



ABN 52 007 626 575

CHAIRMAN'S ADDRESS 2013, FOR 49th ANNUAL MEETING OF JERVOIS MINING LIMITED

Fifty years ago our Company was formed to leach and sell copper from copper oxide ore, at a location in the Jervois Ranges in the Northern Territory. After a few years of operation, it passed to others who worked the site for a number of years on a larger scale. The recent photographs are shown on the cover of our 2013 Annual Report. The Company's old leach tanks are visible on the extreme right of the top right hand photograph on the cover.

50 years is a long time for any Public Company to survive in its original form ... and with the same name. It is also rare for an Exploration Company to survive so long.

There is some irony in the fact that, in its 50th year, the Company finds itself facing the most challenging conditions for attempting to fund exploration in living memory. Since the GFC in 2007 world economies, other than China, have stumbled. The only attempted cure, thus far, is the printing of almost unlimited quantities of 'paper' currency in U.S.A.: The precise solution that caused the GFC in the first place.

Australians have been mining gold and other minerals for at least 160 years. The local workforce is at all levels highly skilled at this business. This, coupled with Australia's proximity to the Peoples Republic of China (PRC), saved the day post 2007.

Iron Ore mines in WA, strike prone through the 1970's and 80's, suddenly became extremely profitable, courtesy of demand from PRC. Ignoring early weak returns from these mines, the Federal Government (its own expenditure hopelessly out of control) rushed to introduce extra taxes, which turned out to be ineffective anyway.

The Jervois Operations for Financial Year ending 30 June 2013

The Board carried out, on behalf of Shareholders, as much of its normal activities as was possible on a very restricted budget.

Normal activities include exploration for minerals and R & D Metallurgy, directed to nickel and cobalt recovery from laterites.

Most Shareholders would be aware of the difficulties facing the micro – cap end of the ASX Mining Board. As a consequence over the last two years some Jervois assets were released to new participants in exchange for some cash and various ‘Royalty’ provisions in favour of the Company. These details and other matters are fully disclosed in the Annual Report.

I should highlight that important future Royalty flow should come from two sources: the Bullabulling Gold Resource near Coolgardie, WA, and the EMC Scandium Royalty from Nyngan in NSW.

We are advised, courtesy of ASX releases, that Bullabulling Gold Limited have completed a positive pre – feasibility study for the gold resource at Bullabulling; and are now working towards the completion of a Definitive Feasibility Study (DFS), due for completion 2014. It follows that completion of a positive DFS should lead to the funding and development of a mine to produce up to 200,000 oz gold per annum.

Income for Jervois would follow from any such development. This latter step is obviously dependent on the gold price at the time but the aforementioned proliferation of ‘paper’ money should underwrite the future price of gold.

The Company’s other main Royalty position is over the Scandium resource near Nyngan in central - west NSW. A Canadian Company, EMC Metals Inc. is presently progressing towards earning 100% of the project by 30 June 2014. This latter step requires, but is not exclusive to, a payment of \$1.4 Million, on or before 30 June 2014. Full details are given in our Annual Report.

It is the Jervois understanding that EMC are ‘progressing’ the project and also working on a Mining Lease Application over the resource and land presently owned by Jervois. Following successful completion, both land and mining tenements will pass to EMC.

As a consequence Royalties will flow from any actual mining as outlined in our Annual Report. The timing of actual development, we understand, will be decided by EMC but should become clearer when the Mining Lease Application, scheduled for 2014, is in place.

New polymetallic discovery at Syerston, NSW

Despite a very limited drilling budget, two small programmes of air – core drilling in recent months have yielded assay intersections of great interest. All results have been released to shareholders via ASX in the usual way. Very elevated scandium values have been demonstrated over a width of at least 200 metres. The actual intersections were near surface and reported over substantial intervals. Extensions on strike north and south could be expected, once land access is gained.

The discovery hole, Sy10A was twinned and we were able to confirm the earlier success. In addition to elevated Scandium values, recent assays reported relatively high Cobalt values for laterite, medium to low grade nickel and anomalous platinum.

The platinum values encountered in discovery drill hole Sy10A were higher - Pt/Au combined exceeded 0.5 gm.

Some metallurgical work has been carried out on sample from Sy10A but at this stage the metallurgical characteristics of the resource are generally, as yet, unknown. The Company's experience with the treatment of laterites should help.

R & D Metallurgy

A wide ranging, small scale programme of R&D was conducted for the Company by Dr. Hal Aral; our General Manager for this essential work. The R&D is intended to advance the Company's extensive laterite resources of nickel/cobalt, located at Westlynn and Summervale north of Nyngan and also near Young, in NSW.

It has been recently reported that more nickel is now sourced from laterites than from the easier sulphide sources. This is a change that could result from a number of factors e.g. the closure of high cost sulphide mines due to the low nickel price and ongoing pig–nickel production from China. This latter was originally high cost but is now competitive, although, reportedly, the cause of much pollution. The Jervois Microwave smelting process is our effort to make the same work cheaper and cleaner.

Jervois is not alone in its endeavour to make low grade nickel laterites economic by finding a new process. The effort is worldwide in extent and scope. The Company accepted an offer to work (gratis) with JPM Silicon GmbH, located in Braunschweig, Germany. This work aimed to recover ferro–

nickel using Microwave smelting. These tests were deemed successful, although small scale.

As a consequence, this work was followed up by Dr. Aral in both Germany and Wollongong University in NSW – the latter tests utilising bigger 1Kg size samples and successfully recovered ferro–nickel of differing but encouraging grades. We will now research the possibility of increasing the scale to potentially commercial size. Our Annual Report deals with these matters comprehensively but the information is somewhat constricted in deference to JPM Silicon.

Some additional microwave processing work was also carried out on Jervois ore at ANSTO in Sydney, in conjunction with Strategic Specialty Metals Ltd. The bench scale ‘proof of concept’ program successfully demonstrated the concentration and recovery of nickel-cobalt from lateritic ore. A fund-raising effort is underway to build a Pilot Plant to develop the process.

Jervois’ appreciated being invited to participate and is monitoring development regarding this promising technology.

Some processes require amounts of fresh, non saline water. As a consequence, Jervois carried out work on ‘membrane distillation’ to recover fresh water from contaminated solutions which was successful. In Australia it is rare not to have a source of, at least, saline water.

West Australian Exploration: Gold and Base Metals

Work in Western Australia continued during the year under the supervision of our Resident Director in WA, Mr Derek Foster. Funding for exploration was a major factor and it became necessary to drop off non–core assets; something any Exploration Company is loath to do.

In the event, four tenements at Lake Barlee were regretfully surrendered. This allows Jervois to concentrate our still limited funds on projects at Mt Ida, Lake Giles and Nalbarra. These prospects have been advanced to the stage where the next required step is exploratory drilling. Drilling is planned for all three locations subject to available funding.

Many mineral prospects in WA are on offer, or becoming available, in these difficult times. We always seek properties that might value add, and in this regard Mr Foster’s extensive experience in WA stands us in good stead.

Victoria - Old Clunes Goldfield

Some exploration areas became available in late August 2013, covering part of the Clunes historic Goldfields. An application was made by Jervois and ELA's 5493 and 5494 were duly recorded at the Department. As far as is known by Jervois there were two other applicants registered on the same date. It is assumed that the Department will assess these applications on their merits. The area has undoubted potential for the discovery of gold resources and possible production. WMC held the ground for many years and carried out extensive programmes using deep diamond drilling. The outcome of the Jervois application is as yet unknown.

New issues during the year

It was no surprise that two attempted pro-rata Issues to shareholders raised only \$324,860. The current environment makes it difficult to raise fresh capital via placements or from potential new shareholders. There were plenty who considered that amount a success. In these circumstances we had to scale back activities and some valued staff left or now work part time.

The resignation of Dr van Huet as a Director was accepted with regret and we thank her for her contribution. Dr van Huet continues as Exploration Manager on a part time basis. At about the same time Company Secretary, Mr Rodney Watson, resigned. Mr Roger Fairlam agreed to return to become Company Secretary and also re-joined the Board at short notice.

The Future

The Company will continue its activities in R&D and mineral exploration, commensurate with available fund. Some expended funds are re-couped annually through the AusIndustry taxation provisions.

From July 1, 2014 it is hoped that the Exploration Industry will benefit from some form of 'flow through' provision which is usually designed to give subscribing shareholders some taxation benefit.

In conclusion, I would like to thank my fellow Directors and Management team for their support during the year. I believe that all Shareholders would also appreciate the efforts on their behalf.

D C Pursell (M D) 28 Nov. 2013