

6 November 2018

## Update on Acquisition of Austrian Lithium Exploration Project

Jadar Lithium Limited (ASX: **JDR**) (**Jadar** or **the Company**) provides by way of update the following in respect of its acquisition of the Austrian Lithium Exploration Licences.

As announced on 2 October 2018 the Company has entered into a binding agreement pursuant to which it has agreed, subject to satisfaction of certain conditions precedent, to acquire effectively 80% of Austrian Lithium Exploration Licences from Exchange Minerals Limited, with a first right of refusal over the remaining 20% (**Acquisition**).

The Company considers the Austrian Lithium Exploration Licences to be a suite of attractive exploration assets which will complement the Company's existing operations.

The material terms of the Acquisition, as previously announced are as follows:

- In consideration for an 80% interest in a Special Purpose Vehicle (SPV) which will hold the Austrian Lithium Exploration Licences, the Company will issue:
  - 90,909,091 fully paid ordinary shares at a deemed issue price of AU\$0.022 per share (AU\$2 million);
  - 25,000,000 Unlisted Options in JDR with an exercise price of AU\$0.03 per option and a 31 July 2020 expiry date.
- Jadar to be granted first right of refusal over the remaining 20%.
- Jadar agrees to spend up to AU\$250,000 on the exploration of the Austrian Lithium Exploration Licences. Once the AU\$250,000 has been spent, each party is to provide funding in proportion to their interests.

The Acquisition is subject to a number of conditions precedent:

- completion of Due Diligence on the Austrian Lithium Exploration Licences by Jadar. This has now been completed by Jadar;
- Jadar obtaining all necessary shareholder or regulatory approvals required by the Corporations Act 2001 (Cth) (Corporations Act) or the ASX Listing Rules in relation to the Acquisition. Resolutions will be put to shareholders at the Company's Annual General Meeting to be held on 23 November 2018 (refer Notice of Meeting announced 24 October 2018);
- Mr Martin Pawlitschek resigning from and Mr Steve Dellidis being appointed to the Jadar Board. Mr Martin Pawlitschek has resigned from the Board, effectively immediately. The Board expresses its gratitude to Mr Pawlitschek for his services and wishes him all the very best in his endeavours. Mr Steve Dellidis will be appointed on completion of the Acquisition; and

- the parties obtaining any other necessary third party consents to allow the parties to lawfully complete the Acquisition. The Company notes that the transaction requires Austrian ministerial consent for the transfer of the licences to the SPV.

The main steps to completion of the transaction are:

- 1) Jadar shareholder approval at its Annual General Meeting to be held on 23 November 2018;
- 2) Set up of Special Purpose Vehicle (SPV) in Austria;
- 3) Austrian Ministerial consent required to transfer licences to the SPV.

The Company is taking steps to complete all conditions precedent in a timely manner. Actions are being undertaken in accordance with the above.

**ENDS**

**Further Enquiries**

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