Jervois Mining Limited

Management Discussion & Analysis (“MD&A”)

For the Three months Ended September 30, 2020

INTRODUCTION

This discussion and analysis of financial position and results of operations ("MD&A") is prepared as at October 30, 2020 and should be read in conjunction with the unaudited consolidated financial statements for the 3 months ended September 30, 2020 Jervois Mining Limited (the "Company" or "Jervois") with the related notes thereto. Those financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") and in accordance with Australian Accounting Standards (AASBs) (AASB 134 Interim Financial Reporting) adopted by the Australian Accounting Standards Board (AASB). All dollar amounts included therein and in the following MD&A are expressed in Australian dollars except where noted.

This discussion contains forward-looking statements that involve risks and uncertainties. Such information, although considered to be reasonable by the Company's management at the time of preparation, may prove to be inaccurate and actual results may differ materially from those anticipated in the statements made.

FORWARD LOOKING STATEMENTS

This MD&A contains "forward-looking information" and "forward-looking statements" (collectively, "forward-looking statements") within the meaning of the applicable Canadian securities legislation. All statements, other than statements of historical fact, are forward-looking statements and are based on expectations, estimates and projections as at the date of this MD&A. Any statement that involves discussion with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events or performance (often, but not always using phrases such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved) are not statements of historical fact and may be forward-looking statements.

Forward-looking statements relate, but are not limited, to: focus of the Company; estimation of mineral resources; magnitude or quality of mineral deposits; anticipated advancement of ICO, Nico Young Project, Kilembe Area and Bujagali; progress of financing discussions; 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, including anticipated commercial production on the Company's properties; 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.

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 "RISKS AND UNCERTAINTIES" 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 MD&A 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, 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/.

DESCRIPTION OF BUSINESS

Jervois was incorporated under the laws of Australia on October 25, 1962.

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.

On 24 July 2019, Jervois acquired the Idaho Cobalt Operation ("ICO"). The ICO comprises the largest NI 43-101 compliant cobalt resource in the United Sates (see details below).

On 29 September 2020 Jervois announced the acquisition of the São Miguel Paulista ("SMP") nickel and cobalt refinery in Brazil from Companhia Brasileira de Alumíno ("CBA"). The SMP Refinery has annual refined production capacity of 25,000 metric tonnes of nickel and 2,000 metric tonnes of cobalt and is currently on care and maintenance.

Jervois holds the Nico Young nickel and cobalt deposit located near Young, New South Wales, Australia. Nico Young comprises two distinct bodies of mineralization and are large, shallow, flat-lying structures.

Jervois controls Ugandan exploration assets, Kilembe area and Bujagali area. Jervois is also in discussions with the Government of Uganda over its potential involvement in a restart of a copper-cobalt mine previously owned by the Canadian base metal company Falconbridge, Kilembe, and an associated cobalt refinery, Kasese Cobalt Company Limited ("KCCL"). The Government of Uganda owns 100% of Kilembe and its associated licenses, and 25% of KCCL.

Post quarter-end, Jervois announced the appointment of Greg Young as Executive General Manager ("EGM") – Sales.

Mr Young is one of the world's foremost traders of nickel and cobalt products, with extensive knowledge of the commodities, their materials flow, market indices and pricing strategies, having gained this experience during his 25-year tenure in Glencore's United States business, which culminated in his appointment as Co-Head of Glencore USA, a position he held for over 10 years. Mr Young ran Glencore's Stamford office in Connecticut, which housed approximately 50 metals traders and other employees.

Over the course of his career with Glencore, Mr Young managed more than 20 commodities including all North American marketing for Glencore's alloy division. Glencore's alloy division during his tenure encompassed, amongst other products, nickel, cobalt and ferrochrome. Mr Young started Glencore's cobalt trading book, which during his tenure became the worlds' largest. Mr Young oversaw United States marketing and placement of all nickel and cobalt products resulting from Xstrata plc's US$17 billion acquisition of Falconbridge, a Canadian base metal producer, in 2006. Mr Young also handled all North American sales resulting from Glencore's acquisitions of the Mopani copper-cobalt mine and processing plant in Zambia and the Murrin Murrin nickel-cobalt facility in Australia.

Mr Young will invest A$0.75 million in the Placement, and has elected to receive 7.5 million options with an exercise price of A$0.325/share, Jervois's last closing price prior to his appointment, rather than a cash salary for his role. The options will vest in three years subject to continued employment.

In other changes, Floyd Varley, Chief Operating Officer / Executive General Manager – Operations, resigned from the Company to pursue a Canadian based role, where he is domiciled.

Mr Eric Klepfer, President and principal of Klepfer Mining Services LLC ("KMS"), based in Idaho, has taken the role of Acting General Manager – ICO. KMS is a consortium of industry professionals that provide project management, engineering, resource estimates and environmental services to the mining industry.

Environmental, Social and Governance performance

During the quarter ended September 30, 2020, Jervois provided an update on its environmental, social and governance ("ESG") performance, having completed a review of its regime and adopted a new Sustainability Policy to highlight its commitment to the environment, its employees, communities and investors.

The Company is developing a Sustainability Standard that will be used internally at both the corporate and project level to support tangible, measurable and continuous improvements in Jervois' sustainability performance while ensuring that the Company continues 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 to encapsulate who Jervois is, what the Company aims to achieve and how it will achieve it.

Jervois' vision is a world transformed by the mass adoption of electric vehicles.

Jervois' mission is to become a leading supplier of responsibly-sourced battery minerals products and to provide secure supply to customers.

Three core values provide the foundation for how Jervois operates, collaborates, engages and unites in its work.

- Responsibility: We are responsible, as a company and as individuals.
- Integrity: We earn and sustain the trust and respect of our stakeholders.
- Accountability: We strive to transparently measure, share, deliver and own results.

Ultimately, Jervois aims to make a positive, meaningful difference in the lives of its customers, people, investors, partners and stakeholders including local host communities and countries.

Jervois is applying these policies at its 100%-owned ICO, where development of a comprehensive Environmental Impact

Statement served as the basis for current project approvals by United States regulators. At site, more than US$20 million has been invested on water treatment and environmental management systems, an amount that is unprecedented for a project of this relatively small scale and footprint, at this early stage of development. At ICO, Jervois will set a new standard of industry environmental stewardship.

Jervois's ESG Committee will comprise the Executive General Management team and will be Co-Chaired by Bryce Crocker, Chief Executive Officer, and Dr Jennifer Hinton, whom will take on additional responsibilities as Head of ESG at Jervois, to complement her current role as Uganda Country Head. Dr Hinton has a Ph.D in Mining Engineering and is a former adviser to the United Nations and World Bank.

Covid-19

In response to the impacts of Covid-19, the filing of a ICO Bankable Feasibility Study ("BFS") had been delayed. The results of the study were announced on 29 September 2020 and the workstreams are currently in final stages of completion for the public filing of the NI 43-101 Technical Report.

Earlier in 2020, the project execution plan and schedule was reviewed in light of Covid-19 and associated travel and equipment transportation restrictions, together with the impact on capital markets. As a consequence, a revised development plan envisaging ordering of long lead items and detailed design and engineering to commence in January 2021 now form the basis of the BFS. Site construction activities in Idaho will therefore commence only after the winter melt in Q2 calendar 2021, with a revised production start date of mid-2022. Jervois's Board believes this moderate delay is an appropriate step given the unprecedented dislocation Covid-19 has caused in capital markets and the operational risks associated with implementing an aggressive mobilization schedule during the pandemic whilst Idaho, at the time, remained in a State of Emergency with significant restrictions in place.

Project Updates

Idaho Cobalt Operations ("ICO"), United States

On 29 September 2020, Jervois announced completion of an updated Bankable Feasibility Study (the "BFS") for its ICO in the United States. Since acquiring ICO in mid-2019, Jervois has increased confidence in its ability to successfully bring the site into commercial production. The technical quality, rigour and conservatism applied in the BFS has confirmed the uniqueness of ICO in its ability to become the only source of domestic cobalt supply in the United States.

The BFS confirmed the potential of ICO to establish a near term, low cost cobalt-copper-gold mine, with significant opportunity to increase the mineral resource and extend mine reserves once mining commences. Jervois' January 2020 updated Mineral Resource Estimate ("MRE") was integrated into a revised mine plan and mining reserve, together with design of the metallurgical plant and final infrastructure requirements.

Key drivers for development of ICO was Jervois' recognition that incorporating flexibility in design to enable a final investment decision to be undertaken on either bulk or separated cobalt and copper concentrates, together with potential concentrate roasting or calcination, had the greatest potential to enhance off-take negotiations and underpin an economically optimised operation.

The BFS is based upon design of a concentrator producing a cobalt-copper bulk concentrate with gold credits. Jervois also completed engineering design and costing, flowsheets to produce separated cobalt and copper concentrates, and calcined (roasted) cobalt concentrate as part of the BFS. It has received off-take offers from potential customers for a variety of products to support economic trade-offs between flowsheet alternatives.

In the context of Jervois' agreement to acquire the SMP Refinery in Brazil, together with existing off-take negotiations, Jervois now has significant flexibility and optionality in terms of how it moves forward to convert ICO concentrates into refined products for customer delivery. At this time, the preferred path forward is via refining a bulk concentrate at its new refinery in Brazil. Now that Jervois' SMP Refinery acquisition can be disclosed to customers, specific discussions on appropriate physical form and pricing of ICO product can take place.

The BFS was managed by a joint team of DRA Global ("DRA") and M3 Engineering ("M3"), with the latter headquartered in Tucson, Arizona. Input was obtained from specialized North American contractors across mineral resource and reserve estimation and audit, mine design and scheduling including mine rock waste and underground paste fill pump and placement / scheduling, metallurgical testwork and laboratory management, process plant and engineering design including site infrastructure and dry stack tailings, together with capital and operating costing. The study was prepared in accordance with both the Australian JORC Code 2012 Edition ("JORC") and Canadian National Instrument 43-101 ("NI 43-101"), the latter of Jervois will publish on SEDAR by mid November 2020.

Key technical outputs from the BFS are summarized in Table 1 below.

Table 1 : Key ICO Parameters

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

1. Based upon current BFS selling a bulk concentrate; capital is in real 2020 dollars and is in accordance with NI 43-101 requirements which must exclude potential cash collatorisation 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 news release may not be comparable to EBITDA presented by other companies.

The BFS is based on extracting 2.5M metric tons of ore at an average grade of 0.55% Co, 0.80% Cu and 0.64 g/t Au. Initial mine life within the revised BFS is 7 years, as Jervois sought to maximise initial operating margins, economics and IRR's. Once underground access has been established and drilling can occur more cost effectively than from surface, unconstrained by seasonality, Jervois has confidence that further resource will be converted to mine reserves (only 60% of the Measured and Indicated Resource has been included in the mining reserve at this time, and none of the Inferred Resource). In addition to known mineralisation, there exists significant potential for additional tonnes along strike and at depth.

The BFS mine plan does not incorporate any uplift in ultimate metallurgical recoveries associated with processing concentrate at SMP Refinery, and consequential impacts on reserve cut off and potential extensions to life of mine. Historical cobalt recoveries at SMP Refinery have averaged 96% over its operating life.

The process route at ICO 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 cobalt, 95.5% for copper and 84.9% for gold. Recoveries are dependent on the feed grades, feed grade ratios of Cu:Co, and targeted concentrate grade quality (with 10% cobalt being targeted).

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

More detail on the BFS can be found in the ASX Announcement dated 29 September 2020.

United States Government Discussions and Domestic Cobalt Refining

Jervois continues to actively engage with the United States government, where Jervois Chief Executive Officer Bryce Crocker is temporarily based. In relation to a domestic cobalt refinery, the Company engaged Wood to undertake a scoping study on a cobalt refinery based at its Blackfoot industrial site in Idaho, United States. Whilst Jervois is optimistic that ultimately a domestic United States refinery will prove commercially viable, based on current mine reserves, the facility is uneconomic. Jervois needs to access underground via initial mine development in order to drill effectively to expand and prove up the known mine reserve.

Associated with improving the economics of a future United States cobalt refinery, in partnership with Idaho National Laboratories ("**INL**", which is part of the United States Department of Energy ("**DOE**")), the Company had been invited to apply to the United States Critical Materials Institute for research to unlock domestic cobalt production through process innovation.

After quarter end Jervois was advised that its research grant application was unsuccessful. Jervois and INL had progressed to the final round for consideration for funding under the DOE, Office of Energy Efficiency and Renewable Energy FY2020 AMO Critical Materials FOA: Next-Generation Technologies and Field Validation Funding Opportunity.

Project Financing Update

Jervois is now re-engaging with lenders, based on the development plan confirmed by the ICO BFS and the marketing plan reflecting the SMP Refinery acquisition.

Current construction schedule requires long lead item orders (SAG mill, tailings filters) to be placed by calendar year end, and detailed engineering to commence in January 2021. Upon snow melt in Q2 2021 early works execution will occur at site encompassing completion of the water treatment system, installation of camp, TWSF preparation and civils mobilization. Full site construction is anticipated to restart in mid 2021, and the portal will be opened in Q3 2021. First commercial production remains forecast for mid 2022. With the A$45.0 million Placement proceeds, Jervois is moving forward consistent with this schedule.

Acquisition of São Miguel Paulista ("SMP") nickel and cobalt refinery, Brazil

In parallel with its BFS release, Jervois announced it had agreed to acquire 100% of the SMP Refinery in the Brazilian State of São Paulo from Companhia Brasileira de Alumínio ("CBA") (an investee company of Votorantim). This transaction will transform Jervois into a vertically integrated producer when ICO commences commercial production, capable of supplying refined nickel and cobalt products to customers across a range of industries including specialty stainless steels, nickel and cobalt superalloys, cathode precursor, lithium ion battery and electric vehicles manufacturers.

Transaction Structure

Jervois will initially lease SMP Refinery from CBA ("Refinery Lease"), providing Jervois access to undertake a Feasibility Study ("FS") for the restart. Subject to Jervois' Early Termination Right up to September 2021, the lease shall continue until closing of Jervois' acquisition of SMP Refinery ("Closing") which is subject to the satisfaction of usual condition precedents and is expected to occur by December 2021.

Jervois will acquire 100% of SMP Refinery for R$125.0 million cash (US$22.5 million at current exchange rates)[1], payable in tranches:

a) R$15.0 million (US$2.7 million)[1] cash as a deposit: by 30 December 2020 ("Deposit Payment"). Refinery Lease commences upon receipt by CBA of Deposit Payment. Should Jervois elect to exercise its Early Termination Right, Deposit Payment will be forfeited and no further tranches will be payable. On Closing, Deposit Payment shall be applied to the purchase price for SMP Refinery. Jervois will fund Deposit Payment via cash reserves.
b) R$47.5 million (US$8.5 million)[1]: on Closing.
c) R$25.0 million (US$4.5 million)[1]: on the earlier to occur of:
    i. SMP Refinery meeting certain production thresholds (average of 125mt per month of contained refined nickel and/or cobalt); and
    ii. 30 June 2023.
d) R$37.5 million (US$6.75 million)[1]: on 30 June 2023.

As part of the purchase arrangements and as contained in Refinery Lease, Jervois will pay for existing SMP Refinery care and maintenance (including environmental remediation) of the site from March 2021, via the payment of a monthly lease cost of R$1.5 million (US$0.27 million)[1]. Up until Closing, CBA will continue to manage the site. After Closing, 100% ownership will transfer to Jervois as it moves forward to restart the refinery.

Background

SMP Refinery is a nickel and cobalt electrolytic refinery designed and constructed by Outotec that commenced operations in 1981. The facility is in an industrial zone in São Paulo, Brazil. It was placed on care and maintenance by CBA in 2016, when CBA also placed its Niquelândia mine and processing plant in Brazil on care and maintenance due to prevailing market conditions at the time. Niquelândia provided the SMP Refinery with nickel carbonate.

SMP Refinery's production capacity was 25,000 metric tonnes per annum ("mtpa") of refined nickel cathode and 2,000mtpa refined cobalt cathode.

SMP Refinery produced electrolytic nickel with 99.9% purity, exceeding the base specification required by the London Metal Exchange ("LME"). This product was historically used in premium applications such as superalloys, specialty stainless steels, electroplating and batteries. SMP Refinery broken cobalt cathodes were also of high quality and historically used in superalloys and batteries. Nickel and cobalt cathodes were sold under the brand "Tocantins" and have an established customer base in key regions of demand today – the United States, Europe and Japan.

CBA has also undertaken a scoping study with a leading international engineering firm specializing in base metal refineries, to assess the potential conversion of the facility to nickel sulphate production, for modest capital expenditure. Nickel sulphate is the current physical form utilized in the preparation of cathode precursor materials by the lithium ion battery supply chain. Jervois has not included this conversion into its current development plans. Off-take and partner negotiations with cathode precursor, lithium ion battery and electric vehicle manufactures under non-disclosure agreements continue.

Jervois assessed in detail three (3) operating scenarios during its due diligence. The scenarios are designed based on filtration and management of waste limitations based on SMP Refinery's existing production capacity and flowsheet of 25,000mtpa and 2,000mtpa of refined nickel and cobalt cathode respectively.

a) Idaho Cobalt Operations ("ICO") concentrate only: 2,000mtpa refined cobalt
b) ICO concentrate and cobalt hydroxide: 8,000mtpa refined cobalt
c) ICO concentrate and MHP: 10,000mtpa refined nickel and 2,300mtpa refined cobalt

Restart requirements and costs at SMP Refinery are moderate. Planned works include refurbishment of the electrowinning cells, additional crystallizer(s), a gold recovery circuit, plant corrosion treatments, sealing, filtration

[1] US$ conversion based on 29/09/20 exchange rate of US$1:R$5.55, the transaction values are fixed in R$ and are not convertible into US$.

upgrades and modifications to materials handling. Expansion of the copper handling capacity will be required if SMP treats a bulk (cobalt and copper) concentrate from ICO.

Jervois' preliminary capital estimates range from R$75 million (US$13.5 million)[3] up to R$150 million (US$27.0 million)[3] for SMP Refinery to restart across the above three operating scenarios. The operating scenario and the associated capital estimates will be defined as part of the Feasibility Study Jervois will complete, including supplier contract negotiations to underpin restart economics. This study will commence in Q4 2020. Subject to permitting and Jervois securing supply contracts for other nickel and cobalt intermediates, accelerated restart to be explored.

Jervois' acquisition of the SMP Refinery enables a revised development plan at its Nico Young nickel-cobalt heap leach development in Australia, to a mixed hydroxide product ("MHP"), suitable for processing based on the existing SMP flowsheet, resulting in estimated capital savings of A$200 million from the prior Nico Young NI 43-101 Preliminary Economic Assessment ("PEA").

Jervois' PEA for Nico Young supported the technical and economic viability of heap leaching laterite ore, based on the production of battery grade nickel sulphate hexahydrate crystal and cobalt sulphide as final, refined products. Within the study scope, Jervois also completed to the equivalent level of engineering, the ability to produce an MHP.

This MHP represents an attractive feed for SMP, with the refinery having processed similar products from other suppliers historically, including from Australia.

Transaction Summary

Jervois' Board and Management is excited to be re-entering nickel and cobalt refining and trading, and to be re-establishing previous supplier and customer relationships.

SMP Refinery represents a transformative opportunity for the Company to negotiate refined nickel and cobalt supply directly to end users across multiple industries, including the lithium ion battery supply and customer chain.

Jervois will now progress the funding plan for SMP Refinery transaction and restart in conjunction with the lender negotiations for the completion of ICO construction through first commercial production. The integration of mining and refining of cobalt expands the range of offtake and funding counterparties, together with potential financing structures.

More detail on the acquisition is available in the ASX Announcement dated 29 September 2020.

Ugandan Exploration Properties

In August, Jervois announced it was recommencing drilling activities at its Kilembe area properties in Uganda following a hiatus during COVID-19 restrictions. Its Board approved mobilisation of a drill crew to the area in late June, awaiting government approval to recommence activities.

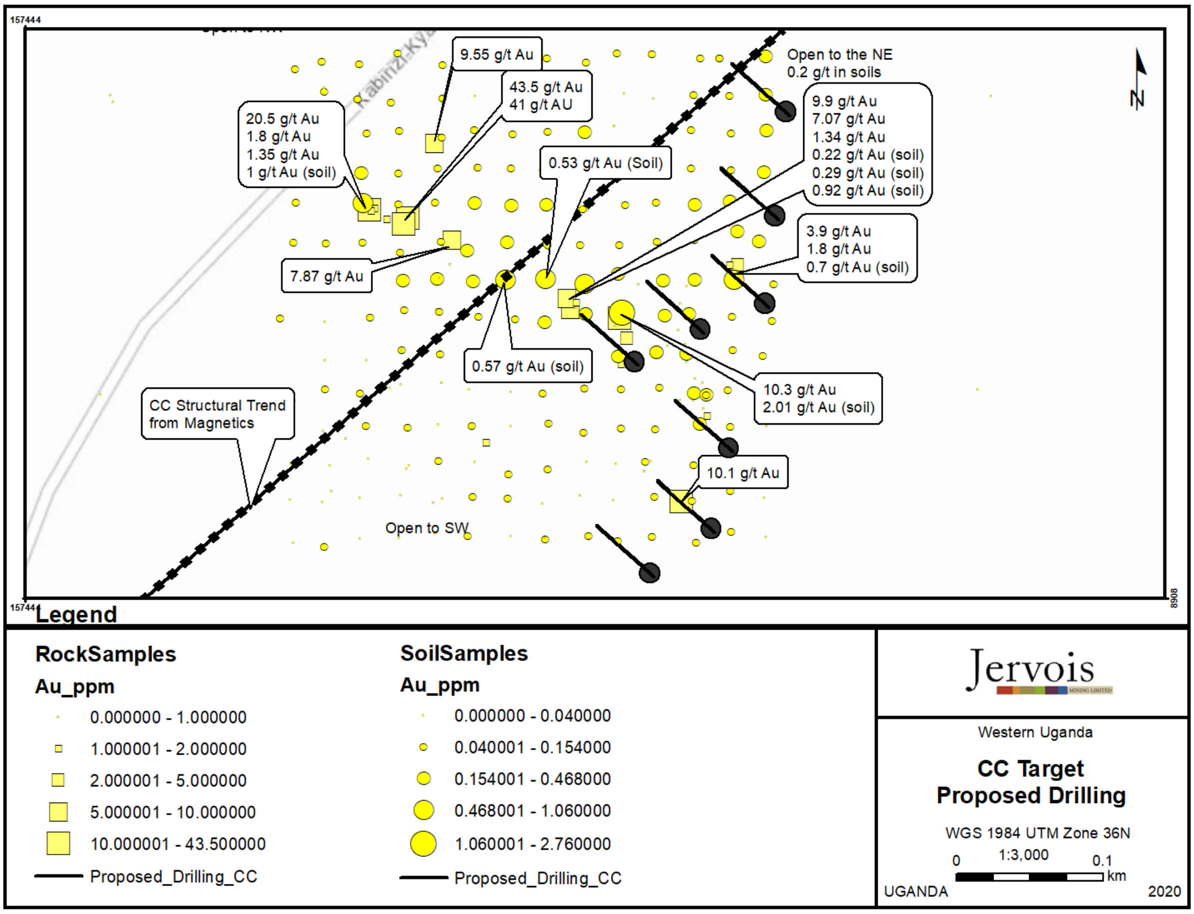
During the quarter Jervois tested the CC copper-gold ("Cu-Au") target with approximately 1,000m of diamond drilling. The drilling was focused on anomalies that had returned high-grade copper-gold rock chip samples and a coincidental gold in soil anomaly.

The drilling was concentrated on an interpreted structural feature defined from ground magnetics conducted earlier this year, which is coincident with high-grade surface rock chip and soil samples acquired in late 2019 and early 2020 (see ASX announcement 22 January 2020).

Prior to this programme, the CC target was undrilled and contains some of the highest-grade surface gold samples achieved on the Company's Kilembe area project to date.

Jervois is conducting the programme utilising its in-country geological professionals and regular East African drilling contractor, which have safely executed Jervois's prior workplans.

Figure 1: Kilembe Area CC Target – Drill Locations



Drilling at site in Uganda is complete and site revegetation and rehabilitation is underway. Initial core has arrived at ALS's laboratories in South Africa for testing, and final preparation of remaining core is underway and is expected to be dispatched from Uganda shortly. Confirmed assay results are expected before calendar year end.

Nico Young Nickel-Cobalt Project, New South Wales, Australia

During the quarter, Jervois received A$1.537 million in cash from the Australian Federal Government, relating to a research and development ("R&D") tax refund for the financial year ending 30 June 2019.

The R&D refund related to applicable costs incurred within the Nico Young NI 43-101 Preliminary Economic Assessment ("PEA"), which was finalized by the Company in May 2019.
The PEA supported the technical and economic viability of heap leaching laterite ore and was based on the production of battery grade nickel sulphate hexahydrate crystal and cobalt sulphide as final, refined products. Within the study scope, Jervois also completed to the equivalent level of engineering, the ability to produce an intermediate mixed hydroxide precipitate ("MHP").

As part of a Feasibility Study for the SMP Refinery, Jervois will examine the potential to produce MHP at the refinery, which could reduce project capital estimates for Nico Young by about A$200 million.

Kabanga Nickel-Cobalt Deposit Application, Tanzania

No further progress was advised by the Government of Tanzania in response to Jervois's submission of a revised offer for the Kabanga nickel-cobalt deposit.

Kilembe Copper-Cobalt Mine and Kasese Cobalt Refinery Application, Uganda

No further progress was advised by the Government of Uganda in response to Jervois's submission of a revised offer for the Kilembe copper-cobalt mine and shareholding in the Kasese Cobalt refinery.

NON-CORE ASSETS

Jervois's non-core assets are summarized on the Company's website. During the quarter the sale of the King Solomon Project to Hawkstone Mining Limited was completed.

Sale negotiations to rationalize the Company's portfolio continued.

OVERALL PERFORMANCE

On 21 May 2019, the Company's Shares were granted conditional approval to be admitted to official quotation on the TSXV under the Code "JRV". The Shares of the Company were admitted to official quotation on 21 June 2019.

The Group's operating segments are outlined below.

Australia	Includes Nico Young and other tenement licenses held.
Uganda	Exploration licences held in Uganda.
United States of America	Includes the Idaho Cobalt Operations ("ICO"), encompassing a cobalt-copper-gold mine under construction in Lemhi County outside of the town of Salmon, Idaho.
Other	Consists of non core exploration not related to Australia, Uganda and the USA, corporate costs, including acquisition costs and financing costs. This is not a reportable segment.

During the three months ended September 30, 2020 the following results were recorded:

Three months ended 30 September 2020	**Australia A$'000**	**Uganda A$'000**	**USA A$'000**	**Other A$'000**	**Total A$'000**
Other income	-	-	25	1,735	1,760
Segment expense	(35)	-	(42)	(1,550)	(1,627)
Depreciation and amortisation	-	-	(53)	(4)	(57)
Net finance costs	-	-	-	-	-
Net foreign exchange gain / (loss)	-	-	(180)	(18)	(198)
Income tax expense	-	-	-	-	-
Segment result	(35)	-	(250)	163	(122)
Segment assets	9,879	20,359	81,288	7,298	118,824
Segment liabilities	-	-	(10,454)	(553)	(11,007)

The comparative results for the three months ended September 30, 2019 are set out below:

Three months ended 30 September 2019	Australia A$'000	Uganda A$'000	USA A$'000	Other A$'000	Total A$'000
Other income	-	-	20	-	20
Segment expense	-	-	(435)	(3,058)	(3,493)
Depreciation and amortisation	-	-	(1)	-	(1)
Net finance costs	-	-	-	23	23
Net foreign exchange gain / (loss)	-	-	38	23	61
Income tax expense	-	-	-	-	-
Segment result	-	-	(378)	(3,012)	(3,391)
Segment assets	9,098	19,805	124,067	16,067	169,037
Segment liabilities	-	(101)	(12,742)	(187)	(13,030)

The key items impacting the overall performance of the Company are:

- During the three-month period to September 30, 2020 the Company received a payment of A$1.5 million related to R&D rebate tax credits.
- During the quarter to September 30, 2020, expenses were incurred in relation to the finalisation of the ICO BFS; general corporate activities were lower due to temporary reductions in senior executive and Board compensation and restricted travel due to Covid-19. In the corresponding period, the Other expenses relate to general operational costs and business development activities, including travel in relation to the finalisation of the acquisition of eCobalt Solutions on July 24, 2019.
- The Company has completed the ICO BFS and has announced the acquisition of the SMP nickel cobalt refinery in Brazil. Subsequent to the period end, the Company completed a A$45.0 million equity placement. The Company is now engaging with potential debt financiers for ICO and SMP.

DISCUSSION OF OPERATIONS

During the quarter, the Company completed and publicly released the BFS outlining how construction ought to be finalised at ICO, and the recommended route forward for commercial production. With the A$45.0 million equity raise complete, Jervois is now advancing detailed engineering and preparing to order long lead items. At SMP Refinery the Company is preparing to commence study work to establish the optimal restart plan. The Company is completing an exploration programme on its Uganda properties and has completed a preliminary economic analysis ("PEA") on its Nico Young property in New South Wales, Australia. In connection with these activities the Company, has incurred fees related to study management, exploration and professional services to date. As a development stage company, the Company has not generated revenues to date from its properties. The Company anticipates that it will require debt and potentially further equity financing to fund operations until such time as its properties are put into commercial production on a profitable basis. Please see "Description of Business" for management's plans for the Company. The following highlights the key operating expenditures during the current three months ended September 30, 2020.

Three Months Ended September 30, 2020

During the three months ended September 30, 2020, the Company incurred a net loss of A$0.123m (2019: net loss of A$3.391 m), and comprehensive loss of A$3.754m (2019: comprehensive profit of A$1.527m) with the following major items:

- Proceeds from R&D refund of A$1.537m (2019 – Nil). This relates to the completion of the NI 43-101 PEA at Nico Young in Australia.

- Professional fees of A$0.388m (2019 – A$0.379m) includes legal advice on TSXV listing and other counsel and accounting expenses including expenses associated with the upcoming ICO project financing.

- Employee Costs of A$0.260m (2019 - A$0.323m) included amounts paid to the CEO, Directors and other senior management. The reduced amount reflects the temporary reductions in senior management salaries offset by an increase in number of staff.

- Share-based (non cash) compensation of A$0.583m (2019 - A$ nil) was the fair value of the stock options expensed over their vesting periods allocated to the 3 month period.

- Securities quotation and filing fees of A$0.062m (2019 - A$0.117m) for listings on ASX and TSXV. The prior period included TSXV fees associated with the capital raising completed in July 2019.

- Professional Fees incurred with M2 Cobalt and eCobalt acquisitions of A$0.010m (2019 – A$2.356m) related to the finalization of the acquisition accounting for eCobalt. The prior period reflects the majority of the fees related to the acquisitions.

The Company completed exploration and development activities on its ICO and Uganda projects in the quarter. During the quarter ended September 30, 2020, the Company incurred A$1.463m on its exploration and development programs, with A$1.031 million spent in Idaho and A$0.425 million in Uganda.

QUARTERLY FINANCIAL DATA

The Company became a "reporting issuer" in Canada on 21 June 2019 when its securities were listed on the TSXV. From that date until the end of the 2nd quarter (fiscal period) ending December 31, 2019, the Company was a "designated foreign issuer" within the meaning of Canadian National Instrument 71-102 – Continuous Disclosure and Other Exemptions Relating to Foreign Issuers. Accordingly, prior to June 21, 2019, the Company was not subject to Canadian continuous disclosure requirements and, until December 31, 2019, the Company was entitled to comply with Canadian continuous disclosure requirements by filing the materials it was required to file in Australia.

Under applicable Australian law and the requirements of the ASX, the Company is not required to and has not historically produced financial statements for the first and third quarters of each fiscal year. Full financial statements are only produced half-yearly and annually. On a quarterly basis, certain cash flow information is publicly reported by the Company to the ASX.

For the foregoing reasons, the Company does not have historical financial statements that would allow it to provide quarterly financial disclosure derived from the Company's financial statements as called for by Canadian Form 51-102F1 – Management's Discussion & Analysis for the comparative three month periods ended June 30, 2019, March 31, 2019 or December 31, 2018.

SUMMARY OF QUARTERLY RESULTS

	Three month period ended September 30, 2020 A$'000	Three month period ended June 30, 2020 A$'000	Three month period ended March 31, 2020 A$'000	Three month period ended December 31, 2019 A$'000
Total Revenue	$1,760	Nil	Nil	$3,100
Shareholders' equity	$107,817	$110,748	$124,066	$110,788
Net (loss) from continuing operations	($123)	($2,403)	($1,897)	($1,209)
Comprehensive profit / (Loss) for the period attributable to shareholders	($3,754)	($11,692)	$12,531	($1,209)
Loss per share for the period attributable to shareholders	(0.019) cents	(0.390) cents	(0.311) cents	(0.195) cents

	Three month period ended September 30, 2019 A$,000
Total Revenue	Nil
Shareholders' equity	$156,708
Net loss	($3,391)
Comprehensive Profit / (loss) for the period attributable to shareholders	$1,527
Loss per share for the period attributable to shareholders	(0.571) cents

The activities of the Company over the above periods consist of drilling, metallurgical testwork and study costs to complete the NI 43-101 PEA of the Nico Young project in Australia, and following the announcement of the acquisition of M2 Cobalt in January 2019, exploration activities in Uganda (prior to the transaction closing Jervois extended a loan to fund continued exploration). The Company has also undertaken a drilling programme at ICO during the periods from September 30, 2019 to December 31, 2019 in order to support the completion of the updated BFS. The Company completed a private placement to raise A$16.5 million (before expenses) in July 2019 with funds being used to execute ICO BFS study work and associated resource drilling, together with Ugandan exploration activities.

On a quarter-by-quarter basis the loss can fluctuate significantly due to a number of factors including exploration activities during the period, impairment of assets, the timing of stock option grants, and changes in nature of the business.

An analysis of the three monthly results over the periods shows a significant change in financial performance primarily due to the sale of non-core assets and royalties in the period ending December 31, 2019 offsetting an increase in exploration and expenses related to completion of the NI 43-101 PEA at Nico Young in Australia and the BFS at ICO in the United States, as well as exploration in Uganda. The changes in exchange reserves arising on translation of foreign operations were the major item that impacted the comprehensive profit or loss in each period.

The acquisitions of both M2 Cobalt and eCobalt incurred significant one-off expenses that further offset the revenue in the September 30, 2019 period as compared to exploration and evaluation expenses in the later periods. These one-off costs consist primarily of legal, securities exchange expenses and advisory fees.

LIQUIDITY AND CAPITAL RESOURCES

The Company has financed its operations to-date through the issuance of common shares and the sale of non-core assets. The Company continues to seek capital through various means including the issuance of equity and/or debt.

The financial statements have been prepared on a going concern basis which assumes that the Company will be able realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future.

	September 30, 2020 A$'000	June 30, 2020 A$'000
Working capital	$4,986	$5,337

Net cash from operating activities for the current quarter ending September 30, 2020 was A$0.817m (2019 – Net used in operating activities - A$3.631m). The net cash from operating activities for the current period consists primarily of the R&D refund of A$1.537m offset by payment to employees and administration costs of A$0.770m.

Net cash used in investing activities for the current quarter was A$1.290m (2019 - A$2.351m). Net cash used in investing activities for both periods consists primarily of exploration and development expenditure on ICO and Uganda.

Net cash from financing activities during the current quarter was A$0.239m (2019 – A$16.175m). Net cash from financing in the current quarter was received from the exercise of options. The net cash from the comparative quarter was from the A$16.5m equity placement, less issuance costs.

Subsequent to September 30, 2020, the Company announced the successful completion of a A$45.0m equity placement.

There can be no assurance that the Company will be able to obtain adequate financing in the future or that terms of such financing will be favorable. If adequate financing is not available when required, the Company may be unable to continue operating. The Company may seek such additional financing through debt or equity offerings, but there can be no assurance that such financing will be available on terms acceptable to the Company or at all. Any equity offering will result in dilution to the ownership interests of the Company's shareholders and may result in dilution to the value of such interests.

Equity Issuance during the 3 months to September 30, 2020

Aside from the conversion of options, the Company did not issue any equity in the three months to September 30, 2020.

OFF-BALANCE SHEET ARRANGEMENTS

The Company does not have any off-balance sheet arrangements.

RELATED PARTY TRANSACTIONS

The Company acquired a related party relationship between prior M2 Cobalt management personnel, Dr. Jennifer Hinton and Mr. Tom Lamb and an external services company Great Rift Geosciences ("Great Rift") via the M2 Cobalt merger. Acquired in June 2019, Jervois uses Great Rift to provide Ugandan exploration management services including local administration and in-country management, accounting, payroll and treasury services, offices including a core shed and sample preparation area, employee accommodation, and exploration staffing. Dr. Jennifer Hinton and Mr. Tom Lamb are also principals and co-owners of Great Rift. The commercial arrangements with Great Rift is conducted on an arms-length terms.

Amounts below represent payments to Great Rift (Canada) and Great Rift (Uganda) at which Dr. Hinton and Mr. Lamb are Directors. Payments made to Great Rift were solely for the in-country services outlined above. No loans have been made to key management personnel as of September 30, 2020.

	30 September 2020 A$'000	**30 September 2019 A$'000**
Management Services – Great Rift	(86)	(126)

Payments made to the CEO and Director totaled $0.072 million.

PROPOSED TRANSACTIONS

There are no proposed transactions.

SUBSEQUENT EVENTS

On October 19, 2020 the Company announced the completion of a A$45.0 million equity placement at a price of A$0.305 per new ordinary share and will result in the issue of 147,540,985 new ordinary shares.

The Directors of the Company have identified no other subsequent events in the interval between the end of the financial period and the date of this report, which would be material or unusual in nature, and likely to affect significantly the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

SIGNIFICANT ACCOUNTING POLICIES, CRITICAL JUDGEMENTS AND ESTIMATES

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates. Estimates are reviewed on an ongoing basis based on historical experience and other factors considered relevant under the circumstances. Revisions to estimates on the resulting effects of carrying amounts of the Company's assets and liabilities are accounted for prospectively.

All of the Company's significant accounting policies and estimates are included in Notes 2 and 3 of its audited consolidated financial statements for the year ended June 30, 2020.

New or amended Accounting Standards and Interpretations adopted

AASB 16 Leases
The Standard provides a comprehensive model for identification of lease arrangements and their treatment (on-balance sheet) in the financial statements of both lessees and lessors. It superseded AASB 117 Leases and its associated interpretative guidance. The Company has no significant lease agreements in place and thus implementation had no material impact. The interpretation had an effective date for the Company of 1 July 2019.

AASB Interpretation 23 – Uncertainty over income tax treatment
This interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of AASB 112 Income Taxes. The Interpretation does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Company has reviewed its internal policies and tax risk frameworks and has determined that adoption of the interpretation did not have a material impact. The interpretation had an effective date for the Company of 1 July 2019.

Disclosure Controls and Procedures

The Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") are responsible for designing internal controls over financial reporting in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Company's financial statements for external purposes in accordance with IFRS. The design of the Company's internal control over financial reporting was assessed as of the date of this Management Discussion and Analysis.

Management's Responsibility for Financial Statements

Information provided in this report, including the financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future value for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying financial statements. Management maintains a system of internal controls to provide reasonable assurances that the Company's assets are safeguarded and to facilitate the preparation of relevant and timely information.

FINANCIAL INSTRUMENTS AND CAPITAL MANAGEMENT

The Company's financial liabilities, accounts payable and accrued liabilities, and other payables, are measured at amortized cost. Its financial assets, cash and interest receivables, are also measured at cost. The Company's carrying values of these items approximate their fair value due to the relatively short periods to maturity of the instruments.

The Company considers its capital to be the components of shareholders' equity. The Company's objective when managing capital is to maintain adequate levels of funding to support the development of its business and maintain the necessary corporate and administrative functions to facilitate these activities. This is done primarily through equity financing. Future financings are dependent on market conditions and there can be no assurance the Company will be able to raise funds in the future. The Company invests all capital that is surplus to its immediate operational needs in short-term, highly liquid, high-grade financial instruments. There were no changes to the Company's approach to capital management during the quarter. The Company is not subject to externally imposed capital requirements. The Company has sufficient working capital to meet its projected minimum financial obligations for the next 12 months.

OUTSTANDING SHARE DATA

The following table summarizes the Company's outstanding share data as of the date of this MD&A:

	Number of shares issued or issuable
Common shares	772,095,052
Stock options	90,092,250(1,2)
Other options	10,312,500(2)

Notes:

1) On October 1, 2020, 5,000,000 share options were granted to the CEO with an exercise price of A$0.31, vesting on 30 September, 2022 (subject to continued employment) and expiring on September 30, 2025; On October 19, 2020, 7,500,000 share options were granted to an employee with an exercise price of A$0.325 vesting on October 19, 2023 (subject to continued employment), expiring on October 18, 2028.

2) Details of all Options on issue are set out below. The exercise prices referenced below reflect the price each holder would have to pay to acquire one ordinary share of Jervois:

Description	Number
Options @ A$0.15/share until 30 November 2022	15,000,000
Options @ A$0.345/share until 30 May 2024	400,000
Options @ A$0.305/share until 18 June 2024	2,500,000
Options @ A$0.29/share until 30 September 2023	5,000,000
Options @ A$0.295/share until 1 July 2023	7,500,000
Options @ A$0.24/share until 1 June 2024	2,500,000
Options @ A$0.20/share exercisable until 14 August 2027	750,000
Options @A$0.20/share exercisable until 5 years after their vesting date	250,000
Options @ A$0.20/share exercisable until 15 August 2027	12,050,000
Options @ A$0.24/share exercisable until 15 August 2024	2,500,000
Options @ A$0.24/share exercisable until 30 September 2024	5,000,000
Options @ A$0.31/share exercisable until 30 September 2025	5,000,000
Options @ A$0.325/share exercisable until 18 October 2028	7,500,000
Options @ A$0.15/share exercisable until 31 March 2028	8,387,500
M2 Options @ C$0.50/share until 23 January 2021	2,025,000
M2 Options @ C$0.34/share until 22 March 2021	175,000
eCobalt Options exercisable until 6 September 2021 at C$0.36/share	2,714,250
eCobalt Options exercisable until 28 June 2022 at C$0.71/share	3,654,750
eCobalt Options exercisable until 5 October 2022 at C$0.70/share	288,750
eCobalt Options exercisable until 11 January 2023 at C$1.16 each	231,000
eCobalt Options exercisable until 12 March 2023 at C$0.85/share	165,000
eCobalt Options exercisable until 6 April 2023 at C$0.84/share	206,250
eCobalt Options exercisable until 28 June 2023 at C$0.61/share	4,191,000
eCobalt Options exercisable until 24 September 2023 at C$0.50/share	123,750
eCobalt Options exercisable until 1 October 2023 at C$0.53/share	1,980,000
eCobalt Warrants exercisable until 14 April 2021 at C$0.24/share	10,312,500

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.

ADDITIONAL INFORMATION

Additional information about the Company is available on the Company's website, www.jervoismining.com.au and on SEDAR at http://www.sedar.com.

BOARD APPROVAL

The Board of Directors of the Company has approved this MD&A.

COMPETENT PERSON'S STATEMENT

The information in this release that relates to Mineral Exploration is based on information compiled by David Selfe who is a full time employee of the company and a Fellow of the Australasian Institute of Mining and Metallurgy and Dean Besserer, P.Geol. who is the GM Exploration for the Company and a member of The Association of Professional Engineers and Geoscientists of Alberta. The information in this release that relates to Mineral Resource Estimates is based on information compiled by David Selfe. Both David Selfe and Dean Besserer have sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. David Selfe and Dean Besserer consent to the inclusion in the release of the matters based on their information in the form and context in which it appears.

The information in this report that relates to Ore Reserves underpinning the Production Target has been prepared by Mr Nick Yugo, P.Eng who is a consultant to the Company and who is a member of the Professional Engineers Ontario which is a Recognised Professional Organisation. Mr Yugo has sufficient experience which is relevant to the styles of mineralisation and types of deposits under consideration and to the activities being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr. Yugo consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

QUALIFIED PERSON'S STATEMENT

The technical content of this news release has been reviewed and approved by Dean Besserer, P.Geol., who is the GM Exploration for the Company and a Qualified Person as defined by National Instrument 43-101.

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

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.