Lithium, with two licences strategically located to Rio Tinto's world class Lithium Borate resource.
- Consultants engaged to fast track the delivery of a work programme in the first calendar quarter of 2018

Jadar Lithium Limited (ASX: JDR) ("Jadar" or "the Company"), is pleased to provide shareholders with this Quarterly Activities Report for the three (3) months ending 31 December 2017.

PROJECTS REVIEW

As announced to the market on 7th September 2017, the Company has acquired a 100% interest in an exploration tenement portfolio comprising five exploration licences, covering approximately 329 square kilometres in the Republic of Serbia, prospective for Lithium (Serbian Lithium Projects).



The Serbian Lithium Projects include:

- i. Cer Project which is centred 80km west of Serbia's capital Belgrade and 10km north of the world-class Jadar Lithium-Borate Deposit;
- ii. Bukulja Project which is located 55km south of the capital Belgrade and 90km east-southeast of the Jadar Lithium-Borate Deposit;
- iii. Rekovac Project which is located 120km south-southeast of the capital Belgrade;
- iv. Krajkovac Project which is located 190km southeast of the capital Belgrade; and
- v. Vranje-South Project which is located 290km south-southeast of the capital Belgrade and centred 15 km south of the city of Vranje.

Serbia is rapidly emerging as an underexplored but very fertile lithium/REE bearing country. Serbia is the only current known source of Jadarite, a new lithium-borate bearing mineral ($\text{LiNaB}_3\text{SiO}_7(\text{OH})$) discovered in 2004 by Rio Sava, a wholly owned subsidiary of Rio Tinto. Rio Tinto's world class Jadar lithium (Li_2O) borate (B_2O_3) discovery in Serbia is 135.7 million tonnes with a weighted average concentration of 1.86% Li_2O and 15.4% B_2O_3 (Indicated and Inferred Resource) (one of the largest lithium deposits in the world). Two of the Company's exploration licences are strategically located, being ~10km north and the other being ~90km east-southeast of Rio Tinto's significant Serbian project.

The Company is evaluating an in-country management team that will execute work programmes for the Serbian Lithium Projects. Consultants to the company will deliver their recommendations with regard to the work programme and other opportunities in the first Quarter of 2018.

CORPORATE MATTERS

The December 2017 quarter saw the successful reinstatement of the Company to official quotation on ASX following the effectuation of its Deed of Company Administration (DOCA) and completion of the acquisition of Centralist Pty Ltd and the Serbian Lithium Projects. In addition, the Company successfully completed a \$5 million capital raising.

Following consolidation of the Company's capital and its reinstatement, Jadar has 389,530,536 shares and 70,250,000 unlisted options on issue. Of these securities, 336,380,536 shares are quoted on ASX. The following securities are classified as restricted securities by ASX:

- Restricted for a period of 24 months from date of re-instatement (being 29 December 2017):
 - 50,000,000 shares;
 - 6,700,000 unquoted options (\$0.02, 22 December 2020);
- Restricted for a period of 12 months commencing from the date of issue (being 29 September 2017):
 - 3,150,000 shares;
- Restricted for 12 months commencing from the date of issue (being 22 December 2017):
 - 63,550,000 unquoted options (\$0.02, 22 December 2020)

On 29 December 2017 the Company announced a Less Than Marketable Parcel (LTMP) Share Sale Facility to enable those shareholders holding less than a marketable parcel of the Company's shares to sell their shares without incurring any costs that could otherwise make a sale of their shares uneconomical. In addition, the Company expects to reduce the administrative costs associated with maintaining a large number of small shareholdings. The closing date for receipt of Share Retention Forms under the LTMP Share Sale Facility is 14 February 2018. Further details are included in the Company's announcement of 29 December 2017.

The Company is exploring its lithium projects in Serbia, with the aim of confirming the extent of lithium or other mineralisation and identifying potential areas for further testing and drilling. Jadar is currently considering additional expertise at board and management level to drive value for all shareholders, including establishment of offices in Belgrade and recruitment of staff to fast track exploration activities in-country. The Company is also evaluating a potential dual listing on the German stock index and appointment of a European advisory group to complement the location of the assets. Further details to be provided as they materialise.