Jervois
MINING LIMITED

A.B.N. 52 007 626 575

29 August 2018 ASX:JRV

Jervois Mining releases preliminary metallurgical results from Nico Young

HIGHLIGHTS

- **Agglomeration and stacking testing as part of metallurgical testwork for Nico Young cobalt nickel project Pre-Feasibility Study ("PFS") complete; bottle rolls continuing; column tests approximately 1/3 (4 metre columns) to 1/2 (2 metre columns) through scheduled runs**

- **Interim results lead to Jervois raising expected commercial heap leach cobalt recoveries to 80 to 85 percent. Nickel maintained at 70 to 75 percent but with selective stockpiling of low cobalt limonitic mining blocks due to weak nickel recoveries from this specific lithology. All metallurgical results remain subject to confirmation by final results**

- **Nico Young PFS remains forecast for completion in Q4 2018**

Jervois Mining Limited (ASX:JRV) ("Jervois" or "the Company") is pleased to provide an interim update on a heap leach metallurgical testwork program underway as part of a PFS for its Nico Young cobalt nickel project.

The Nico Young deposit comprises two distinct bodies of mineralisation held under separate but adjacent exploration licenses 5527 ("Ardnaree") and 5571 ("Thuddungra"). Testwork was established based on Jervois' February 2018 Ardnaree drilling programme and was designed to provide requisite metallurgical inputs for the Nico Young PFS.

Heap leaching uses dilute sulphuric acid, passing through crushed and then agglomerated ore on sealed pads, to extract metals into solution from which they are precipitated.

The programme scope included geo-metallurgical testing of 160 samples across the Ardnaree resource at Nagrom Brisbane Laboratories ("Nagrom") to determine total acid soluble nickel and cobalt contents, and also acid consumption characteristics. Composites representing the three major ore types, namely limonite, saprolite and weathered serpentinite were subjected to bottle rolls and column leach testing at SGS Australia Pty Ltd ("SGS") in Perth. Jervois also sent composites to HydroGeoSense in Tucson, Arizona USA for agglomeration and stacking testing.

The weighted specifications of the composites of lithologies are summarised below. It should be noted that the cobalt grades of the composites for saprolite and weathered serpentinite are lower than the overall Ardnaree JORC resource grades, which are 0.07% and 0.05% respectively, at a 1.0% nickel equivalent cut-off.

Table 1: Composite Estimated Assay

Composite	Co %	Ni %	Mg %	Mn %	Fe %	Cr %
Limonitic clay	0,11%	0,75%	2,42%	0,53%	27,9%	0,75%
Saprolite	0,03%	0,85%	6,92%	0,25%	16,8%	>1,0%
Weathered serpentinite	0,02%	0,55%	7,10%	0,16%	10,7%	>1,0%

Final results are available from HydroGeoSense with regard to agglomeration optimization and stacking tests. The impact of increased agglomeration is shown in graphs 6 to 9 in the appendices to this release; showing improved agglomeration reduces the stacked ore density over the range of heap heights from 1 to 10 metres. Optimal acid addition in agglomeration is between 50 and 100kg per tonne of ore. Ore for the SGS columns was agglomerated at 75kg per tonne of ore.

Hydraulic conductivity profiles are also contained in graphs 10 to 13 in the release appendix. These results illustrate that all the samples exceed by at least an order of magnitude the hydraulic conductivity requirement for the leach solution flow rate of 10 L/h/m^2, with higher agglomeration increasing conductivity for all samples. These results, when combined with the final results from hydrodynamic characterization of lithology types, confirm the parameters used for the PFS design targeting 4 metre heaps with leach solution application of 7-10 L/h/m^2.

The results from the geo-metallurgical testwork at Nagrom showed a high proportion of the nickel (80 to 90 percent) and cobalt (85 to 90 percent) are present as acid soluble species. It is typical to expect that 80 to 90 percent of the acid soluble nickel and cobalt is recoverable using heap leaching, with results from Nico Young expected to fall closer to 80 percent given its specific JORC resource grades.

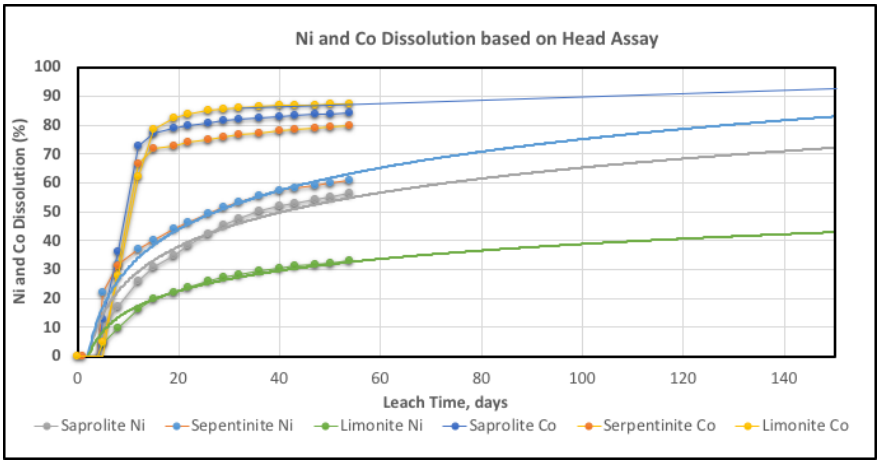
Geotechnical integrity of the columns was considered positive, with minimal slumping and consistent percolation through the columns. Bottle rolls and columns tests are still in progress (approximately 55 days, or half way complete for the 2 metre columns, or a third for the 4 metre columns), however forecasting forward from the current data sets indicates that cobalt dissolution for all ore types is anticipated to range from 85-95 percent. Forecast nickel dissolution for a typical leach cycle of 150 days indicates 40-50 percent for limonite, 65-75 percent for saprolite, and 75-85 percent for

weathered serpentine. The "scaled up" expectation for nickel recovery from a commercial heap leach would therefore be 35-45 percent for limonite, 60-70 percent for saprolite and 70-80 percent for weathered serpentinite.

The current Ardnaree JORC resource consists of approximately 10-15 percent limonite, 50-55 percent saprolite and 35-40 percent weathered serpentine. Due to poor nickel recoveries in limonite, Jervois has adjusted the mining and processing schedule at Nico Young to both selectively mine lithologies and preferred leaching characteristics, and also stockpile limonite for future processing where it makes economic or operational sense to be extracted. Jervois expects that high cobalt limonite zones will be processed, as high cobalt recoveries mean that the nickel equivalent cut-off grade that will ultimately be applied to mining will often offset low nickel recoveries from limonitic lithologies. This may also result in mining areas of Thuddungra being accelerated, as cobalt grades in saprolite and weathered serpentine lithologies at this deposit are significantly higher than that of Ardnaree. Current expectations for a blended saprolite / weathered serpentine heap leach is for commercial nickel recoveries of 70-75 percent, with improved expectations on cobalt recovery of 80-85 percent.

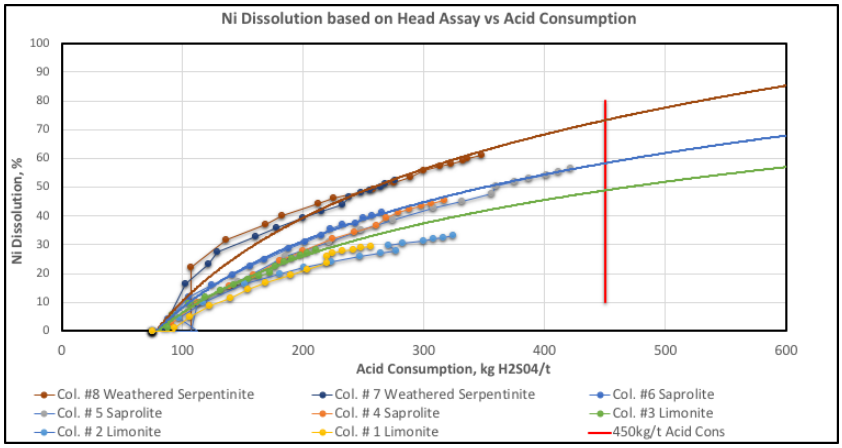
Currently forecast recovery curves across each lithology and metal are outlined below.

Graph 1: Actual and Forecast Nickel and Cobalt Recoveries



Acid consumption data is summarized below and highlights the relationship between acid consumption and nickel dissolution. This indicates that the target 450kg per tonne of ore sulphuric acid consumption is currently consistent, when forecast forward, with the forecast nickel dissolution for each type of lithology.

Graph 2: Nickel Dissolution based on Head Assay v Acid Consumption



Incorporating these initial results for nickel recovery within the limonitic lithology of Nico Young and after adjusting for higher mining and materials handling costs associated with the stockpiling of low cobalt limonite, in conjunction with higher than expected cobalt recoveries (and associated processing of high cobalt blocks of the resource model), the impact to forecast investment economics are neutral. Further testwork is being conducted in agglomeration and column leaching optimisation both at HydroGeoSense in the USA and SGS in Perth to continue to improve the expected final nickel recoveries.

It is important to note that results contained in this release are preliminary only and may be adjusted once leaching is terminated, final residues analysed and complete mass balances conducted. Further metallurgical results are contained in attached appendices.

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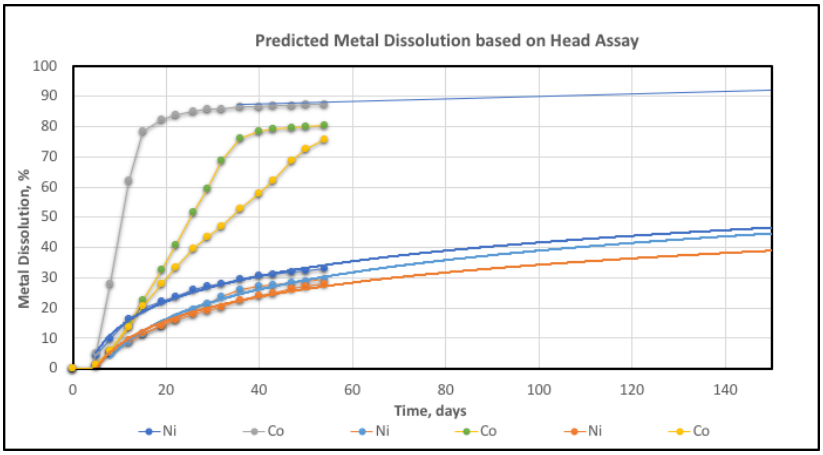
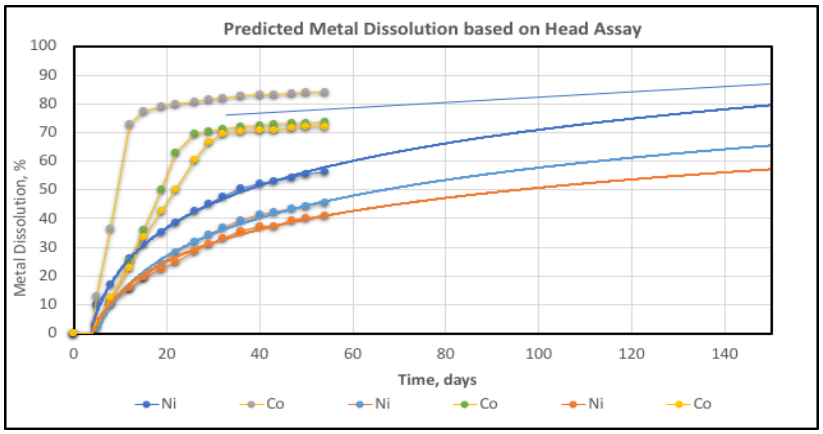
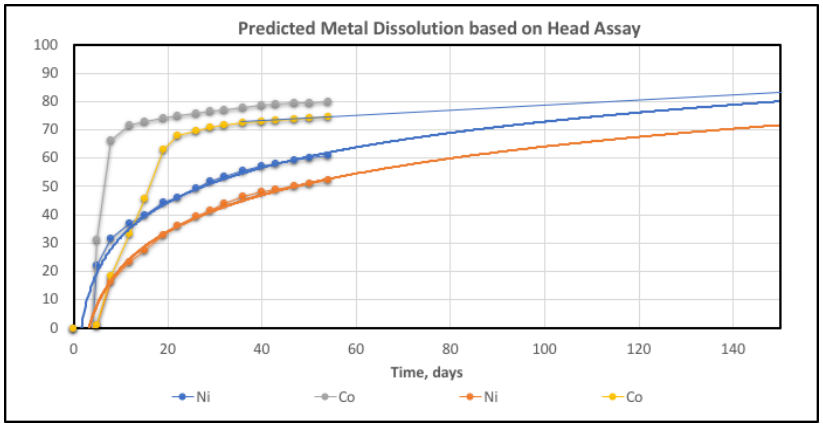
Graph 3: Predicted Ni and Co Dissolution from 2m and 4m Column Leach Interim Results – Limonite



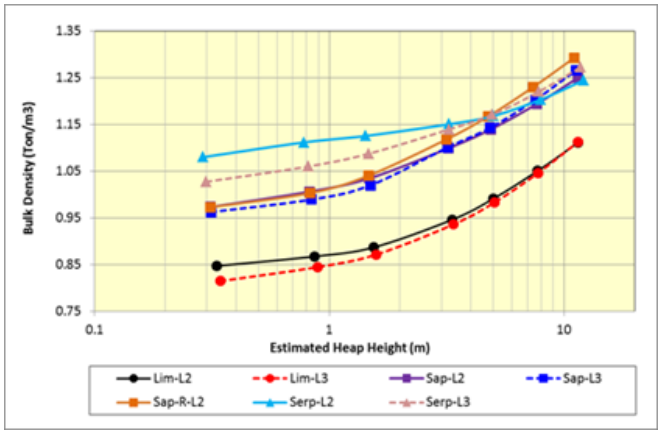
Graph 4: Predicted Ni and Co Dissolution from 2m and 4m Column Leach Interim Results - Saprolite

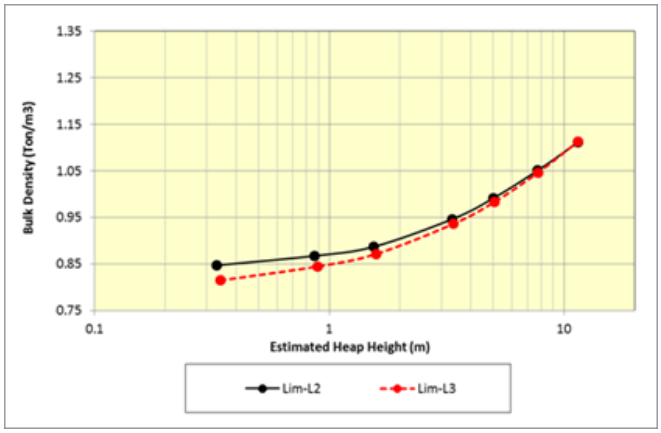


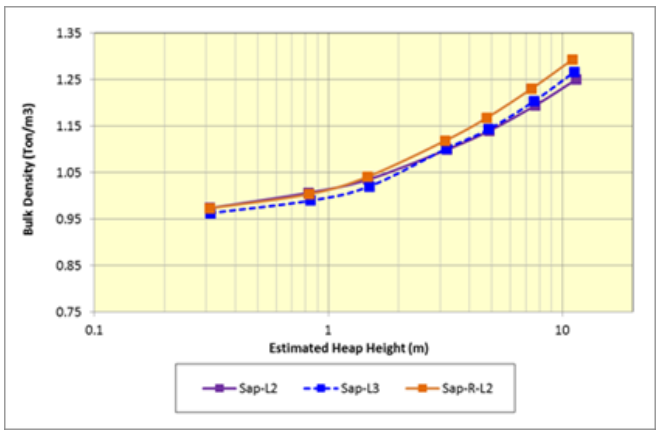
Graph 5: Predicted Ni and Co Dissolution from 2m and 4m Column Leach Interim Results – W. Serpentinite

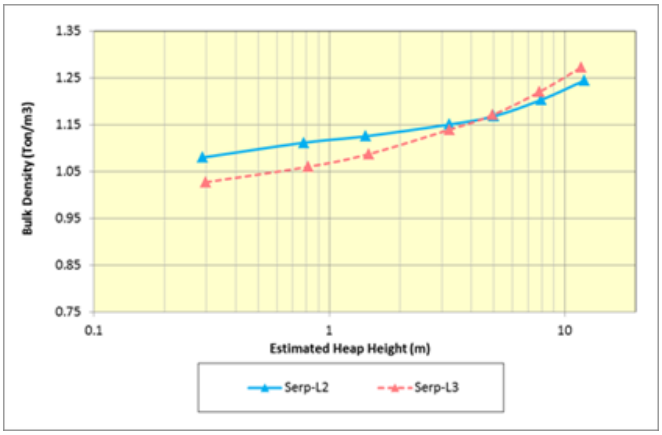


Graphs 6-9: Bulk Density Profiles

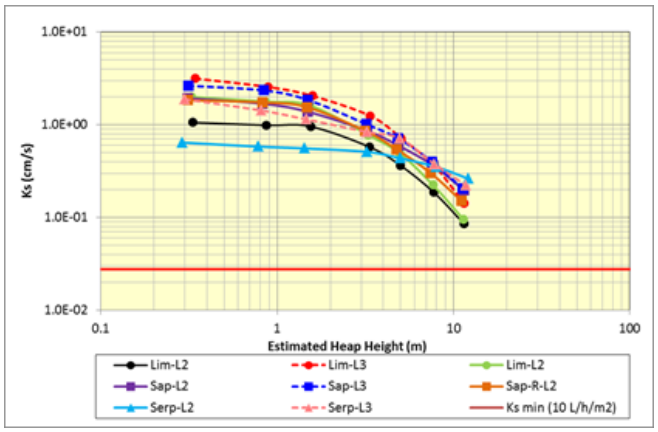


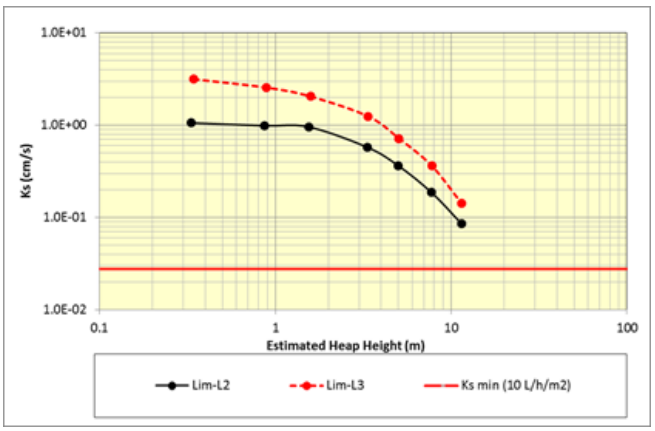






Graph 10-11: Hydraulic Conductivity Profiles





Graph 12-13: Hydraulic Conductivity Profiles (continued)