

# Jervois

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ASX/TSX-V: JRV  
OTCQX: JRVMF

## Jervois Global Quarterly Activities Report to 31 March 2023

<p><b>Jervois Global Limited</b> ACN: 007 626 575 ASX/TSXV: JRV OTCQX: JRVMF</p> <p><b>Corporate Information</b> 2,079M Ordinary Shares 77.16M Options 19.9M Performance Rights 3.2M Warrants</p> <p><b>Non-Executive Chairman</b> Peter Johnston</p> <p><b>CEO and Executive Director</b> Bryce Crocker</p> <p><b>Non-Executive Directors</b> Brian Kennedy Michael Callahan David Issroff Daniela Chimisso dos Santos</p> <p><b>Company Secretary</b> Alwyn Davey</p> <p><b>Contact Details</b> Suite 2.03, 1-11 Gordon Street Cremorne Victoria 3121 Australia</p> <p>P: +61 (3) 9583 0498 E: admin@jervoisglobal.com W: www.jervoisglobal.com</p>	<p><b>HIGHLIGHTS</b></p> <p><b>Jervois Finland:</b></p> <ul style="list-style-type: none"><li>• Positive cash flow from operations of US\$1.3 million resulting from business stabilisation and working capital improvements</li><li>• Q1 2023 cobalt sales of 1,558 metric tonnes, representing a +15% increase compared to prior quarter; revenue US\$58 million</li><li>• Q1 was final quarter where high priced 2022 raw material purchases impacted financial results; Kokkola refinery expansion Bankable Feasibility Study pivoted to the U.S.</li></ul> <p><b>Idaho Cobalt Operations (“ICO”), United States (“U.S.”):</b></p> <ul style="list-style-type: none"><li>• Final construction and commissioning suspended due to cobalt market conditions and U.S. inflationary impacts; restart to occur with higher cobalt prices</li><li>• In-fill and expansion drill holes all intersected RAM’s main mineralised horizon</li><li>• Updated Mineral Resource Estimate for RAM deposit offers opportunity to extend ICO mine life</li><li>• U.S. Government (Department of Defense) grant for drilling and to assess construction of a U.S. cobalt refinery</li></ul> <p><b>São Miguel Paulista (“SMP”) Nickel and Cobalt Refinery, Brazil:</b></p> <ul style="list-style-type: none"><li>• Initial supply contract secured from Gordes plant in Turkey (marketed by Traxys Europe SA); up to 25% SMP nickel capacity for three years</li><li>• Refinery restart pace moderated pending financing</li></ul> <p><b>Corporate:</b></p> <ul style="list-style-type: none"><li>• Mercuria increased its shareholding to 8.8%</li><li>• Jervois ends March 2023 quarter with US\$50 million in cash, US\$66 million physical cobalt inventories in Jervois Finland, and total drawn debt of US\$170 million<sup>1</sup></li></ul>
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<sup>1</sup> Debt drawn down represents the aggregate of amounts drawn under the US\$150 million working capital facility and amounts drawn under the terms of the US\$100 million Senior Secured Bonds. Amounts represent the nominal loan amounts; balances recorded in the Company’s financial statements under International Financial Reporting Standards will differ.

## Resetting of business priorities for 2023

With cyclical weakness in the cobalt market currently impacting the business and operations of Jervois, the Company has adjusted its priorities to ensure long-term resilience and sustainability across the asset base.

The key priorities for 2023 are:

- Consolidate Jervois Finland turnaround with objective of returning to positive EBITDA in April 2023 and maximising cash generation across Q2.
- Deliver cost effective suspension phase at ICO and maximise restart optionality.
- SMP restart pause; debt and partnership funding options advancing.
- Execute U.S. Government funded ICO drilling programme and domestic refinery studies; advance other U.S. Government funding applications, including ATVM loan.
- Maximise value for Nico Young nickel-cobalt laterite project via sales process.

Management is focussed on delivery of these priority activities as they will provide a solid foundation for the medium to long-term future of the Company. Even at current low cobalt prices, Jervois has a pathway to sustain its revised strategy.

### Jervois Finland

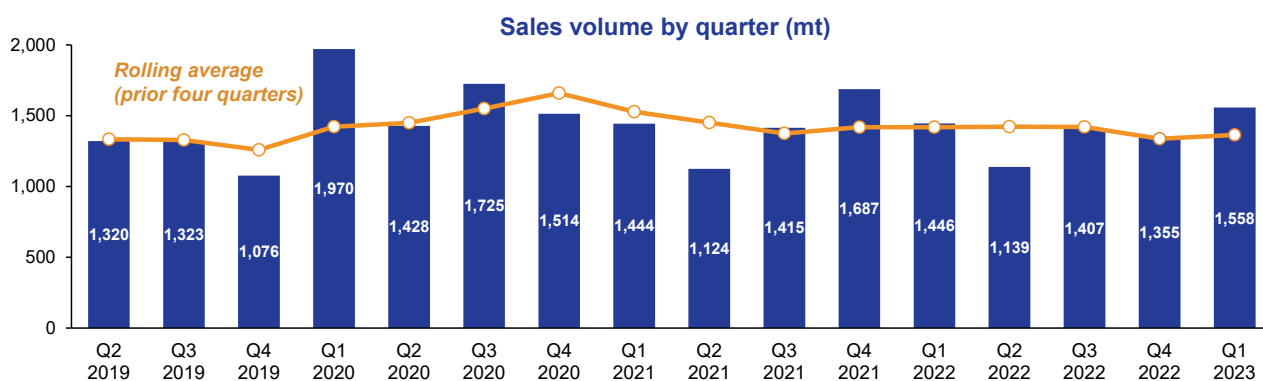
- Quarterly revenue: US\$57.6 million (Q4 2022: US\$73.0 million)
- Cash flow from operations: US\$1.3 million (Q4 2022: -US\$6.0 million)
- Adjusted EBITDA<sup>2</sup>: -US\$10.4 million (Q4 2022: -US\$7.1 million)
- Sales volume: 1,558 metric tonnes (Q4 2022: 1,355 metric tonnes)
- Production volume: 1,082 metric tonnes (Q4 2022: 1,258 metric tonnes)

### **Sales and Marketing**

Jervois Finland produced 1,082 metric tonnes and sold 1,558 metric tonnes of cobalt in the quarter. Production was temporarily reduced early in the quarter to take account of finished goods inventory levels and underlying market demand.

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<sup>2</sup> Information on the basis of preparation for the financial information included in this Quarterly Activities Report is set out on page 18 below.



Cobalt markets remained weak in the quarter driven by ongoing Chinese destocking, as reported in Q4 2022. The outlook across 2023 is expected to be more stable than the volatility experienced across 2022. Cobalt tonnage requested from the battery sector, including automakers, across the back end of 2023 and particularly from 2024 and beyond continues to be positive. Consumer electronics demand, which makes up around half of cobalt battery demand today, is expected to recover in 2024, from a record 13 per cent decline in 2022.

The Company's outlook for key market segments is summarised below.

#### *Batteries:*

- Inventory levels from existing customers remains high and demand subdued, and this is not expected to recover until Q4 2023 or 2024 at the earliest.
- Recent U.S. Inflation Reduction Act of 2022 ("IRA") indication that Japanese cobalt containing products will be considered eligible for the consumer electric vehicles ("EVs") credit have been positively received.
- European and U.S. OEM or automaker enquiries have increased significantly, with strong volume and pricing requests from the start of 2024, and rising sharply in following years.
- With increasing pressure to separate battery supply chains from China, Jervois Finland is undertaking a qualification process with many South Korean battery producers.

#### *Chemicals, Catalysts and Ceramics:*

- Catalysts: Cobalt consumption in refinery applications firming across 2023, consumption by Jervois's customers expected to be higher year on year.
- Chemicals: Demand across key applications such as electrowinning, coatings and rubber adhesion chemicals are stable.
- Ceramics: Key global ceramics markets are experiencing softer demand after the Covid-related surge in the home improvement market.

### *Powder Metallurgy:*

- Automotive remains weak across all global markets, with recovery expected in Q4 2023 and moving into 2024.
- General engineering, including construction, is experiencing softening with interest rate increases and a slowing global economy.
- U.S. oil and gas has remained robust. Aerospace has been strong due to high order intake.

### **Financial Performance<sup>3</sup>**

Jervois Finland achieved revenue of US\$57.6 million in the first quarter, a 21 per cent decline relative to the prior quarter. A 15 per cent increase in sales volumes, was more than offset by the impact of lower cobalt prices in the period.

#### Cash Flow Performance

Cash flow from operations (before interest payments) was US\$1.3 million in the quarter. Positive cash flow resulted from the stabilisation of the Jervois Finland business following a period of volatility in 2022. Working capital improvements contributed to the cash flow results, with the planned unwind of inventory commencing in the quarter. Production rates were temporarily reduced in early Q1 as part of Jervois Finland's response to market conditions, that generated cash savings and enabled the company to reduce inventories to meet sales commitments.

#### Adjusted EBITDA

Adjusted EBITDA was -US\$10.4 million in the quarter, impacted by a decision to accelerate processing of remaining high-priced cobalt raw materials. Q1 2023 is expected to be the final quarter where raw material purchases linked to 2022 cobalt prices have an adverse impact on Jervois Finland's EBITDA result. The high-priced raw materials are a legacy of contractual arrangements for purchasing cobalt hydroxide established prior to Jervois' acquisition of the business. This has resulted in feed costs realised in the profit and loss account in the first quarter that are significantly higher than the average cost (both payable and price) for settlement of new purchases in 2023. Normalisation of feed pricing in late first quarter is a key factor that underpins the company's near-term expectation to return to positive EBITDA.

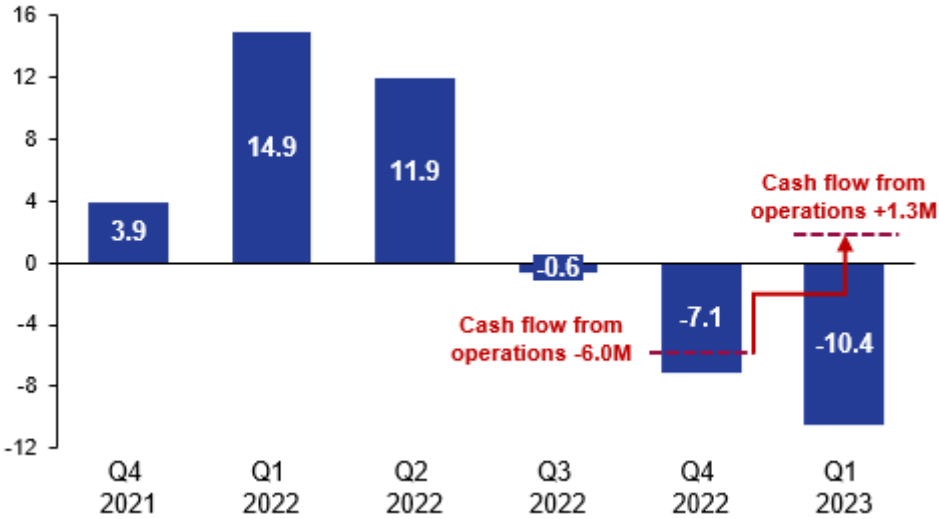
Operating cost pressures continued to impact margins in the quarter, including due to elevated pricing of key input costs, particularly into Umicore's refinery. Caustic soda prices began to ease late in the first quarter. A continuation of this trend would contribute to

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<sup>3</sup> Information on the basis of preparation for the financial information included in this Quarterly Activities Report is set out on page 18 below.

stabilisation of operating margins in 2023. Jervois Finland has implemented operating efficiency and cost reduction programmes to offset headwinds from external factors.

Figure 2: Jervois Finland Adjusted EBITDA (US\$M, unaudited)



Working Capital

Jervois Finland cobalt inventories reduced from 2,540 mt at 31 December 2022 to 2,196 mt at 31 March 2023. This represented an improvement from ~155 days to ~134 days. Jervois will continue to pursue a disciplined approach to the unwind of its inventory and expects to reach a target level of 90 to 110 days later in 2023. Jervois anticipates that a proportion of the cash released from working capital reductions will be used to meet partial repayment of the Mercuria working capital facility.

The net realisable value (“NRV”) of cobalt inventories as at 31 March 2023 was lower than historic cost and, therefore, a US\$25.5 million non-cash accounting adjustment has been recorded in the first quarter. The NRV write-down is a non-cash adjustment to the book value of inventory and does not impact the economic gain or loss associated with the inventory position. The economic gain or loss is expected to be realised in future cash flows according to market conditions and other circumstances in the future period when the inventory is sold. The cost has been excluded from Adjusted EBITDA.

**Kokkola Refinery Expansion Bankable Feasibility Study (“BFS”) Pivots to U.S.**

The BFS for a proposed refinery expansion at the Kokkola Industrial Park in Finland will be redirected to be a study for a greenfield cobalt refinery in the U.S.; the BFS is now expected to be completed based on this new location.

Jervois Finland's technical team and engineering and consulting company AFRY Finland Oy ("AFRY") have designed a BFS flowsheet for an initial refinery capacity of 6,000 mt per annum of contained cobalt in sulphate, the physical form required for the battery industry, including EVs.

AFRY will continue to provide specialist refinery expertise and leadership from Finland, but with the BFS to be run out of AFRY USA LLC. Jervois USA's team in Salmon, Idaho, will also provide specialist support for the U.S. BFS across key areas such as environment and permitting, logistics, utilities and construction readiness. Jervois Finland, a leading supplier of high quality cobalt products and with 50 years of experience in cobalt refining and advanced manufacturing at Kokkola, will continue to provide stewardship of the BFS.

The IRA is a landmark piece of federal legislation designed to incentivise domestic energy production, promote clean energy, and support a U.S. transition away from fossil fuels, including for transportation. The legislation provides for more than US\$390 billion to support U.S. climate and clean energy policies. A key focus of the legislation is to increase domestic extraction and processing rates of key battery materials and critical minerals including cobalt.

The IRA is designed to stimulate U.S. domestic cobalt refining and recycling activities. Jervois' future U.S. cobalt refinery is expected to benefit from, inter alia, a 10 percent operating cost credit for the duration of its operating life. Despite initial steps by Europe through its recent 2023 European Union Critical Raw Materials Act and Net Zero Industry Act, this represents a material competitive advantage over facilities not located in the U.S. In addition, Jervois is encouraged by discussions with the U.S. Department of Energy ("DOE") regarding various loan and grant programmes that are expected to be available to support refinery construction. Jervois announced on 24 April 2023 its funding application under the DOE's Advanced Technology Vehicles Manufacturing Loan Program ("ATVM").

### Idaho Cobalt Operations ("ICO"), U.S.

#### **ICO Development**

The mine component of ICO's construction has been completed, with a successful start to underground stoping and more than 30,000 short tons of ore ready for processing.

However, the current U.S. inflationary construction and cost environment, particularly at ICO's remote location, has proven challenging for Jervois to manage effectively.

In late March, Jervois announced a decision to suspend final construction and full concentrator commissioning at ICO due to continuing low cobalt prices and the U.S. inflationary impacts on construction costs.

ICO's mineral resource and reserve is the largest and highest grade confirmed cobalt orebody in the U.S. and, when commissioned, will represent the country's only primary cobalt mine supply. Cobalt is a critical mineral as declared by the U.S. Government. Jervois has determined that not mining ICO cobalt at cyclically low prices will preserve the optionality and inherent strategic value of ICO for shareholders and key stakeholders, including local communities and the State of Idaho. The Company also views not mining ICO at current prices is consistent with U.S. Government critical mineral policy objectives.

Jervois remains confident regarding the medium- and longer-term future of cobalt. The trajectory of structurally higher prices is expected to be increasingly influenced by rising cobalt demand from the energy transition including EVs. The Company's expectation also is that Western cobalt purchasers will increasingly prefer cobalt from sources with Western ESG credentials, particularly given the concentration of supply from the Democratic Republic of Congo and China.

The U.S. Department of Defense ("DOD") has advised that it intends to award Jervois an immediate need for Defense Production Act ("DPA") Title III with US\$15 million of funding through a Not to Exceed Technology Investment Agreement. The DOD award is subject to Jervois successfully completing required documentary steps including agreement to terms and conditions of the award; this process continues.

Jervois applied for the DOD award monies to accelerate its drilling aimed at increasing the ICO mineral resource and reserve, and for studies to assess construction of a U.S. cobalt refinery; both can proceed despite ICO's suspension.

Jervois views the DOD's intention to issue its award as an indication of the importance to the U.S. Government of securing its cobalt supply chain. Accordingly, the Company continues to engage with the U.S. Department of Energy and EXIM, the official export credit agency of the U.S., on further financing initiatives. Whilst there can be no assurance any additional funding will be received, Jervois believes U.S. Government support in developing a viable domestic cobalt supply chain is important given the energy transition and Jervois' expectation that Western cobalt purchasers will increasingly prefer cobalt from sources with Western ESG credentials, such as ICO.

Jervois has safely completed ICO site demobilisation and total workforce, including contractors, will be ramped down to approximately 30 during suspension, which represents a fit-for-purpose workforce to maintain the site in compliance with its regulatory requirements and execute the envisaged DOD programmes.

ICO continues to be a key part of delivering Jervois' strategy of acquiring and operating geopolitically strategic mining and critical mineral processing assets important to energy transition and the defence industry.

## Updated Mineral Reserve and Resource Estimate and Drilling

In-fill and expansion drilling campaigns conducted throughout 2022 returned promising results which Jervois has incorporated into an updated Mineral Resource Estimate (“MRE”) for the RAM deposit, which was calculated in accordance with standards set forth in both the Australasian JORC Code 2012 (“JORC”) and by the Canadian Institute of Mining (“CIM”).

The 2022 drilling programme at ICO consisted of 10,300 metres (“m”) in 69 completed diamond drill holes. With the exception of a single geotechnical drillhole, the 2022 drilling focused on the RAM deposit underpinning current mine development at ICO, and its down-dip extents, and comprised 62 infill drillholes (totalling 7,730m) and six targeted RAM resource expansion drillholes (totalling 2,300m).

### *In-fill Drilling:*

In-fill drilling targeted the Main Mineralised Horizon (“MMH”) of the RAM deposit. All holes drilled intersected the MMH, indicating continuity and consistency with existing RAM resource drilling and correspond well with grades and widths predicted by the previous 2020 RAM resource model.

In total, Jervois has now drilled 81 drill holes targeting the MMH of the RAM deposit since acquiring the project in mid-2019 (including 19 holes completed in late 2019), with all holes intersecting mineralisation. This represents an increase of more than 80 per cent with respect to the total number of resource drillholes defining the RAM deposit prior to Jervois ownership; a step change in orebody delineation and de-risking its mine plan.

### *Expansion Drilling:*

Expansion drilling (holes outside the existing wireframes supporting the current MRE) returned results of:

- 6.0m calculated true width (“CTW”) @ 0.58% cobalt (“Co”), 0.66% copper (“Cu”) and 0.31 grams per metric tonne gold (“g/t Au”) (Drill hole JS22-001B)
- 2.4m CTW @ 0.27% Co, 0.67% Cu and 0.14 g/t Au (Drill hole JU22-064)
- 3.1m CTW @ 0.43% Co, 0.17% Cu and 0.34 g/t Au (Drill hole JU22-065)
- 3.9m CTW @ 0.16% Co, 2.20% Cu and 1.03 g/t Au (Drill hole JU22-066)
- 5.8m CTW @ 0.31% Co, 1.50% Cu and 0.38 g/t Au (Drill hole JU22-068)
- 5.7m CTW @ 0.37% Co, 1.37% Cu and 0.89 g/t Au (Drill hole JU22-069).

All holes encountered mineralisation with all of their respective hanging walls, and all except one of their MMH intersections occurring outside of the extents of the current JORC and CIM compliant MRRE and current mine model, as described in the ICO BFS. Together with two



2019 holes that tested foot wall targets underlying the RAM deposit<sup>4</sup>, all eight targeted exploration or expansion holes outside of the 2020 defined MRRE intersected mineralisation.

These drilling results continue to confirm that the RAM orebody is expected to support extended mine life at ICO and introduces the potential for higher annual production rates<sup>5</sup>. The RAM deposit remains open at depth and along strike, and Jervois is confident that there is significant potential of both resource and reserve expansion.

**Table 1: RAM deposit Expansion Drilling Results**

Hole ID	Zone	From (m)	To (m)	Calculated True Width* (m)	Cobalt (%)	Copper (%)	Gold (g/t)
JS22-001B	MMH	417.9	425.2	6.0	0.58	0.66	0.31
JU22-064	MMH	294.4	297.8	2.4	0.27	0.67	0.14
JU22-065	HW	300.7	306.3	2.9	1.21	2.04	0.99
JU22-065	MMH	375.8	381.3	3.1	0.43	0.17	0.34
Including		375.8	378.6	1.6	0.71	0.32	0.62
JU22-066	MMH	241.1	247.4	3.9	0.16	2.20	1.03
JU22-068	MMH	274.9	282.6	5.8	0.31	1.50	0.38
Including		281.0	282.6	1.3	0.63	3.81	0.86
JU22-069	MMH	312.4	321.6	5.7	0.37	1.37	0.89
Including		313.0	317.9	2.9	0.50	2.13	1.41

#### *Updated Mineral Resource Estimate*

Jervois completed an updated JORC/CIM compliant MRE in April 2023<sup>6</sup>, which incorporates the above drilling results.

An updated MRE for the RAM deposit is presented below (Tables 2 and 3) at a series of cut-off grades (“CoG”) that includes a 0.15% Co CoG, which was the reported CoG for the previous 2020 MRE, as well as the 0.20% Co CoG that has been selected for current reporting, due to a revised evaluation of anticipated mining and processing costs. The current ICO mineral resource estimation work incorporates revised geological modelling that more accurately represents Co-Cu mineralisation within the RAM deposit. The revised modelling approach, along with modified resource categorisation criteria, has resulted in a minor decrease in tonnage (-11%) of the 2023 total Measured and Indicated (“M&I”) resources relative to the 2020 MRE. However, these changes have also resulted in corresponding increases in Co and Cu grades of +6% and +12%, respectively.

<sup>4</sup> See ASX announcement “Jervois update on drilling at Idaho Cobalt Operations, USA” dated 15 October 2019

<sup>5</sup> See ASX announcement “Jervois releases BFS for Idaho Cobalt Operations” dated 29 September 2020

<sup>6</sup> See ASX announcement “Updated RAM resource – opportunity to extend ICO mine life” dated 19 April 2023 (Australia)

**Table 2: Measured and Indicated Mineral Resources (Inclusive of Mineral Reserves)**

Measured and Indicated Mineral Resources (Inclusive of Mineral Reserves)														
	2023 MRE							2020 MRE						
Co Cut-off (%)	Metric tonnes	Co (%)	Co (lbs)	Cu (%)	Cu (lbs)	Au (g/t)	Au (Oz*)	Metric tonnes	Co (%)	Co (lbs)	Cu (%)	Cu (lbs)	Au (g/t)	Au (Oz*)
0.15	4,350,000	0.48	45,750,000	0.79	76,270,000	0.50	70,354	5,230,000	0.44	50,100,000	0.69	80,060,000	0.53	89,260
<b>0.20</b>	<b>3,780,000</b>	<b>0.52</b>	<b>43,540,000</b>	<b>0.84</b>	<b>69,820,000</b>	<b>0.54</b>	<b>65,299</b>	<b>4,260,000</b>	<b>0.49</b>	<b>46,300,000</b>	<b>0.75</b>	<b>70,080,000</b>	<b>0.60</b>	<b>82,300</b>
0.25	3,260,000	0.57	40,990,000	0.87	62,680,000	0.57	59,447	3,500,000	0.56	42,600,000	0.79	61,270,000	0.65	73,220
0.30	2,780,000	0.62	38,110,000	0.92	56,180,000	0.61	54,211	2,920,000	0.61	39,100,000	0.83	53,620,000	0.68	64,220
0.35	2,410,000	0.67	35,420,000	0.95	50,330,000	0.64	49,390	2,440,000	0.66	35,600,000	0.86	46,520,000	0.73	57,450

\*Troy ounce

**Table 3: Inferred Mineral Resources**

Inferred Mineral Resources														
	2023 MRE							2020 MRE						
Co Cut-off (%)	Metric tonnes	Co (%)	Co (lbs)	Cu (%)	Cu (lbs)	Au (g/t)	Au (Oz*)	Metric tonnes	Co (%)	Co (lbs)	Cu (%)	Cu (lbs)	Au (g/t)	Au (Oz*)
0.15	1,940,000	0.45	19,330,000	0.83	35,550,000	0.58	36,156	1,570,000	0.35	12,000,000	0.44	13,820,000	0.45	22,490
<b>0.20</b>	<b>1,590,000</b>	<b>0.51</b>	<b>17,990,000</b>	<b>0.92</b>	<b>32,250,000</b>	<b>0.65</b>	<b>33,053</b>	<b>1,110,000</b>	<b>0.42</b>	<b>10,300,000</b>	<b>0.50</b>	<b>11,100,000</b>	<b>0.55</b>	<b>19,520</b>
0.25	1,370,000	0.56	16,880,000	0.98	29,660,000	0.69	30,558	830,000	0.49	8,900,000	0.56	9,300,000	0.62	16,380
0.30	1,160,000	0.61	15,580,000	1.05	26,800,000	0.75	27,885	610,000	0.57	7,600,000	0.65	7,930,000	0.72	14,070
0.35	970,000	0.67	14,280,000	1.09	23,420,000	0.80	24,877	450,000	0.65	6,400,000	0.71	6,390,000	0.72	10,500

\*Troy ounce

Table 4: ICO Underground Constrained Mineral Resource Estimate @ 0.20% Co CoG

Classification	Tonnes	Co (%)	Co (lbs)	Cu (%)	Cu (lbs)	Au (g/t)	Au (Oz*)
Measured	460,000	0.70	7,100,000	1.16	11,800,000	0.783	11,500
Indicated	3,320,000	0.50	36,500,000	0.79	58,000,000	0.504	54,000
<b>M&amp;I</b>	<b>3,780,000</b>	<b>0.52</b>	<b>43,600,000</b>	<b>0.84</b>	<b>69,800,000</b>	<b>0.538</b>	<b>65,500</b>
<b>Inferred</b>	<b>1,590,000</b>	<b>0.51</b>	<b>18,000,000</b>	<b>0.92</b>	<b>32,300,000</b>	<b>0.645</b>	<b>33,000</b>

\*Troy ounce

Notes:

1. Mr. Andrew Turner, P.Geol. of APEX Geoscience Ltd., a Qualified Person as defined by NI 43-101 and a Competent Person as defined by JORC, is responsible for the completion of the updated mineral resource estimation, with an effective date of April 1, 2023.
2. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.
3. The estimate of Mineral Resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues.
4. The Inferred Mineral Resource in this estimate has a lower level of confidence than that applied to an Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of the Inferred Mineral Resource could potentially be upgraded to an Indicated Mineral Resource with continued exploration.
5. The Mineral Resources were estimated in accordance with the Canadian Institute of Mining, Metallurgy and Petroleum ("CIM"), CIM Standards on Mineral Resources and Reserves, Definitions (2014) and Best Practices Guidelines (2019) prepared by the CIM Standing Committee on Reserve Definitions and adopted by the CIM Council.
6. The cut-off grade of 0.20% Co is based on an estimated process cost and G&A cost of US\$123.17/t, and metal prices of US\$25.00/lb Co, US\$3.00/lb Cu, and US\$1,750/troy oz Au, with process recoveries of 91.0% Co, 95.4% Cu, and 84.9% Au. An average contribution of 22% to Co payable values from Cu and Au has been assumed based upon the relative concentrations of the payable metals within the reported M&I resources.
7. The reported mineral resources are constrained by manually created wireframe solids (mineable shapes) that encapsulate contiguous blocks demonstrating reasonable prospects for eventual economic extraction within the minable shapes.

Jervois anticipates it will continue expansion drilling throughout 2023 to further explore the open extents of the RAM deposit, provided documentary steps to formalise the U.S. DOD US\$15 million award under the DPA Title III programme can be finalised rapidly.

In addition, Jervois continues permitting efforts to drill 12 holes at the neighbouring Sunshine and East Sunshine deposits this coming U.S. summer (June – August 2023) to confirm historic datasets of more than 100 holes and 19,000m of prior drilling. A final decision on drilling the Sunshine deposit will be made based upon the timing under which the DPA Title III programme can be finalised.

Sunshine is a 100%-owned Jervois property located a short distance from ICO's processing facilities and infrastructure. In addition to the Sunshine area, Jervois continues to evaluate additional exploration targets at ICO.

### **Non-cash Impairment Charge**

As noted in the ASX release "Jervois suspends final construction at Idaho Cobalt Operations" (29 March 2023), Jervois commenced a review of ICO's asset carrying value on the group's balance sheet because of the suspension. The review was completed in April 2023 and has resulted in a non-cash impairment charge of US\$40 million at 31 March 2023. The impairment is based on Jervois' best estimate at this time. As outlined in the 31 December 2022 accounts, the recoverable amount is sensitive to a number of future assumptions. Future changes to assumptions could lead to further impairment or reversal of the impairment charge recorded at 31 March 2023.

### **São Miguel Paulista ("SMP") Nickel and Cobalt Refinery, Brazil**

Jervois has moderated the pace of restart of the SMP nickel and cobalt refinery in São Paulo, Brazil. First production is estimated to be 12 months from full mobilisation. The project cost guidance remains unchanged (R\$345 million or ~US\$65 million) with near-term costs minimised. Discussions with lenders and other interested parties continue to advance.

During the quarter, Jervois announced it has entered into a raw material supply agreement for the restart phase of SMP with Traxys Europe S.A. ("**Traxys**") for the supply of MHP from the Gordes nickel-cobalt facility in Turkey.

Jervois supply agreement with Traxys is expected to provide a base load of MHP feed of up to approximately 25 per cent of SMP's annual nickel feed requirement over an initial period of 36 months. Jervois will initially restart SMP in a staged, capital efficient manner, below its

prior 25,000 mtpa nickel capacity, basis the BFS completed in April 2022. Expected initial refined production is 10,000 mtpa nickel and 2,000 mtpa cobalt metal cathode.

SMP is located within the São Paulo city limits with ready access to labour, utilities and services and is 120km via highway from the largest container port in Brazil (Santos), ensuring it is well placed to serve domestic and export markets.

SMP previously produced 'Tocantins' nickel and cobalt products, which are well established domestically in Brazil and in key Western export markets such as Europe and Japan. The Company's commercial team are re-establishing nickel and cobalt customer relationships.

Progress was made with suppliers of materials, equipment and services representing over 50% of capital expenditure identified and negotiated. The main contractor selection (over 30% of total project capital expenditure) has been concluded.

### **Nico Young Nickel-Cobalt Project, New South Wales ("NSW"), Australia**

As part of an ongoing portfolio review, Jervois has determined that Nico Young nickel and cobalt project is no longer core to the company's strategy. Jervois will commence a divestment process and expects to pursue the sale of all or part of its 100 per cent interest.

During the quarter, Jervois completed an infill drilling campaign at Nico Young as part of work initiated towards a BFS. The drill programme comprised eighty-six drill holes totalling slightly over 3,000m and was designed to increase confidence in the mineral resource by converting portions of the Ardnaree deposit from the Inferred to Indicated category. The drilling was successfully executed by Wallis Drilling Pty. Ltd.

Jervois was awarded funding under the NSW Government Critical Minerals Activation Fund, Stream 1, for environmental studies and metallurgical testwork associated with a BFS for Nico Young. The Critical Minerals and High-Tech Activation Fund is designed to support regional NSW to become a global leader in these sectors. The award of A\$0.5 million will supplement Jervois' and/or future Nico Young owners' contribution to these studies.

The funding supports further environmental and metallurgical testwork and will underpin environmental and infrastructure permitting required to advance the project's development. These studies are a critical element that will improve process definition, progress water access management and key Environmental Impact Studies, define the product path-to-market, de-risk the project and support project financing. Funding for the complete BFS is subject of a separate application under the Australian Federal Government's Critical Minerals Development Program.

Nico Young nickel and cobalt deposits are comprised of mineralisation bodies held under separate but adjacent exploration licenses, “Ardnaree” and “Thuddungra”. The project envisages heap leaching nickel and cobalt laterite ore to produce MHP. In prior roles, Jervois’ Directors and Executives constructed, commissioned, and operated the only commercially successful nickel – cobalt heap leach operation outside of China at Glencore’s Murrin Murrin facility in Western Australia, which was based on ores similar to Nico Young.

Jervois’ view is that heap leaching is the most attractive development route for the low-grade nickel-cobalt laterite mineralisation typical of Eastern Australia. Heap leaching nickel laterites containing a high silica and low iron contents in dry climates has lower capital intensity, a reduced carbon footprint and less technical and environmental risk compared to the high capital, energy intensive, elevated construction and operating risk nature of high-pressure acid leach facilities.

## **Corporate Activities**

### **Liquidity**

Jervois ended the March 2023 quarter with US\$49.8 million in cash, US\$66.0 million in physical cobalt inventories in Jervois Finland, and total drawn debt of US\$170 million.

At 31 March 2023, Jervois has spent ~US\$130 million in cash on construction at ICO. Since the December 2022 year end, Jervois has paid down US\$45 million of its US\$150 million Mercuria loan facility, resulting in a decrease from the end December 2022 drawn balance of US\$115 million to US\$70 million. The Company’s US\$100 million senior secured bonds remain due in July 2026, with no prior amortisation.

Jervois remains in compliance with its bond covenants and there is no expected adverse impact on the bonds to Jervois based on the suspension of operations at ICO.

### **Director On-Market Buying**

In March 2023, Jervois Board members acquired more than A\$0.65 million of Jervois shares in on-market purchases.

This included Non-Executive Chairman Peter Johnston, who acquired 3,681,317 shares for A\$0.225 million, Non-Executive Director David Issroff, who acquired 5,000,000 shares for A\$0.315 million and Non-Executive Director Brian Kennedy, who acquired 2,000,000 shares for A\$0.112 million.

## Environmental, Social, Governance (“ESG”) and Compliance

### *ESG Integration:*

Embedding ESG within management Key Performance Indicators (“KPIs”) is a powerful tool for driving sustainable business practices and building a strong, resilient company that can thrive in the long-term. In efforts to further embed ESG throughout the organisation, a review was completed with all members of the executive and senior management team to identify entry points to strengthen the integration of ESG within management KPIs. In 2022, three-quarters of the management team had KPIs related to ESG with an average weight of 21%. In 2023, Jervois aims to ensure each management team member has at least one ESG KPI, with areas of focus aligned with core functions of individuals.

Given the phase of activities at SMP in Brazil, considerable focus was given in the quarter to ESG integration within legal, finance, human resources, procurement, environment, health and safety and community engagement functions. With a strong focus on emerging ESG legislation and industry standards, the groundwork was laid to enable SMP to align with Jervois’ group-wide efforts to support responsible supply chain management, enhanced environmental and human rights due diligence and diversity, equity and inclusion. In conjunction with this, SMP’s management team initiated a joint review of its risk management processes and mechanisms to further integrate human rights and other ESG dimensions. Considerable progress was made towards finalising SMP’s Stakeholder Engagement Plan as outreach to adjacent communities continued.

### *Sustainability Disclosures:*

Work during the quarter focused on finalisation of Jervois’ second annual Sustainability Report. Jervois looks forward to disseminating this report, highlighting progress across the spectrum of material ESG priorities, in the next quarter.

### *Engaging the Global Community:*

During the quarter, Jervois’ Group Manager, ESG, Dr. Jennifer Hinton, took on the role as Chair of the Cobalt Institute (“CI”) Responsible Sourcing and Sustainability Committee (“RESSCOM”). Engagement in RESSCOM and CI’s Government Affairs Committee and Chemicals Management Committee included participation in committee meetings and various working groups, including on decarbonisation and the circular economy, and contribution to ESG related submissions.

In the quarter, Jervois continued its engagement with the National Mining Association including through participation in resource sessions on the Task Force on Nature-related Financial Disclosures and Chain-of-Custody Solutions from the London Metal Exchange.

### **Exploration and Development Expenditure**

During the quarter, Jervois incurred cash outflows of US\$0.3 million relating to exploration and development at the Nico Young nickel-laterite project in New South Wales, Australia.

### **Insider Compensation Reporting**

During the quarter, US\$0.1 million was paid to Non-Executive Directors and US\$0.1 million was paid to the CEO (Executive Director).

### **Non-Core Assets**

The non-core assets are summarised on the Company's website. Jervois will continue to assess options to divest these interests.

### **ASX Waiver Information**

On 6 June 2019, the ASX granted a waiver to Jervois in respect of extending the period to 8 November 2023 in which it may issue new Jervois shares to the eCobalt option holders as part of the eCobalt transaction.

As at 31 March 2023, the following Jervois shares were issued in the quarter on exercise of eCobalt options and the following eCobalt options remain outstanding:

Jervois shares issued in the quarter on exercise of eCobalt options: Nil

eCobalt options remaining<sup>7</sup>

1,179,750	eCobalt options exercisable until 28 June 2023 at C\$0.61 each
1,980,000	eCobalt options exercisable until 1 October 2023 at C\$0.53 each
<u>3,159,750</u>	

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<sup>7</sup> The number of options represent the number of Jervois shares that will be issued on exercise. The exercise price represents the price to be paid for the Jervois shares when issued.



By Order of the Board

Bryce Crocker  
Chief Executive Officer

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***Forward-Looking Statements***

*This news release may contain certain "Forward-Looking Statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995 and applicable Canadian securities laws. When used in this news release, the words "anticipate", "believe", "estimate", "expect", "target", "plan", "forecast", "may", "schedule" and other similar words or expressions identify forward-looking statements or information. These forward-looking statements or information may relate to future sales for the group, operations at Jervois Finland, construction work undertaken at ICO, timing of restart of operations at ICO, timing of restart of SMP refinery, third party feed to SMP, sales from SMP and the reliability of third party information, and certain other factors or information. Such statements represent the Company's current views with respect to future events and are necessarily based upon a number of assumptions and estimates that, while considered reasonable by the Company, are inherently subject to significant business, economic, competitive, political and social risks, contingencies and uncertainties. Many factors, both known and unknown, could cause results, performance or achievements to be materially different from the results, performance or achievements that are or may be expressed or implied by such forward-looking statements. The Company does not intend, and does not assume any obligation, to update these forward-looking statements or information to reflect changes in assumptions or changes in circumstances or any other events affecting such statements and information other than as required by applicable laws, rules and regulations.*

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

## Financial Summary

<b>Jervois Global Group US\$M</b>	<b>Q1 2023 (unaudited)</b>	<b>Jervois Finland US\$M</b>	<b>Q1 2023 (unaudited)</b>
<b>NPAT</b>	<b>(81.1)</b>	<b>NPAT</b>	<b>(35.1)</b>
Interest (net)	2.6	Interest (net)	4.2
Tax	(7.9)	Tax	(7.9)
Depreciation and amortisation	3.2	Depreciation and amortisation	2.8
Net FX gain/loss	(0.1)	Net FX gain/loss	(0.2)
<b>EBITDA</b>	<b>(83.2)</b>	<b>EBITDA</b>	<b>(36.2)</b>
One-off costs	0.4	One-off costs	0.3
NRV adjustment to inventories	25.5	NRV adjustment to inventories	25.5
Impairment of ICO asset	40.3	Impairment of ICO asset	-
<b>Adjusted EBITDA</b>	<b>(17.0)</b>	<b>Adjusted EBITDA</b>	<b>(10.4)</b>

### Reconciliation of NPAT to EBITDA and Adjusted EBITDA

EBITDA is a non-IFRS financial measure. EBITDA is presented as net income after adding back interest, tax, depreciation and amortisation, and extraordinary items. Adjusted EBITDA represents EBITDA adjusted to exclude items which do not reflect the underlying performance of the company's operations. Exclusions from adjusted EBITDA are items that require exclusion in order to maximise insight and consistency on the financial performance of the company's operations.

Exclusions include gains/losses on disposals, impairment charges (or reversals), certain derivative items, NRV adjustments to inventories, and one-off costs related to post-acquisition integration.

## Tenements

Australian Tenements		
Description	Tenement number	Interest owned %
Ardnaree (NSW)	EL 5527	100.0
Thuddungra (NSW)	EL 5571	100.0
Nico Young (NSW)	EL 8698	100.0
West Arunta (WA)	E80 4820	17.9
West Arunta (WA)	E80 4986	17.9
West Arunta (WA)	E80 4987	17.9

Uganda Exploration Licences		
Description	Exploration Licence number	Interest owned %
Kilembe Area	EL0292	100.0
Kilembe Area	EL0012	100.0

Idaho Cobalt Operations – 100% Interest owned		
Claim Name	County #	IMC #
SUN 1	222991	174156
SUN 2	222992	174157
SUN 3 Amended	245690	174158
SUN 4	222994	174159
SUN 5	222995	174160
SUN 6	222996	174161
SUN 7	224162	174628
SUN 8	224163	174629
SUN 9	224164	174630
SUN 16 Amended	245691	177247
SUN 18 Amended	245692	177249
SUN 19	277457	196394
SUN FRAC 1	228059	176755
SUN FRAC 2	228060	176756
TOGO 1	228049	176769
TOGO 2	228050	176770
TOGO 3	228051	176771
DEWEY FRAC Amended	248739	177253
Powder 1	269506	190491
Powder 2	269505	190492
LDC-1	224140	174579
LDC-2	224141	174580
LDC-3	224142	174581
LDC-5	224144	174583
LDC-6	224145	174584
LDC-7	224146	174585
LDC-8	224147	174586
LDC-9	224148	174587
LDC-10	224149	174588
LDC-11	224150	174589
LDC-12	224151	174590
LDC-13 Amended	248718	174591
LDC-14 Amended	248719	174592
LDC-16	224155	174594
LDC-18	224157	174596
LDC-20	224159	174598
LDC-22	224161	174600
LDC FRAC 1 Amended	248720	175880
LDC FRAC 2 Amended	248721	175881
LDC FRAC 3 Amended	248722	175882
LDC FRAC 4 Amended	248723	175883
LDC FRAC 5 Amended	248724	175884
RAM 1	228501	176757
RAM 2	228502	176758

Idaho Cobalt Operations – 100% Interest owned		
Claim Name	County #	IMC #
RAM 3	228503	176759
RAM 4	228504	176760
RAM 5	228505	176761
RAM 6	228506	176762
RAM 7	228507	176763
RAM 8	228508	176764
RAM 9	228509	176765
RAM 10	228510	176766
RAM 11	228511	176767
RAM 12	228512	176768
RAM 13 Amended	245700	181276
RAM 14 Amended	245699	181277
RAM 15 Amended	245698	181278
RAM 16 Amended	245697	181279
Ram Frac 1 Amended	245696	178081
Ram Frac 2 Amended	245695	178082
Ram Frac 3 Amended	245694	178083
Ram Frac 4 Amended	245693	178084
HZ 1	224173	174639
HZ 2	224174	174640
HZ 3	224175	174641
HZ 4	224176	174642
HZ 5	224413	174643
HZ 6	224414	174644
HZ 7	224415	174645
HZ 8	224416	174646
HZ 9	224417	174647
HZ 10	224418	174648
HZ 11	224419	174649
HZ 12	224420	174650
HZ 13	224421	174651
HZ 14	224422	174652
HZ 15	231338	178085
HZ 16	231339	178086
HZ 18	231340	178087
HZ 19	224427	174657
Z 20	224428	174658
HZ 21	224193	174659
HZ 22	224194	174660
HZ 23	224195	174661
HZ 24	224196	174662
HZ 25	224197	174663
HZ 26	224198	174664
HZ 27	224199	174665
HZ 28	224200	174666

Idaho Cobalt Operations – 100% Interest owned		
Claim Name	County #	IMC #
HZ 29	224201	174667
HZ 30	224202	174668
HZ 31	224203	174669
HZ 32	224204	174670
HZ FRAC	228967	177254
JC 1	224165	174631
JC 2	224166	174632
JC 3	224167	174633
JC 4	224168	174634
JC 5 Amended	245689	174635
JC 6	224170	174636
JC FR 7	224171	174637
JC FR 8	224172	174638
JC 9	228054	176750
JC 10	228055	176751
JC 11	228056	176752
JC-12	228057	176753
JC-13	228058	176754
JC 14	228971	177250
JC 15	228970	177251
JC 16	228969	177252
JC 17	259006	187091
JC 18	259007	187092
JC 19	259008	187093
JC 20	259009	187094
JC 21	259010	187095
JC 22	259011	187096
CHELAN NO. 1 Amended	248345	175861
GOOSE 2 Amended	259554	175863
GOOSE 3	227285	175864
GOOSE 4 Amended	259553	175865
GOOSE 6	227282	175867
GOOSE 7 Amended	259552	175868
GOOSE 8 Amended	259551	175869
GOOSE 10 Amended	259550	175871
GOOSE 11 Amended	259549	175872
GOOSE 12 Amended	259548	175873
GOOSE 13	228028	176729
GOOSE 14 Amended	259547	176730
GOOSE 15	228030	176731
GOOSE 16	228031	176732
GOOSE 17	228032	176733
GOOSE 18 Amended	259546	176734
GOOSE 19 Amended	259545	176735

Idaho Cobalt Operations – 100% Interest owned		
Claim Name	County #	IMC #
GOOSE 20	228035	176736
GOOSE 21	228036	176737
GOOSE 22	228037	176738
GOOSE 23	228038	176739
GOOSE 24	228039	176740
GOOSE 25	228040	176741
SOUTH ID 1 Amended	248725	175874
SOUTH ID 2 Amended	248726	175875
SOUTH ID 3 Amended	248727	175876
SOUTH ID 4 Amended	248717	175877
SOUTH ID 5 Amended	248715	176743
SOUTH ID 6 Amended	248716	176744
South ID 7	306433	218216
South ID 8	306434	218217
South ID 9	306435	218218
South ID 10	306436	218219
South ID 11	306437	218220
South ID 12	306438	218221
South ID 13	306439	218222
South ID 14	306440	218223
OMS-1	307477	218904
Chip 1	248956	184883
Chip 2	248957	184884
Chip 3 Amended	277465	196402
Chip 4 Amended	277466	196403
Chip 5 Amended	277467	196404
Chip 6 Amended	277468	196405
Chip 7 Amended	277469	196406
Chip 8 Amended	277470	196407
Chip 9 Amended	277471	196408
Chip 10 Amended	277472	196409
Chip 11 Amended	277473	196410
Chip 12 Amended	277474	196411
Chip 13 Amended	277475	196412
Chip 14 Amended	277476	196413
Chip 15 Amended	277477	196414
Chip 16 Amended	277478	196415
Chip 17 Amended	277479	196416
Chip 18 Amended	277480	196417
Sun 20	306042	218133
Sun 21	306043	218134
Sun 22	306044	218135
Sun 23	306045	218136
Sun 24	306046	218137
Sun 25	306047	218138

Idaho Cobalt Operations – 100% Interest owned		
Claim Name	County #	IMC #
Sun 26	306048	218139
Sun 27	306049	218140
Sun 28	306050	218141
Sun 29	306051	218142
Sun 30	306052	218143
Sun 31	306053	218144
Sun 32	306054	218145
Sun 33	306055	218146
Sun 34	306056	218147
Sun 35	306057	218148
Sun 36	306058	218149
Chip 21 Fraction	306059	218113
Chip 22 Fraction	306060	218114
Chip 23	306025	218115
Chip 24	306026	218116
Chip 25	306027	218117
Chip 26	306028	218118
Chip 27	306029	218119
Chip 28	306030	218120
Chip 29	306031	218121
Chip 30	306032	218122
Chip 31	306033	218123
Chip 32	306034	218124
Chip 33	306035	218125
Chip 34	306036	218126
Chip 35	306037	218127
Chip 36	306038	218128
Chip 37	306039	218129
Chip 38	306040	218130
Chip 39	306041	218131
Chip 40	307491	218895
DRC NW 1	307492	218847
DRC NW 2	307493	218848
DRC NW 3	307494	218849
DRC NW 4	307495	218850
DRC NW 5	307496	218851
DRC NW 6	307497	218852
DRC NW 7	307498	218853
DRC NW 8	307499	218854
DRC NW 9	307500	218855
DRC NW 10	307501	218856
DRC NW 11	307502	218857
DRC NW 12	307503	218858
DRC NW 13	307504	218859
DRC NW 14	307505	218860

Idaho Cobalt Operations – 100% Interest owned		
Claim Name	County #	IMC #
DRC NW 15	307506	218861
DRC NW 16	307507	218862
DRC NW 17	307508	218863
DRC NW 18	307509	218864
DRC NW 19	307510	218865
DRC NW 20	307511	218866
DRC NW 21	307512	218867
DRC NW 22	307513	218868
DRC NW 23	307514	218869
DRC NW 24	307515	218870
DRC NW 25	307516	218871
DRC NW 26	307517	218872
DRC NW 27	307518	218873
DRC NW 28	307519	218874
DRC NW 29	307520	218875
DRC NW 30	307521	218876
DRC NW 31	307522	218877
DRC NW 32	307523	218878
DRC NW 33	307524	218879
DRC NW 34	307525	218880
DRC NW 35	307526	218881
DRC NW 36	307527	218882
DRC NW 37	307528	218883
DRC NW 38	307529	218884
DRC NW 39	307530	218885
DRC NW 40	307531	218886
DRC NW 41	307532	218887
DRC NW 42	307533	218888
DRC NW 43	307534	218889
DRC NW 44	307535	218890
DRC NW 45	307536	218891
DRC NW 46	307537	218892
DRC NW 47	307538	218893
DRC NW 48	307539	218894
EBatt 1	307483	218896
EBatt 2	307484	218897
EBatt 3	307485	218898
EBatt 4	307486	218899
EBatt 5	307487	218900
EBatt 6	307488	218901
EBatt 7	307489	218902
EBatt 8	307490	218903
OMM-1	307478	218905
OMM-2	307479	218906
OMN-2	307481	218908

Idaho Cobalt Operations – 100% Interest owned		
Claim Name	County #	IMC #
OMN-3	307482	218909
BTG-1	307471	218910
BTG-2	307472	218911
BTG-3	307473	218912
BTG-4	307474	218913
BTG-5	307475	218914
BTG-6	307476	218915
NFX 17	307230	218685
NFX 18	307231	218686
NFX 19	307232	218687
NFX 20	307233	218688
NFX 21	307234	218689
NFX 22	307235	218690
NFX 23	307236	218691
NFX 24	307237	218692
NFX 25	307238	218693
NFX 30	307243	218698
NFX 31	307244	218699
NFX 32	307245	218700
NFX 33	307246	218701
NFX 34	307247	218702
NFX 35	307248	218703
NFX 36	307249	218704

Idaho Cobalt Operations – 100% Interest owned		
Claim Name	County #	IMC #
NFX 37	307250	218705
NFX 38	307251	218706
NFX 42	307255	218710
NFX 43	307256	218711
NFX 44	307257	218712
NFX 45	307258	218713
NFX 46	307259	218714
NFX 47	307260	218715
NFX 48	307261	218716
NFX 49	307262	218717
NFX 50	307263	218718
NFX 56	307269	218724
NFX 57	307270	218725
NFX 58	307271	218726
NFX 59	307272	218727
NFX 60 Amended	307558	218728
NFX 61	307274	218729
NFX 62	307275	218730
NFX 63	307276	218731
NFX 64	307277	218732
OMN-1 revised	315879	228322

## Appendix 5B

### Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

Jervois Global Limited

ABN

52 007 626 575

Quarter ended ("current quarter")

31 March 2023

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$US'000</b>	<b>Year to date (3 months) \$US'000</b>
<b>1.</b>	<b>Cash flows from operating activities</b>		
1.1	Receipts from customers	57,950	57,950
1.2	Payments for		
	(a) exploration & evaluation	-	-
	(b) development	-	-
	(c) production	(55,953)	(55,953)
	(d) staff costs	(3,116)	(3,116)
	(e) administration and corporate costs	(2,219)	(2,219)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	628	628
1.5	Interest and other costs of finance paid	(9,356)	(9,356)
1.6	Income taxes paid	(727)	(727)
1.7	Other	-	-
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(12,793)</b>	<b>(12,793)</b>



## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

<b>2.</b>	<b>Cash flows from investing activities</b>		
2.1	Payments to acquire or for:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment – incl. assets under construction	(44,220)	(44,220)
	(d) exploration & evaluation	(315)	(315)
	(e) acquisition of subsidiaries	-	-
	(f) transfer tax on acquisition	-	-
	(g) other non-current assets	-	-
2.2	Proceeds from the disposal of:		
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	17	17
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(44,518)</b>	<b>(44,518)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	(55)	(55)
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	(45,000)	(45,000)
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other – incl. lease liabilities	(495)	(495)
	Other - Government grants and tax incentives	167	167
	Other	-	-
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(45,383)</b>	<b>(45,383)</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of period	152,647	152,647
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(12,793)	(12,793)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(44,518)	(44,518)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(45,383)	(45,383)
4.5	Effect of movement in exchange rates on cash held	(116)	(116)
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>49,837</b>	<b>49,837</b>

<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$US'000</b>	<b>Previous quarter \$US'000</b>
5.1	Bank balances	49,837	152,647
5.2	Call deposits	-	-
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>49,837</b>	<b>152,647</b>

<b>6.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter \$US'000</b>
6.1	Aggregate amount of payments to related parties and their associates included in item 1	203
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<p><i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i></p>		

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7.	<b>Financing facilities</b>	<b>Total facility amount at quarter end \$US'000</b>	<b>Amount drawn at quarter end \$US'000</b>
	<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1	Bond Facility <sup>1</sup>	100,000	100,000
7.2	Secured Revolving Credit Facility <sup>2</sup>	150,000	70,000
7.3	Other	-	-
7.4	<b>Total financing facilities</b>	<b>250,000</b>	<b>170,000</b>
7.5	<b>Unused financing facilities available at quarter end (\$US'000)<sup>3</sup></b>		-
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		
	<p data-bbox="300 777 740 806">1. Bond Facility – US\$100.0 million:</p> <p data-bbox="300 815 1394 994">On 20 July 2021 the Company completed settlement of a US\$100.0 million senior secured bond facility. The bonds were issued by the Company's wholly owned subsidiary, Jervois Mining USA Limited, and are administered by the bond trustee, Nordic Trustee AS. In February 2022, Jervois Mining USA Limited completed the first US\$50.0 million drawdown on the bonds, and in July 2022 the second, and final, US\$50.0 million drawdown was completed.</p> <p data-bbox="300 1014 427 1043">Key terms:</p> <ul data-bbox="347 1055 1394 1384" style="list-style-type: none"> <li>• Issuer: Jervois Mining USA Limited (wholly owned subsidiary of the Company).</li> <li>• Maturity: 5-year tenor with a maturity date of 20 July 2026.</li> <li>• Original issue discount of 2%.</li> <li>• Coupon rate: 12.5% per annum with interest payable bi-annually.</li> <li>• No amortisation – bullet payment on maturity.</li> <li>• Non-callable for 3 years, after which callable at par plus 62.5% of coupon, declining rateably to par in year 5.</li> <li>• Transaction security: First priority security over all material assets of the Issuer, pledge of all the shares of the Issuer, intercompany loans.</li> </ul> <p data-bbox="300 1435 979 1464">2. Secured Revolving Credit Facility – US\$150.0 million:</p> <p data-bbox="300 1473 1394 1653">On 28 October 2021 the Company's wholly owned subsidiaries, Jervois Suomi Holding Oy and Jervois Finland Oy (together, "the Borrowers"), entered into a secured loan facility with Mercuria Energy Trading SA, a wholly owned subsidiary of Mercuria Energy Group Limited, to borrow up to US\$75 million. The Borrowers increased the facility to US\$150 million through the execution of the Accordion Increase (as contemplated in the facility agreement entered into on 28 October 2021 and as amended and restated on 4 August 2022).</p> <p data-bbox="300 1673 427 1702">Key terms:</p> <ul data-bbox="347 1713 1394 1921" style="list-style-type: none"> <li>• Borrowers: Jervois Suomi Holding Oy and Jervois Finland Oy (wholly owned subsidiaries of the Company).</li> <li>• Maturity: rolling facility to 31 December 2024.</li> <li>• Interest rate: SOFR + 5.0% per annum.</li> <li>• Transaction security: First priority security over all material assets of Jervois Finland, including inventory, receivables, collection account, and shares in Jervois Finland.</li> </ul>		

## Mining exploration entity or oil and gas exploration entity quarterly cash flow report

## 3. Secured Revolving Credit Facility – Unused financing facility:

The Borrowers may draw to the lower of the maximum amount or 80% of the collateral value (referred to as the “Maximum Available Amount”), where collateral is defined as the value of the Borrower’s inventory and receivables, calculated monthly (reduced to 70% for eligible inventory in Finland exceeding US\$75.0 million) and subject to eligibility requirements and associated terms of the agreement. Where the amounts drawn exceed 110% of the Maximum Available Amount (the “Shortfall”), the Borrowers are required to prepay or repay any amount of the facility to ensure that, following such payment, the Shortfall no longer exists.

Subject to the Maximum Available Amount, the total unused financing facility may increase in the future to the maximum facility amount of US\$150.0 million.

<b>8.</b>	<b>Estimated cash available for future operating activities</b>	<b>\$US'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	(12,793)
8.2	(Payments for exploration & evaluation classified as investing activities) (item 2.1(d))	(315)
8.3	Total relevant outgoings (item 8.1 + item 8.2)	(13,108)
8.4	Cash and cash equivalents at quarter end (item 4.6)	49,837
8.5	Unused finance facilities available at quarter end (item 7.5)	-
8.6	Total available funding (item 8.4 + item 8.5)	49,837
8.7	<b>Estimated quarters of funding available (item 8.6 divided by item 8.3)</b>	3.8
	<i>Note: if the entity has reported positive relevant outgoings (i.e., a net cash inflow) in item 8.3, answer item 8.7 as “N/A”. Otherwise, a figure for the estimated quarters of funding available must be included in item 8.7.</i>	
8.8	If item 8.7 is less than 2 quarters, please provide answers to the following questions:	
8.8.1	Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
	Answer: N/A	
8.8.2	Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
	Answer: N/A	
8.8.3	Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
	Answer: N/A	
	<i>Note: where item 8.7 is less than 2 quarters, all of questions 8.8.1, 8.8.2 and 8.8.3 above must be answered.</i>	

## Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 27 April 2023

Authorised by: Disclosure Committee  
(Name of body or officer authorising release – see note 4)

## Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – e.g., Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.