

2 July 2019

ASX/TSXV: JRV

eCobalt Merger Update and Response to First Cobalt's Self-Serving and Misleading Opposition

Jervois Mining Limited (ASX: JRV) (TSX-V: JRV) ("Jervois" or "the Company") is pleased to provide an update regarding its merger with eCobalt Solutions Inc. (TSX: ECS) ("eCobalt") (the "Merger"), as well as address First Cobalt Corp.'s (TSX-V: FCC) ("FCC") press release dated 26 June 2019, containing FCC's self-serving and misleading opposition to the Merger.

On 2 April 2019, Jervois and eCobalt entered into an arrangement agreement (the "Arrangement Agreement") pursuant to which the companies proposed to combine on the basis of an at-market merger. The eCobalt Merger will be completed by way of a Plan of Arrangement under the *Business Corporations Act* (British Columbia) and requires the approval of both Jervois and eCobalt shareholders.

Jervois has called a meeting of its shareholders to vote on the eCobalt Merger, which will be held on 18 July, 2019 at 1100 (AEST) on Level 18, 101 Collins Street, Melbourne, Victoria, Australia. eCobalt shareholders will vote on the Merger at a meeting on 19 July 2019 at 1000 (CPST) in Vancouver, Canada.

Prior to announcing the eCobalt Merger, the Arrangement Agreement was unanimously approved by the Board of Directors of both Jervois and eCobalt.

FCC's Self-Serving and Misleading Opposition to the Merger

On 26 June 2019, FCC issued a press release making false and misleading claims about the eCobalt Merger.

In response, eCobalt has reaffirmed that the Merger is in the best interests of eCobalt shareholders and that its shareholders should VOTE FOR the Merger at the upcoming 19 July 2019 eCobalt shareholder meeting and addressed FCC's false and misleading opposition to the Merger. eCobalt's response can be accessed on its website at: <https://www.ecobalt.com/news/news-releases/ecobalt-urges-shareholders-to-vote-in-favour-of-je-20190627>.

Jervois feels it appropriate that it also respond to FCC's false and misleading opposition to the Merger.

For personal use only

FCC's false claim eCobalt shareholders will be diluted

As a result of the combination of eCobalt and Jervois, eCobalt shareholders will gain exposure to the transformative potential of East Africa and to the inherent value embedded in Jervois' Nico Young nickel-cobalt project, which once in operation will be one of Australia's largest suppliers of nickel-cobalt products to the nascent battery sector.

Jervois is in advanced negotiations with the Governments of Uganda and Tanzania over the Kilembe copper-cobalt mine / Kasese Cobalt Refinery and Kabanga nickel-cobalt deposits respectively, all of which are tier 1 opportunities that typically wouldn't be available to junior mining companies.

After the Merger, eCobalt shareholders will benefit from the leadership of a seasoned executive team with a track record for developing complex international projects and with deep experience in exploration, financing, construction, commissioning and operations.

Unlike FCC's management team, who are junior mining company promoters; Jervois's principals are mine operators who have developed, built and operated major mines, smelters and refineries globally. **We see the Idaho Cobalt Project ("ICP") as an important part of the future of the company resulting from the Merger ("New Jervois") as a major international company focused on battery metals; a company which current eCobalt shareholders will own a significant part of should they approve the Merger.**

FCC false claim the Merger does not advance the ICP, either technically or financially

Jervois brings one of the most experienced and capable management teams assembled in the junior mining space. With Jervois, we are looking to repeat what we have done before, specifically, the Company's principals were part of founding management teams in:

- Xstrata plc: listed at £2 billion at IPO in 2002 and sold for US\$46 billion to Glencore plc in 2013;
- Reliance Mining Ltd: A\$30 million at IPO in 2003 and sold to Consolidated Minerals for A\$120 million less than two years later; and
- Silver Lake Resources Limited: A\$32 million at IPO in 2007, current market capitalisation of A\$1 billion.

The Jervois team is highly experienced in base metal mining, processing and refining businesses from project development and construction, commissioning and operations. Many of Jervois's executives have developed and run the largest mining and mineral processing sites in the sector. The global mining companies where we built our careers are industry leaders for the implementation of operating best practice systems, procedures and practices for health and safety, environment, local content, community engagement and sustainability.

Unlike FCC, we will pay our suppliers in Idaho the cash they are owed for their services, and not force them to accept repayment in shares due to inability to pay an invoice (refer to FCC press announcement dated 8 May 2019 on page 2;

<https://www.firstcobalt.com/resources/news/20190508.pdf>).

Jervois agrees with FCC that an ability to access capital in this market environment should be an important deliberation for eCobalt shareholders. The ICP has been delayed enough – it is time for the project to be built in order to be well positioned for the next rebound in cobalt prices. The Merger between Jervois and eCobalt will allow this to happen.

eCobalt shareholders will gain access to Jervois’s ability to access capital at times when other mining companies cannot. This is evidenced by the Company’s recently oversubscribed financing of A\$16.5 million, which was executed at a **premium** to its trading price.

Jervois has the requisite technical strength and access to capital in order to progress the ICP into production; FCC simply has neither.

Uganda, Nico Young, Jervois’s management team location and an ASX listing

Uganda is a country that has experienced three decades of political stability, and contains enormous potential given its similar geology and physical location adjacent to the mineral rich but politically unstable Democratic Republic of Congo (“DRC”). As part of a portfolio of assets, Jervois believes it is important for investors to gain exposure to the exceptional geological opportunity that parts of Africa represent; however, only as part of a carefully balanced portfolio, that commensurately balances risk and reward. To say that one should not venture into Africa in search of cobalt when the vast majority of the world’s cobalt supply is sourced from there, is essentially acknowledging that one will never become a globally significant and strategic supplier to Western World customers in the emerging electrification trend in transportation.

The key to investing in Africa is to undertake this in a sensible, measured way, where the risks are understood, mitigated where possible, and appropriately priced where not. For context, approximately 10% of New Jervois ownership, and value contribution, relates to Uganda.

The Nico Young nickel-cobalt heap leach project in New South Wales, Australia, will absorb no financial resources of New Jervois in coming years – all future funding will be accessed via third parties. Partnering and off-take negotiations are advancing and Jervois expects to secure funding on acceptable commercial terms. Nico Young represents a valuable call option on higher nickel and cobalt prices – when they return.

Jervois’s team is global and our Board of Directors and management team are actively engaged in the business. Our General Counsel is based in Toronto, Canada. Upon the completion of the eCobalt Merger, two out of five New Jervois Directors will be based in North America. The

majority of New Jervois' executive management team is also domiciled in North America – EGM Corporate Affairs, CFO / EGM Finance and General Counsel / EGM Legal.

Jervois's team has spent significant time in Idaho since the Merger was announced in early April. The required scope of work to finalise the feasibility study ("FS") underpins our recent capital raise. New Jervois will assemble a high calibre operational team that will be based at the ICP in Idaho and not Toronto or Muskoka, like FCC's management team and Board of Directors.

Given that Jervois just executed a A\$16.5 million oversubscribed placement on the ASX, it is hard to argue that access to an ASX listing is not positive for eCobalt shareholders. In contrast FCC has announced it will no longer be listed on the ASX.

FCC's misleading argument that eCobalt should remain independent

If eCobalt remains independent, it lacks the financial resources to advance the ICP. FCC is not proposing any alternative way to move the ICP forward and lacks the financial capacity to do so. The time to build the mine is now – during the downturn – so that the facility is commissioning at a time of rising commodity prices. Placing the ICP on care and maintenance and shutting down the site, so that the large amounts of capital invested to date is wasted, is a terrible economic outcome for eCobalt shareholders. **Jervois has proven it has the ability to raise money in this challenging market and is capable of moving the ICP into production to maximise eCobalt shareholder value.**

FCC's misleading claims about its mothballed Ontario refinery

FCC has made a number of claims relating to its closed Ontario refinery that are simply untrue. It states that based on the published results of eCobalt's ICP FS and an FCC refinery desktop study (which was prepared by Primero Group Ltd ("Primero"), an Australian engineering firm), FCC believes that eCobalt could eliminate most of the capital associated with the construction of a new refinery in the United States via using FCC's mothballed Ontario facility.

Clearly FCC management either didn't read or couldn't understand Primero's desktop report, which is available to eCobalt shareholders and the public on FCC's website at:

https://www.firstcobalt.com/resources/reports/First_Cobalt_Refinery_Desktop_Cost_Estimate_10_09_2018.pdf.

At the envisaged concentrate production rates from the smaller scope ICP of 800 tonnes per day ("tpd") ore processing (Case 3 of 45tpd and Case 4 of 50tpd concentrate through-put respectively), Primero concluded the capital to rebuild the mothballed site was between US\$100 and US\$105 million to produce cobalt carbonate, a discounted intermediate product requiring further refining. This is broadly equivalent to the US\$129 million cost estimated by eCobalt to build a dedicated brand-new facility within the United States producing cobalt sulphate

heptahydrate crystals, a final product sold directly to battery manufacturers. Primero noted that any change in the FCC refinery to produce cobalt sulphate will require more capital. In addition, transportation costs of concentrate from the ICP to FCC's mothballed Ontario facility (3,400 kilometres away) and higher refinery operating costs (approximately double that of a new facility in Idaho, again based on the Primero desktop report commissioned by FCC) will largely negate any potential savings in capital.

It is also important to note that Primero's study is at desktop level – i.e. not even at scoping level definition, despite misleading FCC statements to the contrary. Specifically, Primero state "...the [desktop] study has been conducted at a very high level, and the costs will require further refinement prior to a final investment decision. The brownfields nature of the project requires a more in-depth assessment than a desktop study can realistically provide." **The upside risk to Primero's desktop capital cost estimate was estimated at +50%, highlighting the lack of underlying project definition that FCC was either unwilling or unable to pay for.**

Further, eCobalt has also publicly announced that it is updating the FS basis to 1,200 tpd ore processing, which is expected to lead to around 60-70 tpd of concentrate production from the ICP. This exceeds the potential refinery processing capacity of FCC's Ontario facility under the highest production scenario reviewed by Primero and would also require redesign to the by-product circuits to support increased copper and gold recovery.

The current FCC permitted tailings facility at its mothballed refinery is an unlined earthen wet tailings facility constructed over two decades ago with limited records of materials contained. It requires careful review to assess its compliance with acceptable standards in construction, maintenance and closure planning. The tailings pond is of insufficient size for the refinery to serve as a repository for the life of the ICP as published in the last FS released by eCobalt, let alone the expanded production scenario currently advancing with the support of Jervois's technical team. **Contrary to FCC claims, the refinery and tailings facility are not fully permitted for processing or discharge of the specific type and volume of feed and waste that would be generated from ICP concentrates.**

For the recent 'study' on recommissioning the closed site based on third-party material from the DRC, as FCC didn't like the technical facts presented by Primero, they engaged Ausenco Engineering Canada Inc. ("Ausenco"). Due to FCC's financial incapacity to pay for thorough technical advice, Ausenco completed an indicative desktop review within weeks. Significant further work is required, of far greater depth and robustness, to confirm the technical, economic and ethical validity of a business case of reopening the shuttered refinery on DRC raw material supply. **Ausenco specifically highlighted that the scope of their desktop review was conceptual and did not cover the economic viability of rebuilding and reopening the closed refinery. The Ausenco report did not consider ICP concentrate feed supply, only cobalt hydroxide from the DRC.**

Jervois and eCobalt Merger Rationale

Finally, Jervois would like to take this opportunity to remind eCobalt shareholders of the key highlights of the Merger.

Merger highlights include:

- Friendly combination leading to an enlarged company with greater scale, liquidity and diversification with re-rating potential;
- Combined company to have an Australian, East African and United States project pipeline that includes the ICP, the highest combination of cobalt grade and scale in North America; New Jervois will be the premier cobalt investment vehicle globally;
- New Jervois to be run by an experienced management team with a proven track record of successfully developing, building and operating major mines, smelters and refineries globally;
- Increased capital markets exposure through listings in Australia and Canada, greater institutional following and research coverage;
- After closing of the eCobalt Merger, New Jervois to be well capitalized on the back of Jervois's recently oversubscribed financing of A\$16.5 million; and
- 19.05% of eCobalt's outstanding shares are committed to vote in favor of the eCobalt Merger, comprised of 14.65% of eCobalt shares under voting and support agreements and Jervois's 4.40% holding of eCobalt's shares.

Jervois believes this announcement provides clarity to all relevant stakeholders, including eCobalt shareholders, in relation to FCC's false and mis-leading claims made to advance its own self-serving agenda. As a long-time eCobalt shareholder itself, Jervois is fully committed to the development of the ICP and to create value for the benefit of all shareholders.

For further information, please contact:

Investors and Analysts:

Bryce Crocker
Chief Executive Officer
Jervois Mining
Email: bcrocker@jervoismining.com.au

Media:

Nathan Ryan
NWR Communications
Email: nathan.ryan@nwrcommunications.com.au
Tel: +61 420 582 887

Qualified Person's Statement

The technical content of this news release, as it relates to eCobalt, has been reviewed and approved by Darby Stacey, P. Eng, Process Manager of eCobalt and a qualified person as defined by National Instrument 43-101.

Competent Person's Statement

The information in this release that relates to Exploration Results and Mineral Resources is based on information compiled by David Selfe who is full time employee of the company and a Member of the Australasian Institute of Mining and Metallurgy. David Selfe 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 a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. David Selfe consents to the inclusion in the release of the matters based on their information in the form and context in which it appears.

Cautionary Note Regarding Forward-Looking Statements

This news release contains forward-looking statements, which relate to future events or future performance and reflect management's current expectations and assumptions. Such forward-looking statements reflect management's current beliefs and are based on assumptions made by and information currently available to Jervois and publicly available information. Forward-looking statements often address our expected future business and financial performance and financial condition, and often contain words such as "anticipate", "intend", "plan", "will", "would", "estimate", "expect", "believe", "target", "indicative", "preliminary", or "potential". All statements, other than statements of historical fact, included herein including, without limitation, statements or information about the integration of the business of eCobalt into the Jervois organization, the anticipated benefits from the merger with eCobalt, expectations of daily production from the ICP and the cost of building dedicated refining facilities for ICP ore, expectations regarding future exploration, licensing, development, growth and potential of New Jervois' operations, projects and investments, statements pertaining to mineral resource estimates, Jervois' ongoing, financing, off-take and partnering process in respect of the Nico Young nickel-cobalt project, future opportunities associated with or in relation to projects in Africa, Jervois' expectations with respect to commodity prices, and information relating to the future allocation of capital resources are forward looking statements. By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or other future events, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These risk factors include, among others: risks associated with the business of Jervois and eCobalt; risks related to the integration of eCobalt into the Jervois organization following completion of the merger; risks related to reliance on technical information provided by Jervois and eCobalt; risks relating to exploration and potential development of Jervois' and eCobalt's projects; business and economic conditions in the mining industry generally; the supply and demand for labour and other project inputs; prices for commodities to be produced and changes in commodity prices; changes in interest and currency exchange rates; risks relating to inaccurate geological and engineering assumptions (including with respect to the tonnage, grade and recoverability of mineral resources); risks relating to unanticipated operational difficulties (including failure of plant, equipment or processes to operate in accordance with specifications or expectations, cost escalation, unavailability of materials and equipment, government action or delays in the receipt of government approvals, industrial disturbances or other job action, and unanticipated events related to health, safety

and environmental matters); risks relating to adverse weather conditions; political risk and social unrest; changes in general economic conditions or conditions in the financial markets; and other risk factors as detailed from time to time and the additional risks identified in Jervois' and eCobalt's filings with Canadian securities regulators on SEDAR in Canada (available at www.sedar.com) and with the Australian Securities Exchange in Australia (available at www.asx.com.au). These forward-looking statements are made as of the date hereof and, except as required under applicable securities legislation, Jervois does not assume any obligation to update or revise them to reflect new events or circumstances.