Jervois MINING LIMITED

IDAHO COBALT OPERATIONS — BFS SMP REFINERY ACQUISITION

29 September 2020



DISCLAIMER

Competent Persons

The information in this release that relates to metallurgy and metallurgical test work at ICO has been reviewed by Mr David Frost, FAusIMM, B. Met Eng.Mr Frost is a full time employee of DRA Global Limited. Mr Frost is a Fellow of the Australasian Institute of Mining and Metallurgy, he has sufficient experience with the style of processing response and type of deposit under consideration, and to the activities undertaken, to qualify as a competent person as defined in the 2012 edition of the "Australian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves" (The JORC Code). Mr Frost consents to the inclusion in this report of the contained technical information in the form and context as it appears.

The information in this report that relates to Ore Reserves underpinning the Production Target at ICO has been prepared by Mr Nick Yugo, P.Eng who is a consultant to the Company and who is a member of the Professional Engineers Ontario which is a Recognised Professional Organisation. Mr Yugo has sufficient experience which is relevant to the styles of mineralisation and types of deposits under consideration and to the activities being undertaken 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". Mr Yugo consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The technical content of this news release that relates to metallurgy and metallurgical test work at ICO has been reviewed and approved by David Frost, FAusIMM, B. Met Eng who is a full time employee of DRA Global Limited and a Qualified Person as defined by National Instrument 43-101.

The technical content of this news release that relates to Mineral Reserve at ICO has been reviewed and approved by Nick Yugo, P.Eng who is a consultant to the Company and each are a Qualified Person as defined by National Instrument 43-101.

The financial content of this news release that relates capital cost estimates for ICO has been reviewed and approved by Matthew Sletten, PE who is a full time employee of M3 Engineering and a Qualified Person as defined by National Instrument 43-101.

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ASX Announcements referred to in this Presentation

29 September 2020 "Jervois releases BFS for Idaho Cobalt Operations"

In accordance with listing rule 5.23.2, the company confirms it is not aware of any new information or data that materially affects the information included in the relevant market announcement referred to above and that in to apply and have not materially changed.



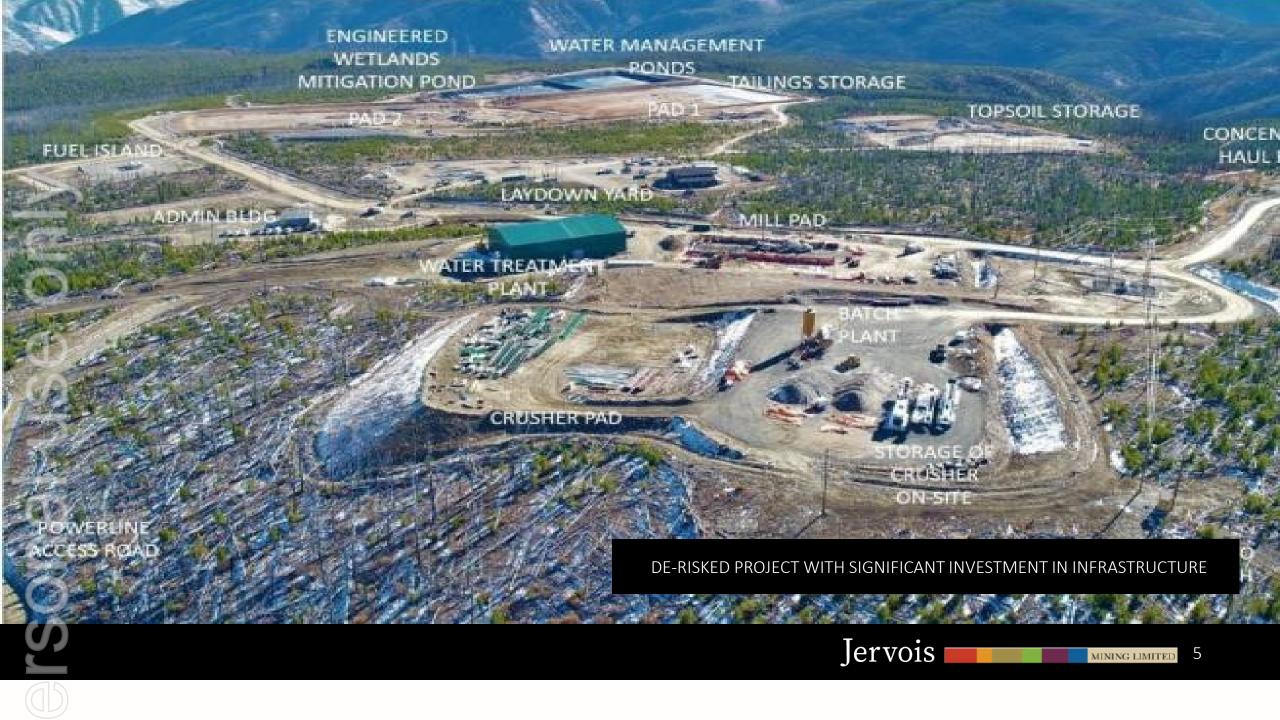
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ICO Bankable Feasibility Study ("BFS"): Team Composition

- BFS managed by DRA Global ("DRA") and M3 Engineering ("M3")
- Includes input from specializedNorth American contractors
- Prepared in accordance with JORC and NI 43-101
 - NI 43-101 Feasibility Study will be published on SEDAR

Consultant	Activity	
DRA (Toronto) / M3 (Phoenix, US) Main EPCM	 Overall Study Management Metallurgical Laboratory management Process Plant Design Infrastructure and Engineering Design Capital and Operating Costs related to these areas 	
Orix Consulting (Toronto)	Underground Ore resource model	
CSA Global (Toronto)	Underground Ore resource model audit	
Nick Yugo, M.Eng, P.Eng (Independent Consultant) (Vancouver)	 Mine Design methodology and Scheduling Capital and Operating Cost related to mine Mine rock waste schedule Underground paste scheduling and design 	
Small Mine Development (SMD) (Idaho)	Capital and operating cost for underground	
Paterson and Cooke (Toronto)	Paste fill pump and placement	
SGS (Lakefield), Grind Solutions (UK)	Metallurgical testwork	
KC Harvey (Denver)	Dry stack tailings design	
Wood Group (Denver)	Permits and License audit	
Ernst & Young (US)	United States (federal and Idaho) tax sign off	
KSSM Consulting Pty Limited (Perth)	Marketing	





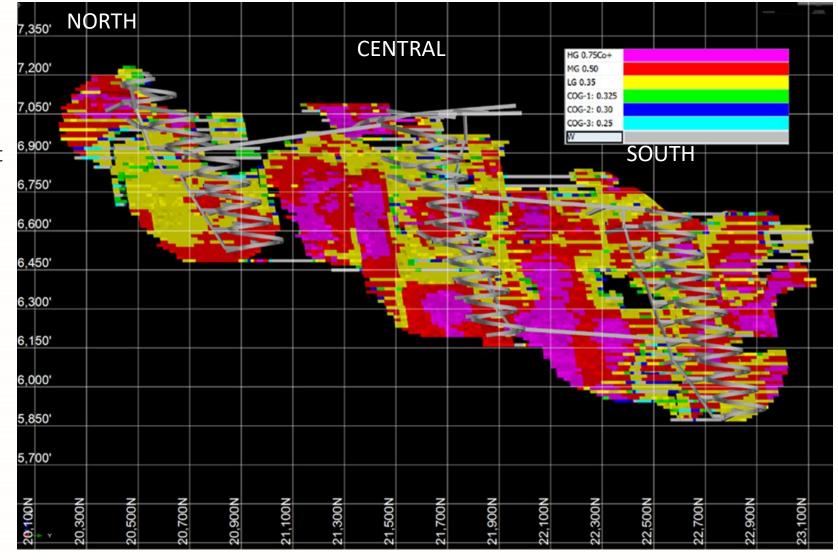
ICO BFS: High Level Design Criteria

- Design within existing permit
- 1,200 short tons per day (stpd)
- 365 Operation with Camp
 - Cut and Fill Mining Method
- Plant Design:
 - 0.70% Cu
 - 0.50% Co
 - Final JORC BFS / NI 43-101 FS on bulk concentrate
 - 10% Co, 15% Cu, 8.0 g/t Au
 - Paste backfilling, dry stack tailings
 - Maximize use of existing PPE



ICO BFS: Reserves

- 2.5M metric tonnes @ 0.55% Co,
 0.80% Cu, 0.64 g/t Au
 - 3 Ramps staged U/G development
 - Initial mine life of 7 years
 - Significant extension potential:
 - 40% Measured and Indicated
 Resource excl. from mine plan
 - 100% Inferred Resource excl.from mine plan
 - Impact of SMP Refinery excl.
 - Reserves updated at 0.24% Co equivalent





ICO BFS: Capital Expenditure (US\$)

	Item	US\$
	Site Development & Common Systems	1,846,152
	Material Handling	10,691,161
	Concentrating	4,775,925
	Tailings & Disposal	5,191,304
	Concentrate Dewatering	1,042,162
	Reagents	272,651
	Utilities	5,208,101
	Subtotal Direct Cost	29,027,455
	Freight	1,308,969
	Total Direct Cost	30,336,423
	Construction Mobilisation	966,995
20	EPCM	3,498,100
	Contractor Additions	1,912,580
	Contingency	4,158,014
	First Fills	250,000
	Owners Cost	5,620,511
	Owners Scope	6,862,965
(G(Q))	Miners Owners Cost	3,719,037
	Operational Readiness	1,358,180
	Total Contracted and Owners Cost	58,682,806
	Mining Capital Cost	19,719,877
	Total Capital Cost	78,402,683

- Low cost for infrastructure and site development as this has largely been completed
 - Existing infrastructure is appropriate for construction and operations
 - Significant reduction in capital risk
- Low equipment cost which includes provision to refurbish existing owned equipment
- Direct cost includes approximately US\$10M in Owner procured equipment and US\$20M in construction contracts
 - Ideal size for regional qualified contractors
 - Approximately 100,000 direct manhours
- Cost and manhours are appropriate to complete outdoor work in a single construction season

ICO: Site Design Flyby

Please <u>click here</u> to view the ICO Site Design Flyby





Projected BFS Economic Returns

NPV at an 8% (real) discount rate of US\$113.4 million on pre tax cash flows and US\$95.7 million on post tax cash flows

Nominal IRR's of 45.2% pre tax and 40.6% post tax

Average annual contained production of 1,915mt cobalt, 2,900mt copper and 6,700oz gold

At cobalt price of US\$25.00/lb, average projected annual EBITDA US\$54.8 million (real) at an operating (EBITDA) margin > 50%

Forecast life of mine cash costs of US\$7.45/lb payable cobalt on a post by-product basis

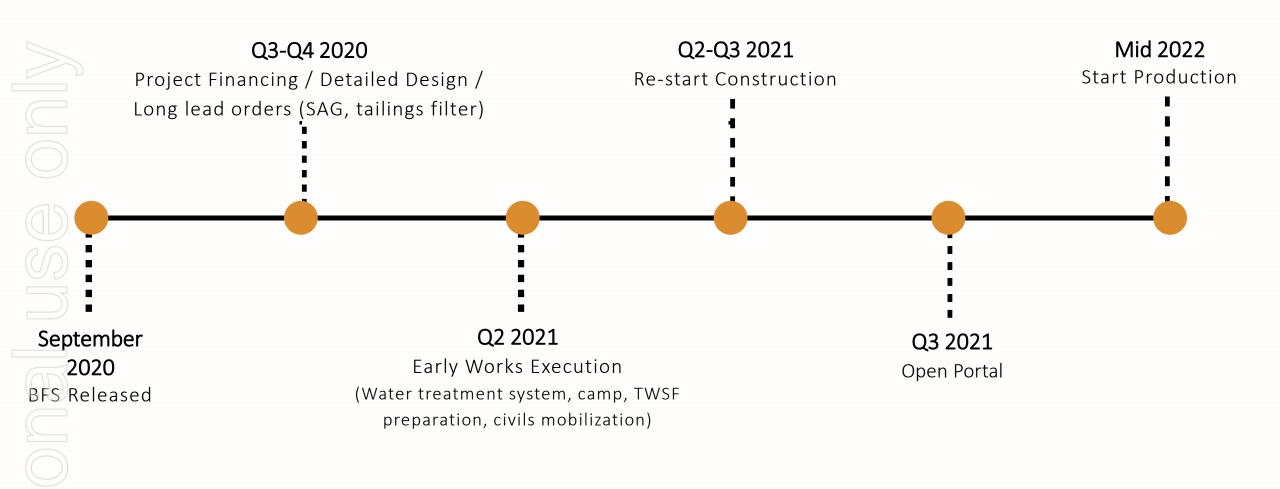
Assumes copper and gold prices of US\$3.00/lb and US\$1,750/oz respectively

Total project capital cost of US\$78.4 million

Post tax payback of all capital in 2.8 years from technical completion

Capital Expenditure (US\$M)	78.4
Operating Costs (post by-product) (US\$/st)	55.85
Operating Costs (post by-product) (US\$/lb payable Co)	7.45
EBITDA (US\$M real annual average)	54.8
Pre-tax NPV (8% real discount rate, US\$M)	113.4
Post-tax NPV (8% real discount rate, US\$M)	95.7
Pre-tax IRR (nominal, US inflation 2.5%, %)	45.2
Post-tax IRR (nominal, US inflation 2.5%, %)	40.6
Post-tax Payback (from technical comp, years)	2.8

ICO: Development Schedule





São Miguel Paulista ("SMP") – Transaction Highlights

Largest Class I refined nickel capacity in Latin America at 25ktpa; 2ktpa refined cobalt capacity Proven record under world-class stewardship over three decades, comprehensive C&M program

Well-maintained "turnkey" operation with modest restart capital requirements Low capex conversion of nickel capacity to cobalt – creating one of largest cobalt refineries globally

Potential to accelerate restart based on third party feed – cobalt hydroxide and MHP

Jervois to complement with own feed: initially from ICO (cobalt concentrate), later Nico Young (MHP) Leverages Jervois's refining (Murrin Murrin, Nikkelverk, Kwinana) and Ni/Co trading backgrounds

Brazilian advisory team

– local management to
be complemented by
Jervois executives



São Miguel Paulista ("SMP") Nickel-Cobalt ("Ni-Co") Refinery

- Electrolytic nickel-cobalt refinery in the city of São Paulo (120km to Santos port)
 - 100% owned by CBA, a subsidiary of Votorantim, a Brazilian investment group
 - 25ktpa Ni and 2ktpa Co capacity
 - Commissioned in 1981, long and successful operating history
 - Placed on care and maintenance in 2016 due to closure of Niquelandia feed supply
 - In addition to Niquelandia, historically 20-30% feed from third parties: cobalt hydroxide and mixed hydroxide (MHP)
- High recoveries: 99% Ni, 96% Co
- Established 'Tocantins' Ni and Co brands



Transaction Structure – Payment Tranches

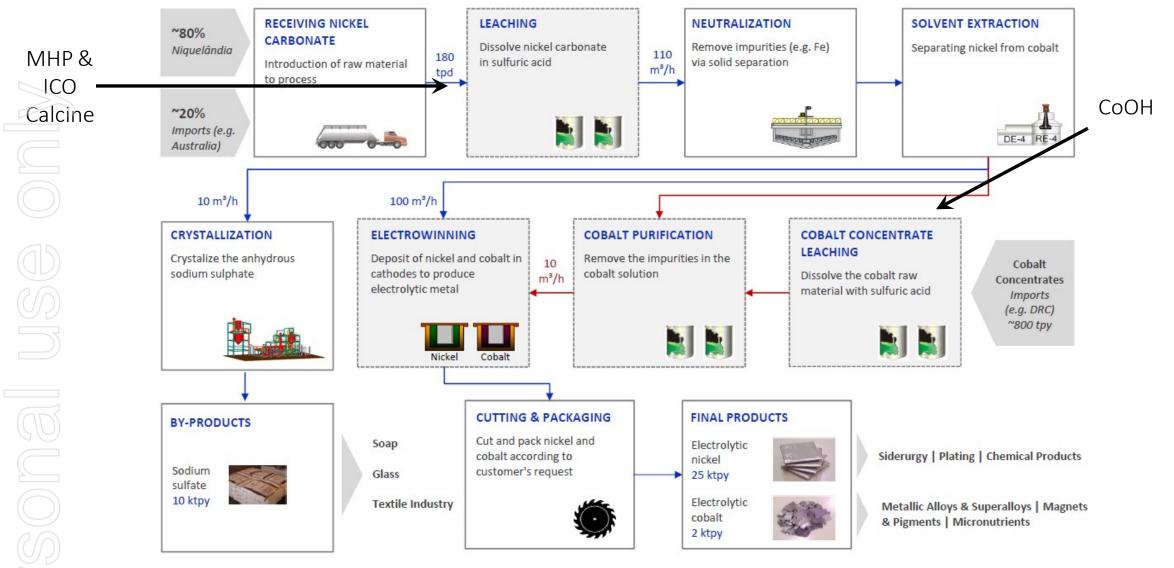
- Jervois to acquire 100% ownership in SMP Refinery on Closing
- Seller: Companhia Brasileira de Alumínio ("CBA", a subsidiary of Votorantim)
- \sim Consideration: R\$125.0 million cash (US\$22.5 million)¹ payable in conditional tranches:
 - 1. R\$15.0 million (US\$2.7 million)¹: payable by 30 December 2020 ("Deposit Payment")
 - 2. R\$47.5 million (US\$8.5 million)¹: on Closing
 - Upon satisfaction of condition precedents and expiration or waiver of Jervois's Early Termination Right
 - Jervois Early Termination Right exercisable up to 30 September 2021
 - If Jervois Early Termination Right exercised, only the Deposit Payment is retained by CBA
 - 3. R25.0 \text{ million } (US$4.5 \text{ million})^1$: on earlier of:
 - SMP Refinery meeting production thresholds (average 125mt/month refined Ni/Co for trailing 6 months); or
 - 30 June 2023
 - 4. R\$37.5 million (US\$6.75 million)¹: on 30 June 2023

Transaction Structure – SMP Refinery Lease

- Upon payment of Deposit Payment, a Refinery Lease shall commence to allow Jervois to prepare a FS on refinery restart
- Refinery Lease shall continue until December 2021, whereupon Closing shall occur
 - Subject to regular conditions precedent including that all required operating permits have been obtained
 - From March 2021, Jervois to take over existing SMP care and maintenance costs
 - Via monthly lease payment of R\$1.5 million (US\$0.270 million)¹
 - Up to Closing, CBA will continue to manage the site; after Closing, 100% ownership shall transfer to Jervois

SMP Refinery – Flowsheet

Process modifications due to previous expansions —



→ Nickel Flow

Cobalt Flow

SMP Refinery – Jervois Production Scenarios

- Jervois assessed three alternative SMP restart scenarios during its due diligence:
 - 1. <u>Idaho Cobalt Operations ("ICO") concentrate only</u>: **2,000mtpa** refined cobalt
 - 2. ICO concentrate and cobalt hydroxide: 8,000mtpa refined cobalt
 - 3. ICO concentrate and MHP: 10,000mtpa refined nickel and 2,300mtpa refined cobalt
 - Preliminary capex estimates for the three scenarios ranged from R\$75 to R\$150 million (ca US\$13.5 US\$27.0 million)¹
 - ICO Roaster in Blackfoot, Idaho engineered to BFS level certainty US\$17.1 million capital Brazil to be investigated
 - ICO calcine fed directly into existing SMP atmospheric leach no significant modifications
 - No flowsheet changes for MHP or cobalt hydroxide SMP refinery historically processed these materials
- Negotiations with potential cobalt hydroxide and MHP suppliers are commencing
 - Feasibility Study ("FS") for refinery restart, based on chosen initial production route, to start in Q4 2020
 - Potential of additional third party sulphide concentrates or increasing nickel capacity to 20ktpa via POX
 - For ICO bulk concentrate, additional copper and gold recovery at SMP required captured in above capex

CONTACTS

Bryce Crocker
Chief Executive Officer
bcrocker@jervoismining.com.au
(T) +61 468 956 715

Michael Rodriguez EGM Technical Services mrodriguez@jervoismining.com.au (T) + 61 417 954 025

