



A.B.N. 52 007 626 575

31 July 2019

ASX/TSX-V: JRV

Jervois Mining Quarterly Activities Report to 30 June 2019

Jervois Mining Limited
ACN: 007 626 575
ASX/TSX-V: JRV

Corporate Information:
632.2M Ordinary Shares
42.6M Unlisted Warrants
54.9M Unlisted Options

Non-Executive Chairman
Peter Johnston

Chief Executive Officer
Bryce Crocker

Non-Executive Directors
Brian Kennedy
Michael Callahan
Scott Hean

Company Secretary
Alwyn Davey

Contact Details
Ground Floor,
585 Burwood Road
Hawthorn, VIC 3122

P: +61 (3) 9583 0498
F: +61 (3) 9818 3656
E: admin@jervoismining.com.au
W: www.jervoismining.com.au

HIGHLIGHTS

- Merger with M2 Cobalt Corp completed following approvals from M2 Cobalt shareholders and the British Columbia (Canada) Supreme Court
- Merger with eCobalt completed following approvals from eCobalt and Jervois shareholders and the British Columbia Supreme Court
- Jervois raised A\$16.5 million after quarter end to finalise the feasibility study ("FS") for Idaho Cobalt Operations and to advance exploration in Uganda
- Ugandan prospects continue to progress with grid soil sampling underway at Kilembe and drilling at Bujagali, with results expected by September 2019
- Jervois commenced trading on TSX-V in Canada, advanced OTC listing application in the United States
- eCobalt's former CEO Michael Callahan and Chairman Scott Hean appointed Non-Executive Directors of Jervois
- M2 Cobalt's Andy Edelmeier appointed Jervois' interim CFO / Executive General Manager – Finance
- Kenneth Klassen appointed Jervois' General Counsel / Executive General Manager – Legal

Merger with M2 Cobalt Corp.

In January 2019, Jervois entered into an arrangement agreement with M2 Cobalt Corp (TSX-V: MC) (“M2 Cobalt”) pursuant to which the companies would merge in an at-market merger by way of a British Columbia (Canada) plan of arrangement.

Prior to announcing the M2 Cobalt merger, the transaction was unanimously approved by the Board of Directors of both Jervois and M2 Cobalt.

M2 Cobalt Shareholders approved the merger by special resolution on 14 June. This was followed by approval from the British Columbia (Canada) Supreme Court, as announced on 19 June. With this approval, Jervois acquired all issued and outstanding common shares of M2 Cobalt in exchange for one ordinary share of Jervois for each M2 Cobalt share.

Merger with eCobalt Solutions Inc.

In early April, Jervois entered into an arrangement agreement with eCobalt Solutions Inc (TSX: ECS) (“eCobalt”) pursuant to which the companies would merge in an at-market merger by way of a British Columbia (Canada) plan of arrangement .

Prior to announcing the eCobalt merger, the transaction was unanimously approved by the Board of Directors of both Jervois and eCobalt.

On 22 July, Jervois announced eCobalt shareholders as well as Jervois shareholders had approved the merger of the companies. The merger received approval from the British Columbia (Canada) Supreme Court and completed on 24 July, with Jervois acquiring all issued and outstanding common shares of eCobalt it did not already own in exchange for 1.65 ordinary shares of Jervois for each eCobalt share.

Jervois’ mergers with eCobalt and M2 Cobalt builds a leading global cobalt company with significant nickel and copper exposure. The enlarged group has an enhanced United States, Australian and East African project pipeline that now includes the Idaho Cobalt Operations, a partially constructed mine and mill in Lemhi County, Idaho, in the United States.

Exchange Listings

Jervois was listed for trading on the TSX-V on 21 June 2019 following completion of its merger with M2 Cobalt.

In addition, Jervois has applied for an OTCQX listing in the United States.

Board Appointments

After completing the merger with eCobalt in July, Jervois appointed eCobalt's former CEO Michael Callahan and Chairman Scott Hean as Non-Executive Directors on the Jervois Board.

Mr Callahan, an Idaho native, joined eCobalt in October 2018. Prior to this, whilst an executive at Hecla Mining, he established and led numerous sizeable operations in North America and internationally.

Mr Hean was appointed to the eCobalt Board in March 2014 and became Chairman in June 2017. He has more than 35 years of experience in mining capital markets, including as CFO of Quaterra Resources, and was previously a Senior Vice President and Managing Director with the Bank of Montreal in Canada and in other roles with JP Morgan in New York.

After completion of the M2 Cobalt merger, Jervois announced the appointment of Simon Clarke, former CEO of M2 Cobalt, as a Non-Executive Director of Jervois. To accommodate the required Board composition post the merger with eCobalt, Mr Clarke has transitioned into an executive role with Jervois as Executive General Manager – Corporate Affairs.

In association with the required Jervois Board restructure with the M2 Cobalt merger, Stephen van der Sluys also stepped down as a Director of Jervois during the quarter.

Management Appointments

As noted above, Simon Clarke, former CEO of M2 Cobalt, is now Jervois' Executive General Manager – Corporate Affairs. Mr Clarke will be responsible for government and regulatory affairs across East Africa and other jurisdictions in which the Company operates, as well as investor relations.

Jervois appointed Andy Edelmeier, M2 Cobalt's former CFO, as Jervois' interim CFO / Executive General Manager – Finance. Mr Edelmeier has extensive experience working in the finance and capital markets industries for more than 25 years prior to co-founding M2 Cobalt. He was formerly a Partner at Strata Partners, a London-based corporate finance firm, where he advised on private equity financings and cross border M&A. Previously, Mr. Edelmeier was at Credit Suisse First Boston in London, where he raised institutional and private equity capital for public and private companies and served as a Vice President at JP Morgan Chase (Chase Manhattan) where he worked in private equity and acquisition finance roles. Mr. Edelmeier holds an MBA from the London Business School, a BBA from Simon Fraser University and is a Chartered Professional Accountant (CPA, CMA).

Jervois appointed Kenneth Klassen as its General Counsel / Executive General Manager – Legal. Mr Klassen has been advising Jervois since the Board restructure in late 2017, and he now joins the Company in-house in an executive capacity.

Prior to his appointment at Jervois, Mr Klassen was General Counsel of Glencore plc, based in Baar Switzerland, retiring in 2016. He was responsible for the global legal function including a team of in-house lawyers supporting Executive Management, business operations and the Board of one of

the world's largest diversified natural resource companies, and a major producer and marketer of more than 90 commodities worldwide, with around 150 mining and metallurgical sites, oil production assets and agricultural facilities.

Prior to joining Glencore in 2013, Mr Klassen had a successful 20-year career as a Canadian M&A lawyer at leading Canadian law firms. Mr Klassen first began working with current members of the Jervois Board in 2005.

Other senior appointments during the quarter included Ms Jennifer Hinton as Ugandan Country Head, and Mr Thomas Lamb as Ugandan Operations Manager. Ms Hinton has a Ph.D in Mining Engineering and has lived and worked in Uganda for 15 years, she is a former adviser to the United Nations and World Bank. Mr Lamb is a lawyer with extensive Ugandan operational experience; he co-founded Goldgroup Mining Inc.

Liquidity and Cashflow

Expenditure on exploration and development for the quarter was A\$0.7 million, which represented finalization of the Nico Young PEA in Australia and initial exploration costs from Uganda following completion of the M2 Cobalt merger in late June.

During the quarter the Company's shareholding of Cobalt 27 Capital Corp (TSX-V: KBLT) ("Cobalt 27"), acquired via the sale of royalties over the Flemington and Nyngan properties, was sold for A\$1.872 million in cash. A decision was made to exit following Pala Investments announcement to acquire Cobalt 27 on 18 June.

On March 30, 2019, Jervois entered into a sale agreement with Franco Nevada over its remaining royalty portfolio, including the Bullabulling royalty, for A\$3.6 million in cash. Negotiations to obtain certain third-party consents remain ongoing.

As at date of this filing, following the capital raising set out below, Jervois has A\$19.5 million in cash and no debt. This excludes sale proceeds from Bullabulling and other royalties and is after payment of all transaction costs associated with the M2 Cobalt and eCobalt mergers

Capital Raising

On 28 June, Jervois announced it had raised A\$16.5 million in an oversubscribed equity raising. Jervois launched an equity raise on 26 June for targeted gross proceeds of A\$15.0 million at an ~8% premium to its underlying share price. With strong demand from existing and new institutional investors and the Company's management and Board of Directors, the Company decided to accept oversubscriptions by a maximum of 10%, thus raising total gross proceeds of A\$16.5 million.

Following completion of the merger with eCobalt (after quarter end), 82.5 million fully paid pari passu ranking ordinary shares were issued at a price of A\$0.20 per share. Jervois was pleased with this strong demonstration of support from institutional investors.

On 29 July, Jervois advised that key members of its Board and Management had invested A\$2.76 million as part of the equity raise after receiving shareholders' approval at a general meeting of the Company on 18 July 2019. This included:

- **Peter Johnston - Non-Executive Chairman**
Subscription of 2,500,000 shares at A\$0.20 for an investment of A\$0.5 million.
- **Bryce Crocker - Chief Executive Officer**
Subscription of 1,500,000 shares at A\$0.20 for an investment of A\$0.3 million.
- **Brian Kennedy - Non-Executive Director**
Subscription of 7,100,000 shares at A\$0.20 for an investment of A\$1.42 million.
- **Kenneth Klassen - General Counsel / Executive General Manager – Legal**
Subscription of 2,725,000 shares at A\$0.20 for an investment of A\$0.545 million.

OPERATIONAL UPDATES

Idaho Cobalt Operations

Following completion of the eCobalt merger, an initial update on Jervois's plans to finalise the feasibility study ("FS") for Idaho was released on 25 July, details of which are available at <https://www.asx.com.au/asxpdf/20190725/pdf/446w5vxbk4xt86.pdf>.

Ugandan exploration

Following completion of its merger with M2, Jervois holds 2,400km² of exploration licences across two key areas of focus: the Kilembe area in western Uganda and Bujagali in the south-central region.

Kilembe Area

The Kilembe Area Properties comprise five exploration licenses ("ELs") totaling 708km² in area. Four ELs are located adjacent to and immediately north and south of the historic Kilembe copper and cobalt mine, previously operated by the Canadian base metals company, Falconbridge. The target mineralisation is volcanogenic massive sulphide ("VMS") type copper and cobalt as exists at the historic Kilembe mine. The fifth EL is located to the east of the Kilembe mine area across the Great Rift Valley. This area is interpreted as a split off the main Kilembe complex and has historic mineral showings.

Exploration to date on the Kilembe Project includes, helicopter-borne VTEM™ BField and horizontal magnetic gradiometer geophysical surveys, mapping, grid soil sampling, rock chip sampling and drilling. Several anomalies were identified and rock-chip sampling confirmed outcropping copper and gold mineralisation at two (2) local scale prospects: Senator and Eagle. Jervois is undertaking grid soil sampling at these prospects to determine potential mineralisation extents with a view to establishing the framework of a future drill programme.

Exploration in 2018 included mapping, rock chip sampling, soil sampling and drilling, which included seven drill holes completed within EL 1674 to test a series of high-priority conductors identified

from the VTEM airborne survey, as well as a coincidental copper in soil anomaly. While this returned no significant assay intercepts, drilling detected the presence of base metal sulphides, and the presence of sphalerite, galena (zinc and lead sulphides) and chalcopyrite in core from the drill holes also confirmed the potential to discover additional VMS deposits along strike of the historic Kilembe mine.

Bujagali

The Bujagali Property comprises six ELs, covering 1705.8km², in South-Central Uganda. The properties are within a regionally prospective package of Proterozoic volcanic, intrusive and sedimentary rock sequences with analogies to the Katanga belt (DRC). The properties have identified anomalies named: Bombo; Bombo NW; Bombo Central; Nile; Club; Ridge; Bell; and, Waragi.

Several phases of exploration have been completed and are ongoing at Bujagali. regional prospect scale anomalies have been identified with two styles of mineralisation: sediment-hosted cobalt / copper with significant similarities to Katanga mineralization in the Democratic Republic of Congo; and, nickel, copper, cobalt in ultramafics.

Jervois has a drill programme underway which is expected to be complete in August 2019, with results available from September. The scope of the programme includes drilling on the encouraging high-grade copper and cobalt rock chips anomaly discovered within EL 1827.

Nico Young Nickel-Cobalt Project, New South Wales (“NSW”), Australia

Positive Preliminary Economic Assessment

During the quarter, Jervois announced completion of a Technical Study (“Study”) for its 100%-owned Nico Young nickel-cobalt project in NSW, Australia. The Study supported the technical and economic viability of producing refined nickel sulphate and cobalt sulphide for sale into the nascent battery sector that is rapidly evolving for personal devices, electric vehicles and stationary storage.

Similar to other nickel-cobalt laterites in Australia, Nico Young requires higher commodity prices than prevail today to generate acceptable investment returns. However, Jervois is confident the heap leach flowsheet used in the Study is a sensible, lower capital and with reduced technical risk development approach versus the high capital and elevated construction and operating risk nature of high-pressure acid leach (“HPAL”) facilities.

In event nickel and cobalt prices rise from prevailing levels, the asset represents a call option on such developments. Third party interest in the project remains strong despite today’s subdued commodity prices and Jervois is in active discussions with multiple potential Nico Young project partners and off-takers and plans to progress to a FS.

The Company's initial intention is to commit only off-take required to facilitate the introduction of partner funding to complete the Nico Young FS. Upon completion of the FS, Jervois will again reassess its level of equity share of Nico Young, and uncommitted offtake, and determine a suitable ownership structure and marketing strategy to facilitate obtaining project financing to move into construction.

NON-CORE ASSETS

Following the completion of the M2 Cobalt and eCobalt mergers, Jervois has accumulated further non-core assets. The company's intention is to rationalize these assets and realise value where appropriate. All are summarized on the Jervois website. The following non-core projects were progressed during the quarter.

Khartoum Tin Project, Herberton, Queensland, Australia

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

Interested parties have accessed the data room and preliminary offers are being considered.

Arunta West JV (Jervois 49%)

Norwest Minerals Ltd (ASX: NWM), operator of the Arunta West JV, has released the results of the maiden drilling program during the quarter, see NWM announcement 18 June 2019. Jervois continues to monitor the progress of this JV, non-contributing during the stage 2 earn-in by NWM.

Virgin River JV (Uranium, Jervois 2%)

The minor contributing interest in the Virgin River uranium project was acquired via the merger with eCobalt. The project is a large unconformity type uranium target in the Athabasca Basin in Canada. Cameco is the JV manager (with Areva as its partner) and has ongoing exploration programs, including deep (+1,000 metre) drilling at the site.

By Order of the Board

Bryce Crocker
Chief Executive Officer

For further information, please contact:

Investors and analysts:

Bryce Crocker

Chief Executive Officer

Jervois Mining

bcrocker@jervoismining.com.au

Office: +61 3 9583 0498

Media:

Nathan Ryan

NWR Communications

nathan.ryan@nwrcommunications.com.au

Mob: +61 420 582 887

Australian Tenements

Description	Tenement number	Interest owned %
Ardnaree (NSW)	EL 5527	100.0
Thuddungra (NSW)	EL 5571	100.0
Nico Young (NSW)	EL 8698	100.0
Area 1 (NSW)	EL 8474	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
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

Uganda Tenements

Description	Tenement number	Interest owned %
Bujagali	EL1666	100.0
Bujagali	EL1682	100.0
Bujagali	EL1683	100.0
Bujagali	EL1686	100.0
Bujagali	EL1665	100.0
Bujagali	EL1827	100.0
Kilembe Area	EL1673	100.0
Kilembe Area	EL1674	100.0
Kilembe Area	EL1735	100.0
Kilembe Area	EL1736	100.0
Kilembe Area	EL1737	100.0

Competent Person Statement

The information in this report that relates to Exploration Results is based on information compiled by Mr David Selfe (FAusIMM), a full-time employee of Jervois. Mr 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 Competent Persons as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr David Selfe consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.

Qualified Person's Statement

The technical content of this news release, as it relates to Exploration Results, has been reviewed and approved by Dean Besserer, P.Geol., the Technical Advisor of the Company and qualified person as defined by National Instrument 43-101

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. 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 expectations regarding future exploration, licensing, development, growth and potential of Jervois' operations, projects and investments 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; risks relating to exploration and potential development of Jervois' projects; business and economic conditions in the mining industry generally; prices for commodities to be produced and changes in commodity prices; 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' 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.

Neither the TSXV nor its Regulation Services Provider (as that term is defined in the policies of the TSXV) accepts responsibility for the adequacy or accuracy of this release.
