



(Formerly known as South East Asia Resources Limited)
and Controlled Entities

Financial Report

For The Half Year Ended

31 December 2017

ABN 66 009 144 503

This Half-Year Report should be read in conjunction with the Company's Annual Report for the year ended 30 June 2017.

Contents

Contents	Page
Directors' Report	3
Directors' Declaration	6
Auditor's Independence Declaration	7
Statement of Profit or Loss and Other Comprehensive Income – For the Half Year Ended 31 December 2017	8
Statement of Financial Position – As at 31 December 2017	9
Statement of Changes in Equity – For the Half Year Ended 31 December 2017	10
Statement of Cash Flows – For the Half Year Ended 31 December 2017	11
Notes to and forming part of the Interim Financial Report	12
Independent Auditor's Review Report	18

Directors' Report



The Directors' present their report together with the financial report of Jadar Lithium Limited ("Formerly known as South East Asia Resources Limited") (ASX: **JDR**) and its controlled entities ("the Company", "JDR" or "consolidated entity") for the half year ended 31 December 2017.

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

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.

Mr. Luke Martino	Non-Executive Chairman (appointed on 22 December 2017)
Mr. Michael Davy	Non-Executive Director (appointed 15 February 2018)
Mr. Martin Pawlitchek	Non-Executive Director (appointed 15 February 2018)
Mr. Nicholas Sage	Non-Executive Director (appointed on 22 December 2017)
Mr. Gary Williams	Executive Director (resigned on 15 February 2018)
Mr. Jakob Tsaban	Non –Executive Director (resigned on 22 December 2017)
Mr. Wayne Knight	Non- Executive Director (resigned on 22 December 2017)

Company secretary

Mr Luke Martino	Company Secretary (resigned on 22 December 2017)
Ms. Louisa Martino	Company Secretary (appointed on 22 December 2017)

Operating Results

During the period the Company made a loss of \$777,898 (loss of \$736 in December 2016).

State of affairs and major activities of the half-year

On the 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.

State of affairs and major activities of the half-year

On 7 September 2017, the company lodged a Notice of Meeting, resolutions were inclusive of Special Business including

- 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 cost), 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 resolution of the General Meeting were passed and announced by the Company.

On 11 October 2017, it was announced that ASX has 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 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 has 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 and has raised \$5 million under the public offer pursuant to the Replacement Prospectus dated 17 October 2017.

On 29 December 2017, the shares of the Company were reinstated on ASX and the Company announced a Less than Marketable Parcel Share Sale Facility.

Matters subsequent to reporting date

There are no matters or circumstances which have arisen since the end of the half year which significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in subsequent financial periods other than:

On 15 February 2018, Mr. Martin Pawlitchek and Mr. Michael Davy were appointed as Non-Executive Directors.

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

On 28 February 2018, the Company has completed the sale of shares for holders of less than marketable parcels in the Company.

Dividends Paid or Recommended

No dividends were paid or proposed during the half-year ended 31 December 2017.

Auditor's Independence Declaration

The lead auditor's independence declaration under section 307C of the Corporations Act 2001 is set out on page 7 for the half-year ended 31 December 2017.

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



Luke Martino

Non Executive Chairman

Dated this day of 16th March 2018

Directors' Declaration



In accordance with a resolution of the directors of Jadar Lithium Limited, I state that:

In the opinion of the directors:

1. The financial statements and notes of the consolidated entity are in accordance with the Corporations Act 2001, including:
 - (a) complying with Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001; and
 - (b) give a true and fair view of the economic entity's financial position as at 31 December 2017 and the performance for the half-year ended on that date.
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.

A handwritten signature in blue ink, appearing to read "Luke Martino", written over a horizontal line.

Luke Martino

Non Executive Chairman

Dated this 16th day of March 2018

Central Park, Level 43
152-158 St Georges Terrace
Perth WA 6000

Correspondence to:
PO Box 7757
Cloisters Square
Perth WA 6850

T +61 8 9480 2000
F +61 8 9322 7787
E info.wa@au.gt.com
W www.granthornton.com.au

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 half-year ended 31 December 2017, I declare that, to the best of my knowledge and belief, there have been:

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



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



M P Hingeley
Partner - Audit & Assurance

Perth, 16 March 2018

Grant Thornton Audit Pty Ltd ACN 130 913 594
a subsidiary or related entity of Grant Thornton Australia Ltd ABN 41 127 556 389

'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton Australia Ltd is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate one another and are not liable for one another's acts or omissions. In the Australian context only, the use of the term 'Grant Thornton' may refer to Grant Thornton Australia Limited ABN 41 127 556 389 and its Australian subsidiaries and related entities. GTIL is not an Australian related entity to Grant Thornton Australia Limited.

Liability limited by a scheme approved under Professional Standards Legislation.

Statement of Profit or Loss and Other Comprehensive Income

For the Half-Year Ended 31 December 2017



	Note	Consolidated	
		31 December 2017	31 December 2016
Other revenue		3	63,054
Share Registry and Listing expenses		(65,072)	(43,750)
Finance Costs		-	(20,010)
Reinstatement expense		(383,094)	-
DOCA expense		(160,000)	-
Professional fees		(102,301)	-
Other expenses from ordinary activities		(67,434)	(30)
Profit/(loss) before income tax		(777,898)	(736)
Income tax expense		-	-
Profit/(loss) after tax		(777,898)	(736)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Exchange difference on translation of foreign operations		(8,015)	-
Other comprehensive(loss)/ income for the period, net of tax		(8,015)	-
Total comprehensive profit/(loss) for the period		(785,913)	(736)
Loss attributable to:			
Members of the parent entity		(777,898)	(736)
		(777,898)	(736)
Total Comprehensive loss for the period attributable to:			
Members of the parent entity		(785,913)	(736)
		(785,913)	(736)
Earnings/(Loss) per Share			
Basic earnings/(loss) per share (cents)	8	(1.26)	(0.005)
Diluted earnings/(loss) per share (cents)	8	(1.26)	(0.005)

The consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to and forming part of the consolidated interim financial report.

Statement of Financial Position

As at 31 December 2017



	Note	Consolidated	
		31 December 2017	30 June 2017
Current Assets			
Cash and cash equivalents		4,927,598	30,674
Trade and other receivables		17,381	8,293
Total Current Assets		4,944,979	38,967
Non Current Assets			
Exploration asset		1,026,769	-
Total Non Current Assets		1,026,769	-
Total Assets		5,971,748	38,967
Current Liabilities			
Trade and other payables	4	746,394	305,826
Borrowings	5	-	777,500
Amounts to be converted as part of debt conversion agreement	6	-	1,132,450
Total Current Liabilities		746,394	2,215,776
Total Liabilities		746,394	2,215,776
Net Asset/(Liabilities)		5,225,354	(2,176,809)
Equity			
Issued capital	7	39,335,910	31,210,629
Reserves		54,780	-
Accumulated losses		(34,165,336)	(33,387,438)
Total Equity		5,225,354	(2,176,809)

The consolidated statement of financial position is to be read in conjunction with the notes to and forming part of the consolidated interim financial report.

Statement of Changes in Equity

For the Half-Year Ended 31 December 2017



Consolidated					
Note	Issued capital \$	Share Based Payment Reserve \$	Foreign Currency Reserve \$	Accumulated Losses \$	Total \$
Balance at 1.7.2016	23,833,825	-	-	(33,120,792)	(9,286,967)
Loss attributable to members of parent entity	-	-	-	(736)	(736)
Other comprehensive income	-	-	-	-	-
Sub-total	23,833,825	-	-	(33,121,528)	(9,287,703)
Contributions to equity	-	-	-	-	-
Conversion of debt to equity	805,806	-	-	-	805,806
Balance at 31.12.2016	24,639,631	-	-	(33,121,528)	(8,481,897)
Balance at 1.7.2017	31,210,629	-	-	(33,387,438)	(2,176,809)
Loss attributable to members of parent entity	-	-	-	(777,898)	(777,898)
Other comprehensive income	-	-	(8,015)	-	(8,015)
Sub-total	-	-	(8,015)	(777,898)	(785,913)
Issued capital	5,950,000	-	-	-	5,637,000
Acquisition of Centralist Pty Ltd	1,000,000	-	-	-	1,000,000
Capital raising cost	(457,169)	-	-	-	(457,169)
Conversion of debt to equity	1,632,450	-	-	-	1,632,450
Share based payment	313,000	62,794	-	-	375,794
Balance at 31.12.2017	39,335,910	62,794	(8,015)	(34,165,336)	5,225,354

The consolidated statement of changes in equity is to be read in conjunction with the notes to and forming part of the consolidated interim financial report.

Statement of Cash Flows

For the Half-Year Ended 31 December 2017



	Note	Consolidated	
		31 December 2017	31 December 2016
Cash Flow from Operating Activities			
Payments to suppliers and employees		(553,740)	63,055
Payments for DOCA		(160,000)	-
Interest received/(paid)		3	(37,882)
Net cash flows (used in)/ from operating activities		<u>(713,737)</u>	<u>25,173</u>
Cash Flow from Financing Activities			
Repayment of borrowings		(26,339)	-
Proceeds from issue of shares		5,637,000	-
Net cash flows provided by financing activities		<u>5,610,661</u>	<u>-</u>
Net increase in cash and cash equivalents		4,896,924	25,173
Cash and cash equivalents at the beginning of the period		30,674	-
Cash and cash equivalents at the end of the period		<u>4,927,598</u>	<u>25,173</u>

The consolidated statement of cash flows is to be read in conjunction with the notes to and forming part of the consolidated interim financial report.

Notes to the consolidated interim financial report

(a) Reporting Entity

Jadar Lithium Limited is a company domiciled in Australia. The consolidated interim financial statement of the Company as at and for the six months ended 31 December 2017 comprises the Company and its controlled entities (together referred to as the consolidated entity).

This interim financial report was issued on 16 March 2018 by the current Directors of the Company.

(b) Statement of Compliance

The half-year consolidated financial statements are general purpose financial statements prepared in accordance with the requirements of the Corporations Act 2001, applicable accounting standards including AASB 134: Interim Financial Reporting, Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board ('AASB'). Compliance with AASB 134 ensures compliance with IAS 34 'Interim Financial Reporting'.

These half-year financial statements do not include full disclosures of the type normally included in an annual financial report. Therefore, they cannot be expected to provide as full an understanding of the financial performance, financial position and cash flows of the Company as in the full financial report.

It is recommended that these financial statements be read in conjunction with the annual financial report for the year ended 30 June 2017 and any public announcements made by Jadar Lithium Limited during the half-year in accordance with continuous disclosure requirements arising under the Corporations Act 2001 and the ASX Listing Rules.

The Accounting policies adopted in the preparation of this half-year financial report are consistent with those followed in preparation of the Group's annual consolidated financial statements for the year ended 30 June 2017, except for the adoption of new standards and interpretations effective as of 1 July 2017 applied retrospectively. The adoption of these Standards and Interpretations has had no material impact.

(c) Reporting Basis and Conventions

The half-year report has been prepared on a historical cost basis. Cost is based on the fair value of the consideration given in exchange for assets. The Company is domiciled in Australia and all amounts are presented in Australian dollars, unless otherwise noted.

For the purpose of preparing the half-year financial statements, the half-year has been treated as a discrete reporting period.

Judgements and Estimates

In preparing these interim financial statements, management make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Consolidated entity's accounting policies and key sources of estimation uncertainty were the same as those that applied to the consolidated financial statement as at and for year ended 30 June 2017 except the following :

Share based payment transactions

The Consolidated Entity measures the cost of equity settled transactions with vendors by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using the Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share based payments would have no impact on the carrying amounts of assets and liabilities, profit or loss, or equity within the next annual reporting period.

Business combination

The fair value of assets acquired, liabilities and contingent liabilities assumed are initially estimated by the Consolidated Entity taking into consideration of all available information at the reporting date. Fair value adjustments on the finalisation of the business combination accounting is retrospective, where applicable, to the period the combination occurred and may have impact on the assets and liabilities, depreciation and amortisation reported.

Standards and interpretations in issue not yet adopted

Certain new accounting standards and interpretations have been published are not mandatory for 31 December 2017 reporting period and have not been early adopted by the Consolidated Entity. The Consolidated Entity's assessment of the impact of these new standards and interpretations is that will not affect any of the amount recognised in the current period or any prior period and are not likely affect future periods.

Going concern basis of preparation

The financial statements have been prepared on the basis of going concern which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

2. Segment Information

The reportable segments have been re-designated during the prior year and it was identified that the Consolidated Entity has only one operating segment, the pursuit of exploration and evaluation activities of mining opportunities in Serbia. The Consolidated Entity's operations during the period included corporate and administrative tasks to resolve debts and act under the Deed of Company Arrangement and complete Recompliance with Chapters 1 and 2 of the ASX listing rules as mentioned throughout this financial report, for the purpose of pursuing its Serbian project and thus all tasks are considered included in one segment.

3. Contingent Assets and Liabilities

There have been no changes in the Contingent Assets and Liabilities since 30 June 2017.

4. Current Trade and Other Payables

	Consolidated	
	31 December 2017	30 June 2017
	\$	\$
Unsecured liabilities		
Trade and other payables	746,394	305,826
	<u>746,394</u>	<u>305,826</u>

Payables are unsecured.

All other unsecured liabilities are interest free and have no fixed term of repayment.

5. Borrowings

	Consolidated	
	31 December 2017	30 June 2017
	\$	\$
Current borrowings		
Convertible loans – unsecured (a)	-	500,000
Short-term borrowings (b)	-	277,500
Current borrowings	<u>-</u>	<u>777,500</u>

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

(b) The Short-term borrowing includes loans provided by related parties in prior periods, there was no set maturity date. Of the amount \$250,000 was settled with equity on 28 September 2017, the remaining balance was settled in cash.

6. Amounts to be converted

	Consolidated	
	31 December 2017	30 June 2017
	\$	\$
Short term loans	-	1,132,450
Balance at the end of reporting period/year	<u>-</u>	<u>1,132,450</u>

The balance was converted as debt to equity on 28 September 2017.

7. Share Capital

	Note	Consolidated	
		31 December 2017	30 June 2017
		\$	\$
389,530,536 (30 June 2017: 807,956,577)			
Fully paid ordinary shares	(a)	39,335,910	31,210,629
a) Ordinary Shares			
At beginning of the reporting period		31,210,629	23,383,825
Issue of shares – placement		5,637,000	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
Capital raising cost		(457,169)	-
At reporting date		39,335,910	31,210,629
		No. of shares	No. of shares
At beginning of the 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 payment		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 reporting date		389,530,536	807,956,577
b) Options			
	Note	No. of Options	\$
At 1 July 2017		-	-
Free attaching options		65,250,000	-
Lead manager options		5,000,000	62,794
At 31 December 2017		70,250,000	62,794

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.

Notes to and Forming Part of the Accounts
For the Half-Year Ended 31 December 2017



8. Loss per share

	\$	\$
Basic loss per share		
a. Losses used to calculate basic EPS	(777,898)	(736)
b. Weighted average number of ordinary shares outstanding during the period used in calculating basic EPS*	61,955,208	15,674,462
Weighted average number of ordinary shares outstanding during the period used in calculating dilutive EPS*	61,955,208	15,674,462

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

9. 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; and

The assets and liabilities recognized 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

Other items in relation to the acquisition are as follows:

As a condition precedent to the acquisition, Guzjian will be engaged as an in country-manager by Centurion from completion. In consideration for his services, Guzjian will be paid a salary of 65,000 euro 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.

10. Events Subsequent to Balance Date

There are no matters or circumstances which have arisen since the end of the half year which significantly affected or may significantly affect the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in subsequent financial periods other than:

On 15 February 2018, Mr. Martin Pawlitchek and Mr. Michael Davy were appointed as Non-Executive Directors.

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

On 28 February 2018, the Company has completed the sale of shares for holders of less than marketable parcels in the Company.

11. Related Party Transactions

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

Entity	Nature of transactions	Key Management Personnel	Total Revenue / (Expense)		Payable Balance	
			2017	2016	2017	2016
			\$	\$	\$	\$
Indian Ocean Group	Corporate advisory	Luke Martino	(122,262)	-	(121,000)	-
Jackori Consulting	Accounting and Reporting Fees	Kobi	(35,000)	-	(30,000)	-

Indian Ocean Group (IOG) of which Mr Luke Martino is a director of IOG and did not directly provide all of the following services:

- 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.

Jackori Consulting of which former director Mr Jakob Tsaban is a director provided Accounting and Financial Reporting in relation to historical reporting matters.

During six months ended 31 December 2017 there were no other related party transactions.

Central Park, Level 43
152-158 St Georges Terrace
Perth WA 6000

Correspondence to:
PO Box 7757
Cloisters Square
Perth WA 6850

T +61 8 9480 2000
F +61 8 9322 7787
E info.wa@au.gt.com
W www.granthornton.com.au

Independent Auditor's Review Report to the Members of Jadar Lithium Limited

Report on the Half Year Financial Report

Conclusion

We have reviewed the accompanying half year financial report of Jadar Lithium Limited (the "Company"), and its subsidiaries (the "Group") which comprises the consolidated statement of financial position as at 31 December 2017, and 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 half year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, nothing has come to our attention that causes us to believe that the half year financial report of Jadar Lithium Limited does not give a true and fair view of the financial position of the Group as at 31 December 2017, and of its financial performance and its cash flows for the half year ended on that date, in accordance with the *Corporations Act 2001*, including complying with Accounting Standard AASB 134 *Interim Financial reporting*.

Directors' Responsibility for the Half Year Financial Report

The Directors of the Group are responsible for the preparation of the half-year 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 half year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2017 and its performance for the half year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Jadar Lithium Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

Grant Thornton Audit Pty Ltd ACN 130 913 594
a subsidiary or related entity of Grant Thornton Australia Ltd ABN 41 127 556 389

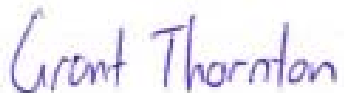
'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton Australia Ltd is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate one another and are not liable for one another's acts or omissions. In the Australian context only, the use of the term 'Grant Thornton' may refer to Grant Thornton Australia Limited ABN 41 127 556 389 and its Australian subsidiaries and related entities. GTIL is not an Australian related entity to Grant Thornton Australia Limited.

Liability limited by a scheme approved under Professional Standards Legislation.

A review of a half year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.



GRANT THORNTON AUDIT PTY LTD
Chartered Accountants



M P Hingeley
Partner – Audit & Assurance

Perth, 16 March 2018