

7 May 2018

ASX:JRV

Jervois Mining sells Nyngan and Flemington royalties for US\$4.5 million

HIGHLIGHTS

- **Jervois to sell Nyngan and Flemington royalties to Cobalt 27 Capital Corp. for US\$4.5 million; US\$1.5 million in cash and US\$3.0 million in Cobalt 27 common shares, which are subject to a four month hold period from the date of issuance in accordance with applicable securities law.**
- **Flemington royalty offer excludes A\$4.0 million option payment due to Jervois in Q4 2018.**
- **Jervois will retain remaining royalties (Bullabulling, Forest Reefs and Mt Moss) with a view to working with project operators to improve visibility over future development plans.**

Following the formal sales process run by Mineral Royalties Online (“MRO”), Jervois Mining Limited (“Jervois” or “the Company”) (ASX:JRV) advises it has agreed to sell its Flemington 1.5% gross revenue royalty and Nyngan 1.7% gross revenue royalty to Cobalt 27 Capital Corp. (“Cobalt 27”) (KBLT:TSX) for US\$4.5 million, comprised of US\$1.5 million in cash and US\$3.0 million in common shares of Cobalt 27. The shares are subject to a four month hold period from the date of issuance in accordance with applicable Canadian securities law.

Cobalt 27’s offer has received all Board approvals and is not subject to further approvals. It is fully funded and binding, subject only to the execution of definitive documentation. The number of Cobalt 27 common shares will be determined by the 5-day VWAP on the date of execution of definitive documents, which are currently being finalised.

Jervois will maintain its right to receive the final A\$4.0 million option payment from Australian Mines on the Flemington Project, due in Q4 2018.

Jervois will retain its royalty interests on the Bullabulling, Forest Reefs and Mt Moss projects. Bullabulling was identified by bidders in the sales process as clearly the most valuable royalty asset held by Jervois. The Bullabulling resource is 114Mt @ 1.02 g/t Au for 3.8Moz contained gold, of which the Jervois royalty covers approximately 84% of this resource. The royalty rate is A\$30/oz for the first 400,000oz of gold produced and sold, then A\$20/oz thereafter.

Zijin Mining Group acquired the project in June 2015 and has released no public information on its development plans since then. Bidders noted this adversely affected their confidence to offer fair market value for the royalty.

Bullabulling Gold Limited (ASX:BGL) completed a pre-feasibility assessment for Bullabulling in February 2013 prior to its takeover by Norton Goldfields Ltd (ASX:NGL) which envisaged development of an open-pit mine with anticipated production of 1.95 million ounces over an 11-year mine life.

Given the lack of value-sensitive disclosure around Bullabulling development / royalty cashflows and given Jervois' current financial strength, Jervois decided it was not in shareholders' best interests to divest the Bullabulling royalty at the existing highest offer. After completion of the sale of the Nyngan and Flemington royalties to Cobalt 27, Jervois is forecast to end 2018 with in excess of A\$22 million in cash and publicly traded securities.

Jervois is pleased to have concluded this sale with Cobalt 27 and established a commercial relationship to build on. The two companies' respective business models are viewed as complementary: Cobalt 27 focused on physical inventories, royalties and streams, and Jervois aiming to provide investors with a greater breadth of viable investment alternatives for Li-ion battery cathode raw materials.

Overview of Cobalt 27

Cobalt 27 is a minerals company that offers direct exposure to cobalt, an integral element in key technologies of the electric vehicle and battery storage markets. The company owns over 2,980 metric tonnes of physical cobalt and manages a portfolio of cobalt royalties. It has completed three equity offerings since its initial IPO on the TSXV raising over C\$500 million to fund the acquisition of over C\$350 million of physical cobalt. Cobalt27 has a current cash balance of over C\$200 million and a current market capitalization in excess of C\$650 million.

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