



A.B.N. 52 007 626 575

30 July 2018

ASX:JRV

Jervois Mining Quarterly Activities Report to 30 June 2018

Jervois Mining Limited
ACN: 007 626 575
ASX: JRV

Corporate Information:
220.8M Ordinary Shares
20.5M unlisted Options

Non-Executive Chairman
Peter Johnston

Chief Executive Officer
Bryce Crocker

Non-Executive Director
Brian Kennedy

Non-Executive Director
Michael Rodriguez

Non-Executive Director
Stephen van der Sluys

Company Secretary
Alwyn Davey

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HIGHLIGHTS

- Nico Young Pre-Feasibility Study ("PFS") continues to advance:
 - Preliminary mining plans from Snowden Mining Industry Consultants Pty Ltd ("Snowden") completed
 - Metallurgical testwork is well underway at each of Nagrom Brisbane Laboratories ("Nagrom") (rapid geometallurgical testwork); SGS in Perth (columns and bottle rolls) and HydroGeoSense in Tuscon, Arizona USA (hydrodynamic characterization, agglomeration and stacking)
 - Lycopodium mechanical equipment selection on the 1.0Mtpa base case production rate continues. Re-optimisation is also underway on a 3.0Mtpa scenario, to understand the economics of a larger development
- Strategic investment of C\$9.9 million in eCobalt Solutions Inc. ("eCobalt") (TSX:ECS), a Toronto Stock Exchange-listed ("TSX") cobalt company which owns 100% of an advanced development project in Idaho, United States
- Definitive contracts for the Nyngan and Flemington royalty sale for US\$4.5 million to Cobalt27 were finalised. Completion expected in Q4 2018
- Key appointments of Peter Johnston (Non-Executive Chairman) and David Selfe (Group Manager – Geology)

CORPORATE UPDATE

Jervois advised it is a shareholder of eCobalt Solutions Inc. (“eCobalt”) (TSX:ECS), a Toronto Stock Exchange-listed (“TSX”) cobalt company which owns 100% of an advanced development project in Idaho, United States. Jervois owns 7.249 million shares or approximately 4.54% of the currently issued capital.

Jervois acquired shares in eCobalt to facilitate discussing how it may support eCobalt’s Board and management in the financing, construction and successful commissioning of its advanced primary cobalt development project in the United States.

eCobalt owns 100% of the Idaho Cobalt Project, an advanced development project outside the town of Salmon in the heart of the historic cobalt belt in Lemhi Country Idaho. The Idaho Cobalt Project is comprised of the Ram, Sunshine and East Sunshine mineral resources, which are high grade primary cobalt deposits, together with a partially completed mine site and mill. The mine is fully environmentally permitted and ready for construction, representing the only near term domestic cobalt production potential in the United States.

During the quarter, Jervois announced the sale of its Nyngan and Flemington royalties to Cobalt 27 Capital Corp. (“Cobalt 27”) for US\$4.5 million, comprised of US\$1.5 million in cash and US\$3.0 million in common shares of Cobalt 27. Jervois will receive 422,856 Cobalt 27 common shares, representing the equivalent of US\$3.0 million at the time determined by the 5-day VWAP preceding execution of the definitive agreement. Closing is anticipated by the end of Q4 2018 once the Flemington Option is exercised by Australian Mines Limited (“Australian Mines”) (ASX:AUZ) and Jervois’ royalty is created.

Jervois retained its right to receive the final A\$4.0 million option payment from Australian Mines on the Flemington Project, which is to be paid to Jervois as part of the Flemington Option exercise. This is anticipated to occur in Q4 2018.

Jervois also retains its remaining royalties (Bullabulling, Forest Reefs and Mt Moss) with a view to working with project operators to improve visibility over future development plans.

As a result of the eCobalt investment, Jervois ended the June quarter with A\$4.7 million in cash, A\$8.4 million in public securities and no debt.

Expenditure on exploration and development for the quarter was A\$1.2 million.

Board and Management appointments

During the quarter, Jervois announced the appointment of Peter Johnston as the Board’s Non-Executive Chairman.

Mr Johnston is recognised as one of Australia’s leading mining executives and directors, with more than 35 years of operational and project development experience. His previous roles include Head of Global Nickel Assets for Glencore International AG (“Glencore”) and Managing Director and CEO of Minara Resources Limited (“Minara”), which was a subsidiary of Glencore from 2005 until its delisting in 2011.

Jervois CEO Bryce Crocker, who was serving as Interim Chairman, stepped down from that role upon Mr Johnston’s appointment.

In addition, Jervois appointed David Selfe as Group Manager – Geology. Mr Selfe is a geologist with more than 30 years of experience, and he also worked for Glencore and Minara at the Murrin Murrin nickel cobalt operations in Leonora, Western Australia, where he held several roles over 15 years.

PROJECT UPDATE

Nico Young Cobalt/Nickel, NSW, Australia

Background

The Nico Young deposit comprises two distinct bodies of mineralization held under separate but adjacent exploration licenses 5527 (“Ardnaree”) and 5571 (“Thuddungra”). The Mineral Resource is in an established mining and farming region of central west New South Wales, Australia, around 300 kilometres due west of Wollongong and Sydney ports. The Nico Young deposit is a laterite nickel-cobalt deposit and extends along a 15km NNE-SSW strike. Jervois holds 100% of the licenses with no private royalties or other encumbrances over title. The Mineral Resource is favourably located geographically and is proximate to key infrastructure such as rail and major highways. The deposit is approximately 25 kilometres north west of the township of Young which has a permanent population of 7,000 people.

PFS Update

During the quarter, Jervois provided an update on its PFS.

Geostat updated the Nico Young drill hole database from the Ardnaree programme and provided it to Snowden to prepare an updated Mineral Resource Estimate. A planned 90-hole, 4,400m drilling programme of both diamond PQ (85mm diameter) and aircore drilling commenced in early July. Whilst the primary focus is on the Thuddungra deposit, five holes are planned for Ardnaree. It is expected to take two months to complete. The programme will provide further samples for metallurgical testwork and bulk density determinations. Due to this ongoing infill programme, an updated Mineral Resource Estimate will now be delivered in conjunction with the PFS. Snowden is also continuing its work to optimise mine plans at both 1.0Mtpa and also a higher production scenario of 3.0Mtpa. Pit optimisation, sequencing and preliminary scheduling of the pits has been provided to Jervois. Site layout and associated

material storage points including mine waste, topsoil and process residues (both liquid and solid) is proceeding.

Metallurgical testwork is well underway at Nagrom in Brisbane, with encouraging results received to date for both nickel and cobalt solubility and acid consumption. Test information was applied to ensure column test parameters at SGS in Perth were optimised. Columns and bottle rolls commenced leaching at SGS in July, and composites have been received by HydroGeoSense in Tucson, Arizona USA, where hydrodynamic characterization including agglomeration and stacking testing will occur. Jervois will release preliminary metallurgical results in the last week of August, once the columns are approximately 50 days in (or halfway through their anticipated running time), and the rapid geometallurgical programme at Nagrom is fully complete.

Land & Marine Geological Services Pty Ltd (“L&MG SPL”) completed civil and geotechnical plans for the 1.0Mtpa heap leach facility design, residue storage facility and an evaporation pond at Nico Young. They are now commencing the work on a 3.0Mtpa production rate.

Soil, heritage, biodiversity, noise and air quality workstreams progressed as part of environmental studies coordinated by RW Corkery & Co. Water consultant AQ2 completed an initial assessment on water availability, identifying several options, and moved onto detailed PFS investigations and trade-offs. Jervois has commenced discussions with third parties to secure adequate water supply for an operation and is also starting a site aquifer exploration and bore monitoring drilling programme to complement these efforts.

Assessment of logistics continues, with detailed reviews and site visits underway to relevant port infrastructure at Newcastle, Botany and Port Kembla, all in New South Wales. Road and rail assessment to site is also progressing.

Lycopodium Minerals Pty Ltd continued its work as engineering lead for Process Plant and Site Design, with overall process engineering proceeding well. Metsim mass balances are complete and process and mechanical design and equipment selection on the 1.0Mtpa base case production rate is also largely finished. Major equipment specifications and data sheets have been prepared, with budget quotations solicited. Preliminary layouts have been prepared and formal capital and operating cost estimation has commenced. Re-optimisation work is also being undertaken on a 3.0Mtpa scenario, in order to understand the economics of a larger development.

During the quarter contractors inspected the second-hand ore agglomerator, stacker and conveying heap leach equipment purchased from Fox Resources. It is currently located at the Mt Cuthbert Copper Project in Queensland, approximately 170km north east of Mt Isa by road. Plans are underway for extraction and temporary storage in Mt Isa pending refurbishment.

Due to a combination of a desire to incorporate the current Thuddungra drilling into the Mineral Resource Estimate supporting the PFS, timing of completion of metallurgical testwork

(November) and design and incorporation of a larger scale production scenario, the PFS delivery date is now Q4 2018. The later delivery of the PFS does not affect overall project schedule given the lead-times associated with preparation and filing of an Environmental Impact Statement and the associated consultative period required prior to obtaining New South Wales Development Approval.

NON-CORE ASSETS

Flemington / Syerston Scandium/Cobalt/Nickel Project, Fifield, NSW, Australia

In 2016 an option was granted over all of Flemington project (EL 7805) to a wholly owned subsidiary of Australian Mines Limited (ASX:AUZ) – Flemington Mining Operations Pty Ltd.

The final payment of A\$4.0 million to exercise the option is due to Jervois in Q4 2018. In the event Australian Mines Limited does not exercise the option, the Flemington project will remain with Jervois. The royalty sale to Cobalt 27 will proceed independently of whether Australian Mines Limited exercises the option.

Khartoum Tin Project, Herberton, Queensland, Australia

The Khartoum Tin Project comprises six tenements in the Mt Garnet / Herberton area of the Atherton Table Lands, North Queensland, Australia. It is an area, historically mined for tin, dominated by highly deformed greisen / skarn.

Although the properties are promising, Jervois has determined they are no longer core to our revised strategy to focus on lithium ion battery cathode raw materials. A data room has been established and a process to exit our interests is underway.

Elementos (ASX:ELT)

Jervois continues to hold an investment in Elementos, an ASX listed tin exploration and development company, which owns 100% of the Cleveland Tin project in Tasmania, Australia. Although the holding is non-core we are working with Elementos shareholders and management to realize value from our investment.

By Order of the Board

Bryce Crocker
Chief Executive Officer

Australian Tenements

Description	Tenement number	Interest owned %
Ardnaree (NSW)	EL 5527	100.0
Thuddungra (NSW)	EL 5571	100.0
Syerston (NSW)	EL 7805	100.0
Kingsgate (NSW)	EL 8203	100.0
Area 1 (NSW)	EL 8474	100.0
6 Block (NSW)	EL 8546	100.0
West Arunta (WA)	E80 4820	49.0
West Arunta (WA)	E80 4986	49.0
West Arunta (WA)	E80 4987	49.0
Old Khartoum (QLD)	EPM 14797	100.0
North Khartoum (QLD)	EPM 15570	100.0
Khartoum (QLD)	EPM 19112	100.0
Three Mile Creek (QLD)	EPM 19113	100.0
Carbonate Creek (QLD)	EPM 19114	100.0
Mt Fairyland (QLD)	EPM 19203	100.0

The information in this report that relates to Exploration Results is based on information compiled by S. van Huet (MAusIMM). S. van Huet has 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 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. S. van Huet consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.