JADAR LITHIUM LIMITED

(Formerly known as South East Asia Resources Limited)
ABN 66 009 144 503

ANNUAL REPORT
FOR THE YEAR ENDED 30 JUNE 2018

Contents

Corporate Directory

Directors
Mr Luke Martino – Non-Executive Chairman
Mr Michael Davy – Non-Executive Director
Mr Martin Pawlitschek – Non-Executive Director
Mr Nicholas Sage – Non-Executive Director
Mr Stefan Muller – Non-Executive Director

Company Secretary
Ms Louisa Martino

Registered office
311-313 Hay Street
Subiaco WA 6008

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

Bankers
NAB
1238 Hay Street
West Perth WA 6005

Share Registry
Advance Share Registry
110 Stirling Highway
Nedlands WA 6909

Securities Exchange Listing
ASX Limited
20 Bridge Street
Sydney NSW 2000

ASX Code – JDR

Directors' Report

The Directors' present their report together with the financial report of Jadar Lithium Limited ("the Company") ("Formerly known as South East Asia Resources Limited") (ASX: JDR) and its controlled entities ("the Group", "JDR" or "Consolidated Entity") for the year ended 30 June 2018.

The powers of the Directors were suspended from April 2017, being the date of the appointment of the Joint and Several Administrators and remained so during the term of the Deed of Company Arrangement ("DOCA") made in relation to the Company. The DOCA was effectuated on 19 December 2017 where full control of the Company has passed to the Directors of the Company.

The Company was reinstated on ASX on 29 December 2017. For the 2018 financial year since reinstatement, the entity has used the cash and assets in a form readily convertible to cash that it had at the time of reinstatement in a way consistent with the Company's business objectives.

Directors

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

Name	Status	Appointment/ Resignation
Mr Luke Martino	Non-Executive Chairman	Appointed on 22 December 2017
Mr Nicholas Sage	Non-Executive Director	Appointed on 22 December 2017
Mr Michael Davy	Non-Executive Director	Appointed on 15 February 2018
Mr Martin Pawlitschek	Non-Executive Director	Appointed on 15 February 2018
Mr Stefan Muller	Non-Executive Director	Appointed on 24 July 2018
Mr Gary Williams	Executive Director	Resigned 15 February 2018
Mr Jackob Tsaban	Non-Executive Director	Resigned 22 December 2017
Mr Wayne Knight	Non-Executive Director	Resigned 22 December 2017

Company Secretary

Name	Status	Appointment/ Resignation
Mr Luke Martino	Company Secretary	Resigned 22 December 2017
Ms Louisa Martino	Company Secretary	Appointed 22 December 2017

Principal activities

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

Operating and financial review

The consolidated loss for the year amounted to ($1,216,699) (2017: $266,646).

Dividends paid or recommended

There were no dividends paid or recommended during the financial year ended 30 June 2018 (2017: Nil).

Significant changes in state of affairs

On 31 July 2017 all resolution of the General Meeting were passed and announced by the Company.

On 22 August 2017, 100,000,000 shares were issued at $0.001 per share to raise $100,000 for working capital and 10,000,000 shares were issued at $0.05 per share for the conversion of liabilities of $500,000. The historical accounts a condition precedent to the Deed of Company Arrangement, were also lodged for the 2015, 2016 and 2017 financial years and half-years.

Significant changes in state of affairs (continued)

On 7 September 2017, the company lodged a Notice of Meeting, with the following resolutions included:

- Ratification of disposal of its Malala Molybdenum Project;
- Approval to change in nature and scale of activities;
- Approval to consolidate capital;
- Approval to issue Capital Raising Shares;
- Approval to issue Consideration Securities;
- Election of Directors Mr Luke Martino and Mr Nicholas Sage;
- Approval to issue Advisor Shares;
- Approval to issue Lead Manager Options;
- Approval to issue Attaching Options; and
- Approval to replace the Constitution.

On 7 September 2017, the company announced it had entered into a conditional binding agreement to acquire 100% of Centralist Pty Ltd.

On 2 October 2017, the company lodged a prospectus to ASIC for its offer to the public of 250 million shares at an issue price of $0.02 each to raise a total of $5 million (before expenses), as well as a number of secondary offers in connection with the Company's proposed acquisition of Centralist Pty Ltd. A replacement prospectus was released on 17 October 2017.

On the 6 October 2017 all resolutions of the General Meeting were passed and announced by the Company.

On 11 October 2017, it was announced that ASX had extended the Company's de-listing deadline to the commencement of trading on 3 January 2018. The extension was granted on the basis that the Company is in the final stages of completing the acquisition of Serbian Lithium Projects.

On 8 December 2017, 101,000,000 shares were issued at $0.001 per share to raise $101,000 for working capital

On 13 December 2017, the consolidation of capital was completed, resulting in the reduction of the issued number of shares from 1,689,605,582 to 89,530,536.

On 19 December 2017, all the conditions of the DOCA had been satisfied with the DOCA being effectuated on this date. On this date full control of the Company passed to the Directors of the Company.

On 22 December 2017, the Company completed the transactions to acquire Centralist Pty Ltd. In addition, the Company announced the capital raising was oversubscribed with $5 million raised under the public offer pursuant to the Replacement Prospectus dated 17 October 2017. Directors Mr Jackob Tsaban and Mr Wayne Knight resigned on completion.

On 29 December 2017, the shares of the Company were reinstated on ASX.

Review of operations

On 15 February 2018, Mr. Martin Pawlitschek and Mr. Michael Davy were appointed as Non-Executive Directors and Mr Gary Williams resigned as a director of the Company.

On 16 February 2018, the Company announced the appointment of Deutsche Gesellschaft fur Wertpapieranalyse GmbH ("DGWA"), a boutique European investment and financial markets consulting firm based in Frankfurt, Germany in respect of investor relations.

On 19 February 2018, the Company announced the commencement of 2018 work program which will focus on the Cer and Bukulja projects which are considered prospective for pegmatite hosted lithium and associated mineralisation deposits. The initial exploration program will focus on outcrop, soil and stream sediment sampling as well as, review of historical data.

Review of operations (Continued)

On 22 March 2018, the Company announced the appointment of a Specialist Lithium Borates Technical Advisor (Mr Jerry Aiken). Mr Aiken has over 46 years of experience in the minerals industry in various positions, including roles within the Exploration Department of ASARCO and 30 years for Rio Tinto Borax Exploration.

During the quarter ended 31 March 2018, the Company announced its listing on the German Exchanges.

On 5 April 2018, the Company announced the completion of its maiden field program at Cer and Bukulja Projects which confirmed the presence of pegmatite outcrops on both licenses. The field program consisted of outcrop and stream sediment sampling, as well as, preliminary mapping to define the surficial extent of the observed pegmatite dykes.

Figure 1: Pegmatite outcrops from the Cer project area

On 12 April 2018, the Company announced that it had defined the fieldwork program and completed preparations for the Rekovac, Krajkovac and Vranje South permits and commenced fieldwork on the Krajkovac exploration license. The field program consisted of soil sampling, stream sediment sampling and outcrop sampling, as well as, preliminary mapping throughout the permit areas.

On 3 May 2018, the Company announced that it had completed Reconnaissance Sampling Program on Krajkovac Project and commenced Maiden Field Program on Vranje-South Project. All samples from the Krajkovac Project had been submitted to laboratory for testing.

On 10 May 2018, the Company announced that it had completed the Reconnaissance Sampling Program on Vranje-South Project with all samples submitted to laboratory for analysis.

Figure 2: Paleogene-Neogene sediments within the Vranje-South Permit area.

Significant events after reporting date

On 6 July 2018, the Company announced that the preliminary sampling on Cer Project defined anomalous zones and that a follow-up program was currently being planned for quarter three of 2018. **The results of the stream sediment survey define two, multi-element anomalies which are located on the south-eastern part of the license. Both anomalous stream clusters drain from a single area within the South-eastern corner of the project license.**

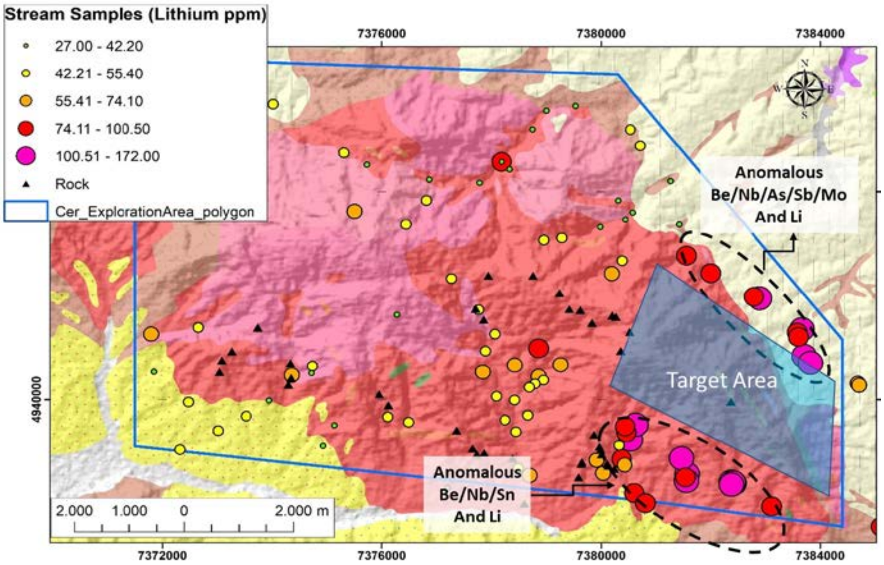

Figure 3: Cer project sampling points with Lithium results; underlying geology and target zones. [Geology legend – the red and pink areas represent various phases of the Cer granitoid; the yellow and beige units represent younger sedimentary units]

On 24 July 2018, the Company announced the appointment of Mr Stefan Muller to the Board of Jadar as a Non-Executive Director.

On 2 August 2018, the Company announced that the preliminary sampling on Bukulja Project defined a number of anomalous zones and that a follow-up program was currently being planned for quarter three of 2018. The anomalous zones are defined by a number of elements (including Lithium), which potentially indicate the presence of lithium bearing pegmatites.

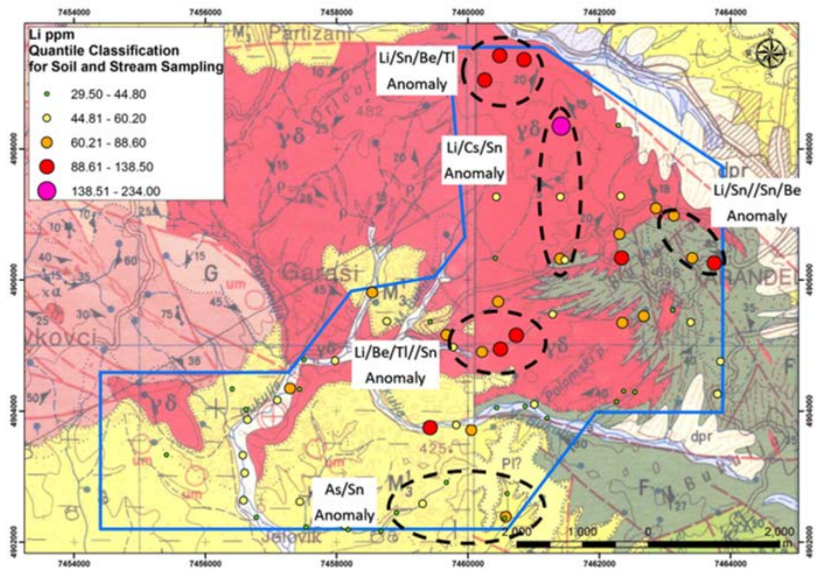

Figure 4: Bukulja stream and soil sampling points and anomalous zones. Most of the anomalies are located on the Bukulja granitoid (represented as dark red on the map) and on the contacts of the granitoid on the western contact. The As/Sn anomaly on the southern periphery of the license is located within the Miocene sediments and younger alluvial beds (represented by yellow colours) and may reflect transported material from the granitoid

Significant events after reporting date (Continued)

On 20 August 2018, the Company announced that the first pass sampling on Vranje-South Project has defined zones with elevated Li-B soil and stream sediment samples and that a follow-up program was currently being planned.

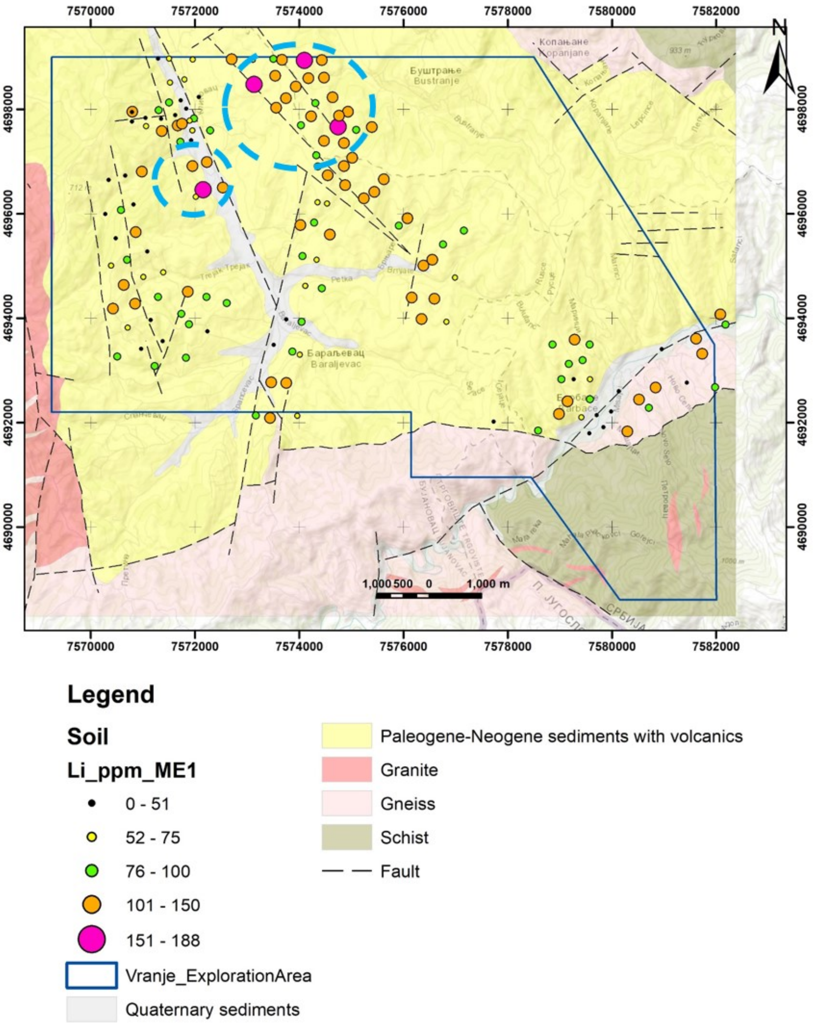

Figure 5: Vranje-South project geology and Lithium soil sampling locations and results'

Competent Person Statement

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

This report contains information extracted from previous ASX market announcements as noted throughout, that have been prepared in accordance with the JORC Code (2012) and available for viewing on ASX. Jadar Lithium Limited confirms that in respect of these announcements it is not aware of any new information or data that materially affects the information included in any original ASX market announcement.

Information on Directors

Luke Martino	**Non-Executive Chairman (appointed on 22 December 2017)**
Qualifications	BCom, FCA, FAICD
Experience	Mr Martino is a Fellow of the Institute of Chartered Accountant Australia and New Zealand and a member of the Institute of Company Directors. His area of expertise includes corporate finance and business growth consulting advice to the mining and resources sector and a wide range of other industries. Mr Martino was a Director of Pan Asia Corporation Ltd and is a Non-Executive Director of Skin Elements Limited.
Interest in Shares and Options	594,074 ordinary fully paid shares 5,000,000 options (exercise price of $0.02, expiring 3 years from issue)
Special Responsibilities	Member of Audit & Risk Committee and Nominations & Remuneration Committee
Directorships held in other listed entities	Skin Elements Limited (current) Pan Asia Corporation Limited (resigned 9 June 2017)

Nicholas Sage	**Non-Executive Director (appointed on 22 December 2017)**
Qualifications	BBus
Experience	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 and Fe Limited.
Interest in Shares and Options	Nil
Special Responsibilities	Member of Nominations & Remuneration Committee
Directorships held in other listed entities	Cauldron Energy Limited (current) Fe Limited (current) International Goldfields Limited (current)

Michael Davy	**Non-Executive Director (appointed on 15 February 2018)**
Qualifications	BCom (Acc)
Experience	Mr Davy is an Accountant with over 15 years' experience. His experience is broad having working in Oil and Gas, Resources, Property, Food Distribution, Restaurants and startup Technology companies. Mr Davy is also a director and owner of a number of successful private companies. During the past five years Mr Davy has held directorships in three other ASX listed companies.
Interest in Shares and Options	1,000,000 ordinary fully paid shares
Special Responsibilities	Member of Audit & Risk Committee

Directorships held in other listed entities	Aus Asia Minerals Limited (current) Raiden Resources Limited (current) Dotz Nano Limited (resigned 31 October 2016)
Martin Pawlitschek	**Non-Executive Director (appointed on 15 February 2018)**
Qualifications	M Science, B. Science - Applied Geology (Honours), Dip. Applied Chemistry
Experience	Mr Pawlitschek currently serves as Senior Vice President of Geology for a mining focused Private Equity fund. Mr Pawlitschek is based in Europe and is responsible for undertaking technical due diligence on mining projects, principally from a geology and resource risk perspective, but also to evaluate exploration upside. He has taken part in over forty detailed due diligence reviews and site visits over the last three years and was a key member in the selection of the funds projects to date. Mr Pawlitschek has over 20 years of experience primarily in exploration and resource drilling with some exposure to underground and open pit mines. During his 11-year tenure with BHP Billiton, he oversaw numerous exploration programs in Australia, Laos and several countries in Southern and Central Africa. Later in his career with BHP he was responsible for the technical aspects setting up several new business opportunities in the diamond sector in Botswana, South Africa, Angola and DRC. The Angolan projects resulted in the discovery of several large, diamond-bearing kimberlites.
Experience	Mr Pawlitschek later joined one of the junior companies set up by BHP and moved forward an ambitious diamond exploration program in the DRC. From there he continued his career in the junior sector with a move to Senegal where he managed a large portfolio of exploration permits for gold in Eastern Senegal, which resulted in the development of what is now the 10MOz Sabodala gold camp with an annual output in excess of 200KOz of gold. He also had early input in the evaluation of the Grand Cote Mineral sands project on the coast of Senegal, this is now the world's largest mineral sands dredging operation. Mr Pawlitschek is a Fellow of the Australasian Institute of Geoscientists.
Interest in Shares and Options	Nil
Special Responsibilities	Nil
Directorships held in other listed entities	Raiden Resources Limited (current)
Stefan Muller	**Non-Executive Director (appointed on 24 July 2018)**
Qualifications	Executive Program, INSEAD
Experience	Mr Muller has extensive financial markets and investment banking knowledge and experience built over his 25 year career. Mr Muller is CEO and founder of DGWA Deutche Gesellchaft fur Wertpapieranalyyse GmbH ('DGWA"), a boutique European Investment and financial markets consulting firm for national and international SME's based in Frankfurt Germany. Mr Muller graduated as banker and began his career at Dresdner Bank AG as senior vice president of global equity trading. He held senior positions with Equinet AG, Bankhaus Sal Oppenheim (largest European private bank at that time) as Head of global propriety trading and managing partner at Proprietary Partners AG, a Swiss based hedge fund advisory company.

Interest in Shares and Options	5,000,000 options (exercise price of $0.03, expiring 31 July 2020), subject to shareholder approval
Special Responsibilities	Nil
Directorships held in other listed entities	European Lithium Limited (current) Cape Lambert (current)

Gary Williams	**Executive Director & Chief Executive Officer (appointed 29 November 2013, Resigned 15 February 2018)**
Qualifications	MBA
Experience	Mr Williams is an experienced international mining executive with formal qualifications as a mining engineer holding MBA. As Founder and Managing Director of the global mining materials handling company, Continental and mining services United Mining Group, as well as previous position as Executive with Cyprus Coal, Coal & Allied/CRA, Sheli and BP Coal, Mr Williams has more than 30 years' experience in the industry.
Experience	Mr Williams has significant expertise in the exploration and development of world class, highly efficient open-pit, underground and resource infrastructure projects in Australia, Thailand, Indonesia, New Zealand, North & South America and South Africa. He has held no directorships in other listed companies in the last four years
Interest in Shares and Options	196,986 ordinary fully paid shares
Special Responsibilities	Nil
Directorships held in other listed entities	Nil

Jackob Tsaban	**Executive Director & Chief Finance Officer (Appointed 18 October 2013, Resigned 21 December 2017)**
Qualifications	Chartered Accountant
Experience	Mr Tsaban is a qualified chartered accountant. He moved from Israel to Australia in 2007 and was appointed as the Chief Financial Officer for the South East Asia Resources group in January 2013. Mr. Tsaban is also a Director of ORH Limited from 19 December 2013, a company listed on the ASX.
Interest in Shares and Options	181,500 fully paid ordinary shares
Special Responsibilities	Nil
Directorships held in other listed entities	ORH Limited (current)

Wayne Knight	**Non-Executive Director (Appointed 3 December 2017, Resigned 21 December 2017)**
Qualifications	Diploma of Financial Planning

Experience	Mr Knight has worked in the financial services industry since 1989 and has a Diploma in Financial Planning 1, 2, 3, 4. He is an Authorised Representative of Tandem Financial Advice Limited and offers services in the areas of personal superannuation planning, managed investments, risk management, rollover and redundancy planning, wealth creation and insurances. He has held no directorships in other listed companies in the last four years.
Interest in Shares and Options	68,250 ordinary fully paid shares
Special Responsibilities	Nil
Directorships held in other listed entities	Nil

Information on Company Secretary

Luke Martino

Qualification and experience of Mr Martino are disclosed under Director Information.

Louisa Martino

Ms Martino provides company secretarial and accounting services. Prior to this she was the Chief Financial Officer of a private company during its stage seeking investor financing.

Ms Martino previously worked for a corporate finance company, assisting company compliance (ASIC and ASX) and capital raisings. She also has experience working for a government organisation in its Business Development division where she performed reviews of business opportunities and prepared business case documents seeking Government funding.

Ms Martino also worked for a major accounting firm in Perth, London and Sydney where she provided corporate advisory services, predominantly on IPOs and mergers and acquisitions and also performed due diligence reviews.

She has a Bachelor of Commerce from the University of Western Australia, is a member of Chartered Accountants Australia and New Zealand and a member of Financial Services Institute of Australasia (FINSIA).

Meetings of directors

During the financial year 4 meetings of Directors were held. Attendances by each Director during the year are stated in the following table.

	Director's Meetings	
	Number eligible to attend	**Number attended**
Mr Luke Martino	4	4
Mr Nicholas Sage	4	2
Mr Michael Davy	3	2
Mr Martin Pawlitschek	3	3
Mr Gary Williams	1	1
Mr Jackob Tsaban	0	0
Ms Wayne Kinght	0	0

Share options

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

Grant Date	Expiry Date	Exercise Price	Number of shares under option
22/12/2017	22/12/2020	$0.02	65,250,000
22/12/2017	22/12/2020	$0.02	5,000,000
			70,250,000

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

REMUNERATION REPORT (AUDITED)

This remuneration report, which forms part of the directors' report, sets out information about the remuneration of the Company's directors and key management personnel for the financial year ended 30 June 2018. The key management personnel of the Company include the Directors and other officers of the Company. For the purposes of this report "key management personnel" are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the Company.

The Non-Executive Directors' fees are approved by the Board within the aggregate approved by the shareholders at a general meeting. The fee pool currently stands at $200,000 as approved at the Company's AGM in October 2017. During the year, no Non-Executive Directors used this fee pool. The Company does not provide retirement benefits, however directors may salary sacrifice an element of their total remuneration to superannuation. In addition, the Board seeks shareholder approval for any options that may be issued to directors.

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

The Board considers the Company's particular circumstances as well as the fees paid to non-executive directors of comparable companies when undertaking the annual review process and determining the nature and amount of key management remuneration. There is no relationship between board policy for key management remuneration and the entity's performance.

The Company received 99.97% of yes votes on its remuneration report for the financial year ended 30 June 2017. The Company received no specific feedback to its remuneration report at the AGM. The Company did not use any remuneration consultants during the year.

Details of the remuneration

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

30 June 2018	Short Term Salary, Fees & Commissions $	Post Employment Superannuation $	Other/ Bonus $	Share-based payments $	Total $	Performance based remuneration %
L Martino (Non-Executive Chairman)	18,000	-	-	-	18,000	-
N Sage (Non-Executive Director)	18,000	-	-	-	18,000	-
M Davy (Non-Executive Director)	12,266	-	-	-	12,266	-
M Pawlitschek (Non-Executive Director)	12,000	-	-	-	12,000	-
G Williams (Executive Director)	7,599	-	-	-	7,599	-
J Tsaban (Non-Executive Director)	-	-	-	-	-	-
W Knight Non-Executive Director)	-	-	-	-	-	-
Total	**67,865**	**-**	**-**	**-**	**67,865**	

No remuneration was paid to directors in the year ended 30 June 2017.

Employment Contracts of Directors and Senior Executives

There were no service agreements in place for the year ended 30 June 2018 (2017: Nil)

KMP options and rights holdings

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

30-Jun-18	Balance at the start of the year	Granted as Remuneration during the year	Exercised during the year	Other changes during the year	Balance at the end of the year	Vested and exercisable	Vested and un-exercisable
L Martino (Non-Executive Chairman)	-	-	-	5,000,000*	-	-	5,000,000
M Davy (Non-Executive Director)	-	-	-	-	-	-	-
N Sage (Non-Executive Director)	-	-	-	-	-	-	-
M Pawlitschek (Non-Executive Director)	-	-	-	-	-	-	-
G Williams (Executive Director)	-	-	-	-	-	-	-
J Tsaban (Non-Executive Director)	-	-	-	-	-	-	-
W Knight (Non-Executive Director)	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**5,000,000**	**-**	**-**	**5,000,000**

* Relates to issue of options to Indian Ocean, an entity related to Mr Martino. During the year Indian Ocean was issued 5,000,000 unlisted options in consideration for lead manager services provided to the Company in relating to the Public Offer.

KMP ordinary shareholdings

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

30-Jun-18	Balance at the start of the year	Granted as Remuneration during the year	Issued on exercise of options during the year	Other changes during the year	Balance at end of year or at resignation date
L Martino (Non-Executive Chairman)	-	-	-	594,074	594,074
M Davy (Non-Executive Director)	-	-	-	1,000,000	1,000,000
N Sage (Non-Executive Director)	-	-	-	-	-
M Pawlitschek (Non-Executive Director)	-	-	-	-	-
G Williams (Executive Director)	196,986	-	-	-	196,986
J Tsaban (Non-Executive Director)	181,500	-	-	-	181,500
W Knight Non-Executive Director)	68,250	-	-	-	68,250
Total	**446,736**	**-**	**-**	**1,594,074**	**2,040,810**

KMP performance shareholding

There was no performance shares held by Key Management Personnel during the financial year (2017: Nil).

Loans to Key Management Personnel

There were no loans to Key Management Personnel during the financial year (2017: Nil).

Other related party transactions

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

Entity	Nature of transactions	Key Management Personnel	Total Revenue / (Expense) 2018 $	Total Revenue / (Expense) 2017 $	Payable Balance 2018 $	Payable Balance 2017 $
Indian Ocean Group	Corporate advisory	Luke Martino	(140,263)	(135,510)	(3,000)	(78,761)
Indian Ocean Group	Lead manager options	Luke Martino	(62,794)	-	-	-
Okewood Pty Ltd	Consulting services	Nicholas Sage	(20,000)	-	-	-
Jackori Consulting	Accounting and Reporting Fees	Kobi Tsaban	(35,000)	(6,672)	-	-

During the year transactions of $140,263 were made with Indian Ocean Group (IOG) of which Mr Luke Martino is a director. The transactions included the provision of various professional services, not all directly provided by Mr Martino and included the following:

- including the structuring and procurement of projects and early funding,
- corporate work,
- accounting support,
- secretarial and advisors with regards to recapitalisation and transactional work with Serbia and investors.

At 30 June 2018 the outstanding balance relating to IOG totaled to $3,000.

During the year Indian Ocean was issued 5,000,000 unlisted options in consideration for lead manager services provided to the Company in relation to the Public Offer. The options have an exercise price of $0.02, expire 3 years from issue and are subject to 24 month escrow from quotation. The value of the options issued was $62,794).

During the year transactions of $20,000 were made with Okewood Pty Ltd (Okewood), an entity related to Mr Nicholas Sage. The transactions related to provision of consulting services during the year. At 30 June 2018 there was nil balance outstanding to Okewood.

During the year transactions of $35,000 were made with Jackori Consulting, a related entity of which Mr Jackob Tsaban is a director, for provision of professional services in capacity as Chief Financial Officer. These services were provided on normal commercial terms and conditions and at market rates. There was nil balance outstanding as at 30 June 2018.

There were no other related party transactions during the year.

REMUNERATION REPORT (END)

Likely future developments

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

Indemnifying officers

During the financial year, the Company paid a premium in respect of a contract insuring the Directors of the Company (as named above), the company secretary, and all executive officers of the Company and of any related body corporate against a liability incurred as such a Director, secretary or executive officer to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

The Company has not otherwise, during or since the financial year, except to the extent permitted by law, indemnified or agreed to indemnify an officer or auditor of the Company or of any related body corporate against a liability incurred as such an officer or auditor. There have also been no legal proceedings during the year and no application for leave has been made in respect of the Company for proceedings on behalf of the Company.

Environmental regulations

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

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

Luke Martino

Non-Executive Chairman

28 September 2018

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Auditor's Independence Declaration

To the Directors of Jadar Lithium Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Jadar Lithium Limited for the year ended 30 June 2018, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

M P Hingeley
Partner – Audit & Assurance

Perth, 27 September 2018

Grant Thornton

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Independent Auditor's Report

To the Members of Jadar Lithium Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Jadar Lithium Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2018, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the Directors' declaration.

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

a giving a true and fair view of the Group's financial position as at 30 June 2018 and of its performance for the year ended on that date; and

b complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Accounting for Acquisition of Subsidiary (Note 10)	
In December 2017, the Company completed the purchase of Centralist Pty Ltd for consideration of ordinary shares. The transaction was unique and the magnitude of the transaction had financial significance to the Group. Significant judgement was involved to apply the appropriate accounting standards to determine how to account for the purchased assets and to determine the valuation of the consideration paid. This area is a key audit matter due to the complexity of the transaction and the valuation consideration requiring judgement.	Our procedures included, amongst others: • reviewing the purchase agreements to understand key terms and conditions; • obtaining management's reconciliation of values applied to each asset and liability acquired; • assessing how the Group estimated the fair value of the assets and liabilities identified in the acquisition; • reviewing reserve reports prepared by management's expert as they pertain to the valuation assets acquired and evaluating the assumptions and methodology used; • assessing the competence, capabilities and objectivity of management's expert; • utilising an auditor's expert to assess the reasonableness of key assumptions used in the asset valuation; • performing sensitivity analysis on significant assumptions, including the discount rate, price and cost assumptions; and • reviewing the appropriateness of the related disclosures within the financial statements. We considered the adequacy of the disclosures made in the Note 10 relating to the economic interest paid and the purchase of the subsidiary in accordance with the requirements of Australian Accounting Standards.
Carrying Value of Exploration Asset (Note 13)	
The Group recorded an exploration asset attributable to the acquisition of Centralist Pty Ltd totalling $1,026,769 and capitalised exploration of $265,424 (total $1,292,193). In accordance with AASB 6 Exploration for and Evaluation of Mineral Resources, management is required at each reporting date to assess if there are any triggers for impairment which may suggest the carrying value of production assets is in excess of the recoverable value. The process for determining the recoverable amount involves management judgement and subjectivity with regard to the underlying assumptions in determining the life of mine.	Our procedures included, amongst others: • obtaining the management reconciliation of capitalised exploration and evaluation expenditure and agreeing to the general ledger; • reviewing management's area of interest considerations against AASB 6; • conducting a detailed review of management's assessment of trigger events prepared in accordance with AASB 6 including; ○ tracing projects to statutory registers, exploration licenses and third party confirmations to determine whether a right of tenure existed;

This area is a key audit matter due to judgemental nature of the estimates and assumptions used in the determination of the recoverable value.

- enquiry of management regarding their intentions to carry out exploration and evaluation activity in the relevant exploration area, including review of management's budgeted expenditure;
- understanding whether any data exists to suggest that the carrying value of these exploration and evaluation assets are unlikely to be recovered through development or sale;

- evaluating the competence, capabilities and objectivity of management in the evaluation of potential impairment triggers; and
- assessing the appropriateness of the related financial statement disclosures.

Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2018, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the Directors for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

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

Report on the remuneration report

Opinion on the remuneration report

We have audited the Remuneration Report included in pages 11 to 14 of the Directors' report for the year ended 30 June 2018.

In our opinion, the Remuneration Report of Jadar Lithium Limited, for the year ended 30 June 2018 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

M P Hingeley
Partner – Audit & Assurance

Perth, 27 September 2018

Directors' Declaration

In the Director's opinion:

1. The consolidated financial statements and notes set out on pages 22 and 46 are in accordance with the Corporations Act 2001, including:

   a) complying with Australian Accounting Standards and Corporations Regulations 2001;

   b) giving a true and fair view, the consolidated entity's financial position as at 30 June 2018 and of its performance for the year ended on that date;

   c) complying with International Financial Reporting Standards as disclosed in Note 1; and

2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

3. This declaration has been made after receiving the declaration required to be made to the directors in accordance with Section 295A of the Corporations Act 2001 for the financial year ended 30 June 2018.

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

Luke Martino

Non-Executive Chairman

28 September 2018

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2018

	Note	2018 $	2017 $
Interest income		12,275	-
Other Income	4	-	63,054
Consulting fees		(173,750)	(240,741)
Director fees		(67,865)	-
DOCA expense		(160,000)	-
Marketing and investor relations		(120,958)	-
Other expenses		(29,708)	(112)
Professional fees	5	(211,569)	(6,671)
Reinstatement expense		(373,937)	-
Share registry and listing fees		(91,187)	(82,176)
Loss before income tax expense		(1,216,699)	(266,646)
Income tax expense	6	-	-
Loss for the year		**(1,216,699)**	**(266,646)**
Other comprehensive income:			
Items which may be subsequently reclassified to profit or loss			
Exchange differences on translating foreign operations		(9,722)	-
Total other comprehensive income for the year		(9,722)	-
Total Comprehensive loss for the year		**(1,226,421)**	**(266,646)**
Earnings per share for loss attributable to the ordinary equity holders of the Company:			
		Cents	**Cents**
Basic and diluted earnings per share earnings/(loss)	9	(0.62)	(1.17)

The accompanying notes form part of these financial statements.

	NOTE	2018 $	2017 $
Current Assets			
Cash & cash equivalents	11	3,419,022	30,674
Trade & other receivables	12	89,840	8,293
Prepayments		38,886	-
Total Current Assets		3,547,748	38,967
Non-Current Assets			
Exploration asset	13	1,292,193	-
Total Non-Current Assets		1,292,193	-
Total Assets		4,839,941	38,967
Current Liabilities			
Trade & other payables	15	54,490	305,826
Borrowings	16	-	777,500
Amounts to be converted as part of debt conversion agreement	17	-	1,132,450
Total Current Liabilities		54,490	2,215,776
Total Liabilities		54,490	2,215,776
Net Assets/ (liabilities)		4,785,451	(2,176,809)
Equity			
Issued capital	18	39,336,517	31,210,629
Reserves	19	53,071	-
Accumulated losses	20	(34,604,137)	(33,387,438)
Total Equity		4,785,451	(2,176,809)

The accompanying notes form part of these financial statements.

CONSOLIDATED ENTITY	Note	Issued Capital $	Option Reserve $	Foreign Currency Reserve $	Accumulated Losses $	Total $
Balance at 1 July 2016		**23,833,825**	**-**	**-**	**(33,120,792)**	**(9,286,967)**
Loss for the year	20	-	-	-	(266,646)	(266,646)
Other comprehensive loss		-	-	-	-	--
Sub-total		**-**	**-**	**-**	**(266,646)**	**(266,646))**
Conversion of convertible loans and debt	18	7,021,804	-	-	-	7,021,804
Contributions of equity, net of transaction costs	18	355,000	-	-	-	355,000
Balance at 30 June 2017		**31,210,629**	**-**	**-**	**(33,387,438)**	**(2,176,809)**
Balance at 1 July 2017		**31,210,629**	**-**	**-**	**(33,387,438)**	**(2,176,809)**
Loss for the year	20	-	-	-	(1,216,699)	(1,216,699)
Other comprehensive income		-	-	(9,722)	-	(9,722)
Total Comprehensive loss for the year		-	-	(9,722)	(1,216,699)	(1,226,421)
Transactions with owners, recognised directly in equity						
Issued capital	18	5,637,000	-	-	-	5,637,000
Acquisition of Centralist Pty Ltd	18	1,000,000	-	-	-	1,000,000
Capital raising costs	18	(456,562)	-	-	-	(456,562)
Conversion of debt to equity	18	1,632,450	-	-	-	1,632,450
Share based payments	18	313,000	62,793	-	-	375,793
Balance at 30 June 2018		**39,336,517**	**62,793**	**(9,722)**	**(34,604,137)**	**4,785,451**

	Note	2018 $	2017 $
Cash Flows from Operating Activities			
Receipts from suppliers		-	63,054
Payments to suppliers and employees		(861,298)	(387,380)
Payments for transaction costs		(743,937)	-
Interest received		12,275	-
Net cash (used in) operating activities	23	**(1,592,960)**	**(324,326)**
Cash Flows from Investing Activities			
Payments for exploration and evaluation		(266,765)	-
Net cash (used in) investing activities		**(266,765)**	-
Cash Flows from Financing Activities			
Proceeds from issue of shares		5,637,000	-
Capital raising costs		(364,343)	-
Proceeds from borrowings		-	355,000
Repayment of borrowings		(26,339)	-
Net cash provided by financing activities		**5,246,318**	**355,000**
Net (decrease)/ increase in cash and cash equivalents		**3,386,593**	**30,674**
Cash and cash equivalents at the beginning of the financial year		30,674	-
Foreign exchange		1,755	-
Cash and cash equivalents at the end of the financial year	11	**3,419,022**	**30,674**

The accompanying notes form part of these financial statements.

1. Statement of Significant Accounting Policies

The financial report covers the consolidated entity of Jadar Lithium Limited (formerly known as South East Asia Resources Limited) (the "Company") and controlled entities (the "Group"). Jadar Lithium Limited is a listed public company, incorporated and domiciled in Australia. The company is a for-profit entity for the purpose of preparing financial statements. The financial report was authorised for issue by a resolution of the Board of Directors on 27 September 2018.

Basis of Preparation

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

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

Reporting Basis and Conventions

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

a. Principles of Consolidation

The Group financial statements consolidate those of the Parent Company and all of its subsidiaries as of 30 June 2018. The Parent controls a subsidiary if it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. All subsidiaries have a reporting date of 30 June.

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

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

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

b. Income Tax

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

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

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

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

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

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

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

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

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

c. Property, Plant & Equipment

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

Plant & Equipment

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

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

Depreciation

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

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

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

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

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

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

d. Leases

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

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

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

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

e. Financial Instruments

Recognition and Initial Measurement

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

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

Derecognition

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

Classification and Subsequent Measurement

i. Financial assets at fair value through profit or loss

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

ii. Loans and receivables

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

iii. Held-to-maturity investments

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

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

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

v. Impairment

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

vi. Financial liabilities

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

f. Derivative financial instruments

Derivative financial instruments are accounted for at FVTPL.

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

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

g. Impairment of Non-Financial Assets

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

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

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

h. Intangibles

Exploration and evaluation

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

i. the rights to tenure of the area of interest are current; and

ii. at least one of the following conditions is also met:

a. the exploration and evaluation expenditures are expected to be recouped through successful development and exploration of the area of interest, or alternatively, by its sale; or

b. exploration and evaluation activities in the area of interest have not at the reporting date reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest is continuing.

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

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

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

i. Foreign Currency Transactions and Balances

Functional and presentation currency

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

Transaction and balances

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

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

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

Group companies

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

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

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

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

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

j. Employee Entitlements

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

k. Cash

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

l. Revenue

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

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

m. Borrowing Costs

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

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

n. Trade and Other Creditors

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

o. Contributed Equity

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

p. Earnings Per Share

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

q. Goods and Services Tax (GST)

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

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

r. Comparative Figures

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

s. Critical Accounting Estimates and Judgements

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

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

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

Exploration and evaluation expenditure

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

Share-based payment transactions:

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

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

t. Equity-settled compensation

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

u. New Accounting Standards

The following Australian Accounting Standards have been issued or amended and are applicable to the annual financial statements of the consolidated group (or the company) but are not yet effective at 30 June 2018. This assumes the following have not been adopted in preparation of the financial statements at the reporting date.

Australian Accounting Standards

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

* Annual reporting periods beginning after

The above table is complete as at 30 June 2018, therefore any further standards/interpretations issued after this date will also need to be disclosed up until the date of authorisation of the financial report.

New, revised or amending Accounting Standards and Interpretations adopted

The Company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period there has been no significant impact on the application of those standards.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. New disclosures AASB 9, AASB 15 and AASB 16 for the next reporting period have been assessed and the Company believes there will be no material impact on the financial statements as a result of the new disclosures.

2. Financial Risk Management Policies

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

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

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

a. Treasury Risk Management

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

b. Financial Risk Exposures and Management

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

c. Foreign Exchange Risk

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

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

d. Credit Risk

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

e. Liquidity Risk

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

The table below reflects all contractually fixed pay-offs and receivables for settlement, repayments and interest resulting from recognised financial assets and liabilities. The undiscounted cash flows for the respective upcoming fiscal years are presented. Cash flows for financial assets and liabilities without fixed amount or timing are based on the conditions existing at 30 June 2018.

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

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

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

Year ended 30 June 2017	≤ 6 months $	6-12 months $	1-5 years $	> 5 years $	Total $
Consolidated financial assets					
Cash and cash equivalents	30,674	-	-	-	30,674
Loans and receivables	8,293	-	-	-	8,293
	38,967	-	-	-	38,967
Consolidated financial liabilities at amortised cost					
Trade and other payables	305,826	-	-	-	305,826
Borrowings	777,500	-	-	-	777,500
Amount to be converted	1,132,450				1,132,450
	2,215,776	-	-	-	2,215,776

f. Interest Rate Risk

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

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

	2018 $	2017 $
Financial Assets		
Cash and cash equivalents	3,419,022	30,674
Net exposure	3,419,022	30,674

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

At 30 June 2018, if interest rates had moved, as illustrated in the table below, with all other variables held constant, post tax profit and equity would have been affected as follows:

Judgments of reasonably possible movements:	Post Tax Profit Higher/(Lower)		Equity Higher/(Lower)	
	2018 $	2017 $	2018 $	2017 $
Consolidated				
+/- 1% in interest rates	17,248	-	17,248	-

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

f. Price Risk

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

g. Net Fair Values

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

3. Segment Information

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

The Group's sole operating segment is consistent with the presentation of these consolidated financial statements.

4. Other Income

	Consolidated entity	
	2018 **$**	**2017** **$**
Other income	-	63,054
Total other income	-	63,054

5. Professional fees

	Consolidated entity	
	2018 **$**	**2017** **$**
Accounting and company secretary fees	86,190	6,671
Audit fees	98,101	-
Legal fees	27,278	-
	211,569	6,671

6. Income Tax Expense

Reconciliation of income tax expense to prima facie tax payable

	Consolidated entity	
	2018 $	2017 $
Profit/(loss) from ordinary activities before income tax expense	(1,216,699)	(266,646)
Prima facie tax benefit on loss from ordinary activities before income tax at 27.5% (2017: 30%)	(334,592)	(79,994)
Tax effect of amounts which are taxable (deductible) in calculating taxable income:		
- deferred tax assets not recognised	334,592	3,367,812
Income tax expense	-	-
Unused tax losses for which no deferred tax asset has been recognised	15,782,574	14,303,370
Potential Tax Benefit at 27.5% (2017: 30%)	4,340,208	4,291,011

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

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

The Consolidated Entity's ability to realise and recognise the deferred tax asset in future periods is dependent on the Entity satisfying the "Continuity of Ownership" or "Same Business" tests. Given the significant changes in share structure, the Consolidated Entity may not be able to retain its carried forward losses.

7. Key Management Personnel Disclosures

	Consolidated entity	
	2018	2017
Aggregate Compensation	$	$
Short term employee benefits	67,865	-
Post-Employment Benefits	-	-
	67,865	-

8. Auditor's Remuneration

	Consolidated entity	
	2018	2017
Remuneration of Grant Thornton Audit Pty Ltd of the parent entity for:	$	$
- Auditing or reviewing of financial reports (a)	98,101	-

(a) In the year ended 30 June 2018 the audit fee relates to Grant Thornton fees in respect to the audit and review of financial accounts from 31 December 2014 to 30 June 2018.

9. Loss per Share

	Consolidated entity	
	2018	2017
	$	$
Loss attributable to ordinary equity holders	(1,226,421)	(266,646)
Losses used to calculate basic and diluted EPS	(1,226,421)	(266,646)
		No.
Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS*	197,257,411	22,815,145
Weighted average number of ordinary shares outstanding during the year used in calculating diluted EPS*	197,257,411	22,815,145

* The weighted average number of ordinary shares used in the calculation of loss per share has been adjusted for the share consolidation completed by the Company on 13 December 2017.

Anti-dilutive options have not been used in the EPS calculation. As at 30 June 2018 there were 70,250,000 options on issue.

10. Acquisition of Subsidiary

On 22 December 2017, the Company completed the acquisition of 100% of the issued share capital of Centralist Pty Ltd which through its wholly owned subsidiary holds the tenements of the Serbian Lithium Project.

The consideration for the acquisition as follows:

- Issue of 37,500,000 consideration shares to the vendors;
- Issue of 12,500,000 Adviser Shares to Dempsey Resources Pty Ltd in consideration for corporate advisory services provided to the Company in relation to the acquisition.

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

	$
Net identifiable assets acquired:	
Exploration assets	1,026,769
Pre-acquisition net assets acquired	(26,769)
Total consideration paid	1,000,000

10. Acquisition of Subsidiary (continued)

Other items in relation to the acquisition are as follows:

As a condition precedent to the acquisition, Mr Bozo Guzjian will be engaged as an in country-manager by Centurion from completion. In consideration for his services, Mr Guzijan will be paid a salary of EUR65,000 per annum for a minimum term of two years.

The acquisition of Centralist Pty Ltd has been accounted for as an acquisition of an asset on the basis that it does not constitute a business as defined by AASB 3 Business Combinations.

11. Cash and Cash Equivalents

	Consolidated entity	
	2018 $	2017 $
Cash at bank and on hand	3,419,022	30,674

12. Current Trade and other Receivables

	Consolidated entity	
	2018 $	2017 $
Other receivables	89,840	8,293
Total	89,840	8,293

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

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

13. Exploration Asset

	Consolidated entity	
	2018 $	2017 $
Opening balance	-	-
Asset acquisition	1,026,769	-
Exploration capitalised	265,424	-
Closing balance	1,292,193	-

14. Controlled Entities

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

	Country of Incorporation	Percentage Interest	
		2018	**2017**
Jadar Lithium Limited (Parent Entity)	Australia		
Centralist Pty Ltd	Australia	100%	-
Centurion Metals d.o.o., Beograd	Republic of Serbia	100%	-

15. Trade and Other Payables

	Consolidated Entity	
	2018 **$**	**2017** **$**
Unsecured liabilities		
Trade payables	54,490	305,826
	54,490	305,826

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

16. Borrowings

	Consolidated Entity	
	2018 **$**	**2017** **$**
Current borrowings		
Convertible loans – unsecured (a)	-	500,000
Short-term borrowings (b)	-	277,500
	-	777,500

(a) The convertible loans represented the remaining not converted balance raised during 2013 financial year. It did not have a maturity date and is expected to be converted into ordinary shares. The above loan was converted as debt to equity on 22 August 2017.

(b) The short term borrowings included loans provided by related parties in prior periods with no set maturity date. Of the amount $250,000 was settled with equity on 29 September 2017 and the remaining balance was settled in cash.

17. Amounts to be converted

Following the execution of the Deed of Company arrangement on 16 April 2015, it was agreed that the following amount of liabilities and loans owed by the company and or its controlled subsidiaries will be converted to regular shares. This was approved during shareholders meeting held on 8 December 2016.

	2018 $	2017 $
Short term loans	-	1,132,450
Balance at the end of reporting period	-	1,132,450

The balance was converted as debt to equity on 29 September 2017.

18. Contributed equity

		Consolidated entity	
		2018 $	2017 $
389,530,536 (2016: 807,956,577) fully paid ordinary shares	(a)	39,336,517	31,210,629
		39,336,517	31,210,629

a) Ordinary Shares

	2018 $	2017 $
At the beginning of the reporting period	31,210,629	23,833,825
Issue of shares - placement	,637,000	305,000
Issue of shares – share based payment	313,000	50,000
Issue of shares – acquisition of Centralist Pty Ltd	1,000,000	-
Issue of shares – conversion of debt to equity	1,632,450	7,021,804
Issue of shares – public offer (net of costs)	4,543,438	
At reporting date	39,336,517	31,210,629

	No. Shares	No. Shares
At the beginning of reporting period	807,956,577	312,520,518
Issue of shares – conversion of debt to equity	32,649,005	140,436,059
Issue of shares – placement	637,000,000	305,000,000
Issue of shares – share based payments	313,000,000	50,000,000
1 for 20 consolidation	(1,701,075,046)	-
Issue of shares – public offer	250,000,000	-
Issue of shares – acquisition of Centralist	50,000,000	-
At the end of reporting period	389,530,536	807,956,577

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

18. Contributed equity (continued)

b) Capital management

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

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

There are no externally imposed capital requirements.

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

	Consolidated entity	
	2018 $	2017 $
Total borrowings	-	777,500
Less cash and cash equivalents	(3,419,022)	(30,674)
Net debt	(3,419,022)	746,826
Total equity	39,336,517	31,210,629
Total capital	35,917,495	31,957,438

19. Reserves

	Consolidated entity	
a) Reserves	2018 $	2017 $
Option reserve 70,250,000 (30 June 2017: Nil) options on issue	62,794	-
Foreign currency option reserve	(9,723)	-
	53,071	-
b) Option Reserve		
At the beginning of the reporting period	-	-
Free attaching options	65,250,000	-
Lead manager options	5,000,000	62,794
At the end of reporting period	70,250,000	62,794
c) Foreign currency reserve		
At the beginning of the reporting period	-	-
Movement	(9,723)	-
At the end of reporting period	(9,723)	-

20. Accumulated Losses

	Consolidated Entity	
	2018	2017
	$	$
Accumulated losses at the beginning of the financial year.	33,387,438	33,120,792
Loss during the current year	1,216,699	266,646
Accumulated losses at the end of the financial year	34,604,137	33,387,438

21. Related Party Transactions

Directors and key management personnel

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

Other related party transactions

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

Entity	Nature of transactions	Key Management Personnel	Total Revenue / (Expense) 2018 $	Total Revenue / (Expense) 2017 $	Payable Balance 2018 $	Payable Balance 2017 $
Indian Ocean Group	Corporate advisory	Luke Martino	(140,263)	(135,510)	(3,000)	(78,761)
Indian Ocean Group	Lead manager options	Luke Martino	(62,794)	-	-	-
Okewood Pty Ltd	Consulting Services	Nicholas Sage	(20,000)	-	-	-
Jackori Consulting	Accounting and Reporting Fees	Kobi Tsaban	(35,000)	(6,672)	-	-

During the year transactions of $140,263 were made with Indian Ocean Group (IOG) of which Mr Luke Martino is a director. The transactions included the provision of various professional services, not all directly provided by Mr Martino and included the following:

- including the structuring and procurement of projects and early funding,
- corporate work,
- accounting support,
- secretarial and advisors with regards to recapitalisation and transactional work with Serbia and investors.

At 30 June 2018 the outstanding balance relating to IOG totaled to $3,000.

During the year Indian Ocean was issued 5,000,000 unlisted options in consideration for lead manager services provided to the Company in relation to the Public Offer. The options have an exercise price of $0.02, expire 3 years from issue and are subject to 24 month escrow from quotation. The value of the options issued was $62,794).

During the year transactions of $20,000 were made with Okewood Pty Ltd (Okewood), an entity related to Mr Nicholas Sage. The transactions related to provision of consulting services during the year. At 30 June 2018 there was nil balance outstanding to Okewood.

During the year transactions of $35,000 were made with Jackori Consulting, a related entity of which Mr Jackob Tsaban is a director, for provision of professional services in capacity as Chief Financial Officer. These services were provided on normal commercial terms and conditions and at market rates. There was nil balance outstanding as at 30 June 2018.

During the year ended 30 June 2018 there was no other related party transactions.

22. Contingent Liabilities

With respect to the liabilities as previously reported by South East Asia Energy Resources Pte Limited as at 30 June 2014 and written off as at 31 December 2014, the Group has taken all reasonable steps to determine whether the relevant creditors have a claim on monies of the Group. The Group acknowledges that South East Asia Energy Resources Pte Limited has made no communication to the Company since 23 February 2015 which indicated that the operations had closed. The Group recognises that there is contingent liability of $685,764 relating to these claims however there is no present obligation to settle these amounts.

Apart from the above mentioned items, as at 30 June 2018 the Group has no other contingent liabilities nor does it have any contingent assets.

23. Cash Flow Information

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

	Consolidated entity	
	2018 $	**2017 $**
Loss after income tax	(1,216,699)	(266,646)
Adjustment for non-cash items		
Foreign loss	2,847	-
Increase/(decrease) in:		
(Increase) in GST receivables	(79,801)	-
(Increase) in other receivables	(1,746)	(110,314)
(Increase) in other current assets	(38,886)	-
(Decrease)/ increase in trade and other payables	(258,675)	52,634
Net cash outflow from operating activities	(1,592,960)	(324,326)

24. Parent Entity Disclosures

Parent Entity	2018 $	2017 $
Assets		
Current assets	3,407,484	38,967
Non-current assets	1,456,503	-
Total Assets	4,863,987	38,967
Liabilities		
Current liabilities	52,456	2,215,777
Total Liabilities	52,456	2,215,777
Net Assets/(Liabilities)	4,811,531	(2,176,810)
Equity		
Issued capital	39,336,517	36,740,629
Options Reserve	62,794	-
Accumulated losses	(34,587,780)	(38,937,439)
Total Equity	4,811,531	(2,176,810)
Financial Performance		
Loss for the year	(1,200,342)	(266,646)
Other comprehensive income	-	-
Total comprehensive Loss	(1,200,342)	(266,646)

25. Subsequent Events

On 6 July 2018, the Company announced that the preliminary sampling on Cer Project defined anomalous zones and that a follow-up program was currently being planned for quarter three of 2018.

On 24 July 2018, the Company announced the appointment of Mr Stefan Muller to the Board of Jadar as a Non-Executive Director.

On 2 August 2018, the Company announced that the preliminary sampling on Bukulja Project defined anomalous zones and that a follow-up program was currently being planned for quarter three of 2018.

On 20 August 2018, the Company announced that the first pass sampling on Vranje-South Project defined Li-B Anomalies and that a follow-up program was currently being planned.

26. Contractual Commitments

	30 June 2018 $
Exploration expenditure commitments:	
No longer than 1 year	243,858
Longer than 1 year and not longer than 5 years	1,668,447
	1,912,305

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

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

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

Additional information required by Australian Securities Exchange Limited and not shown elsewhere in this Annual Report is as follows. The information is as at 26 September 2018.

NUMBER OF HOLDERS OF EQUITY SECURITIES

ORDINARY SHAREHOLDERS

There are 389,530,536 fully paid ordinary shares on issue, held by 955 individual shareholders.

TWENTY LARGEST SHAREHOLDERS (AS AT 26 September 2018)

	Fully Paid Ordinary	
Ordinary Shareholders	**Number**	**Percentage**
JP Morgan Nominees Australia Limited	38,650,999	9.92
Okewood Pty Ltd	8,750,000	2.25
Allgreen Holdings Pty Ltd	7,575,833	1.95
Mattinc Ventures Pty Limited	7,500,000	1.92
Sunshore Holdings Pty Ltd	7,050,000	1.81
Fanucci Pty Ltd	6,250,000	1.60
Brispot Nominees Pty Ltd	5,552,285	1.43
Benito Toscana Pty Ltd <Benito A/C>	5,250,000	1.35
HM Pension Fund Pty Ltd <HM Pension Fund Pty Ltd>	5,062,500	1.30
Mr Bozo Guzijan	5,000,000	1.28
Sunshore Holdings Pty Ltd	5,000,000	1.28
Coal Contractors Pty Ltd <Coal Contractors A/C>	5,000,000	1.28
Sacco Developments Australia Pty Limited	4,786,461	1.23
UBS Nominees Pty Ltd	4,235,345	1.09
Attollo Investments Pty Ltd <Attollo Investment A/C>	4,218,750	1.08
Buzz Capital Pty Ltd <ZI Vestment A/C>	4,218,750	1.08
Cintra Holdings Pty Ltd <Cintra A/c>	3,750,000	0.96
Juneday Pty Ltd	3,750,000	0.96
Samro Capital Pty Ltd <Webb Family Super Fund A/C>	3,500,000	0.90
SMC Capital Pty Ltd <SMC Capital A/C>	3,500,000	0.90
	138,600,923	35.58

VOTING RIGHTS

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

HOLDERS OF NON-MARKETABLE PARCELS

There are 335 shareholders who hold less than a marketable parcel of shares.

DISTRIBUTION OF SHARE HOLDERS (AS AT 26 September 2018)

		Number of Holders	Number of Shares
1 to	1,000	83	23,422
1,001 to	5,000	47	125,402
5,001 to	10,000	16	117,658
10,001 to	100,000	403	20,583,925
100,001 and over		406	368,680,129
		955	389,530,536

SUBSTANTIAL SHAREHOLDERS

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

SHARE BUY-BACKS

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

OPTIONS

As at 26 September 2018 the Company had 70,250,000 unlisted options on issue with an exercise price of $0.02 and an expiry date of 22 December 2020. Unlisted options do not carry any voting rights.

DISTRIBUTION OF OPTION HOLDERS (AS AT 26 September 2018)

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

RESTRICTED SECURITIES

As at 27 September 2018 restricted securities are as follows:

- 50,000,000 ordinary shares, escrowed to 29 December 2019;
- 6,700,000 unquoted options (@ $0.02, expiry 22/12/2020), escrowed to 29 December 2019
- 63,550,000 unquoted options (@$0.02, expiry 22/12/2020), escrowed to 22 December 2018

OTHER INFORMATION

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

SCHEDULE OF TENEMENTS

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