



A.B.N. 52 007 626 575

29 January 2018

ASX:JRV

QUARTERLY ACTIVITIES REPORT TO 31 DECEMBER 2017

Jervois Mining Limited

ACN: 007 626 575

ASX: JRV

Corporate Information:

196.5 M Ordinary Shares

18.8 M listed Options

23.0 M unlisted Options

Non-Executive Chairman

John Byrne

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

- Initial quarter completed under new management. Highlights included Nico Young resource update including the release of an inaugural cobalt resource, A\$12.7 million equity placement and the commencement of rationalization of non-core assets.
- Nico Young JORC Inferred Resource of 99Mt @ 0.58% Ni and 0.08% Co (0.05% Co cut off), including a higher-grade zone of 33Mt @ 0.66% Ni and 0.12% Co (0.08% Co cut off), suitable for ultimate processing into precursor raw materials for Li ion cathodes. Low-cost early-development alternatives being pursued to potentially accelerate commercialization.
- Completion of heavily oversubscribed A\$12.7 million equity placement; 22.655 million shares were placed at A\$0.56/share. Offers were materially scaled back as investor demand significantly exceeded the company's requested interest. The placement settled on 12 December 2017 and the new shares were issued under the Company's existing placement capacity.
- Exit of non-core interests commenced, with A\$1.15 million received for the sale of Explaurum shares, leading to a A\$0.7 million pre-tax profit. An advisor (Mineral Royalties Online) was also appointed for the sale of Jervois's royalty portfolio. The sales process is underway and is expected to be finalized by March quarter end. The company is reviewing its tin interests.

CORPORATE

As noted above, the company completed a A\$12.7 million placement (prior to issuance costs) that settled prior to quarter end, on 12 December 2017. Placement funds are currently being applied to accelerate activities at the Nico Young cobalt/nickel laterite project in New South Wales, Australia.

As a consequence, in combination with cash proceeds from sale of the Explaurum shareholding and cash received from exercise by holders of Jervois share options, Jervois ended the year with a cash balance of A\$16.0 million and no indebtedness.

In terms of cash forecasts for 2018, Australian Mines is required to pay another A\$0.5 million in March 2018, with the final payment of A\$4.0 million due in September 2018. Even excluding the potential for further cash inflows associated with non-core asset sales and including the ramp up of drilling and project study activities at Nico Young, and assuming no acquisitions are completed, the company is currently forecast to end the calendar 2018 year with in excess of A\$18.5 million in cash, with no debt.

PROJECT UPDATES

NICO YOUNG COBALT NICKEL, NSW, AUSTRALIA

The Nico Young deposit sits over key exploration licenses 5527 (“Ardnaree”) and 5571 (“Thuddungra”) in an established mining and farming region of central west New South Wales, Australia, around 300 kilometers due west of Wollongong and Sydney ports. The Nico Young deposit is a typical laterite nickel-cobalt deposit and extends along a 15km NNE-SSW strike. It consists of two major sectors of ore-bodies and contains horizons of high grade cobalt congruent with nickel. Jervois holds 100% of the licenses with no private royalties or other encumbrances over title. The Mineral Resource is favorably located geographically and is proximate to rail, major highways and the Cooper Basin gas pipeline. The deposit is approximately 25 kilometers north west of the township of Young which has a permanent population of 7,000 people.

During the quarter Jervois released an updated Mineral Resource on 22 November 2017. The update was prepared by Geostat Services Pty Ltd (“Geostat”) with Snowden Mining Industry Consultants Ltd (“Snowden”) undertaking an independent audit of the geological model at the request of new management.

The updated JORC Inferred Resource comprises 167.8Mt @ 0.59% Ni and 0.06% Co (using 0.6% Ni equivalent cut off); with 42.5Mt @ 0.80% Ni and 0.09% Co (using a 1.0% Ni equivalent cut off) contained therein. Cobalt resources within this Resource were compiled, resulting in a published JORC Inferred Resource of 99.1Mt @ 0.58% Ni and 0.08% Co (using a 0.05% Co cut-off) including higher grade zones of 33.4Mt @ 0.66% Ni and 0.12% Co (using a 0.08% Co-cut off).

Jervois’s environmental advisors and exploration team are at site this week finalising preparations for the summer drill programme. DDH1 Drilling, were appointed after quarter end to undertake the Q1 2018 infill programme. DDH1 Drilling were awarded the contract after a competitive tender process which saw strong bids from leading Australian drill companies. Drilling is scheduled to commence mid-February 2018 and will be complete by the end of Q1 2018.

The drill programme will represent approximately 2,000 meters, of which around a quarter will be PQ (85mm inside diameter) diamond drilling to support extraction of sufficient fresh core for metallurgical

testing, and the remainder reverse circulation (RC) drilling. The programme is targeted at near surface high grade mineralization with the aim of expanding the size and geological confidence of cobalt rich zones.

Jervois is also in confirmatory due diligence and negotiating final documentation over equipment purchases to support the acceleration of mine development at Nico Young. Further announcements on this and regarding the composition of the scoping study team will be made in due course.

EXPLORATION PROPERTIES

FLEMINGTON / SYERSTON SCANDIUM COBALT NICKEL PROJECT, FIFIELD, NSW, AUSTRALIA

As outlined above, 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.

KHARTOUM TIN PROJECT, HERBERTON, QLD, 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.

During the quarter a surface exploration program was completed which included preliminary mapping, multi-element testing of samples and a review of existing diamond cores and data. Thirty sites were covered across all tenements. Results show potential for economic mineralisation and further reconnaissance is required, with prospects having been identified for further testing in a future drill program. Jervois is considering its next steps with regard to its tin strategy.

NON CORE ASSETS

During the quarter Jervois sold its investment in Explaurum, an ASX listed gold miner. Cash proceeds received were A\$1.15 million and a A\$0.7 million pre-tax profit was booked in the 2017 calendar year.

A specialized adviser Mineral Royalties Online Pty Ltd (“MRO”) was engaged to sell Jervois’s royalty portfolio. Over its history Jervois accumulated royalties diversified by commodity, project type and stage, all of which are based in Australia. Given Jervois’s new focus on cobalt-nickel and the emergence of Li-ion batteries, management does not believe the value of these royalties is currently or will be accurately reflected in the company’s share price.

The royalties are over the 3.2Moz Bullabulling gold resource in Western Australia owned by Zijin Mining Group (A\$20-30/oz Au), in New South Wales the Flemington-Syerston scandium/cobalt/nickel project (1.5% gross royalty); Nyngan scandium project owned by Scandium International (1.7% gross royalty for the first 12 years’ of production); and the Forest Reefs copper-gold project operated by Newcrest Mining (1.5% NSR), and in Queensland the Mt Moss magnetite and base metal mine owned by Curtain Bros which is currently on care and maintenance (1.5% NSR).

Since initiating the sales process after quarter end MRO and Jervois have received strong buyer interest.

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. New management visited the Cleveland site in the quarter and will continue to work with Elementos shareholders and management to optimize the value of our investment.

CASH BALANCE AND EXPENDITURE FOR QUARTER ENDED DECEMBER 31, 2017

Expenditure on Exploration and Development for the Quarter was A\$0.13 million.

Cash held at the end of the Quarter and calendar year end was A\$16.0 million and the market value of listed investments was A\$1.1 million.

By Order of the Board

Bryce Crocker
Chief Executive Officer

Australian Tenements

Description	Tenement number	Interest owned %
Ardnaree/Young (NSW)	EL 5527	100.00
Thuddungra (NSW)	EL 5571	100.00
Syerston (NSW)	EL 7805	100.00
Kingsgate (NSW)	EL 8203	100.00
Area 1 (NSW)	EL 8474	100.00
6 Block (NSW)	EL 8546	100.00
West Arunta (WA)	E80 4820	100.00
Old Khartoum (QLD)	EPM 14797	100.00
North Khartoum (QLD)	EPM 15570	100.00
Khartoum (QLD)	EPM 19112	100.00
Three Mile Creek (QLD)	EPM 19113	100.00
Carbonate Creek (QLD)	EPM 19114	100.00
Mt Fairyland (QLD)	EPM 19203	100.00

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.

The information in this report that relates to Mineral Resources is based on information compiled by Fleur Muller, who is a member of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Fleur Muller is a director of Geostat Services Pty Ltd, and has sufficient experience in mineral resource estimation, which is relevant to the style of mineralisation and type of deposit under consideration. She is qualified as a Competent Person as defined in the 2012 edition of the "Australasian Code for Reporting of Mineral Resources and Ore Reserves". Fleur Muller consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.