

27 March 2013

ASX Code: JRV

**GRANT OF OPTION TO ACQUIRE GOLD TENEMENTS FROM AUZEX EXPLORATION LIMITED
Exploration Licenses 6408 and 7947; Klondyke Reef and Seven Hills Gold System in NSW**

Transaction Details

Jervois Mining Limited (Jervois or the Company) wishes to advise that it will be granted an exclusive option from Auzex Exploration Limited (Auzex) to acquire from Auzex those assets which comprise the Seven Hills / Klondyke Gold Project (Project) located in New South Wales. The option period extends for six months and may be exercised at any time within that period by Jervois. An option fee of \$50,000 (excluding GST) is payable to Auzex by 30 April 2013 in cash or Jervois shares. If paid in Jervois shares, the issue price will be \$0.07 per share.

If Jervois exercises the option, the purchase price for the Project is \$500,000 (excluding GST) payable within one month after exercising the option. The purchase price less the option fee already paid is payable in cash or Jervois shares. If paid in Jervois shares, the issue price will be the volume weighted average price of Jervois' shares traded on the ASX over the last five trading days immediately prior to the exercise date. A production royalty equal to \$20 per troy ounce for all the Klondyke gold produced by Jervois is payable to Auzex. Completion of the sale and purchase agreement will be subject to a number of preconditions.

The Project assets primarily comprise a 100% interest in, and unencumbered title to, Exploration Licenses 6408 and 7947, and project data including all the exploration results, technical reports, and records.

Executed term sheets in relation to the option and purchase may ultimately be replaced with definitive formal agreements on substantially the same terms and conditions as those contained within this announcement.

Project Background

Exploration Licenses 6408 and 7947 are located 20 km north east of Glenn Innes in NSW. These areas have demonstrated potential for gold resources.

Historical mining in the area produced, from small underground mines on the Klondyke Reef, over 184 kg of gold. Mined grade was high; 1oz to 2oz around 1899. At that time the minimum grade required would have been 1oz per tonne.

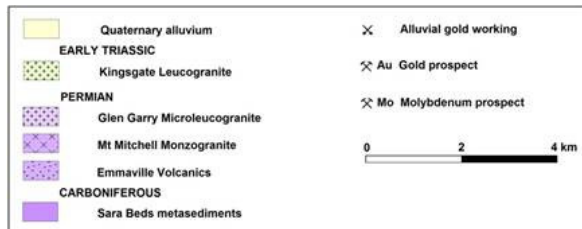
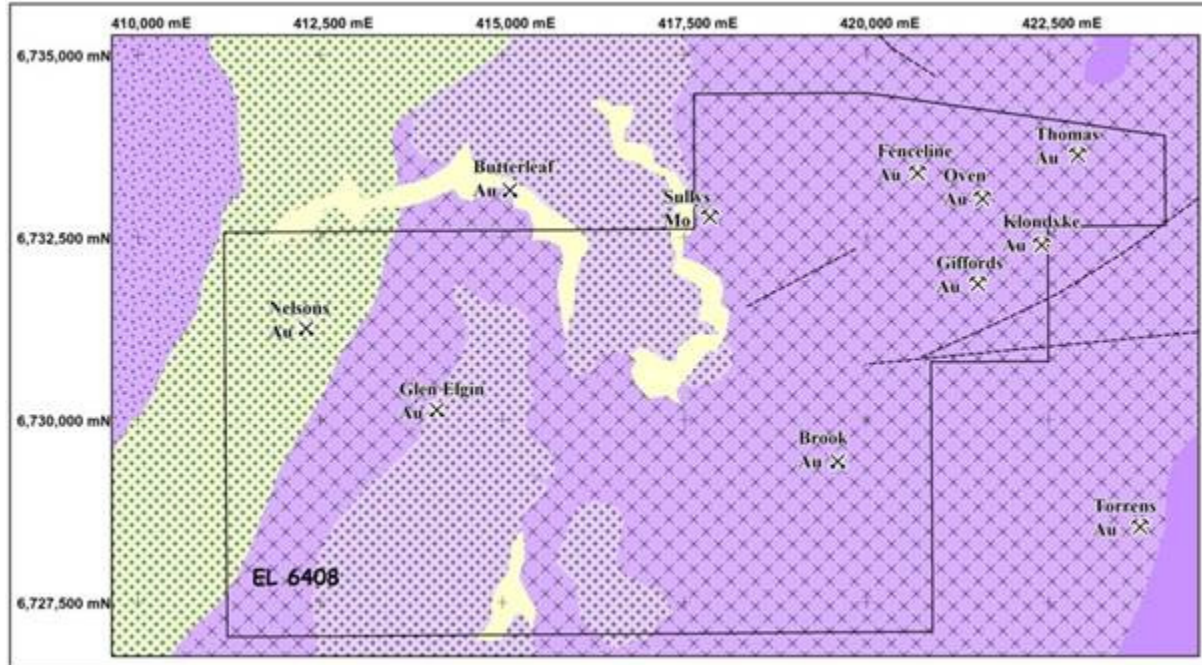
Despite these historical operations there has been little deep drilling carried out, although there has been extensive phases of reconnaissance-style geological mapping, rock chip sampling plus limited RAB and RC drilling to shallow depth. There are persistent shows of molybdenum over the prospect – often a good sign of attendant gold mineralisation.

Jervois



ABN 52 007 626 575

Geology of the Project



Geology of the Klondyke gold prospect area, EL 6408

Figure compiled by D G Jones from mapping by GSNSW

Local Geological Setting

Late Permian – Early Triassic granitoids reportedly dominate the geology of Glenn Innes. A range of molybdenite, bismuth, wolfram and tin occurrences have been identified in the past. The following table summarises some of the Projects' drill results.

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BETTER INTERCEPTS FROM SEVEN HILLS PROSPECT (EL 6408)

Hole ID	Easting	Northing	Hole Depth (m)	From (m)	To (m)	Interval (m)	Au grade (ppm)	Drilling Method
SHLM07-2	411904	6730401	18	1	8 (EOH)	7	1.131	RAB
SHLM07-3	411904	6730400	14	7	14 (EOH)	7	1.861	RAB
SHLM07-3	411866	670354	13	0	9	9	12.190	RAB
			includes	2	8	6	17.982	RAB
SHLM07-9	412725	6731900	14	0	8	8	2.103	RAB
SHRC07-1	411868	6730353	70	1	12	11	1.23	RC
SHRC07-2	411868	670334	80	21	22	1	2.02	RC
SHRC07-13	412725	6731900	60	0	13	13	1.71	RC
			includes	4	7	3	4.47	RC
				7	11	4	1.48	RC
SHRC07-19	412736	6730330	78	53	64	11	2.05	RC
			includes	54	57	3	5.59	RC
SHRC07-21	412755	6730366	36	26	29	3	2.29	RC
			includes	26	27	1	5.73	RC
SHRC07-22	412736	673405	120	82	84	2	1.09	RC
			includes	82	83	1	1.71	RC

By order of the Board.

Duncan Pursell.
Managing Director.

The information in this letter that relates to exploration results or mineral resources is based on information compiled by D.C. Pursell (MAusIMM) and Mr D. Foster, (MAusIMM). D.C. Pursell and D. Foster have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. D.C. Pursell and D. Foster consent to the inclusion.