



**ANNUAL INFORMATION FORM**  
**For Fiscal Year Ended June 30, 2020**

**September 30, 2020**

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## FORWARD LOOKING STATEMENTS

This annual information form (“AIF” or “Annual Information Form”) of Jervois Mining Limited. (“Jervois” or the “Company”) contains “forward-looking statements” or “forward-looking information” within the meaning of applicable Canadian securities legislation (collectively, “forward-looking statements”). Forward-looking statements are included to provide information about management’s current expectations and plans that allows investors and others to get a better understanding of the Company’s operating environment, business operations and financial performance and condition.

Forward-looking statements relate, but are not limited, to: results of the Idaho Cobalt Operations Feasibility Study; estimation of Mineral Resources and Mineral Reserves; magnitude or quality of mineral deposits; anticipated advancement of Idaho Cobalt Operations, Nico Young Project, Kilembe Area and Bujagali; future operations; future exploration prospects; the completion and timing of future development studies; future growth potential of the Company’s projects and future development plans; statements regarding planned exploration and development programs and expenditures; proposed exploration plans and expected results of exploration from the Company’s projects; Jervois’ ability to obtain licenses, permits and regulatory approvals required to implement expected future exploration plans; changes in commodity prices and exchange rates; currency and interest rate fluctuations; and impact of COVID-19 on the timing of exploration work and development studies. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objections, assumptions or future events or performance (often, but not always, identified by words or phrases such as “expects”, “is expected”, “anticipates”, “believes”, “plans”, “projects”, “estimates”, “assumes”, “intends”, “strategy”, “goals”, “objectives”, “potential”, “possible” or variations thereof or stating that certain actions, events, conditions or results “may”, “could”, “would”, “should”, “might” or “will” be taken, occur or be achieved (or the negative of any of these terms and similar expressions) are not statements of fact and may be forward-looking statements.

Forward-looking statements are necessarily based upon a number of factors and assumptions that, if untrue, could cause actual results, performance or achievements to be materially different from future results, performance or achievements expressed or implied by such statements. Forward-looking statements are based upon a number of estimates and assumptions that, while considered reasonable by the Company at this time, are inherently subject to significant business, economic and competitive uncertainties and contingencies that may cause the Company’s actual financial results, performance, or achievements to be materially different from those expressed or implied herein. Some of the material factors or assumptions used to develop forward-looking statements include, without limitation, the future price of cobalt and nickel, anticipated costs and the Company’s ability to fund its programs, the Company’s ability to carry on exploration and development activities, the timing and results of drilling programs, the discovery of additional Mineral Resources on the Company’s mineral properties, the timely receipt of required approvals and permits, including those approvals and permits required for successful project permitting, construction and operation of projects, the costs of operating and exploration expenditures, the Company’s ability to operate in a safe, efficient and effective manner, the Company’s ability to obtain financing as and when required and on reasonable terms; and the impact of COVID-19 and the resumption of business.

Forward-looking statements are subject to a variety of known and unknown risks, uncertainties and other factors that could cause actual events or results to differ from those expressed or implied. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Certain important factors that could cause actual results, performance or achievements to differ materially from those in the forward-looking statements include, among others: (i) access to additional capital; (ii) uncertainty and variations in the estimation of Mineral Resources; (iii) health, safety and environmental risks; (iv) success of exploration, development and operations activities; (v) delays in obtaining or failure to obtain governmental permits, or non-compliance with permits; (vi) delays in getting access from surface rights owners; (vii) the fluctuating price of cobalt and nickel; (viii) assessments by taxation authorities; (ix) uncertainties related to title to mineral properties; (x) the Company’s ability to identify, complete and successfully integrate acquisitions; (xi) volatility in the market price of Company’s securities; (xii) start-up risks; (xiii) general

operating risks; (xiv) dependence on third parties; (xv) changes in government regulation; (xvi) the effects of competition; (xvii) dependence on senior management; (xviii) impact of US, Canadian, Ugandan and Australian economic conditions; and (xix) fluctuations in currency exchange rates and interest rates.

This list is not exhaustive of the factors that may affect any of the Company's forward-looking statements. Although the Company believes its expectations are based upon reasonable assumptions and have attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. See the section entitled "*The Business – Risk Factors*" below for additional risk factors that could cause results to differ materially from forward-looking statements.

Investors are cautioned not to put undue reliance on forward-looking statements. The forward looking-statements contained herein are made as of the date of this Annual Information Form and, accordingly, are subject to change after such date. The Company disclaims any intent or obligation to update publicly or otherwise revise any forward-looking statements or the foregoing list of assumptions or factors, whether as a result of new information, future events or otherwise, except in accordance with applicable securities laws. Investors are urged to read the Company's filings with Canadian securities regulatory agencies, which can be viewed online under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com), and the Company's releases lodged with the Australian Securities Exchange ("**ASX**"), which can be viewed online under the Company's profile at <https://www.asx.com.au/>.

#### **Non-IFRS Measures and Other Financial Measures**

Alternative performance measures in this document such as "EBITDA" are furnished to provide additional information. These non-IFRS performance measures are included in this AIF because these statistics are commonly used in evaluating financial performance and used as key performance measures that management uses to monitor and assess performance of the Idaho Cobalt Operations, and to plan and assess the overall effectiveness and efficiency of mining operations. While the common definition of EBITDA is "Earnings Before Interest Expense, Taxes, Depreciation and Amortization" as used in the Idaho Cobalt Operations Feasibility Study below, EBITDA means revenue less mining, processing costs and haulage expenses. Performance measures such as EBITDA do not have a standard meaning within IFRS and, therefore, EBITDA used in this AIF may not be comparable to EBITDA presented by other companies. Performance measures such as EBITDA should not be considered in isolation as a substitute for measures of performance in accordance with IFRS.

### **INTRODUCTION**

#### **Currency and Other Information**

Unless otherwise indicated, all references to "\$" or "C\$" in this AIF are to Canadian dollars, all references to "A\$" in this AIF are to Australian dollars and all references to "US\$" or "USD\$" in this AIF are to U.S. dollars.

The following table reflects the low and high rates of exchange for one Australian dollar, expressed in Canadian dollars, during the periods noted, the rates of exchange at the end of such periods and the average rates of exchange during such periods, based on the Bank of Canada daily exchange rates.

A\$ : C\$	Years Ended June 30,		
	2020	2019	2018
Low for the period	\$0.8374	\$0.9132	\$0.9591
High for the period	\$0.9395	\$0.9790	\$1.0207
Rate at the end of the period	\$0.9382	\$0.9177	\$0.9733
Average	\$0.9004	\$0.9468	\$0.9843

On September 30, 2020, the Bank of Canada daily exchange rate was A\$1.00 - \$0.9539.

The following table reflects the low and high rates of exchange for one United States dollar, expressed in Canadian dollars, during the periods noted, the rates of exchange at the end of such periods and the average rates of exchange during such periods, based on the Bank of Canada daily exchange rates.

US\$ : C\$	Years Ended June 30,		
	2020	2019	2018
Low for the period	\$1.2970	\$1.2803	\$1.2128
High for the period	\$1.4496	\$1.3642	\$1.3310
Rate at the end of the period	\$1.3628	\$1.3087	\$1.3168
Average	\$1.3427	1.3237	\$1.2701

On September 30, 2020, the Bank of Canada daily exchange rate was US\$1.00 - \$1.3391.

## Financial Statements

This AIF should be read in conjunction with the Company's consolidation financial statements and management's discussion and analysis for the year ended June 30, 2020. The consolidation financial statements and management's discussion and analysis for the year ended June 30, 2020 are available on the Company's website at <https://jervoismining.com.au/> and under the Company's profile at [www.sedar.com](http://www.sedar.com). All financial statements are prepared in accordance with Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The consolidated financial statements comply with International Financial Reporting Standards (IFRSs) adopted by the International Accounting Standards Board (IASB). The financial statements are prepared in Australian dollars.

## Scientific and Technical Information

Unless otherwise indicated, the scientific and technical information contained in this AIF relating to the Company's projects has been reviewed and approved by Dean Besserer, P.Geol., who is the General Manager – Exploration for the Company and a "qualified person" as defined in National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("NI 43-101").

## Mineral Resource Estimates

The Ore Reserves and Mineral Resources for the Company's properties have been estimated in accordance with the JORC Code (as defined below) and reconciled with the Canadian Institute of Mining, Metallurgy and Petroleum Definition Standards for Mineral Resources and Mineral Reserves adopted by the CIM Council on May 10, 2014 (the "**CIM Definition Standards**").

## JORC Code

The following definitions are reproduced from the Australasian Joint Ore Reserves Committee 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (the "**JORC Code**"):

**“Mineral Resource”** means a concentration or occurrence of solid material of economic interest in or on the Earth’s crust in such form, grade or quality and quantity that there are reasonable prospects for eventual economic extraction. The location, quantity, grade or quality, continuity and other geological characteristics of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge, including sampling.

**“Inferred Mineral Resource”** means that part of a Mineral Resource for which quantity and grade or quality are estimated on the basis of limited geological evidence and sampling. Geological evidence is sufficient to imply but not verify geological and grade or quality continuity. An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource (as defined herein) and must not be converted to an Ore Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.

**“Indicated Mineral Resource”** means that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics are estimated with sufficient confidence to allow the application of Modifying Factors (as defined herein) as described below in sufficient detail to support mine planning and evaluation of the economic viability of the deposit. Geological evidence is derived from adequately detailed and reliable exploration, sampling and testing and is sufficient to assume geological and grade or quality continuity between points of observation. An Indicated Mineral Resource has a lower level of confidence than that applying to a Measured Mineral Resource (as defined herein) and may only be converted to a Probable Ore Reserve (as defined herein).

**“Measured Mineral Resource”** means that part of a Mineral Resource for which quantity, grade or quality, densities, shape, and physical characteristics are estimated with confidence sufficient to allow the application of Modifying Factors to support detailed mine planning and final evaluation of the economic viability of the deposit. Geological evidence is derived from detailed and reliable exploration, sampling and testing and is sufficient to confirm geological and grade or quality continuity between points of observation. A Measured Mineral Resource has a higher level of confidence than that applying to either an Indicated Mineral Resource or an Inferred Mineral Resource. It may be converted to a Proved Ore Reserve (as defined herein) or to a Probable Ore Reserve.

**“Ore Reserve”** means the economically mineable part of a Measured and/or Indicated Mineral Resource. It includes diluting materials and allowances for losses, which may occur when the material is mined or extracted and is defined by studies at pre-feasibility or feasibility level as appropriate that include application of Modifying Factors. Such studies demonstrate that, at the time of reporting, extraction could reasonably be justified. The reference point at which Ore Reserves are defined, usually the point where the ore is delivered to the processing plant, must be stated. It is important that, in all situations where the reference point is different, such as for a saleable product, a clarifying statement is included to ensure that the reader is fully informed as to what is being reported.

**“Probable Ore Reserve”** means the economically mineable part of an Indicated, and in some circumstances, a Measured Mineral Resource. The confidence in the Modifying Factors applying to a Probable Ore Reserve is lower than that applying to a Proved Ore Reserve.

**“Proved Ore Reserve”** means the economically mineable part of a Measured Mineral Resource. A Proved Mineral Ore Reserve implies a high degree of confidence in the Modifying Factors.

For the purposes of the JORC Code and CIM Definition Standards, “Modifying Factors” are considerations used to convert Mineral Resources to Mineral Reserves. These include, but are not restricted to, mining, processing, metallurgical, infrastructure, economic, marketing, legal, environmental, social and governmental factors.

There can be no assurance that those portions of such Mineral Resources will ultimately be converted into Ore Reserves. Mineral Resources are not Ore Reserves and do not have demonstrated economic viability.

## Cautionary note to US Shareholders Concerning Estimates of Mineral Reserves and Mineral Resources

This AIF uses the terms “Probable Ore Reserve”, “Measured Mineral Resource”, “Indicated Mineral Resource” and “Inferred Mineral Resource”. United States Shareholders are advised that while such terms are recognized and required by Canadian and Australian standards or regulations, the Securities Exchange Commission (“**SEC**”) does not recognize them. In particular, and without limiting the generality of this cautionary note, the term “Mineral Resource” does not equate to the term “Ore Reserve”. This AIF also uses the terms “Probable Ore Reserves” and “Proved Ore Reserves” as such terms are used under NI 43-101, CIM Definition Standards and the JORC Code, which standards differ from the standards that apply under SEC Industry Guide 7. Under United States standards, mineralization may not be classified as an “Ore Reserve” unless the determination has been made that the mineralization could be economically and legally produced or extracted at the time the reserve determination is made. As such, certain information contained in this AIF concerning descriptions of mineralization and resources and reserves under NI 43-101, CIM Definition Standards and the JORC Code are not comparable to disclosures made by United States reporting companies. “Inferred Mineral Resources” have a great amount of uncertainty as to their existence, and as to their economic and legal feasibility. It cannot be assumed that all or any part of a Probable Ore Reserve, Measured Mineral Resource, Indicated Mineral Resource or an Inferred Mineral Resource will ever be upgraded to a higher category. Under Canadian and Australian rules, estimates of Inferred Mineral Resources may not form the basis of feasibility or other economic studies. United States Shareholders are cautioned not to assume that all or any part of Measured, Indicated or Inferred Mineral Resources will ever be converted into Ore Reserves. United States shareholders are also cautioned not to assume that all or any part of an Inferred Mineral Resource exists, or is economically or legally mineable.

## CORPORATE STRUCTURE

### Name, Address and Incorporation

Jervois Mining Limited was incorporated under the laws of Australia on October 25, 1962 as a Nil Liability Company. On October 3, 2002 Jervois converted to a public company limited by shares. Jervois was listed on the ASX on December 1, 1980. On December 10, 2012, Jervois completed a 100 to 1 share consolidation of its issued capital as at that date. Jervois is governed by the *Corporations Act 2001* (Cth) (Australia) (the “**Corporations Act**”).

Jervois’ head office and registered office is located at Suite 508, 737 Burwood Road, Hawthorn East, Victoria, 3123, Australia.

Jervois’ ordinary shares (the “**Shares**”) were listed on the TSX Venture Exchange (“**TSXV**”) on June 21, 2019. The Company’s Shares trade on the ASX and TSXV under the symbol “JRV” and on the OTCQB Venture under the symbol “JRVMF”.

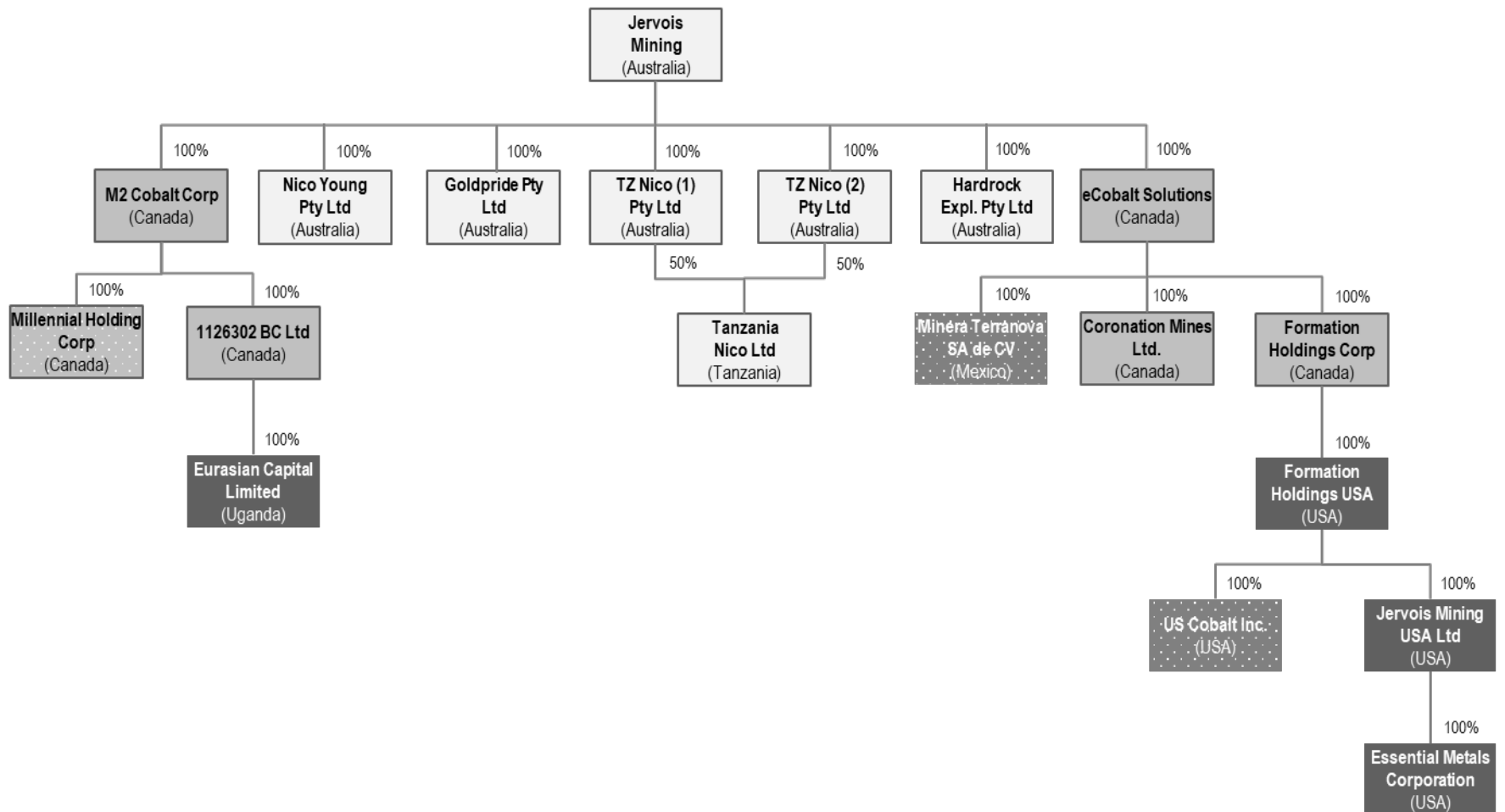
Unless otherwise noted or inconsistent with the context, references to Jervois or the Company in this AIF are references to Jervois Mining Limited and its subsidiaries.

### Intercorporate Relationships

The following diagram illustrates the intercorporate relationships among Jervois and its subsidiaries, as well as the jurisdiction of incorporation, continuation, formation or organization of each entity.



## Jervois Corporate Structure



## GENERAL DEVELOPMENT OF THE BUSINESS

### Overview

Jervois is a mineral exploration and development company. In late 2017, Jervois completed a Board and management transformation, with a new focus on the growing battery metals market. Cobalt and nickel form critical components of the cathodes in lithium ion batteries, which are seeing increased demand as the market for electric vehicles ("**EVs**") continues to grow. Jervois has plans to construct and operate a portfolio of mines and processing facilities to take advantage of this market, aiming to supply high quality cobalt and nickel for use in EV batteries.

### Three Year History

Over the last three years, the strategic focus of Jervois has transitioned toward an exclusive focus on battery materials. Jervois is specifically focused upon EV battery cathode raw materials (nickel and cobalt are required in most commercially established battery chemistries), charging infrastructure and EV materials (copper).

This move commenced with a transitional Board of directors of the Company (the "**Board**") being appointed in November 2016. This transitional Board undertook a review of the assets of Jervois and a search for appropriate new management to take Jervois forward. The new Board and management team, led by Bryce Crocker, were appointed in October 2017.

The primary focus of the Company is now the advancement of its Idaho Cobalt Operations. The Company also owns the Nico Young Project, Kilembe Project and Bujagali Project.

### 2017 – 2018

On September 25, 2017, the Company announced the appointment effective October 1, 2017 of Mr. Bryce Crocker as Chief Executive Officer and to the Board.

On September 28, 2017, the Company announced the appointment of Mr. Brian Kennedy and Mr. (Miguel) Michael Rodriguez to the Board as Non-Executive Directors.

On November 20, 2017, the Company announced a re-assessment of the Company's Young Nickel-Cobalt project in New South Wales, Australia ("**Nico Young Project**"). The re-assessment included an updated Mineral Resource estimate.

On December 6, 2017, the Company announced the closing of a private placement led by BW Equities and Foster Stockbroking, acting as joint lead managers, of 22,654,692 Shares at a price of A\$0.56 per Share for gross proceeds of A\$12,686,627.52.

On January 23, 2018, the Company announced that it had appointed Mineral Royalties Online to undertake a sale process for the Company's royalty portfolio.

On March 26, 2018, the Company announced that Mr. John Byrne resigned as Non-Executive Chairman and Director of the Company. Mr. Bryce Crocker was appointed the interim Executive Chairman.

On May 7, 2018, the Company announced that it had agreed to sell its Flemington project 1.5% gross revenue royalty and Nyngan 1.7% gross revenue royalty to Cobalt 27 Capital Corp. ("**Cobalt 27**") for US\$4,500,000, comprised of US\$1,500,000 in cash and US\$3,000,000 of common shares of Cobalt

27. Jervois maintained its right to receive the final A\$4,000,000 option payment from Australian Mines Limited ("**Australian Mines**") on the Flemington project, due in Q4 2018. The Company also retained its royalty interest on the Bullabulling, Forest Reefs and Mt Moss projects.

On June 14, 2018, the Company announced the appointment of Mr. David Selfe as Group Manager – Geology.

On June 19, 2018, the Company announced the appointment of Mr. Peter Johnston as Non-Executive Chairman and Director of the Company.

## **2018 – 2019**

On July 30, 2018, the Company announced that it had acquired approximately 4.54% of the outstanding common shares of eCobalt Solutions Inc. ("**eCobalt**"). eCobalt owns 100% of the Idaho Cobalt Operations, an advanced primary cobalt development project located in Lemhi Country Idaho, United States.

On August 20, 2018, the Company announced that it had submitted an application for a prospecting license over the Kabanga nickel-cobalt deposit in the Kagera region of Tanzania.

On August 27, 2018, the Company announced that Australian Mines elected to exercise its purchase option over the Flemington project. In connection with the exercise, A\$600,000 of the remaining A\$4,000,000 was payable immediately with the remaining A\$3,400,000 due on closing.

On December 6, 2018, the Company announced confirmation that the Department of Planning & Environment, Division of Resources and Geoscience in New South Wales had approved the transfer of the Flemington project exploration licenses to Australian Mines and that Jervois would receive the final A\$3,400,000. The Company also announced that the sale of the Flemington project to Australian Mines created a 1.5% gross revenue royalty to Jervois, which the Company previously agreed to sell to Cobalt 27. The Company anticipated that Cobalt 27 royalty sale would close in calendar 2018.

On January 22, 2019, the Company announced that it had entered into an arrangement agreement with M2 Cobalt Corp. ("**M2 Cobalt**") pursuant to which the companies would merge in an at-the-market transaction by way of plan of arrangement under the *Business Corporations Act* (British Columbia) (the "**BCBCA**"), whereby Jervois would acquire all of the issued and outstanding common shares of M2 Cobalt (the "**M2 Cobalt Acquisition**"). In connection with the proposed M2 Cobalt Acquisition, Jervois will acquire control of the Ugandan exploration assets held by M2 Cobalt including M2 Cobalt's Kilembe-area properties and the Bujagali project. The Company would also seek a listing on the TSXV.

On March 18, 2019, the Company announced the appointment of Mr. Michael Rodriguez as Executive General Manager – Technical Services. In conjunction with Mr. Rodriguez's appointment, Mr. Rodriguez resigned from the Board.

On April 1, 2019, the Company announced the sale of its remaining royalties, including the Bullabulling gold royalty, to Franco-Nevada Corporation ("**Franco-Nevada**") for A\$3,600,000.

On April 2, 2019, the Company announced that it had entered into an arrangement agreement with eCobalt pursuant to which the companies would combine by way of plan of arrangement under the BCBCA, whereby Jervois would acquire all of the issued and outstanding common shares of eCobalt that it did not already own (the "**eCobalt Acquisition**"). In connection with the proposed eCobalt Acquisition, Jervois will acquire control of the Idaho Cobalt Operations.

On April 4, 2019, the Company announced that it would seek approval to list the Shares on the United States OTCQX market.

On May 24, 2019, the Company announced the results of a preliminary economic assessment (the “**Nico Young Project PEA**”) for the Nico Young Project. A technical report titled, “Nico Young Project PEA Young, NSW, Australia National Instrument 43-101 Technical Report – Preliminary Economic Analysis” with an effective date of April 5, 2019 (the “**Nico Young Technical Report**”) was subsequently filed on SEDAR under the company’s profile at [www.sedar.com](http://www.sedar.com). The Nico Young Project PEA envisages heap leaching and refining through an integrated processing facility to produce battery grade nickel sulfate and cobalt in refined sulphide.

On May 30, 2019, the Company announced the appointment of Mr. Kenneth Klassen as General Counsel / Executive General Manager – Legal.

On June 19, 2019, the Company announced that the M2 Cobalt Acquisition closed. The Company announced that its Shares would commence trading on the TSXV on June 21, 2019 under the symbol “JRV”. The Company also announced the appointment of Mr. Simon Clarke as Non-Executive Director of the Company.

On June 28, 2019, the Company announced a private placement of 82,500,000 Shares at a price of A\$0.20 per Share for gross proceeds of A\$16,500,000. The private placement is conditional on completion of the eCobalt Acquisition.

#### **2019 – 2020**

On July 18, 2019, the Company announced it had obtained shareholder approval to issue Shares of the shareholders of eCobalt in connection with the eCobalt Acquisition.

On July 24, 2019, the Company announced that the eCobalt Acquisition closed. The Company announced the appointment of Mr. Michael Callahan and Mr. Scott Hean as Non-Executive Directors of the Company. The Company also announced that Mr. Simon Clarke had resigned from the Board of the Company to be Executive General Manager – Corporate Affairs.

On July 25, 2019, the Company announced that it had closed its previously announced private placement of 82,500,000 Shares at a price of A\$0.20 per Share for gross proceeds of A\$16,500,000.

On July 31, 2019, the Company announced that following the M2 Cobalt Acquisition, Ms. Jennifer Hinton and Mr. Thomas Lamb had been appointed as Ugandan Country Head and Ugandan Operations Manager, respectively.

On August 16, 2019, the Company announced the appointment of Mr. Dean Besserer, P.Geol. as General Manager – Exploration.

On August 26, 2019, the Company announced that its Shares commenced trading on the OTCQB Venture Market in the United States under the symbol “JRVMF”. The Company further announced that in addition to its listing on the ASX and the TSXV, the Company’s Shares would also trade on the Frankfurt Exchange under the symbol “IHS”.

On September 2, 2019, the Company announced that Zijin Mining had refused to consent to its previously announced sale of its remaining royalties to Franco-Nevada and as a result the sale agreement with Franco-Nevada expired without the sale closing. Zijin Mining’s subsidiary is the owner of the underlying deposit to the Bullabulling gold royalty.

On October 17, 2019, the Company announced that it had completed the sale of the Bullabulling gold royalty for A\$3,100,000 to a subsidiary of Zijin Mining.

On January 22, 2020, the Company announced an updated Mineral Resource estimate for its Idaho Cobalt Operations. See "*The Business – Idaho Cobalt Operations*" below for further information on the Idaho Cobalt Operations Mineral Resource estimate.

On April 1, 2020, the Company announced the appointment of Mr. Jess Birtcher as Finance Manager at Idaho Cobalt Operations.

On June 4, 2020, the Company announced the appointment of Mr. Jess Birtcher as Acting Chief Financial Officer of the Company.

### **Subsequent Events**

On August 5, 2020, the Company announced the appointment of Ernst & Young as the auditor of the Company, replacing BDO East Coast Partnership.

On September 29, 2020, the Company announced the results of a "Bankable Feasibility Study" (the "**Idaho Cobalt Operations Feasibility Study**") from its Idaho Cobalt Operations. See "*The Business – Idaho Cobalt Operations*" below for further information on the results of the BFS.

On September 29, 2020, the Company announced that it had entered into an agreement to acquire 100% of the São Miguel Paulista nickel and cobalt refinery in São Paulo, Brazil from Companhia Brasileira de Alumínio, a wholly-owned subsidiary of Votorantim SA.

### **Trends and Outlook**

Jervois continuously assesses opportunities to grow its battery raw material portfolio. Jervois cannot predict whether any current or future opportunities will result in one or more acquisitions. In addition, Jervois may, in the future, complete financings of equity or debt (which may be convertible into equity) for purposes that may include the financing of further acquisitions and supporting capital and exploration expenditure at Jervois' operating sites.

The Company continues to advance its mineral properties. The ongoing progress of Jervois' operations, however, was partially disrupted by restrictions relating to the COVID-19 outbreak. Employee safety is a priority and the Company postponed exploration drilling at its Ugandan properties as maintaining care and maintenance at its Idaho Cobalt Operations. Site visits in connection with Idaho Cobalt Operations Feasibility Study were also postponed. Company personnel nonetheless continued to work remotely to the extent feasible, and restrictions in Idaho have largely since lifted. The Company will work at providing a work plan that puts the safety of employees first and, at the same time, still maintains a viable effort on the ground through added safety measures and protocols.

On June 26, 2020, the Board approved mobilization of a drill crew to the Kilembe Project to test a target with high-grade copper-gold rock chip samples and a coincidental gold in soil anomaly. The planned drilling is concentrated on an interpreted structural feature defined from ground magnetics conducted earlier in 2020, which is coincident with high-grade surface rock chip and soil samples acquired in late 2019 and early 2020. The commencement of mobilization was announced on August 14, 2020 following approval from the Ugandan National Environment Management Authority.

The Company continues to engage potential customers and strategic partners for the Nico Young Project, primarily focused around the award of partial off-take in exchange for funding to complete further drilling and a feasibility study. As with the Company's Idaho Cobalt Operations, these discussions have been impacted by travel restrictions arising from COVID-19.

The Company continues to advance discussions with project finance parties with respect to its Idaho Cobalt Operations. These discussions are primarily with commercial lenders and the Company is targeting an end Q4 2020 deadline to complete these negotiations. The Company is also continuing

its discussions with the United States government in relation to its Idaho Cobalt Operations in the context of cobalt being identified as a critical mineral by the US government.

In connection with the Company's Idaho Cobalt Operations and provided the Company is able to secure the required financing, the Company intends to place long lead item orders for equipment and complete detailed design in Q4 2020 and Q1 2021 ahead of the construction season in Idaho, which typically commences in Q2. Early works and initial construction will be undertaken and it is anticipated that the underground portal will begin in Q3, 2021 and ultimately commencement of commercial operations in mid 2022.

### **Significant Acquisitions**

During the most recently completed financial year, the Company completed the eCobalt Acquisition, on July 24, 2019. The eCobalt Acquisition was completed by way of plan of arrangement under the BCBCA, whereby Jervois acquired all of the issued and outstanding common shares of eCobalt that it did not already own. In connection with the eCobalt Acquisition, Jervois acquired control of the Idaho Cobalt Operations. The Company filed a business acquisition report on Form 51-102F4 with respect to the eCobalt Acquisition on August 30, 2019.

## **THE BUSINESS**

### **General Overview**

The primary focus of the Company is the advancement of its Idaho Cobalt Operations. The Company also owns the Nico Young Project, Kilembe Project and Bujagali Project.

The Company owns no producing properties and, consequently, has no current operating income or cash flow from the properties it holds, nor has it had any income from operations in the past three financial years. As a consequence, operations of the Company are primarily funded by equity financings.

### **Idaho Cobalt Operations**

Idaho Cobalt Operations is the Company's flagship primary cobalt deposit located in Lemhi Country Idaho, United States. Over the course of the last twenty years, approximately US\$100 million has been invested in developing the mine. The project is fully environmentally permitted up to 1,200 stpd ore processing capacity.

On January 22, 2020, the Company announced an updated Mineral Resource estimate for Idaho Cobalt Operations using a 0.15% Co cut-off. The updated Mineral Resource estimate increases the Mineral Resource tonnage available for Mineral Reserve conversion by over 20% and also increased the Measured Mineral Resource contained cobalt by 22%.

**Table 1: 2020 Mineral Resource Estimate – Imperial and Metric<sup>(3)(4)</sup>**

Category	Resource (M Tons)	Resource (M tonnes)	Co (%)	Co (M lbs)	Cu (%)	Cu (M lbs)	Au (oz/Ton)	Au (g/tonne)	Au (oz)
Measured <sup>(1)</sup>	2.92	2.65	0.45	26.2	0.59	34.4	0.013	0.45	38,000
Indicated <sup>(1)</sup>	2.85	2.59	0.42	23.8	0.80	45.7	0.018	0.62	51,000
M+I	5.77	5.24	0.44	50.1	0.69	80.1	0.015	0.53	89,000
Inferred <sup>(2)</sup>	1.73	1.57	0.35	12.0	0.44	15.2	0.013	0.45	23,000

1. Mineral Resources are not Mineral Reserves and by definition do not have demonstrated economic viability. The Mineral Resources above were estimated using the CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council (2014).
2. This Mineral Resource estimate includes Inferred Mineral Resources that are normally considered too speculative geologically to have economic considerations applied to them and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of the Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.
3. The Cobalt cut-off grade for inclusion in the Mineral Resource is 0.15%, no consideration of copper or gold content was used in determination of cut-off grade.
4. Contained metal values and totals may differ due to rounding of figures.
5. The Mineral Resource estimate was prepared by Scott Zelligan, P.Geo., who is an independent resource geologist and qualified person under NI 43-101.
6. The effective date of this Mineral Resource estimate is January 20, 2020.
7. The Mineral Resource estimate was based on the results of 111 drill holes completed at the Ram Property.
8. The model was dominated using newly modelled constraining wireframes. These were prepared based on a new compilation of all available data and a thorough review of the geological interpretation, including new structural modelling. This included 9 "zone" wireframes as well as multiple offsetting "fault surface" wireframes.
9. The block model used to estimate the Mineral Resource estimate has a block size of 12 ft x 12 ft x 4 ft and was rotated -14° around the Z-axis and -58° around the Y-axis. These parameters were chosen in order to better represent the deposit with regards to potential mining methods.
10. Drill hole data was composited to 2 ft lengths based on the statistical review of sample lengths.
11. In the main zone Co grades were capped at 4% and Cu grades were capped at 4%. In surrounding zones, Co grades were capped at 0.7% and Cu grades were capped at 2%.
12. Inverse-distance-squared was chosen as the estimation method after a thorough statistical and iterative review of different methods, as it reproduced the grade distribution of the input data best.
13. Maximum search distances in the main zone were 320 ft, and 240 ft in the surrounding zones. Three search passes were used in order to best honour the grade distribution of input data.
14. Mineral Resource categorization has been made in consideration of drill spacing, statistical continuity, deposit type, and consideration of the CIM definition standards.

On September 29, 2020, the Company announced the results of the Idaho Cobalt Operations Feasibility Study. The Company anticipates filing under the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com) the Idaho Cobalt Operations Feasibility Study within the prescribed 45-day timeline.

Key parameters of the Idaho Cobalt Operations Feasibility Study are set out below:

**Table 2 Key Idaho Cobalt Operations Feasibility Study Parameters**

Parameter	Input	Parameter	Result
Production rate	1,200 stpd ore 1,090 mtpd ore	NPV (@ 8% real post-tax) <sup>1</sup>	US\$95.7 million
Mine life	7 years	IRR (nom. post-tax) <sup>1</sup>	40.6%
Capital cost <sup>1</sup>	US\$78.4 million	EBITDA <sup>2,5</sup>	US\$54.8 million per annum
Operating cost <sup>2</sup>	US\$7.45/lb payable Co (post credits)	EBITDA margin <sup>2</sup>	52%
Cobalt price <sup>3</sup>	US\$25.00/lb	Cobalt in conc. (contained) <sup>2</sup>	1,915 metric tonnes per annum
Copper price <sup>4</sup>	US\$3.00/lb	Copper in conc. (contained) <sup>2</sup>	2,900 metric tonnes per annum
Gold price	US\$1,750/oz	Gold in conc. (contained) <sup>2</sup>	6,700 oz per annum

1. Based upon current Idaho Cobalt Operations Feasibility Study selling a bulk concentrate; capital is in real 2020 dollars and is in accordance with NI 43-101 requirements which must exclude potential cash collateralisation of environmental bonding, and only include actual cash environmental expenditure.
2. Average life of mine, in real 2020 dollars (as applicable, margin in percentage, unit cost in US\$ per lb).
3. Metal Bulletin Standard Grade ("SG") in real 2020 dollars.
4. LME Cash in real 2020 dollars.
5. EBITDA is a non-IRFS measure but is commonly used in evaluating financial performance. While the common definition of EBITDA is "Earnings Before Interest Expense, Taxes, Depreciation and Amortization" as used in the BFS, EBITDA means revenue less mining, processing costs and haulage expenses. EBITDA used in this AIF may not be comparable to EBITDA presented by other companies.

The Idaho Cobalt Operations Feasibility Study is based on extracting 2.5m metric tonnes of ore at an average grade of 0.55% Co, 0.80% Cu and 0.64 g/t Au. Initial mine life is anticipated to be 7 years, as the Company sought maximize initial operating margins, economics and IRR's. Once underground access has been established and drilling can occur more cost effectively than from surface and unconstrained by seasonality, Jervois has confidence that further Mineral Resources will be converted to Mineral Reserves (only 60% of the Measured and Indicated Mineral Resource has been included in the Mineral Reserves at this time, and none of the Inferred Mineral Resources). In addition to known mineralization, there exists significant potential for additional tonnes along strike and at depth.

The process route at Idaho Cobalt Operations is well defined and tested using standard existing technologies. Projected metallurgical recoveries to bulk concentrate once operations are ramped up and stabilized are 91.1% for Co, 95.5% for Cu and 84.9% for Au. Recoveries are dependent on the feed grades, feed grade ratios of Cu:Co, and targeted concentrate grade quality (with 10% Co being targeted).

Operating costs will be extremely competitive (US\$7.45/lb of payable Co after by-product credits), with the mine being the first and only United States supplier of ethically sourced Co units into the North American market.

Scott Zelligan, P.Geo., who is an independent resource geologist and qualified person under NI 43-101, verified the data disclosed in connection with the Idaho Cobalt Operations. Mr. Zelligan reviewed the drilling data and visited site in late 2019 to review and approve standard of procedures applied during the 2019 drill program. The historic drilling database was supplied by Jervois as a Microsoft Access database created by MDA in 2010. The database was reviewed, corrected, and completed by Orix Geoscience prior to the start of the 2019 drilling campaign. The new compiled drillhole database exists as an excel sheet with multiple tabs. The new database was validated by Scott Zelligan prior to the Mineral Resource estimation. No adjustments to assay data were performed. Adjustments to the database included for the most part, corrections to discrepancies in lithology between detailed logs and quick logs, as well as adding missing drillholes from later campaigns



### **Nico Young Project**

The Nico Young Project is a mineral exploration area for nickel cobalt laterite located approximately 30 kilometers west-northwest of the town of Young in the State of New South Wales, Australia. The Nico Young Project comprises exploration licenses 5571, 5527 and 8698.

The Nico Young Project comprises three known soil covered nickel-cobalt laterite deposits: Ardnaree, East and West Thuddungra and have been periodically drill sampled since 1998. An initial Mineral Resource estimate for the Nico Young Project was originally estimated in September 2001. Since that time there have been multiple programs of air core, RC and diamond drilling within the nominal resource boundaries. These programs have produced metallurgical samples and provided infill data geological data. The most recent programs were in June 2017, February/March 2018 and July/August 2018.

The current Mineral Resource estimate for the Nico Young Project has an effective date of June 2018.

**Table 3: Ardnaree and Thuddungra Mineral Resource estimate as at June 2018 reported using a 0.5% Ni cut-off**

Resource category (JORC 2012)	Deposit	ROCK	Tonnes (Mt)	Ni (%)	Co (%)	Mg (%)	Fe (%)	Al (%)
Indicated	Ardnaree	2000	3.1	0.67	0.04	4.89	15.92	3.29
		3000	0.1	0.57	0.02	12.48	9.47	2.83
	<b>Total – Indicated</b>		<b>3.2</b>	<b>0.67</b>	<b>0.04</b>	<b>5.15</b>	<b>15.70</b>	<b>3.27</b>
Inferred	Ardnaree	2000	21.2	0.64	0.04	6.29	14.86	3.50
		3000	16.3	0.66	0.03	13.16	8.92	2.44
	Thuddungra	2000	34.0	0.63	0.07	3.41	22.20	5.23
		3000	18.7	0.62	0.03	12.89	9.77	2.12
	<b>Total – Inferred</b>		<b>90.1</b>	<b>0.63</b>	<b>0.05</b>	<b>7.82</b>	<b>15.50</b>	<b>3.68</b>

1. Small discrepancies may occur due to effects of rounding.
2. Mineral Resources are not Mineral Reserves and by definition do not have demonstrated economic viability.
3. This Mineral Resource estimate includes Inferred Mineral Resources that are normally considered too speculative geologically to have economic considerations applied to them and must not be converted to a Mineral Reserve.

On May 24, 2019, the Company announced the results of a preliminary economic assessment for the Nico Young Project. The Nico Young Technical Report was subsequently filed on SEDAR under the company's profile at [www.sedar.com](http://www.sedar.com). The Nico Young Project PEA envisages heap leaching and refining through an integrated processing facility to produce battery grade nickel sulfate and cobalt in refined sulphide.

### **Kilembe Project**

Jervois' Kilembe area properties comprise six exploration licenses totaling 708km<sup>2</sup> of highly prospective land in the Kasese and Bunyangabu Districts of Uganda, both bordering the Democratic Republic of Congo (the "**Kilembe Project**"). During 2018, an extensive exploration program was implemented at the Kilembe Project. This involved focused airborne geophysics within two of the exploration licenses. The surveys were conducted using the helicopter-borne VTEM B-Field and horizontal magnetic gradiometer. The surveys were flown at 100 metre spacing. VTEM was specifically chosen for its effectiveness at identifying buried exploration targets that possess a similar signature to the VMS style copper-cobalt deposits at the past producing Kilembe mine. Upon completion of the airborne surveys, exploration included target validation, mapping, rock chip sampling, soil sampling and drilling.

The soil sampling showed several coincidental geochemical anomalies for copper which were associated with high priority anomalies from the VTEM Survey. Exploration included mapping, rock chip sampling, soil sampling and drilling in 2018. During 2018, seven drill holes were completed at the Kilembe Project to test a series of high-priority conductors identified from the VTEM airborne survey as

well as a coincidental copper in soil anomaly. Whilst there were no significant assay intercepts the presence of base metal sulphides were detected. Specifically, sphalerite, galena (zinc and lead sulphides) and chalcopyrite in the core taken from the seven drill holes confirmed the potential to discover additional VMS deposits along strike of the historic Kilembe mine.

On June 26, 2020, the Board approved mobilization of a drill crew to the Kilembe Project to test a target with high-grade copper-gold rock chip samples and a coincidental gold in soil anomaly with mobilization commencing on August 14, 2020. The planned drilling is concentrated on an interpreted structural feature defined from ground magnetics conducted earlier in 2020, which is coincident with high-grade surface rock chip and soil samples acquired in late 2019 and early 2020.

A technical report for the Kilembe Project and Bujagali Project titled “Technical Report for the Bujagali and Kilembe Area Properties, Republic of Uganda” prepared for M2 Cobalt and dated March 31, 2019 (the “**Kilembe and Bujagali Technical Report**”), is available under the Company’s SEDAR profile at [www.sedar.com](http://www.sedar.com).

### ***Bujagali Project***

The Bujagali project comprises six exploration licenses totaling 1705.8km<sup>2</sup> in South-Central Uganda (the “**Bujagali Project**”). Historically, the area comprising the Bujagali Project has seen significant artisanal gold mining. Geochemistry, geophysics and geology indicate strong potential for polymetallic mineralization, bearing similarities to a number of Democratic Republic of Congo cobalt deposits.

Jervois’ work programs have confirmed two styles of mineralization across the Bujagali Project licenses—a number of large sediment hosted cobalt/copper anomalies with significant similarities to Katanga mineralization in the Democratic Republic of Congo and nickel, copper, cobalt ultramafic targets.

During 2018, an extensive exploration program was implemented at the Bujagali Project. This involved widespread ground geophysics and geochemistry, a focused VTEM program, induced polarization, trenching and an initial exploration drill program of approximately 970 metres. In addition, 12,116 soil samples and 1,347 rock chip samples were collected across the Bujagali Project and multiple large-scale anomalies were discovered including rock samples of 1.75% cobalt, 1.2% copper and 0.51% nickel.

To date, in 2019, Jervois has collected rock samples, soil samples and drilled 28 diamond drill holes. This program has further expanded the regional “Katanga style” geochemical anomaly discovered in 2018. Rock samples contain 0.1 to 2.5% cobalt and rock samples contain from 0.1 to 1.82% copper. In addition, nine samples containing from 0.43 to 1.64 grams per tonne gold. All of the anomalous rock grab samples are coincident with regional Katanga style geochemical anomalies. Drilling has intercepted cobalt mineralization up to 2 metres at 0.24% cobalt from 78.9 metres downhole.

An extensive ground exploration program at the Bujagali Project was undertaken with a focus on two large anomalies, “Waragi” and “Bombo”. The exploration program includes mapping, prospecting and soil and rock chip sampling, ground geophysics and further drilling. Overall, although target mineralization at the Bujagali Project was intercepted, it was not with the consistency of width nor grade necessary to support a potentially economic Mineral Resource and the Company is considering its next steps at the Bujagali Project. The Kilembe and Bujagali Technical Report is available under the Company’s SEDAR profile at [www.sedar.com](http://www.sedar.com).

### **Specialized Skills**

Jervois’ business requires specialized skills and knowledge in the areas of geology, drilling, planning, implementation of exploration programs, compliance, engineering, metallurgy, economic studies, project development and permitting. To date, Jervois has been able to locate and retain such

professionals in Canada, Australia, the United States and Uganda, and believes it will be able to continue to do so.

### **Competitive Conditions**

Jervois operates in a very competitive industry and competes with other companies, many of which have greater technical and financial facilities for the acquisition and development of mineral properties, as well as for the recruitment and retention of qualified employees and consultants.

### **Business Cycles**

The cobalt and nickel sectors are very volatile and cyclical. The financial markets for mining in general, and mineral exploration and development in particular, have been relatively weak in the last couple years. In addition to commodity price cycles and recessionary periods, exploration activity may also be affected by seasonal and irregular weather conditions in Idaho, US.

### **Environmental Protection Requirements**

Jervois' operations are subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations. A breach of such legislation may result in imposition of fines and penalties. Certain types of operations may also require the submission and approval of environmental impact assessments.

Environmental legislation is evolving in a manner that means stricter standards, and enforcement, fines and penalties for non-compliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies including its Directors, officers and employees.

The cost of compliance with changes in governmental regulations has the potential to reduce the profitability of operations.

### **Employees**

As of year end June 30, 2020, Jervois had 15 full-time employees.

### **Foreign Operations**

Mineral exploration and mining activities in the United States, Australia and Uganda may be affected in varying degrees by government regulations relating to the mining industry. Any changes in regulations or shifts in political conditions may adversely affect Jervois' business. Operations may be affected in varying degrees by government regulations with respect to restrictions on permitting, production, price controls, income taxes, expropriation of property, environmental legislation and mine safety.

### **Social and Environmental Policies**

Jervois recognises that its financial performance is intrinsically linked to its environmental, social and governance ("ESG") performance. As the Company evolves and grows, we have committed to continuous improvement including through the progressive integration of material ESG matters within our business and governance. Jervois has undertaken a review of its ESG regime during the financial year ended June 30, 2020 and is working towards implementing new policies and standards to ensure Jervois continues to act as a responsible corporate citizen in the multiple jurisdictions in which it operates.

An outcome of the review is a new Sustainability Policy adopted on August 21, 2020 which highlights our commitments to the environment, our employees, our communities and our investors. A copy of the Sustainability Policy is available on the Company's website at <https://jervoismining.com.au/>.

Integral to achieving the objectives of the Sustainability Policy, the Company is developing a "Sustainability Standard" that will be used internally at both the corporate and the project level. The "Sustainability Standard" will support tangible, measurable and continuous improvements in our sustainability performance while ensuring that we continue to proactively manage prevailing and emerging ESG risks and opportunities.

Within the ESG review, the Company has additionally adopted a new "Vision, Mission and Values" statement which is also available on the Company's website at <https://jervoismining.com.au/>.

## **Risk Factors**

The Company is subject to a number of risks and uncertainties due to the nature of its business. The Company's exploration activities expose it to various financial and operational risks that could have a significant impact on its level of operating cash flows in the future. Readers are advised to study and consider risk factors stressed below.

The following are identified as the main risk factors affecting the Company.

Natural resources exploration, development, production and processing involve a number of business risks, some of which are beyond the Company's control. These can be broadly categorized as environmental, operational, financial, regulatory and foreign country risks.

### *Idaho Cobalt Operations Feasibility Study*

Risks associated with mining, geology and process has been largely mitigated through the BFS and the 2019 drilling and testwork programs. Geological risk will always remain on grade, which is planned by the company to be further mitigated by infill drilling once underground access has been opened.

Key risks moving forward at ICO identified in the BFS are:

- Construction of environmental systems – environmental systems and early works includes completion of the portal bench, miners dry and mining infrastructure, commissioning of the water treatment plant and pump back systems. This work has to be completed before mining development can commence in October 2021 and is subject to seasonal construction and can only start in June 2021.
- Long lead procurement Schedule Risk – procurement of the SAG mill in Q4 2020 is on the Process Plant critical path. In order to complete EC&I installation during winter 2021 the mechanical installation and the milling building construction has to be completed by October 2021.
- Detail Design Schedule Risk – detail design is important in terms of the construction schedule for both environmental systems/infrastructure and Process Plant Construction.

Site Access and road usage – limiting road traffic and access to site is an environmental and safety risk which will be mitigated during construction by completing construction of the camp which will accommodate the bulk of construction and mining development resources/labour. Material and equipment deliveries will be managed/controlled through the Salmon warehouse to ensure deliveries to site are coordinated. *Coronavirus (COVID-19) and Global Health Crisis*

The COVID-19 global pandemic and efforts to contain it may have an impact on the Company's business. These may extend to local impacts at the operational level, international travel restrictions, together with the broader global economic fallout. The Company continues to monitor the situation and

the impact COVID-19 may have on the Company's mineral properties. Should the virus spread, travel bans remain in place or should one or more of the Company's executives become seriously ill, the Company's ability to advance its mineral properties may be impacted. Similarly, the Company's ability to obtain financing and the ability of the Company's vendors, suppliers, consultants and partners to meet obligations may be impacted as a result of COVID-19 and efforts to contain the virus.

### *Global Operating Footprint*

The Company has investments across Australia, the United States and Uganda. The integration and ongoing management of this portfolio imposes heightened risks related to the ongoing business prospects of Jervois, particularly in the context of COVID-19 travel restrictions.

### *Commodity Prices*

The Company is not currently a producing entity so is not directly exposed to fluctuations in commodity prices although these will affect equity market sentiment, the value of its securities and its ability to raise further capital on desired terms. As the Company transitions to become a producer this risk will become the most material factor affecting its financial results.

The development of the Company's properties is dependent on the future prices of cobalt and nickel. Once the Company's properties enter commercial production, the Company's profitability will be significantly affected by changes in the market prices of cobalt and nickel. Metal prices are subject to volatile price movements, which can be material and occur over short periods of time and which are affected by numerous factors, all of which are beyond the Company's control. Such factors include, but are not limited to, interest and exchange rates, inflation or deflation, fluctuations in the value of the U.S. dollar and foreign currencies, global and regional supply and demand, speculative trading, the costs of and levels of metal production, and political and economic conditions. Such external economic factors are in turn influenced by changes in international investment patterns, monetary systems, the strength of and confidence in the U.S. dollar (the currency in which the prices of metals are generally quoted) and political developments. The effect of these factors on the prices of precious metals, and therefore the economic viability of the Company's mineral properties, cannot be accurately determined. The prices of cobalt and nickel have historically fluctuated widely, and future price declines could cause the development of (and any future commercial production from) the Company's mineral properties to be impracticable or uneconomic. As such, the Company may determine that it is not economically feasible to commence commercial production, which could have a material adverse impact on the Company's financial performance and results of operations. In such a circumstance, the Company may also curtail or suspend some or all of its exploration activities.

### *Currency Fluctuations*

The Company's operations in the U.S. and Australia make it subject to foreign currency fluctuations and such fluctuations may materially affect the Company's financial position, operational results and cashflows. The Company typically raises equity in Australian dollars, reports its financial results in Australian dollars, however the majority of transactions are denominated in US dollars. The Company does not use an active hedging strategy to reduce the risk associated with currency fluctuations.

### *Credit Risk*

Credit risk is the risk of loss if a counterparty fails to meet their contractual obligations. Potential non-performance by Company suppliers, customers or financial counterparties is carefully assessed and managed. In relation to its cash balances and (when applicable) marketable securities, the Company manages credit risk by banking with leading global financial institutions.

### *Reliance on Management*

The success of the Company depends to a large extent upon its abilities to retain the services of its senior management and key personnel. The loss of the services of any of these persons could have a materially adverse effect on the Company's business and prospects. There is no assurance the Company can maintain the services of its Directors, officers or other qualified personnel required to operate its business.

### *Exploration and Development*

Resource exploration and development is a speculative business and involves a high degree of risk. There is no certainty that the expenditures to be made by Jervois in the exploration of its mineral properties or otherwise will result in discoveries of commercial quantities of minerals. The marketability of natural resources which may be acquired or discovered by Jervois will be affected by numerous factors beyond the control of Jervois. These factors include market fluctuations, the proximity and capacity of natural resource markets and processing equipment, government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in Jervois not receiving an adequate return on invested capital.

### *Financing Risks*

The Company will require financing in the future to continue in business and there can be no assurance that such financing will be available or, if available, that it will be on reasonable terms. If financing is obtained by issuing common shares, control of the Company may change and investors may suffer additional dilution. To the extent financing is not available, lease payments, work commitments, rental payments and option payments, if any, may not be satisfied and could result in a loss of property ownership or earning opportunities for the Company.

### *No History of Earnings*

Jervois has no history of earnings, and there is no assurance that the Company's mineral properties or any other property or business that Jervois may acquire or undertake will generate earnings, operate profitably or provide a return on investment in the future. Jervois has no capacity to pay dividends at this time and has no plans to pay dividends for the foreseeable future.

### *Negative Operating Cash Flow / Liquidity Risk*

The Company is an exploration and development company with opportunities to progress to an operating stage, however Jervois has not yet generated positive cash flow from operations. As a pre-revenue company Jervois is subject to liquidity risk. Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company is devoting significant resources to the development of its properties, however there can be no assurance that it will generate positive cash flow from operations in the future. The Company expects to continue to incur negative consolidated operating cash flow and losses until such time as it achieves commercial production at a particular project. Due to the lack of positive operating cashflow, Jervois manages liquidity risk by maintaining adequate cash reserves, by continuously monitoring actual and forecast cash flows, and matching the maturity profiles of financial assets and liabilities.

### *Environmental Risks and Other Regulatory Requirements*

The activities of the Company are subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation generally provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in

environmental pollution. A breach of such legislation may result in imposition of fines and penalties. In addition, certain types of operations, including any proposed development of the Company's mineral properties, will require the submission and approval of environmental impact assessments. Environmental legislation is evolving to stricter standards, and enforcement, fines and penalties for noncompliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and Directors, officers and employees. The cost of compliance with changes in governmental regulations has potential to reduce the profitability of operations.

Failure to comply with applicable environmental laws, regulations and permitting requirements may result in enforcement actions including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of such activities and may have civil or criminal fines or penalties imposed upon them for violation of applicable laws or regulations.

Amendments to current environmental laws, regulations and permits governing operations and activities of mining companies and mine reclamation and remediation activities, or more stringent implementation thereof, could have a material adverse impact on Jervois and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in the development of new mining properties.

#### *Influence of Third-Party Stakeholders*

The mineral properties in which Jervois holds an interest, or the exploration equipment and road or other means of access which Jervois intends to utilize in carrying out its work programs or general business mandates, may be subject to interests or claims by third party individuals, groups or companies. In the event that such third parties assert any claims, Jervois' work programs may be delayed even if such claims are not meritorious. Such claims may result in significant financial loss and loss of opportunity for Jervois.

#### *Insurance*

Exploration, development and production operations on mineral properties involve numerous risks, including unexpected or unusual geological operating conditions, ground or slope failures, fires, environmental occurrences and natural phenomena such as prolonged periods of inclement weather conditions, floods and earthquakes. It is not always possible to obtain insurance against all such risks and Jervois may decide not to insure against certain risks because of high premiums or other reasons. Such occurrences could result in damage to, or destruction of, mineral properties or production facilities, personal injury or death, environmental damage to Jervois' properties or the properties of others, delays in exploration, development or mining operations, monetary losses and possible legal liability. Jervois expects to maintain insurance within ranges of coverage which it believes to be consistent with industry practice for companies of a similar stage of development. Jervois expects to carry liability insurance with respect to its mineral exploration operations, but is not expected to cover any form of political risk insurance or certain forms of environmental liability insurance, since insurance against political risks and environmental risks (including liability for pollution) or other hazards resulting from exploration and development activities is prohibitively expensive. Should such liabilities arise, they could reduce or eliminate future profitability and result in increasing costs and a decline in the value of the securities of Jervois. If Jervois is unable to fully fund the cost of remedying an environmental problem, it might be required to suspend operations or enter costly interim compliance measures pending completion of a permanent remedy. The lack of, or insufficiency of, insurance coverage could adversely affect Jervois' future cash flow and overall profitability.

### *Significant Competition for Attractive Mineral Properties*

Significant and increasing competition exists for the limited number of mineral acquisition opportunities available. Jervois expects to selectively seek strategic acquisitions in the future, however, there can be no assurance that suitable acquisition opportunities will be identified. As a result of this competition, some of which is with large established mining companies with substantial capabilities and greater financial and technical resources than Jervois, Jervois may be unable to acquire additional attractive mineral properties on terms it considers acceptable. In addition, Jervois' ability to consummate and to integrate effectively any future acquisitions on terms that are favourable to Jervois may be limited by the number of attractive acquisition targets, internal demands on resources, competition from other mining companies and, to the extent necessary, Jervois' ability to obtain financing on satisfactory terms, if at all.

### *Community and Stakeholder Relations*

The Company's relationships with the community in which it operates are critical to ensure the future success of its existing operations and the construction and development of its project. The future success of Jervois is reliant on a healthy relationship with local communities in which the Company operates. While the Company is committed to operating in a socially responsible manner, there is no guarantee that its efforts will be successful, in which case interventions by third parties could have a material adverse effect on the Company's business, financial position and operations.

### *Share Price Fluctuations*

In recent years, capital markets have experienced a high level of price and volume volatility, and the market price of securities of many companies, particularly those considered exploration or development-stage companies such as the Company, have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur.

### *Jervois' Operations are Subject to Human Error*

Despite efforts to attract and retain qualified personnel, as well as the retention of qualified consultants, to manage Jervois' interests, and even when those efforts are successful, people are fallible and human error could result in significant uninsured losses to Jervois. These could include loss or forfeiture of mineral claims or other assets for non-payment of fees or taxes, significant tax liabilities in connection with any tax planning effort Jervois might undertake and legal claims for errors or mistakes by Jervois personnel.

### *Conflicts of Interest*

Certain Directors and officers of Jervois are, and may continue to be, involved in the mining and mineral exploration industry through their direct and indirect participation in corporations, partnerships or joint ventures which are potential competitors of Jervois. Situations may arise in connection with potential acquisitions in investments where the other interests of these Directors and officers may conflict with the interests of Jervois. Directors and officers of Jervois with conflicts of interest will be subject to the procedures set out in applicable corporate and securities legislation, regulation, rules and policies.

### *Geopolitical Risk*

The Company's projects are in United States, Australia and Uganda. Operating in these jurisdictions may expose the Company to a range of significant country specific risks including general economic, regulatory, legal, social and political conditions. Investing in emerging markets such as Uganda



involves greater risk than investing in more developed markets. These and other country specific risks may affect Company's ability wholly or in part to operate its businesses.

Certain of Jervois' projects and operations are located in Uganda, a developing country which has historically experienced periods of civil unrest and political and economic instability. As such the operations of Jervois may be exposed various level of political, economic and other risks and uncertainties. Although the political and economic climate in Uganda is currently stable, any negative changes in laws, government, regulations, economic conditions or political attitudes in Uganda are beyond the control of Jervois and may adversely affect its business. These risks and uncertainties include, but are not limited to, terrorism, hostage taking, military repression, crime, political instability, currency controls, extreme fluctuations in currency exchange rates, high rates of inflation, labour unrest, the risks of war or civil unrest, expropriation and nationalization, renegotiation or nullification of existing concessions, licenses, permits, approvals and contracts, illegal mining, changes in taxation and mining laws, regulations and policies, restrictions on foreign exchange and repatriation, and changing political conditions and governmental regulations relating to foreign investment and the mining business.

In Uganda, land titles systems are not developed to the extent found in many developed nations. Jervois believes that it has good title to its mineral properties in Uganda. Whilst rights to explore mineral properties are currently held validly, no assurance can be given that the Ugandan government will not revoke or significantly alter the conditions of the applicable licenses and that such licenses will not be challenged or impugned by third parties. There is no certainty that such rights or additional rights applied for will be granted or renewed on terms satisfactory to Jervois. There can be no assurance that claims by third parties against Jervois' properties will not be asserted at a future date.

#### *Calculation of Mineral Resources and Mineral Reserves*

There is a degree of uncertainty attributable to the calculation of Mineral Reserves, Resources and corresponding grades being mined or dedicated to future production. Until Mineral Reserves or Resources are actually mined and processed, the quantity of Mineral Reserves or Resources and grades must be considered as estimates only. In addition, the quantity of Mineral Reserves or Resources may vary depending on mineral prices. Any material change in the quantity of Mineral Reserves, Resources, grade or stripping ratio may affect the economic viability of Jervois' properties. In addition, there can be no assurance that mineral recoveries in small-scale laboratory tests will be duplicated in larger scale tests under on-site conditions or during production.

#### *Limitations on the Mineral Resource Estimates*

Estimating the quantity and quality of Mineral Resources is an inherently uncertain process and the Minerals Resources stated and any Mineral Resources or Reserves the Company states in the future are and will be estimates, and may not prove to be an accurate indication of the quantity of mineral that the Company has identified or that it will be able to extract.

The Mineral Resource estimates on the Idaho Cobalt Operations and Nico Young Project are estimates only. No assurance can be given that any particular level of recovery of minerals will in fact be realized or that identified Mineral Resources will ever qualify as a commercially mineable (or viable) deposit which can be legally and economically exploited. In addition, the grade of mineralization which may ultimately be mined may differ from that indicated by drilling results and such differences could be material. Production can be affected by such factors as permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. The estimated Mineral Resources on the Idaho Cobalt Operations and the Nico Young Project should not be interpreted as assurances of commercial viability or of the profitability of any future operations. Moreover, certain of the Mineral Resources are reported at an "Inferred" level. Inferred Mineral Resources have a substantial degree of uncertainty as to their existence, and economic and legal feasibility. Accordingly, there is no assurance that Inferred Mineral Resources reported herein will ever be upgraded to a higher category. Investors are cautioned not to assume that part or all of an Inferred Mineral Resource exists or is economically or legally mineable.

### *Project Assessment and Development Risk*

The Company has completed the Idaho Cobalt Operations Feasibility Study for its Idaho Cobalt Operations, the study has determined that the project is economically and technically viable. The project is environmentally permitted, and the company is still in the process of applying for final permits as needed and securing finance for the construction and commissioning of the project.

### *Capital Management*

With the completion of the Idaho Cobalt Operations Feasibility Study for its Idaho Cobalt Operations providing an encouraging outcome, the Company will be looking to advancing the development of this project with the aim of first production in 2022. To successfully deliver on the development on its Idaho Cobalt Operations and bring it into sustainable production, the Company will need to secure additional sources of funding.

If the Company is not successful in securing additional sources of funding, it still has the ability to fund reduced ongoing working capital requirements of the Company, through to September 30, 2021, meeting minimum expenditure requirements to maintain tenure on all projects within its global footprint, continued care and maintenance at its Idaho Cobalt Operations and corporate cost commitments.

The ability of the Company to fund the ongoing working capital requirements beyond September 30, 2021 is uncertain. Accordingly, a material uncertainty exists with respect to the ability of the Company to continue to operate as a going concern beyond September 30, 2021 and, therefore, whether it will be able to realize its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. There can be no assurance that the Company will be able to obtain or access additional funding when required, or that the terms associated with the funding will be acceptable to the Directors. If the Company is unable to obtain such additional funding, it may be required to reduce the scope of its operations, which could adversely affect its business, financial condition and operating results. Further details on the going concern matter are included in Note 2 to the Financial Statements.

### *Pre-existing Environmental Liabilities*

Pre-existing environmental liabilities may exist on the properties in which Jervois currently holds an interest or on properties that may be subsequently acquired by Jervois which are unknown to Jervois and which have been caused by previous or existing owners or operators of the properties. In such event, Jervois may be required to remediate these properties and the costs of remediation could be substantial. Further, in such circumstances, Jervois may not be able to claim indemnification or contribution from other parties. In the event Jervois was required to undertake and fund significant remediation work, such event could have a material adverse effect upon Jervois and the value of its securities.

### *Infrastructure and Logistics*

Jervois' business depends on adequate infrastructure, including reliable power sources, water supply, roads and other infrastructure. Water shortages, power outages, sabotage, community, government or other interference in the maintenance or provision of such infrastructure could adversely affect Jervois' business, financial condition and results of operations.

### *Project Delay*

Jervois has planned significant investment to complete construction in Idaho, USA. There are a number of risks inside and outside its control, such as availability of suitable financing, technical risk, infrastructure and logistics constraints, construction delays, cost overruns, insufficient labour skills or resources, delays in confirmatory permitting to move into construction then the commissioning and

operating phases, or any other regulatory matters. Once complete given the risks outlined previously, there is no guarantee the results of such work on its Idaho Cobalt Operations will be sufficient to offset such capital expenditures and generate adequate investor return.

#### *Licenses, Permits and Titles*

The Company holds multiple tenements, represented by licenses and/or titles to land that contain mineral resources or are prospective for minerals. At its Idaho Cobalt Operations, the Company holds permits for the operation of the project. Each of these tenements, licences and permits have certain requirements and obligations attached to them, which if not met, will result in the Company losing the rights to operate on these land areas and the resulting negative impact to the future prospects of the Company.

#### *Permitting*

Jervois' mineral property interests are subject to receiving and maintaining permits from appropriate governmental authorities. In particular, prior to any development of any of the Company's mineral properties, Jervois will need to receive numerous permits from appropriate governmental authorities including those relating to mining operations, occupational health, toxic substances, waste disposal, safety, environmental protection, land use and others. There is no assurance that the Company will be able to obtain all necessary renewals of existing permits, additional permits for any possible future developments or changes to operations or additional permits associated with new legislation. Further, failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing activities to cease or be curtailed, and may include corrective measures requiring capital expenditures or remedial actions.

#### *Land Title*

No assurances can be given that there are no title defects affecting the properties in which Jervois has an interest. The Company's mineral properties may be subject to prior unregistered liens, agreements, transfers or claims, and title may be affected by, among other things, undetected defects. Other parties may dispute title to a property or the property may be subject to prior unregistered agreements and transfers or land claims by Indigenous people. Title may also be affected by undetected encumbrances or defects or governmental actions. Jervois has not conducted surveys of the Company's mineral properties and the precise area and location of claims and other mineral rights may be challenged. Jervois may not be able to register rights and interests it acquires against title to applicable mineral properties. An inability to register such rights and interests may limit or severely restrict Jervois' ability to enforce such acquired rights and interests against third parties or may render certain agreements entered into by Jervois invalid, unenforceable, uneconomic, unsatisfied or ambiguous, the effect of which may cause financial results yielded to differ materially from those anticipated. Although Jervois believes it has taken reasonable measures to ensure proper title to its mineral properties, there is no guarantee that such title will not be challenged or impaired.

#### *Nico Young NI 43-101 PEA*

The Nico Young PEA is based on Inferred Mineral Resources that are not of sufficient certainty to constitute a pre-feasibility study or a feasibility study. Jervois has not declared Proven or Probable Mineral Reserves at its Nico Young Project, and no assurance can be given that we will ever be in a position to declare a Proven or Probable Mineral Reserve. For the Nico Young PEA to advance into feasibility study level, delineation of Proven or Probable Mineral Reserves will be required, which depends on a number of factors, including:

- the particular attributes of the deposit (including its size, grade, geological formation and proximity to infrastructure);

- metal prices, which are highly cyclical;
- government regulations (including regulations relating to taxes, royalties, land tenure, land use and permitting); and
- environmental protection considerations.

We cannot determine at this time whether any of our estimates will ultimately be correct.

## **DIVIDENDS AND DISTRIBUTIONS**

Jervois has not declared or paid any dividends on the Shares since February 2013, when it undertook a bonus issue of Shares to its shareholders. Jervois does not currently anticipate paying any dividends in the near term, and any decision to pay dividends on the Shares will be made by the Board on the basis of the Company's earnings, financial requirements and other conditions existing at such future time. There are no restrictions on the ability of Jervois to pay dividends in the future.

## **DESCRIPTION OF CAPITAL STRUCTURE**

### **Ordinary Shares**

The Company's authorized capital consists of an unlimited number of Shares, of which 643,412,545 Shares are issued and outstanding as of the date of this AIF.

The following is a summary of the rights, privileges, restrictions and conditions which are attached to the Shares. This summary is not exhaustive and does not constitute a definitive statement of the rights attaching to the holders of Shares.

### *General Meetings*

Jervois shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of Jervois. Jervois shareholders may requisition meetings in accordance with Section 249D of the Corporations Act and the constitution of Jervois.

### *Voting Rights*

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of Jervois shareholders or classes of Jervois shareholders:

- (a) each shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (b) on a show of hands, every person present who is a shareholder or a proxy, attorney or representative of a shareholder has one vote; and
- (c) on a poll, every person present who is a shareholder or a proxy, attorney or representative of a shareholder shall, in respect of each fully paid share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for the share, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such shares registered in the shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

### *Dividend Rights*

The Board may from time to time declare a dividend to be paid to shareholders entitled to the dividend.

The dividend shall (subject to clause 134 of Jervois' constitution and to the rights of any preference shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividends) be payable on all shares in accordance with the Corporations Act. No dividend shall carry interest as against Jervois.

#### *Winding-Up*

If Jervois is wound up, the liquidator may, with the authority of a special resolution, divide among the shareholders in kind the whole or any part of the property of Jervois, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the shareholders or different classes of shareholders. The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

#### *Transfer of Shares*

Generally, Jervois Shares are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act or the ASX Listing Rules.

#### *Variation of Rights*

The rights and privileges attaching to a class of shares can be altered with the approval of a resolution passed at a separate general meeting of that class by a three quarters majority of the members of that class present and voting.

#### **Warrants**

In connection with the eCobalt Acquisition, the Company reserved 29,287,500 Shares for issue on exercise of eCobalt warrants. In connection with the M2 Cobalt Acquisition, the Company reserved 13,322,012 Shares for issue on exercise of M2 Cobalt warrants (each, a "**Warrant**"). As of the date of this AIF, 18,975,000 eCobalt warrants and 13,322,012 M2 Cobalt warrants have expired unexercised. The volume weighted exercise price of the Warrants is C\$0.24 and the Warrants expire on April 14, 2021. Each Warrant is exercisable into one Share. See also "*Prior Sales*".

#### **Options**

The Company's stock option plan permits the Board to grant to Directors, officers, consultants and employees of the Company options to purchase from the Company a designated number of authorized but unissued Shares up to but not exceeding 10% of the issued and outstanding Shares, less any Shares reserved for issuance under share options granted under share compensation arrangements other than the equity compensation plan, at any point in time. As of the date of this AIF, there were 81,092,250 stock options to acquire Shares outstanding. The volume weighted exercise price of the stock options is A\$0.27 and the stock options expire between October 12, 2020 and March 31, 2028. See also "*Prior Sales*".

### **MARKET FOR SECURITIES**

#### **Trading Price and Volume**

Jervois' Shares were listed on the TSXV in June 2019 under the symbol "JRV". The Company's Shares principally trade on the ASX under the symbol "JRV" as well as on the OTCQB Venture under the stock symbol "JRVMF" and are quoted on the FRA under the symbol "IHS". The following table sets forth trading information for the Shares on the TSXV on a monthly basis for the year ended June 30, 2020.

Month	Price Range		TSXV
	High	Low	Monthly Trading Volume
July 2019	C\$0.2050	C\$0.1300	15,991,216
August 2019	C\$0.2050	C\$0.1650	23,931,673
September 2019	C\$0.2350	C\$0.1850	8,777,285
October 2019	C\$0.2000	C\$0.1800	4,359,887
November 2019	C\$0.1900	C\$0.1550	3,619,388
December 2019	C\$0.1900	C\$0.1600	4,544,892
January 2020	C\$0.2300	C\$0.1900	6,998,152
February 2020	C\$0.2450	C\$0.1750	5,889,406
March 2020	C\$0.2200	C\$0.1100	6,359,000
April 2020	C\$0.1800	C\$0.1200	4,576,877
May 2020	C\$0.1950	C\$0.1450	4,633,267
June 2020	C\$0.1600	C\$0.1250	4,944,151

The following table sets forth trading information for the Shares on the ASX on a monthly basis for the year ended June 30, 2020.

Month	Price Range		ASX
	High	Low	Monthly Trading Volume
July 2019	A\$0.2500	A\$0.1800	18,321,728
August 2019	A\$0.2400	A\$0.1900	32,702,341
September 2019	A\$0.29500	A\$0.2100	23,458,305
October 2019	A\$0.2400	A\$0.2000	8,906,877
November 2019	A\$0.2100	A\$0.1750	5,031,589
December 2019	A\$0.2120	A\$0.1770	6,245,624
January 2020	A\$0.2700	A\$0.2050	15,865,703
February 2020	A\$0.2900	A\$0.2250	12,800,405
March 2020	A\$0.2400	A\$0.1150	19,828,619
April 2020	A\$0.2050	A\$0.1300	10,670,794
May 2020	A\$0.2250	A\$0.1570	13,679,257
June 2020	A\$0.1800	A\$0.1450	9,683,604

#### PRIOR SALES

The Company issued the following securities which are not listed or quoted on a marketplace during the year ending June 30, 2020:

Security	Date of Issue	Aggregate Number Issued	Exercise Price
Stock options <sup>(1)</sup>	July 24, 2019	2,205,225	C\$0.12
Stock options <sup>(1)</sup>	July 24, 2019	2,714,250	C\$0.36
Stock options <sup>(1)</sup>	July 24, 2019	3,036,000	C\$0.71
Stock options <sup>(1)</sup>	July 24, 2019	618,750	C\$0.71
Stock options <sup>(1)</sup>	July 24, 2019	288,750	C\$0.70
Stock options <sup>(1)</sup>	July 24, 2019	165,000	C\$0.85
Stock options <sup>(1)</sup>	July 24, 2019	206,250	C\$0.84
Stock options <sup>(1)</sup>	July 24, 2019	4,191,000	C\$0.61
Stock options <sup>(1)</sup>	July 24, 2019	123,750	C\$0.50
Stock options <sup>(1)</sup>	July 24, 2019	1,980,000	C\$0.53
Warrants <sup>(2)</sup>	July 24, 2019	18,975,000	C\$1.18
Warrants <sup>(2)</sup>	July 24, 2019	10,312,500	C\$0.24
Stock options	August 14, 2019	1,000,000	A\$0.20
Stock options	August 15, 2019	12,500,000	A\$0.20
Stock options	August 15, 2019	2,500,000	A\$0.24
Stock options	September 9, 2019	1,250,000	A\$0.225
Stock options	October 1, 2019	5,000,000	A\$0.24
Stock options	October 14, 2019	2,500,000	A\$0.22
Stock options	April 1, 2020	12,873,200	A\$0.15

(1) Issued to former holders of stock options of eCobalt in connection with the eCobalt Acquisition.

(2) Issued to former holders of warrants of eCobalt in connection with the eCobalt Acquisition.

## ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

As at the date of this AIF, there are no Shares currently subject to escrow or contractual hold restrictions.

## DIRECTORS AND OFFICERS

### Name, Occupation and Security Holding

The following table sets out the names and province or state of residence of the Directors and executive officers of Jervois, their present position(s) and offices within Jervois, their principal occupations during the last five years and their date of appointment.

All Directors of Jervois have been elected to serve until the next annual meeting of shareholders of Jervois, subject to earlier resignation or removal.

As at the date of this AIF, Jervois' Directors and executive officers beneficially owned, or controlled or directed, directly or indirectly, an aggregate of 23,862,970 Shares of Jervois, representing approximately 3.7% of the issued and outstanding Shares.

Name and Place of Residence	Current Office with Jervois	Principal Occupation During the Preceding Five Years	Date of Appointment as Director
<b>Bryce Crocker</b> Victoria, Australia	CEO and Executive Director	CEO of Jervois 2017 to present; Independent consultant from 2013 to 2017	October 2017
<b>Peter Johnston</b> <sup>(1)(2)</sup> Western Australia, Australia	Non-Executive Chairman	Interim Chief Executive Officer of Tronox Limited, a NYSE-listed titanium dioxide feedstock and processing business from 2017 to 2018; Head of Global Nickel Assets for Glencore International AG from 2013 to 2015	July 2018
<b>Brian Kennedy</b> <sup>(1)(2)</sup> Western Australia, Australia	Non-Executive Director	Founding shareholder and non-executive Director of Silver Lake Resources from 2004 to 2018	October 2017
<b>Michael Callahan</b> <sup>(2)</sup> Idaho, United States	Non-Executive Director	Former President of Silvermex Resources Inc., a TSX listed mineral resources company from 2009 to 2011; Former President, CEO and Executive Director of eCobalt from 2018 to 2019; Former President of Hecla Mining's Venezuelan mining operations from 1989 to 2009; Former President and CEO of Western Pacific Resources Corp. from 2013 to 2018	July 2019
<b>Jess Birtcher</b> Idaho, United States	Acting CFO	Acting CFO of Jervois; Former Vice President – Internal Audit at Coeur Mining, Inc., a mining company, from 2017 to 2019, and Vice President – Corporate Controller at Coeur Mining from 2013 to 2017	April 2020
<b>Michael Rodriguez</b> Western Australia, Australia	Executive General Manager – Technical Services	Executive General Manager – Technical Services of Jervois; Former Chief Operating Officer of Poseidon Nickel Limited from 2008 to 2018	March 2019

(1) Member of the Audit Committee.

(2) Member of the Remuneration and Nomination Committee.

## Director and Management Biographies

The following are brief biographies of the executive officers and Directors of Jervois:

### Bryce Crocker – Victoria, Australia– Chief Executive Officer and Executive Director

Mr. Crocker (age 45) is currently the Chief Executive Officer and Executive Director of Jervois. Mr. Crocker is a seasoned mining and natural resources executive with significant experience in base metals including cobalt, nickel and copper. Mr. Crocker joined Xstrata plc shortly after its IPO in mid-2002, was based in London in business development roles until 2006, when he transitioned to Canada following the acquisition of Falconbridge and establishment of Xstrata Nickel headquarters in Toronto.



His past nickel/cobalt roles at Xstrata plc's nickel division include VP and Head Strategy, Marketing and Research, and GM and Head Business Development. Mr. Crocker was a Director on the Xstrata Nickel Board, an Xstrata nominee Director to the Nickel Institute Board (global body representing the industry) and an Xstrata nominee to the Kabanga Shareholder Advisory Committee. Following the sale of Xstrata to Glencore in 2013, Mr. Crocker was based in Latin America focused on natural resource investments in the region.

Mr. Crocker holds an LLB (Honours) and BSc from the University of Melbourne and a Post Graduate Diploma in Applied Finance and Investment from the Australian Securities Institute.

**Peter Johnston – Western Australia, Australia – Non-Executive Chairman and Director**

Mr. Johnston (age 69) is currently the Non-Executive Chairman and a Director of Jervois. Mr. Johnston is recognized as one of Australia's leading mining executives and board directors, with more than 35 years of operational and project development experience. Prior to joining Jervois, Mr. Johnston was Interim Chief Executive Officer of Tronox Limited, a NYSE-listed titanium dioxide feedstock and processing business; he remains a Non-Executive Director of the company. Mr. Johnston was Head of Global Nickel Assets for Glencore International AG from 2013 to 2015. During this period, he was responsible for all of Glencore's nickel-cobalt mine and processing facilities operations across Australia, Canada, the Dominican Republic, New Caledonia and Norway, as well as the Kabanga nickel-cobalt project in Tanzania. He was a member of the Glencore Executive Management Committee. From 2001 to 2013, Mr. Johnston was Managing Director and CEO of Minara Resources Limited, listed on the ASX and a subsidiary of Glencore from 2005 until late 2011 when Glencore delisted it.

**Brian Kennedy – Western Australia, Australia – Non-Executive Director**

Mr. Kennedy (age 61) is currently a Non-Executive Director of Jervois. Mr. Kennedy has more than 35 years' experience in construction and mining sectors with clients across coal, iron ore, nickel, cobalt, gold and fertilisers, both in Australia and overseas. During his career Mr. Kennedy has managed large scale mining operations such as Kambalda and Mt Keith on behalf of WMC Resources Limited, and Murrin Murrin for Glencore plc. Mr. Kennedy has extensive experience in nickel/cobalt/base metal project start-ups in both construction and transition to operations.

Specific roles include Project Manager for Albidon at Munali nickel mine in Zambia, GM Dikulushi copper mine for Anvil Mining Ltd. in DRC, Project Technical Manager for Vale Inco at Goro New Caledonia, Senior VP AngloGold Ashanti DRC, Director Kabali Gold Mines and Director Kabali SPRL DRC.

Mr. Kennedy was a founding shareholder and Director of Reliance Mining Ltd., before its takeover by Consolidated Nickel Pty Ltd., and a founding shareholder and non-executive Director of Silver Lake Resources Ltd.

**Michael Callahan – Idaho, United States – Non-Executive Director**

Mr. Callahan (age 57) is currently a Non-Executive Director of Jervois. Mr. Callahan is a strong and experienced executive with extensive operational and public-company management experience having held senior management roles at numerous development and production stage mining companies. He joined eCobalt in October 2018. Mr. Callahan has established and led numerous sizeable operations in North America and internationally and has been responsible for the evaluation and execution of several growth-oriented transactions throughout his career. Establishing his career with Hecla Mining in 1989, Mr. Callahan held increasingly senior roles, including Vice President of Corporate Development and President of Hecla's Venezuelan mining operations where he oversaw all aspects of operations, successfully managed two gold operations with a 1,000-man workforce, and transformed the La Camorra mine from an unprofitable asset into the largest gold producer in Venezuela. Mr. Callahan has also served as President of Silvermex Resources Inc., a TSX-listed silver and gold

producer with projects in Mexico acquired by First Majestic Silver Corp. in 2012, and President and CEO of Western Pacific Resources Corp., a mineral exploration and development company focused on rehabilitating and exploring the Deer Trail Mine in Utah.

**Jess Birtcher – Utah, United States – Acting Chief Financial Officer**

Mr. Birtcher (age 57) is an experienced resource executive and joined Jervois from Coeur Mining, Inc., a NYSE-listed company, which operates five precious metal mines in North America. At Coeur Mining, Mr. Birtcher held the role Vice President – Internal Audit (from 2017 to 2019) and previously, Vice President – Corporate Controller (from 2013 to 2017). Prior to his roles at Coeur Mining, Mr. Birtcher spent seven years as Finance Director in Rio Tinto's North American business unit and was a senior audit manager with Ernst & Young for 10 years.

**Michael Rodriguez – Western Australia, Australia - Executive General Manager – Technical Services**

Mr. Rodriguez (age 57) is currently the Executive General Manager – Technical Services of Jervois. Mr. Rodriguez has previously worked at GoldCorp Inc., WMC Resources Limited (Olympic Dam and Kwinana Nickel Refinery), Glencore plc (Murrin Murrin), Gorges Nickel, Black Swan and Lake Johnston. Mr. Rodriguez has more than 30 years of experience in the design, construction, commissioning, operation and management of hydrometallurgical and pyro-metallurgical plants across Australia, Turkey, Europe and the Americas. Mr. Rodriguez has a strong background in project construction, mechanical completion and site handover to operations.

At Murrin Murrin, Mr. Rodriguez held the positions of Operations, Project, Technical Services and Corporate Strategic Development Manager. He managed more than 300 staff and contractors with an annual budget over A\$150 million. His team had responsibility for the design and commissioning of the High-Pressure Acid Leach (HPAL) circuit, including the Pressure Oxidative (POX) leach autoclave, sulphuric acid and hydrogen sulphide plants, solvent extraction (SX) and hydrogen reduction.

**Cease Trade Orders, Bankruptcies, Penalties or Sanctions**

To the knowledge of management, no Director or executive officer of Jervois is, as at the date of this AIF, or was, within the 10 years before the date of this AIF, a Director, Chief Executive Officer (“**CEO**”) or Chief Financial Officer (“**CFO**”) or any company (including Jervois), that was the subject of a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued while the Director or executive officer was acting in the capacity as Director, CEO or CFO, or after the Director or executive officer ceased to be a Director, CEO or CFO and which resulted from an event that occurred while that person was acting in the capacity as Director, chief executive officer or chief financial officer.

To the knowledge of management, no Director or executive officer of Jervois, or shareholder holding a sufficient number of securities of Jervois to affect materially the control of Jervois, is, as of the date of this AIF, or has been within the 10 years before the date of this AIF, a Director or executive officer of any company (including Jervois) that, while the person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

To the knowledge of management, no Director or executive officer of Jervois, or shareholder holding a sufficient number of securities of Jervois to affect materially the control of Jervois, is, as of the date of this AIF, or has been within the 10 years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any

proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the Director, executive officer or shareholder.

To the knowledge of management, no Director or executive officer of Jervois, or shareholder holding a sufficient number of securities to affect materially the control of Jervois, has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

### **Conflicts of Interest**

To the best of Jervois' knowledge, information and belief, and other than disclosed herein, there are no known existing or potential conflicts of interest among Jervois and its Directors, officers or other members of management as a result of their outside business interests except that certain of Jervois' Directors and officers serve as Directors and officers of other companies, and therefore it is possible that a conflict may arise between their duties to Jervois and their duties as a Director or officer of such other companies. As required by law, each of the Directors of Jervois is required to act honestly, in good faith and in the best interests of Jervois. In the event of a conflict of interest, Jervois will follow the requirements and procedures of applicable corporate and securities legislation and applicable exchange policies, including the relevant provisions of the Corporations Act.

## **CORPORATE GOVERNANCE**

In accordance with National Instrument 58-101 – *Disclosure of Corporate Governance Practices*, the Company has provided the below information. Information in accordance with the ASX Corporate Governance Council – Corporate Governance Principles and Recommendations 4<sup>th</sup> edition with respect to the Company can be found on the Company's website at <https://jervoismining.com.au/> and filed under the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com).

### ***Board of Directors***

The Board currently consists of four Directors, of which Mr. Peter Johnston and Mr. Brian Kennedy are considered independent. Mr. Bryce Crocker is not independent due to his executive role as Chief Executive Officer and Mr. Michael Callahan is not independent due to his previous role as Chief Executive Officer of eCobalt (a current subsidiary entity) immediately prior to its acquisition by Jervois.

A majority of the Board is not independent. The Board facilitates the exercise of independent judgement in carrying out its responsibilities through regular Board meetings and separate discussion and decision-making by the independent Directors. The Board relies on Mr. Johnston as Non-Executive Chairman to make such determinations. Due to the Company's size it is considered appropriate that there are currently two out of four Directors who are independent. It is anticipated that any new Directors appointed will be independent of the Company.

Currently, only Mr. Johnston is a Director of another issuer. Mr. Johnston is a Director of NRW Holdings Limited (ASX) and Tronox Limited (NYSE).

The independent Directors do not hold regularly scheduled meetings at which non-independent Directors are not in attendance, however, the Board holds regular meetings where members of management are not in attendance. The independent Directors of the Board have an open communication between themselves and are able to, and encouraged, to discuss any issues that might arise at any time outside of a regular meeting.

The Board's Non-Executive Chairman is Mr. Johnston who is independent. The Board's Chairman is responsible for the following:

- leading the Board in reviewing and discussing Board matters;
- chairing Board meetings and shareholder meetings, including, setting the agenda for Board meetings (in consultation with the other Directors and the Company Secretary) and ensuring that adequate time is available for discussion of all agenda items;
- ensuring the efficient organization and conduct of the Board's function;
- briefing all Directors in relation to issues arising at Board meetings;
- facilitating effective contribution by all Directors and monitoring Board performance;
- promoting constructive and respectful relations between Board members and between the Board and management;
- overseeing the role of the Company Secretary, including, reviewing corporate governance matters with the Company Secretary and reporting on those matters to the Board; and
- on the advice of the Remuneration and Nomination Committee, establishing and overseeing the implementation of policies and systems for Board performance review and renewal.

All Board members attended 100% of the Board meetings held (17 in total) since the beginning of the most recently completed financial year.

#### *Board Mandate*

The text of the Board's written mandate is set out in Schedule "A".

#### *Position Descriptions*

The Board has written position descriptions for each of the Chairman and the CEO. These are set out in the Board Charter a copy of which is available on the Company's website at <https://jervoismining.com.au/>.

#### *Orientation and Continuing Education*

The Company Secretary is responsible for facilitating inductions and professional development of Directors. The Remuneration and Nomination Committee is responsible for the approval and review of induction and continuing professional development programs and procedures to assist Directors with the effective discharge of their responsibilities. The General Counsel, Company Secretary and if applicable, the Directors, provide updates at the regularly scheduled Board meetings around developments and updates to corporate governance, implications of court judgements and similar information.

#### *Ethical Business Conduct*

The Company has a written Code of Conduct that applies to the Company's Directors, senior executives and employees. The Code of Conduct includes policies with respect to anti-bribery and corruption. The Code of Conduct is available on the Company's website at <https://jervoismining.com.au/>.

Senior management meets regularly to update on strategy, progress on major projects, agreements with partners or contractors, and similar activities. These meetings provide an opportunity for management to discuss any activities of the group, actions of specific team members, potential breaches of the Code of Conduct, any litigation, claims or potential litigation. Typically, these meetings include project leaders, country heads and those that advise us on legal matters.

At each Board meeting, there is a standard agenda item relating to corporate governance and compliance, which includes consideration of any issues, transactions or agreements that may have implications in relation to the Code of Conduct or in which a Director or executive officer has a material interest.

The Board, through its General Counsel regularly reiterate to the Senior management the values of the Company and seek to set the "tone from the top" in order to promote ethical business conduct.

#### *Nomination of Directors*

The Company has guidelines for the appointment and selection of Directors in its Remuneration and Nomination Committee Charter. The Company's Remuneration and Nomination Committee Charter requires that the Remuneration and Nomination Committee ensure appropriate checks including checks in respect of character, experience, education, criminal record and bankruptcy history (as appropriate) are undertaken before appointing a person.

Jervois identifies prospective new Director candidates through their extensive network of current and past business relationships and, where appropriate through the services of executive search companies. The key attributes sought will be to assess the current matrix of skills and experience of the Board members so as to complement these. In particular, focus will be on independence and either significant experience in mining or finance.

The members of the Remuneration and Nomination Committee during the period were Mr. Peter Johnston, Mr. Brian Kennedy (Chair) and Mr. Michael Callahan, the majority of whom were considered independent.

The Remuneration and Nomination Committee responsibilities include:

- the development, implementation and review of processes for the evaluation of performance of the Board, its committees and individual executive and non-executive Directors;
- the establishment of criteria for Board membership;
- the review and the making of recommendations regarding the size and composition of the Board;
- the development and review of the process for the selection, appointment and re-election of Directors;
- the establishment of a skills matrix setting out the mix of skills and diversity of the Board and the goals related thereto;
- the periodic assessment of the skills, experience and expertise required to discharge the Board's duties, having regard to the strategic direction of the Company;
- the making of recommendations to the Board about the necessary and desirable competencies of Directors, the time expected to be devoted by non-executive Directors in relation to the Company's affairs and any plans for enhancing Director competencies;
- the identification and recommendation to the Board for the appointments of new Board candidates;
- the notification of retiring Directors and the making of recommendations to the Board as to whether the Board should support the re-nomination of that retiring Director;

- the establishment of an induction program for new Directors to facilitate the appointment of new Directors to the Board, including the provision of the following information:
  - the Company's financial, strategic, operational and risk management position;
  - the rights, duties and responsibilities of Directors;
  - the roles and responsibilities of senior executives; and
  - the role of Board committees;
- the development and the review of continuous professional development programs for Directors with the goal of enhancing Director competencies, skills and knowledge on key developments effecting the Company and the industry in which it operates;
- the review of nomination practices against measurable objectives for achieving gender diversity;
- the identification of specific responsibilities for individual Board members, including the Chairman;
- the assessment of the independence of each non-executive Director;
- the review of succession planning for Board members and the provision of advice to the Board on whether succession plans currently in place maintain an appropriate balance of skills, experience, expertise and diversity on the Board;
- the review of succession planning for the CEO and other key executives of the Company;
- the review of the performance of the Chairman and the reporting of results of such evaluation to the Board; and
- the review of Board committees and the making of recommendations with respect to the performance and membership of Board committees to the Board.

#### *Compensation*

Decisions with respect to the compensation of Directors and officers are made with the assistance of the Company's Remuneration and Nomination Committee after taking into account the Company's financial position, the Company's ability to pay market rates and the Company's short- and long-term business objectives. The Board aims to remunerate Directors and executive officers fairly and reasonably such to attract and retain qualified and experienced individuals capable of assisting Jervois in obtaining its business objectives. The process which the Board undertakes to compensate Directors and officers

As noted above, the members of the Remuneration and Nomination Committee during the period were Mr. Peter Johnston, Mr. Brian Kennedy (Chair) and Mr. Michael Callahan, the majority of whom were considered independent.

In addition to the responsibilities noted above, the Remuneration and Nomination Committee performs the following responsibilities with respect to compensation:

- the establishment of the terms of remuneration for executive and non-executive Directors and other executives of the Company, including the criteria and processes for assessing performance;

- the establishment of process and ultimate reporting to the Board on the outcomes of remuneration reviews for each of the following positions:
  - each Non-Executive Director;
  - the executives collectively; and
  - each Executive Director and other senior executives;
- the establishment of changes in remuneration, recruitment, retention and termination policies and practices, including superannuation and other benefits, personnel practices and industrial relations strategies;
- the review of compliance with relevant legal and regulatory requirements in relation to any such remuneration, equity plans and termination benefits, including the obtaining of any shareholder approvals as necessary;
- the review of employee equity plans and the allocations under those plans;
- the disclosure of remuneration strategies, policies and practices within the Company and, if necessary to the ASX and other regulatory authorities;
- the preparation and approval of the remuneration report to be included in the Annual Report in accordance with the Corporations Act;
- the facilitation of shareholder and other stakeholder engagement in relation to the Company's remuneration strategies, policies and practices; and
- the review and analysis of gender or other inappropriate bias with respect to the remuneration for Directors, executives or other employees.

#### *Other Board Committees*

Other than the Audit Committee and the Remuneration and Nomination Committee, the Company does not have any other standing Board committees.

#### *Assessments*

Due to the Company's size, there was no formal evaluation of the Board and its committees for the year ended June 30, 2020. The Board discussed the overall performance of Board relative to the activities of the Company on an *ad hoc* basis during regularly scheduled Board meetings. The Company anticipates that there will be an evaluation during the current financial period due to the increase in size of the Company.

#### *Director Term Limits and Other Mechanisms of Board Renewal*

The Company has not adopted term limits or other mechanisms for Board renewal. Each Director is required to retire and seek re-election at the annual general meeting of the Company. Any shareholder is able to nominate a new Director for election to the Board prior to the meeting.

Jervois has not adopted term limits however before each annual general meeting of shareholders, the Chairman will assess the performance of any Director standing for re-election and the Board will determine their recommendation to shareholders on the re-election of the Director (in the absence of the Director involved). This process is combined with the ongoing consideration of the effectiveness of the Board and its composition.

### *Policies Regarding the Representation of Women on the Board*

The Company has adopted a Diversity Policy which provides a framework for the Company to establish and achieve measurable diversity objectives, including in respect of gender diversity. The Diversity Policy allows the Board to set measurable gender diversity objectives, if considered appropriate, and to assess annually both the objectives (if any have been set) and the Company's progress in achieving them.

The Diversity Policy is available on the Company's website at <https://jervoismining.com.au/>.

The Board did not set measurable gender diversity objectives for the past financial year because:

- the Board did not originally anticipate there would be a need to appoint any new Directors or executives due to limited nature of the Company's existing and proposed activities and the Board's view that the existing Directors and executives have sufficient skill and experience to carry out the Company's plans; and
- when it ultimately became necessary to appoint new Directors and executives due to corporate transactions undertaken during the year, the Board considered the application of a measurable gender diversity objective requiring a specified proportion of women on the Board and in executive roles, given the small size of the Company and the Board, to unduly limit the Company's ability to appoint based on skill and merit.

### *Consideration of the Representation of Women in the Director Identification and Selection Process*

As noted above, the Remuneration and Nomination Committee reviews the nomination practices of the Board against measurable objectives for achieving gender diversity.

Recent additions to the Board, however, did not include considerations for gender diversity as the Company was required to appoint two new Directors in connection with the eCobalt Acquisition as nominated by eCobalt. Neither of the eCobalt nominees were a woman.

Moreover, given the Company's size, the Board considers the application of a measurable gender diversity objective requiring a specified proportion of women on the Board to unduly limit the Company's ability to appoint based on skill and merit.

### *Consideration Given to the Representation of Women in Executive Officer Appointments*

As noted above, the Remuneration and Nomination Committee reviews the nomination practices for executive officers against measurable objectives for achieving gender diversity.

Currently, given the Company's size, the Board considers the application of a measurable gender diversity objective requiring a specified proportion of women in executive officers positions to unduly limit the Company's ability to appoint based on skill and merit.

### *Issuer's Targets Regarding the Representation of Women on the Board and in Executive Officer Positions*

The Company has not set a target for women on the Board or in executive positions. The Board believes that given the Company's size, the adoption of targets for gender diversity on the Board and in executive positions to unduly limit the Company's ability to appoint based on skill and merit

### *Number of Women on the Board and in Executive Officer Positions*

There are currently no women on the Board or in executive officer positions.



## AUDIT COMMITTEE

The primary function of the audit committee of the Board (the “**Audit Committee**”) is to assist the Board in fulfilling its financial reporting and controls responsibilities to the shareholders of Jervois. In accordance with National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”), information with respect to the Audit Committee is contained below. The full text of the Audit Committee Charter, as passed unanimously by the Board, is attached to this AIF as Schedule “B”.

### *Composition of the Audit Committee*

The Audit Committee is composed of Mr. Peter Johnston and Mr. Brian Kennedy. Both members are independent, and all Audit Committee members are financially literate within the meaning of NI 52-110.

### *Relevant Education and Experience*

For details regarding the relevant education and experience of each member of the Audit Committee relevant to the performance of his duties as a member of the Audit Committee, see “*Directors and Executive Officers – Director and Management Biographies*”.

### *Audit Committee Oversight*

At no time since the commencement of Jervois’ most recently completed financial year did the Board decline to adopt a recommendation of the Audit Committee to nominate or compensate an external auditor.

### *Reliance on Certain Exemptions*

At no time since the commencement of Jervois’ most recently completed financial year did Jervois rely on the exemption in section 2.4 of NI 52-110 (De Minimis Non-audit Services), or an exemption from NI 52-110, in whole or in part, granted under Part 8 (Exemptions).

### *Pre-Approval Policies and Procedures for Non-Audit Services*

All other non-audit services shall be approved or disapproved by the Audit Committee as a whole.

The pre-approval requirement is waived with respect to the provision of non-audit services if:

- the aggregate amount of all such non-audit services provided to the Company constitutes not more than ten percent of the total amount of fees paid by the Company to its external auditors during the fiscal year in which the non-audit services are provided;
- such services were not recognized by the Company at the time of the engagement to be non-audit services; and
- such services are promptly brought to the attention of the Audit Committee by the Company and approved prior to the completion of the audit by the Committee or by one or more members of the Audit Committee who are members of the Board to whom authority to grant such approvals has been delegated by the Audit Committee.

The CFO of the Company shall maintain a record of non-audit services approved by the Audit Committee for each financial year and shall provide a report to the Audit Committee no less frequently than on a quarterly basis.

### External Auditor Service Fees

The following table sets out the aggregate fees billed by the Company's Auditor from July 1, 2018 through June 30, 2020.

Fiscal Year End	Auditor	Audit Fees <sup>(1)</sup>	Audit-Related Fees <sup>(2)</sup>	Tax Fees <sup>(3)</sup>	All Other Fees <sup>(4)</sup>
2018 – 2019	BDO East Coast Partnership	A\$39,000	Nil	Nil	Nil
2019 – 2020	BDO East Coast Partnership	A\$60,034	Nil	Nil	A\$50,000 <sup>(5)</sup>
2019 – 2020	Ernst & Young	A\$146,000	Nil	A\$68,000	Nil

- (1) Audit Fees include fees necessary to perform the annual audit and quarterly reviews of Jervois' financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) Audit-Related Fees include services that are traditionally performed by the auditor. These audit-related services include review of quarterly financial statements, employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) Tax Fees include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) All Other Fees include all other non-audit services.
- (5) Review of pro-forma financial statements for the eCobalt Acquisition.
- (6) Audit fees payable to Ernst & Young to be incurred for year ended June 30, 2020.

### LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Since the beginning of the most recently completed financial year for which financial statements of Jervois are included in this AIF, there have been no legal proceedings to which Jervois is or was a party or of which any of its projects is or was the subject of, nor are any such proceedings known to Jervois to be contemplated.

During the past financial year, Jervois has not had any penalties or sanctions imposed on it by, or entered into any settlement agreements with, a court or a securities regulatory authority relating to securities laws, nor has Jervois been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

### INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as disclosed elsewhere in this AIF, no (a) Director or executive officer, (b) person or company that beneficially owns, controls or directs, directly or indirectly, more than 10% of the Shares, nor (c) associate or affiliate of any of the persons or companies referred to in (a) or (b) has, or has had within the three most recently completed financial years before the date hereof, any material interest, direct or indirect, in any transaction that has materially affected or is reasonably expected to materially affect the Company or any of its subsidiaries.

### TRANSFER AGENT AND REGISTRAR

Computershare Investor Services Pty Ltd., at its offices at 452 Johnston Street, Abbotsford, Victoria, 3067, is the Australian registrar and transfer agent for the Shares.

Computershare Investor Services Inc. at its offices at 510 Burrard Street, Vancouver, BC V6C 3B9, is the Canadian registrar and transfer agent for the Shares.

### **MATERIAL CONTRACTS**

There have been no materials contracts entered into by the Company within the most recently completed financial year or before the most recently completed financial year that are still in effect, other than contracts made in the ordinary course of business.

### **INTERESTS OF EXPERTS**

Information of a scientific or technical nature regarding the Nico Young Project included in this AIF is based on the Nico Young Technical Report prepared by Geoffrey Alexander Duckworth, B.Eng (Chem), M.Eng.Sc, PhD, FICHEM, MIEAust, FAusIMM, RPEQ of Lycopodium Minerals Pty Ltd., Jeremy Peters, BSc, BEng, FAusIMM, CP(Min, Geo) of Snowden Mining Industry Consultants Pty Ltd., James Christopher Lane, B App. Sc, MBA, RPGeo (AIG), MAusIMM (CP), RPEQ of Land & Marine Geological Services Pty Ltd., David John Readett, B. Eng (Met Eng), FAusIMM, CP(Met) of MworxTDK Pty Ltd. and Stuart Bodey, G.DIP Mining, FAusIMM of Mining Plus Pty Ltd., each of whom is an independent "qualified person" for purposes of NI 43-101. As at the date of this AIF, the authors of the Nico Young Technical Report do not have or are to receive any registered or beneficial interest, direct or indirect in any of Jervois' securities or other property of Jervois or of its associates or affiliates.

Information of a scientific and technical nature related to the Idaho Cobalt Operations included in this AIF is based on the Idaho Cobalt Operations Feasibility Study prepared by Scott Zelligan, P.Geol, David Frost, FAusIMM, B. Met Eng, DRA Global Limited, Nick Yugo, P.Eng, David Cameron, P.E., KC Hervey Environmental LLC and Matthew Sletten, PE, M3 Engineering, each of whom is an independent "qualified person" for purposes of NI 43-101. As at the date of this AIF, the authors of the Idaho Cobalt Operations Feasibility Study do not have or are to receive any registered or beneficial interest, direct or indirect in any of Jervois' securities or other property of Jervois or of its associates or affiliates.

Information of a scientific or technical nature regarding the Kilembe Project and the Bujagali Project included in this AIF is based on the Kilembe and Bujagali Technical Report prepared by Dean J. Besserer, P.Geol, who is the General Manager – Exploration for the Company and a "qualified person" as defined in NI 43-101. As at the date of this AIF, Mr. Besserer beneficially owns, directly or indirectly, less than 1% of the outstanding securities of Jervois and their respective associates and affiliates.

Jervois' independent auditors as of year end June 30, 2020 was BDO East Coast Partnership. Jervois' current independent auditors are Ernst & Young. As at the date of this AIF, none of the "designated professionals" (as defined in Item 16.2(1.1) of Form 51-102F2 of NI 51-102 – *Continuous Disclosure Obligations*) have or are to receive any registered or beneficial interest, direct or indirect, in any of Jervois' securities or other property of Jervois or of Jervois' associates or affiliates.

### **ADDITIONAL INFORMATION**

Additional information including Directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and options to purchase Shares and securities authorized for issuance under the stock option plan is contained in the management proxy circular dated September 16, 2019, for the annual general meeting of the Company held on October 21, 2019, which is available on SEDAR under the Company's profile at [www.sedar.com](http://www.sedar.com). Additional financial information about Jervois can be found in Jervois' financial statements and Management's Discussion and Analysis for the financial year ended June 30, 2020. Additional information relating to Jervois may be found on SEDAR at [www.sedar.com](http://www.sedar.com).

## **SCHEDULE "A"**

### **BOARD MANDATE**

#### **1. INTRODUCTION**

1.1 This Board Charter sets out the principles for the operation of the Board of Directors (**Board**) of Jervois Mining Limited ACN 007 626 575 (**Company**) and describes the functions of the Board. The Company and its subsidiaries are collectively referred to as the **Group**.

1.2 The Board is responsible for the governance of the Company. This Charter sets out the role and responsibilities of the Board, which responsibilities are delegated to committees of the Board or to management, as well as the membership and the operation of the Board.

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#### **2. ROLE AND RESPONSIBILITIES OF THE BOARD**

##### **Role**

2.1 The role of the Board is to provide overall strategic guidance, financial management and controls for the Company through effective oversight of management.

2.2 The Board ensures that the activities of the Company comply with its Constitution, from which it derives its authority to act, and with legal and regulatory requirements. To achieve this role, the Board has reserved to itself the following specific responsibilities.

##### **Responsibilities**

2.3 The Board is responsible for:

- (a) providing leadership and setting the strategic objectives of the Company;
- (b) appointing the Chair (and potentially any Deputy Chair);
- (c) appointing and when necessary replacing the Chief Executive Officer;
- (d) approving the appointment and when necessary replacement of other senior executives of the Company;
- (e) overseeing management's implementation of the Company's strategic objectives and its performance generally;
- (f) through the Chair, overseeing the role of the Company Secretary;
- (g) overseeing the integrity of the Company's accounting and corporate reporting systems, including the external audit;
- (h) overseeing the Company's process for making timely and balanced disclosure of all material information concerning it that a reasonable person would expect to have a material effect on the price or value of the Company's securities;
- (i) with the assistance of the Audit and Risk Committee, ensuring that the Company has in place an appropriate risk management framework and setting the risk appetite within which the Board expects management to operate;
- (j) approving the Company's remuneration framework;

- (k) reviewing the performance and effectiveness of the Company's governance practices policies and procedures;
- (l) determining the Company's dividend policy, the amount and timing of all dividends and the operation of the Company's dividend re-investment plan (if any);
- (m) evaluating, approving and monitoring operating budgets, major capital expenditure, capital management and all major acquisitions, divestitures and other corporate transactions, including the issue of securities of the Company; and
- (n) ensuring that the Company maintains a commitment to promoting diversity in the workplace.

### **Corporate governance**

2.4 At least once per year the Board will, with the assistance and advice of the Nomination Committee, Remuneration Committee and Audit and Risk Committee, review the performance and effectiveness of the Company's corporate governance policies and procedures and, if appropriate, amend those policies and procedures as necessary.

2.5 The Board will review and approve all disclosures related to any departures from the ASX Corporate Governance Principles and Recommendations.

### **Performance evaluation**

2.6 At least once per year the Board will, with the advice and assistance of the Nomination Committee, review and evaluate the performance of the Board, each Board committee and each individual director against the relevant charters, corporate governance policies, and agreed goals and objectives.

2.7 Following each review and evaluation, the Board will consider how to improve its performance.

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## **3. STRUCTURE OF THE BOARD**

### **Overview**

3.1 Subject to section 3.3 below, the Board, with the recommendation of the Nomination Committee, determines the size and composition of the Board subject to the terms of the Constitution of the Company. The continued tenure of each individual director is subject to re-election from time to time, in accordance with the Constitution.

3.2 It is intended that the Board should comprise a mix of executive and non-executive directors and comprise directors with a broad range of skills, expertise and experience from a diverse range of backgrounds. In order to identify any gaps in the collective skills of the Board, the Board should, with the assistance and advice of the Nomination Committee, establish a skills matrix setting out the mix of skills and diversity the Board has or is looking to achieve.

### **Board composition**

3.3 The directors will determine the size of the Board, subject to the Company's Constitution, which provides that there can be no more than 12 directors. The number of directors and the composition of the Board must at all times be appropriate to the Company to achieve efficient decision making and adequately discharge its responsibilities and duties.

3.4 It is intended that at least half of the Board will be independent non-executive directors.

### **Appointment and re-election of directors**

3.5 The process of selection and appointment of new directors to the Board is that when a vacancy arises, the Remuneration and Nomination Committee identifies candidates with appropriate skills, experience and expertise. Candidates with the skills, experience and expertise that best complement the Board's effectiveness will be recommended to the Board. When the Board considers that a suitable candidate has been found, that person may be appointed by the Board to fill a casual vacancy in accordance with the Company's

Constitution, but must stand for election by shareholders at the next annual general meeting.

3.6 Non-executive directors will be engaged by a letter of appointment setting out the terms and conditions of their appointment. Directors will be expected to participate in any induction or orientation programs on appointment, and any continuing education or training arranged for them.

3.7 Directors must retire from office in accordance with the Constitution. Retiring directors may be eligible for re-election. Before each annual general meeting, the Chair will assess the performance of any director standing for re-election and the Board will determine their recommendation to shareholders on the re-election of the director (in the absence of the director involved). The Board (excluding the Chair), will conduct the review of the Chair.

### **Independence**

3.8 All directors, whether independent or not, should bring an independent judgement to bear on all Board decisions.

3.9 Where this Charter or the charter of a Board committee requires one or more "independent" directors, the following criteria are to be considered by the Board to determine if the relevant person is independent. An "independent" director is a non-executive director who is not a member of management and who is free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the independent exercise of their judgement. When determining the independent status of a director, the Board will consider whether the director:

- (a) is a substantial shareholder of the Company (that is, holds 5% or more of the issued voting shares of the Company) or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;
- (b) is employed, or has previously been employed, in an executive capacity by the Company or another Group member, and there has not been a period of at least three years between ceasing such employment and serving on the Board;
- (c) has within the last three years been a partner, director or senior employee of a material professional adviser or a material consultant to the Company or another Group member, or an employee materially associated with the service provided;
- (d) is a material supplier or customer of the Company or other Group member, or an officer of or otherwise associated directly or indirectly with a material supplier or customer;
- (e) has a material contractual relationship with the Company or another Group member other than as a director of the Company;

- (f) has any close family ties with any person who falls within any of the categories described above; or
- (g) has been a director of the Company for such a period that his or her independence may have been compromised.

3.10 The Board should regularly assess whether a non-executive director is 'independent' in accordance with the above criteria.

#### **Directors' responsibilities**

3.11 Directors are expected to at all times act in accordance with legal and statutory requirements, and discharge all their duties as directors. Directors must:

- (a) discharge their duties in good faith and in the best interests of the Company and for a proper purpose;
- (b) act with care and diligence, demonstrate commercial reasonableness in their decision making and act with the level of skill and care expected of a director of a major company, including applying an independent and enquiring mind to their responsibilities;
- (c) avoid conflicts of interest except in those circumstances permitted by the Corporations Act;
- (d) not make improper use of information gained through their position as a director;
- (e) not take improper advantage of their position as a director;
- (f) notify other directors of a material personal interest when a conflict arises;
- (g) in the case of non-executive directors, disclose to the Board all information that may be relevant for the Board to assess the director's independence;
- (h) make reasonable enquiries if relying on information or advice provided by others;
- (i) undertake any necessary enquiries in respect of delegates; <and>
- (j) give the Company or ASX Limited all the information required by the Corporations Act; and
- (k) not permit the Company to engage in insolvent trading.

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## **4. ROLE AND RESPONSIBILITIES OF THE CHAIR AND COMPANY SECRETARY**

### **Chair**

4.1 The Company has appointed a non-executive Chair who is not independent due to their depth of experience and knowledge of the Group and the industry in which it operates.

4.2 It is intended that any future Chair of the Company will be an independent non-executive director and will be selected on the basis of relevant experience, skill, judgement and leadership abilities to contribute to the effective direction of the Company.

4.3 If at any time the Company has a Chair who is not independent, the Board will consider appointing a lead independent director.

4.4 The Chair is responsible for:

- (a) leading the Board in reviewing and discussing Board matters;
- (b) chairing Board meetings and shareholder meetings, including, setting the agenda for Board meetings (in consultation with the other directors and the Company Secretary) and ensuring that adequate time is available for discussion of all agenda items;
- (c) ensuring the efficient organisation and conduct of the Board's function;
- (d) briefing all directors in relation to issues arising at Board meetings;
- (e) facilitating effective contribution by all directors and monitoring Board performance;
- (f) promoting constructive and respectful relations between Board members and between the Board and management;
- (g) overseeing the role of the Company Secretary, including, reviewing corporate governance matters with the Company Secretary and reporting on those matters to the Board; and
- (h) on the advice of the Nomination Committee, establishing and overseeing the implementation of policies and systems for Board performance review and renewal.

#### **Company Secretary**

4.5 The Company Secretary acts as secretary of the Board, attending all meetings of the Board as required. The Company Secretary is accountable directly to the Board, through the Chair on all matters to do with the proper functioning of the Board.

4.6 The Company Secretary is responsible for:

- (a) advising the Board and its committees on governance matters;
- (b) monitoring that Board and committee policies and procedures are followed;
- (c) coordinating the timely completion and despatch of Board and committee papers;
- (d) ensuring that the business at Board and committee meetings is accurately captured in the minutes; and
- (e) organising and facilitating the induction and professional development of directors and him or herself.

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## **5. BOARD COMMITTEES**

5.1 Under the Company's Constitution, the Board may delegate responsibility to committees to consider certain issues in further detail and then report back to and advise the Board.

5.2 The Board has established the following Committees:



- (a) the Audit and Risk Committee; and
- (b) the Remuneration and Nomination Committee.

5.3 The Company may establish other committees from time to time to consider other matters of special importance.

5.4 Although the Board may delegate powers and responsibilities to these committees, the Board retains ultimate accountability for discharging its duties.

5.5 Standing committees established by the Board will adopt charters setting out the authority, responsibilities, membership and operation of the committee. These charters will identify the areas in which the Board will be assisted by each committee.

5.6 Directors are entitled to attend committee meetings and receive committee papers. Committees will maintain minutes of their meetings and are entitled to obtain professional or other advice in order to effectively carry out their proper functions. The chair of each committee will report back on committee meetings to the Board at the next full Board meeting.

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## **6. DELEGATION**

### **Delegation to Chief Executive Officer**

6.1 The Board has delegated to the Chief Executive Officer the authority to manage the day to day affairs of the Company and the authority to control the affairs of the Company in relation to all matters other than those responsibilities reserved to itself in this Charter.

6.2 The Board may impose further specific limits on the Chief Executive Officer delegations. These delegations of authority will be maintained by the Company Secretary and will be reviewed by the Board from time to time.

6.3 The Chief Executive Officer has authority to sub-delegate to senior management.

### **Role of Chief Executive Officer**

6.4 The management function is conducted by, or under the supervision of, the Chief Executive Officer as directed by the Board, and by other officers to whom the management function is properly delegated by the Board or the Chief Executive Officer.

6.5 The Board approves corporate objectives for the Chief Executive Officer to satisfy and, jointly with the Chief Executive Officer, develops the duties and responsibilities of the Chief Executive Officer, which includes those set out in any employment contract of the Chief Executive Officer.

6.6 The Chief Executive Officer is responsible for implementing strategic objectives, plans and budgets approved by the Board in accordance with the directions of the Board.

### **Relationship with management**

6.7 Directors may delegate their powers as they consider it appropriate including to management of the Group. However, ultimate responsibility for strategy and control rests with the directors.

6.8 Management are ultimately accountable to the Board.

6.9 Management must supply the Board with information in a form, timeframe and quality that will enable the Board to discharge its duties effectively. Directors are entitled to request additional information at any time when they consider it appropriate.

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## **7. MEETINGS**

7.1 All Board meetings will be conducted in accordance with the Company's Constitution and the Corporations Act.

7.2 Directors are committed to collective decision making, but have a duty to question and raise any issues of concern to them. Matters are to be debated openly and constructively amongst the directors. Individual directors must utilise their particular skills, experience and knowledge when discussing matters at Board meetings.

7.3 Directors must keep Board discussions and resolutions confidential, except where they are required to be disclosed.

7.4 A meeting of the Board will usually be convened by the Chair, although under the Company's Constitution a meeting may be called by any director.

7.5 All directors are expected to diligently prepare for, attend and participate in all Board meetings.

7.6 At a minimum, a quorum of directors under the Company's Constitution is two directors. Meetings of the Board may be held or participated in by conference call or other electronic communications as permitted by the Company's Constitution. Resolutions of the Board may be passed by circular resolution or in writing in accordance with the Company's Constitution.

7.7 The Board should assess the information that it receives and the timing of its distribution to ensure the Board has sufficient time to examine the material provided to it for approval.

7.8 Non-executive directors will periodically meet without executive directors or management present.

7.9 The Board may request or invite management or external consultants to attend Board meetings, where necessary or desirable.

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## **8. REMUNERATION**

8.1 The level of non-executive director remuneration will be set by the Remuneration Committee.

8.2 The level and nature of remuneration for executive directors and other senior executives of the Company will be set by the Board after receiving and considering the recommendation of the Remuneration Committee.

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## **9. CONTINUOUS DISCLOSURE**

- 9.1 The Board has adopted a policy relating to the continuous disclosure obligations of the Company under the ASX Listing Rules and Corporations Act. The Company Secretary will oversee the implementation of that policy and will report to the Board on compliance with that policy at each regular meeting of the Board.
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## **10. CONFIDENTIAL INFORMATION AND EXTERNAL COMMUNICATION**

- 10.1 The Board has established the following principles to apply in respect of information of the Group:

- (a) all directors are required to keep confidential all information provided to them in their capacity as a director and must not disclose or improperly use such information;
  - (b) generally, the Chair will speak for the Group, unless the Board has agreed other spokespersons in accordance with the Company's Continuous Disclosure Policy.  
  
Individual Board members are expected not to communicate on behalf of the Board or the Group without prior consultation with the Chair; and
  - (c) all disclosures of materially price-sensitive information to any person must be approved and made in accordance with the Company's Continuous Disclosure Policy, the ASX Listing Rules and Corporations Act.
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## **11. CONFLICTS OF INTEREST**

- 11.1 The directors of the Company are required to act in a manner which is consistent with the best interests of the Company as a whole, free of any actual or possible conflicts of interest.
- 11.2 If a director considers that they might be in a position where there is a reasonable possibility of conflict between their personal or business interests, the interests of any associated person, or their duties to any other company and the interests of the Company or their duties to the Company or the Group, the Board requires that the director:
- (a) fully and frankly informs the Board about the circumstances giving rise to the conflict; and
  - (b) unless the Board otherwise determines, abstains from voting on any motion relating to the matter and absents themselves from all Board deliberations relating to the matter, including receipt of board papers bearing on the matter.
- 11.3 If a director believes that they may have a conflict of interest or duty in relation to a particular matter, the director should immediately consult with the Chair (or, in the case of the Chair, the Chair should immediately consult with the other non-executive directors).
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## **12. RELATED PARTY TRANSACTIONS**

- 12.1 The Board has delegated to the Audit and Risk Committee responsibility for reviewing and monitoring related party transactions and investments involving the directors and the Group.
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## **13. INDEPENDENT ADVICE**

13.1 A director of the Company is entitled to seek independent professional advice (including, but not limited to, legal, accounting and financial advice) at the Company's expense on any matter connected with the discharge of their responsibilities, in accordance with the procedures and subject to the conditions set out below:

- (a) a director must seek the prior approval of the Chair (or if the Chair is the relevant director, with the approval of the lead independent director);
- (b) in seeking the prior approval of the Chair or the Board (as applicable), the director must provide the Chair or the lead independent director (as applicable) with details of:
  - (i) the nature of the independent professional advice;
  - (ii) the likely cost of seeking the independent professional advice; and
  - (iii) details of the independent adviser they proposes to instruct;
- (c) the Chair or lead independent director (as applicable) may set a reasonable limit on the amount that the Company will contribute towards the cost of obtaining such advice;
- (d) all documentation containing or seeking independent professional advice must clearly state that the advice is sought both in relation to the Company and the director in their personal capacity. However, the right to advice does not extend to advice concerning matters of a personal or private nature, including for example, matters relating to the director's contract of employment with the Company (in the case of an executive director) or any dispute between the director and the Company; and
- (e) unless the Chair or lead independent director (as applicable) otherwise determines, any advice received by an individual director will be circulated to the remainder of the Board.

13.2 All directors are entitled to the benefit of the Company's standard Deed of Access, Indemnity and Insurance which provides ongoing access to Board papers and, at the Company's expense, Directors and Officers insurance for seven years after the director leaves the Board.

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## **14. ACCESS TO MANAGEMENT**

14.1 The directors have complete and open access to management following consultation with the Chair and Chief Executive Officer.

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## **15. BOARD CHARTER**

15.1 The Board is responsible for reviewing the effectiveness of this Charter to determine its appropriateness to the needs of the Company from time to time and approving any amendments to this Charter.

**SCHEDULE "B"**  
**AUDIT COMMITTEE CHARTER**

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**1. INTRODUCTION**

- 1.1 The Audit and Risk Committee (**Committee**) is a committee of the board of directors (**Board**) of Jervois Mining Limited ACN 007 626 575 (**Company**).
- 1.2 This Charter sets out the role, authority, responsibilities, composition and procedural requirements of the Committee.

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**2. ROLE AND OBJECTIVES**

- 2.1 The role of the Committee is to assist the Board in fulfilling its responsibility for ensuring the integrity of the Company's financial reporting and the implementation of a sound system of risk management and internal control by monitoring, reviewing and advising or reporting to the Board on:
- (a) the reliability and integrity of the Company's financial reporting systems and processes;
  - (b) the appropriateness of the accounting judgements or choices exercised by management in preparing the Company's financial statements;
  - (c) the implementation and effectiveness of the Company's risk management and internal control policies and practices;
  - (d) the implementation and effectiveness of the Company's internal audit systems and processes;
  - (e) the appointment and, if necessary, removal of the Company's external auditors and the work of, and relationship with, the external auditors; and
  - (f) the implementation and effectiveness of the Company's systems and processes for ensuring compliance with all applicable laws, regulations and Company policies.

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**3. RESPONSIBILITIES**

- 3.1 In order to fulfil its responsibilities to the Board, the Committee will:

**Financial reports**

- (a) review (including by asking the external auditors for an independent judgment about) the appropriateness and integrity of the accounting policies and principles adopted by management in the preparation and presentation of the financial reports and whether the financial disclosures in the notes to the financial reports made by management accurately portray the Company's financial condition, plans and long-term commitments;

- (b) review the financial reports for the half year and full year and related regulatory filings, and consider whether they are accurate, complete, consistent with information known to Committee members, and reflect the Company's accounting policies and principles;
- (c) receive and consider in connection with the half year and full year financial reports (and any quarterly reports, if applicable) a declaration from the Chief Executive Officer (**CEO**) and Chief Financial Officer (**CFO**) to the Board that, in their opinion, the financial records of the Company have been properly maintained and that the financial statements comply with appropriate accounting standards and give a true and fair view of the financial position and performance of the Company and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively;
- (d) review with management and the external auditors results of the audit.

#### **Internal control and risk management**

##### **3.2 In consultation with management:**

- (a) prepare a risk profile which describes the material business risks facing the Group, including financial and non-financial matters and taking into account both the Group's legal obligations and the reasonable expectations of the Group's stakeholders (such as shareholders, employees, customers, suppliers, creditors, consumers and the broader community in which the Group operates); and
- (b) regularly review and update the risk profile and provide copies to the Board;
- (c) review and report to the Board (at least annually) on the effectiveness of the Company's internal controls regarding:
  - (i) the Company's financial reporting systems and processes;
  - (ii) due diligence for acquisitions and other new projects;
  - (iii) compliance with confidentiality obligations; and
  - (iv) information technology security.
- (d) review and report to the Board (at least annually) on the effectiveness of internal systems and processes for identifying, managing and monitoring material business risks, including:
  - (i) breaches of contract or internal controls;
  - (ii) litigation and claims; and
  - (iii) fraud and theft.
- (e) obtain regular reports from management on the occurrence and/or status of any material breaches of internal controls or other material risk exposures or incidents and report to the Board (at each Board meeting or earlier, if appropriate) on such breaches, exposures and incidents and generally whether material business risks are being managed effectively;

- (f) review the scope of the internal and external auditors' review of internal control and risk management, review reports on significant findings and recommendations, together with management's responses;
- (g) recommend to the Board any changes to the Company's internal control and risk management framework from time to time as appropriate;

#### **Internal audit**

- (h) review with management and the internal auditor (if one is appointed), the scope and activity of the internal audit function;
- (i) meet with the internal auditor and management to review internal audit reports and monitor management responses;
- (j) meet separately with the internal auditor, at least once a year, to discuss any matters that the Committee or internal auditor believes should be discussed privately;
- (k) review the effectiveness of the internal audit activity;
- (l) ensure there are no unjustified restrictions or limitations, and consider and approve the appointment, replacement or dismissal of the internal auditor by management;

#### **External audit**

- (m) review the external auditors' proposed audit scope and approach;
- (n) meet with the external auditors to review reports, and meet separately, at least once a year, to discuss any matters that the Committee or auditors believe should be discussed privately;
- (o) establish policies as appropriate in regards to the independence of the external auditor;
- (p) review the rotation of the audit engagement partner;
- (q) review and confirm the independence of the external auditors by obtaining statements from the auditors on relationships between the auditors and the Company, including non-audit services, and discussing the relationships with the auditors;
- (r) review the performance of the external auditors, and consider the re-appointment and proposed fees of the external auditor and, if appropriate, conduct a tender of the audit. Any subsequent recommendation following the tender for the appointment of an external auditor will be put to the Board and then if a change is approved it will be put forward to shareholders for their approval;

#### **Compliance**

- (s) consider the plans and processes for the Group's compliance activities;
- (t) obtain regular updates from management and lawyers regarding compliance matters;
- (u) review the effectiveness of the system for monitoring compliance with laws and regulations and the results of relevant management's investigation and follow-up



(including disciplinary action) of any instances of non-compliance;

- (v) review the findings of any examinations by regulatory agencies;

#### **Reporting responsibilities**

- (w) regularly report to the Board about Committee activities, issues and related recommendations;
- (x) provide an open avenue of communication between internal audit, the external auditors, and the Board. For the purpose of supporting the independence of their function, the external auditor and the internal auditor have a direct line of reporting access to the Committee;
- (y) report to the Board any material exposure to economic, environmental and social sustainability risks and, if the Company is exposed to such risks, how the Company should manage those risks;
- (z) report annually to the Board regarding information to be provided in the Annual Report to shareholders, describing the Committee's composition, responsibilities and how they were discharged, and any other information required by law or the ASX Listing Rules;
- (aa) review any other reports the Company issues that relate to the Committee's responsibilities;

#### **Related party transactions**

- (bb) review and monitor related party transactions and investments involving the Company and its directors;

#### **Other responsibilities**

- (cc) perform other activities related to this Charter as requested by the Board;
- (dd) institute and oversee special investigations as needed;
- (ee) confirm annually that all responsibilities outlined in this Charter have been carried out; and
- (ff) evaluate the Committee's and individual members' performance on a regular basis.

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## **4. COMPOSITION**

4.1 The Committee will comprise a minimum of two members, both of whom must be nonexecutive directors and independent directors.

4.2 All members must be financially literate (i.e. able to read and understand financial statements). At least one member must have expertise in financial and accounting matters. At least two members must have an understanding of the industry in which the Group operates.

4.3 The Board will nominate the Chair of the Committee from time to time. The Chair must be an independent director who is not the Chair of the Board.

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## 5. PROCEDURAL REQUIREMENTS

- 5.1 The Committee will meet as required but not less than twice a year.
- 5.2 A quorum of the Committee will comprise two members, although all members are expected to attend (either in person or by conference call or similar means) and participate.
- 5.3 If the Chair of the Committee is absent from a meeting and no acting Chair has been appointed, the members present may choose one of them to act as Chair for that meeting.
- 5.4 Meetings of the Committee may be held or participated in by conference call or similar means, and decisions may be made by circular or written resolution.
- 5.5 Each member of the Committee will have one vote.
- 5.6 The Chair will not have a casting vote. If there is a tied vote, the motion will lapse.
- 5.7 The Committee may seek such advice from any external parties as it may consider necessary or desirable to fulfil its objectives.
- 5.8 Following each meeting of the Committee, the Chair of the Committee will report to the Board on any matter that should be brought to the Board's attention and on any recommendation of the Committee that requires Board approval or action.
- 5.9 Minutes of meetings of the Committee will be prepared for approval by the Committee and circulated to the members of the Board (in the papers for the next Board meeting following the Committee meeting).
- 5.10 The Company Secretary will attend meetings of the Committee and provide such assistance as may be required by the Chair of the Committee in relation to preparation of the agenda, minutes or papers for the Committee.
- 5.11 As necessary or desirable, the Chair may invite members of management, including the head of internal audit and representatives of the external auditors or other external advisors, to be present at meetings of the Committee.

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## 6. AUTHORITY

- 6.1 The Committee may in fulfilling its purpose and discharging its responsibilities:
- (a) conduct or authorise inquiries or investigations into any matters within its scope of responsibility;
  - (b) retain lawyers, accountants or others to advise the Committee or assist in the conduct of any inquiries or an investigation;
  - (c) have unrestricted access to and seek any information it requires from:
    - (i) management and staff; and
    - (ii) internal and external auditors (without management present), all of whom are directed to cooperate with the Committee's requests; and

- (d) seek advice from external consultants or specialists where the Committee considers that necessary or appropriate.
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## **7. ANNUAL REVIEW**

- 7.1 The Committee will review its performance annually.
  - 7.2 The annual performance evaluation will have regard to the extent to which the Company has met its responsibilities in terms of this Charter.
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## **8. REVIEW OF THIS CHARTER**

- 8.1 The Committee is responsible for reviewing the effectiveness of this Charter and the operations of the Committee, and to make recommendations to the Board of any amendments to this Charter.
- 8.2 Any amendment to this Charter must be approved by the Board.