

**Jervois Global Limited**

**Management Discussion & Analysis (“MD&A”)**

**For the Three Months and Six Months Ended June 30, 2022**

## INTRODUCTION

This discussion and analysis of the financial position and results of operations (“MD&A”) is prepared as at August 15, 2022 and should be read in conjunction with the unaudited condensed consolidated financial statements for the six months ended June 30, 2022 of Jervois Global Limited (the “Company” or “Jervois” and, together with its subsidiaries, the “Group”) 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”) adopted by the Australian Accounting Standards Board (“AASB”). All dollar amounts included therein and in the following MD&A are expressed in US dollars, except where noted.

The Directors elected to change the Group’s presentation currency in accordance with AASB 108 “Accounting Policies, Changes in Accounting Estimates and Errors” from Australian dollars (“A\$”) to United States dollars (“US\$”). This MD&A for the three and six months ended June 30, 2022 is the first financial report with results in US\$. The Directors believe that the change provides investors and other stakeholders with a clearer and more reliable understanding of the Group’s global business performance as a whole and is more comparable to the Company’s peers, many of which are presented in US\$. The change is accounted for retrospectively and, as such, comparative information has been restated in US\$.

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, construction work to be undertaken at the Idaho Cobalt Operation, timing of production at Idaho Cobalt Operation, proposed operations at SMP refinery, including the proposed flowsheet, anticipated capital costs, anticipated operating costs, permitting, timing of construction and operations, markets and marketing products and advancement of the Nico Young Project; future operations including restart plans; 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; Jervois’ ability to obtain licenses, permits and regulatory approvals required to implement expected future business plans; changes in commodity prices and exchange rates; inflation and interest rate fluctuations; and the 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 and refinery assets, 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 global economic conditions including specifically regions where the Company operates including the US, Europe, Brazil and Australia; 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](http://www.sedar.com), and the Company's releases lodged with the Australian Securities Exchange ("ASX"), which can be viewed online under the Company's profile at <https://www.asx.com.au/>.

## **DESCRIPTION OF BUSINESS**

Jervois was incorporated under the laws of Australia on October 25, 1962, as Jervois Mining Limited and changed its name to Jervois Global Limited on August 6, 2021.

On July 24, 2019, Jervois acquired the Idaho Cobalt Operations ("ICO"). ICO comprises the largest Canadian National Instrument ("NI") 43-101 compliant cobalt resource in the United States.

On September 29, 2020, Jervois announced the proposed acquisition of the São Miguel Paulista ("SMP") nickel and cobalt refinery ("SMP Refinery") situated in the city of São Paulo, Brazil from Companhia Brasileira de Alumínio ("CBA"). SMP Refinery had 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. On July 18, 2022, Jervois announced the closing of the acquisition of SMP, effective July 15, 2022.

On September 2, 2021, Jervois confirmed it had closed its acquisition of 100% of Freeport Cobalt (renamed Jervois

Finland), with an effective acquisition date of September 1, 2021. Jervois Finland is a Kokkola, Finland-based cobalt refining and specialty products business and consists of:

- a long-term refining capacity agreement with Umicore for the cobalt refinery in Kokkola, Finland (which is operated by Umicore) under which Jervois Finland has contractual rights to toll refine cobalt;
- long-term contracts with leading global suppliers of cobalt hydroxide, consistent with commitment to best practice responsible sourcing framework; and
- a downstream cobalt products manufacturing facility with an established marketing platform and long-term global customer base servicing clients primarily across Europe, the United States and Japan.

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

## **Operations**

### **Jervois Finland**

#### ***Sales and Marketing***

Jervois Finland achieved Q2 2022 revenue of US\$91.2 million, generated via quarterly cobalt sales volumes of 1,139 metric tonnes, down on the previous quarter. Volatility in both end-user demand and cobalt feed supply impacted cobalt prices and revenue. Cobalt prices (Metal Bulletin (“MB”) Fastmarkets Standard Grade (“SG”) Low) trended down from nearly US\$40.00/lb at the end of Q1 2022 to US\$26.95/lb as at July 20, 2022. The MB Fastmarkets SG Low cobalt hydroxide payable indicator also trended downwards, sitting at 63.0% at the same date.

Quarterly production was 1,145 metric tonnes, a decrease of ~11% on the previous quarter. This reduction was in part due to the planned annual maintenance shutdown in June, with also reduced reliability experienced in global supply chains that impacted cobalt feed availability early in the quarter.

Due to a catch up of raw materials supply late in the quarter, along with weakened global market demand for cobalt largely associated with COVID-19 lockdowns in China, total inventory volumes increased across the quarter. Jervois expects cobalt inventory levels to remain temporarily above levels typically targeted, to ensure profitability is optimised and risk is managed relative to ongoing supply chain challenges. Working capital is expected to normalise during the second half of 2022, with management focussed on balancing supply chain risk, commercial objectives, and liquidity management.

Jervois’ outlook for key market segments is summarised below:

#### **Batteries:**

- Short-term battery demand has softened, driven by COVID-19 shutdowns in China.
- In the current falling price environment there is very little spot demand for battery chemicals as customers wait for prices to stabilise.
- Despite short term volatility and supply chain destocking initiated by China, the medium- and longer-term trend of significant demand growth remains intact, with significant OEM (automaker) interest in expanding delivery commitments over time.

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

- Catalysts: consumption at lower rates than previous, but stabilising. Jervois continues to see new opportunities, specifically in North America later this year.

- Chemicals: consumption in key applications such as copper electrowinning, rubber chemicals, animal feed, plating and specialty chemicals remains stable, although regional demand dynamics vary. Supply chain adjustments activity has resulted in delayed shipments. In Asian markets, specifically Japan and Korea, premiums are lower due to increased competition associated with the previously mentioned COVID-19 lockdowns in China triggering mass destocking of Chinese industry and cobalt trade.
- Ceramics: demand for pigments production is slowing as producers mull the impact of significant energy cost increases and the falling cobalt price; pigment applications using cobalt are typically more elastic in nature, particularly relative to price inelasticity of other cobalt consuming industries. Cobalt usage in the smaller glass application segment remains stable.

### Powder Metallurgy

- Outlook for 2022 remains stable, but more customers are expressing concern regarding the last four months of the year as inflation rates increase and the possibility of a recession grows.
- All markets remain stable except automotive which is variable dependent upon customer and geography; the automotive sector is largely expected to remain this way until semiconductor and parts availability improves.
- Aerospace continues to incrementally improve, as outside of China the rest of the world and associated movement of persons and goods normalises post COVID-19.

### *Jervois Finland Expansion Plans*

In May, Jervois announced the commencement of a Bankable Feasibility Study (“BFS”) to assess the expansion of its production of refined cobalt to at least 6,000 metric tonnes of additional annual cobalt refining capacity at Kokkola Industrial Park, Finland. Current finished product capacity is 11,000 metric tonnes per annum of contained cobalt, significantly higher than the refining tolling capacity available to Jervois at Umicore’s refinery.

An expansion of refining capacity is expected to be available in conjunction with forecast increased cobalt demand in the second half of this decade, largely associated with rising electric vehicle penetration.

The expansion advances the Company’s strategy to become a globally significant supplier of speciality chemicals and advanced manufactured cobalt products into battery and other industries.

Initial commercial discussions with both final product customers and refinery feed suppliers (including recyclers) are underway.

Expansion timing will be determined in conjunction with key customers and will not require any near-term material financial investment for Jervois. Technical partner selection processes in Finland are underway, covering key workstreams such as flowsheet piloting, process engineering and environmental and other permitting.

### **Idaho Cobalt Operations, United States**

In June, Jervois announced it expected to commence commissioning the plant at ICO in September 2022 with first ore through the mill in October 2022 and sustainable, full rate ore processing forecast by February 2023.

With detailed engineering, procurement, and commitments all more than 90% complete, Jervois revised the final forecast capital expenditure to bring ICO into production to US\$107.5 million (from US\$99.1 million), an increase of ~7.5%. Project construction experienced cost pressures due to the significant United States inflationary environment, compounded in recent months due to contractor shortages and poor weather conditions across May and June. Weather-related delays have affected site installation for the accommodation camp, which is now expected to be operable in August.

In July, ICO completed the second and final draw down of the US\$100.0 million Senior Secured Bonds (“Bonds”). The second draw down, of US\$51 million, follows the July 2022 visit to site by RPM Global, engaged in its capacity as Independent Engineer on behalf of the Bondholders. RPM Global submitted an affirmed Cost to Complete test to the Bonds trustee, confirming ICO is funded to completion.

#### ICO Construction and Mine Development Progress

As of June, mine development continued at ~27 feet per day. Planned increases to underground working faces, improved water management and road conditions, as well as additional personnel and greater utilisation of existing and future mining equipment on site are expected to continue to improve mine development productivity. Jervois and its mining contractor, Small Mine Development, remain confident in the revised mining production targets that underpin the capital cost update.

The SAG mill, ball mill and crusher are each in place, and work continues with facilities construction and equipment placement.

An official opening ceremony is scheduled at site for October 7, 2022 with expected participation of United States political leadership and Australian government delegates.

At end June, Jervois had spent US\$66.9 million of the total capital expenditure budget. Capital expenditure in Q2 2022 was US\$25.6 million.

#### Drilling at ICO

The previously announced initial US\$1.2 million infill programme, commenced in Q1 2022, is set to be complete in August this year. Infill drilling rates over 200 feet per day are being achieved as part of a 19,000 feet underground campaign to decrease hole space aiming to enhance ore body knowledge and de-risk early mining.

In June, Jervois approved an additional US\$3.6 million for drilling to complete additional infill and first expansion drilling from both surface and underground platforms to further define and expand its RAM deposit within ICO. This will take total planned drilling footage in 2022 to 46,000 feet.

Both drilling campaigns will improve ICO’s resource model and will be used to develop a production block model for both short- and medium-term mining operations and will target expansion down dip of the currently defined and known deposit. The RAM deposit remains open at depth and along strike, and Jervois has confidence that there exists a strong potential of both resource and reserve expansion. Consistent with this expectation, planning is underway in relation to Jervois’ neighbouring Sunshine deposit and historical mineral resource, with preparations for a 2023 summer drill programme well underway. The historical Sunshine cobalt resource is located a short traverse to the ICO mill and concentrator currently under construction.

ICO is a key asset in delivering Jervois’ strategy to become a leading independent cobalt and nickel company providing metals and minerals for the world’s energy transition through a western supply chain. When commissioned in Q3 2022, ICO will be the United States’ only domestic mine supply of cobalt, a critical mineral used in applications across industry, defence, energy, and electric vehicles.

#### São Miguel Paulista nickel and cobalt refinery, Brazil

In July, Jervois completed the acquisition from CBA of 100% of the SMP Refinery in São Paulo, Brazil. SMP Refinery is Latin America’s only electrolytic class 1 nickel and cobalt refinery and operated successfully for over 30 years prior to being placed on care and maintenance by CBA when its vertically integrated mine was also closed due to low metal prices.

Total consideration to be paid for the acquisition is R\$125.0 million in cash. Jervois paid the initial R\$15.0 million payment in late 2020 when the acquisition was publicly announced and a further R\$47.5 million on closing on July 15, 2022, in accordance with the previously announced terms of the purchase agreement. The remaining R\$62.5 million is to be paid on the earlier to occur of commencement of commercial production at SMP and June 2023, per the purchase agreement (which Jervois expects to be June 2023 based on SMP's current restart schedule).

A Jervois technical and commercial team is currently working onsite at SMP undertaking detailed planning for the expected restart.

In April, Jervois released a BFS for Stage 1 of the SMP restart to process mixed nickel hydroxide ("MHP") and cobalt hydroxide through to metal.

Jervois forecasts to produce 10,000 metric tonnes per annum ("mtpa") and 2,000 mtpa of refined nickel and cobalt metal cathode respectively in Stage 1, with Net Present Value ("NPV") of US\$228 million and US\$141 million at an 8% (real) discount rate on a pre-tax and post-tax basis respectively; nominal Internal Rate of Return ("IRR") of 47% (pre-tax) and 35% (post-tax).<sup>1</sup>

The supplemental Stage 1 BFS, including POX for sulphide concentrates, is due at the end Q3 2022. Engineering is currently focused on debottlenecking, accelerating the restart and enhancing nickel through-put capacity associated with Stage 1. Jervois is targeting a return to the full 25,000mtpa refined nickel production, but not at the expense of accelerated restart timing, risk optimisation and a staged, capital efficient approach.

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

Jervois' 100%-owned Nico Young nickel and cobalt project envisages heap leaching nickel and cobalt laterite ore to produce either an intermediate mixed hydroxide precipitate or refining through to battery grade nickel sulphate and cobalt in refined sulphide.

Planning for Jervois's drilling campaign at Nico Young is well underway, with an initial focus on converting inferred resources into the indicated category.

### **Corporate Activities**

#### ***Environmental, Social, Governance ("ESG") and Compliance***

##### **Jervois-Idaho Conservation League Partnership**

In May, Jervois announced it had awarded US\$0.15 million to three restoration projects as part of the Upper Salmon Conservation Action Program ("USCAP"), created in partnership with the Idaho Conservation League ("ICL"). Recipients were:

- The Idaho Department of Fish and Game in collaboration with Salmon-Challis National Forest, US\$0.08 million, to remove two problematic culverts blocking fish access to an important tributary of the Salmon River, which will allow endangered fish species back into a 10-mile section of prime river habitat.
- White Clouds Preserve, US\$0.06 million, to expand ongoing riparian restoration work along the East Fork of the Salmon River, an important habitat for ESA-listed Chinook salmon, steelhead and bull trout.
- Western Rivers Conservancy, US\$0.02 million, to assist with the acquisition of a key parcel of land along Panther Creek, a major tributary of the Salmon River.

The USCAP supports protection and restoration of fish and wildlife habitats, including water quality and biodiversity within the Upper Salmon River basin. Jervois will contribute US\$0.15 million annually to USCAP throughout the operational life of ICO.

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<sup>1</sup> See ASX Announcement "BFS for Sao Miguel Paulista refinery restart" dated 29 April 2022

### Jervois-HALO Trust Partnership

Following Russia's invasion of Ukraine, Jervois commenced a dollar-for-dollar matching funds programme with its employees to support United Kingdom charity The HALO Trust ("HALO"; [www.halotrust.org](http://www.halotrust.org)). HALO is internationally respected and renowned as the oldest and largest humanitarian landmine clearance organisation in the world and has been entrenched in Eastern Ukraine since 2016. HALO's 400+ personnel based in Ukraine are trained paramedics, many of whom have been providing medical treatment, supporting evacuations, and providing emergency assistance under dangerous conditions. HALO has a central role in enabling safe delivery of humanitarian aid and passage of aid workers, evacuees, and returnees by assessing explosives risks and clearing munitions along transport corridors and among affected communities.

Jervois and its matched employees' donations are ringfenced to Ukraine, with US\$0.1 million made during the quarter.

### Diversity and Inclusion

During the quarter, Jervois established a Diversity and Inclusion Working Group which will develop a roadmap of strategies and actions to support an inclusive culture and diverse workplace. This in line with Jervois' core values and principles and aims to bring out the best within our workforce, create a pipeline for promotion from within and conditions to attract talent from outside while more broadly yielding enhanced productivity, innovation, decision-making and motivation.

### Industry Engagement

During the quarter, Jervois participated in the Cobalt Institute Annual Cobalt Conference in Zurich, Switzerland. Key outcomes included training to enhance the company's capacity to meet the requirements of EU legislation concerning human rights and environmental justice expectations of companies working within or with supply chain links to EU-based companies.

During the quarter, Jervois joined the United States' Critical Materials Initiative and the National Mining Association.

In June, Jervois took part in a panel discussion at the prestigious SelectUSA Investment Summit in Washington, DC., with over 3,600 participants from more than 70 countries. Dr. Jennifer Hinton, Jervois' Group Manager – ESG, shared insights into Jervois' experience operating in Salmon, Idaho, in a panel moderated by Ms. Alejandra Castillo, Assistant Secretary of Commerce for Economic Development.

### ***Management Updates***

In June, Ms. Alicia Brown joined as Jervois' Group Manager – External Affairs at the Company's corporate office in Melbourne, Australia.

Ms. Brown has more than 25 years of experience, including three years with the Australian Government Department of Defence in Canberra, and 12 years in leadership roles at global mining company MMG Ltd ("MMG"), where she was responsible for leading acquisition and divestment transactions, including management of all key stakeholder relationships and associated regulatory approvals. Prior to her role leading mergers and acquisitions projects, Ms. Brown spearheaded strategy and country and political analysis for MMG and its predecessor companies in Australia.

In her role as Group Manager – External Affairs, Ms. Brown will lead global co-ordination of government relations for Jervois, maximising effectiveness, and alignment of activities to group strategy and management of key relationships. The role also provides Jervois with additional leadership support for the evaluation of future acquisition opportunities or other corporate transactions as circumstances require.



## OVERALL PERFORMANCE

The Group's operating segments are outlined below:

<b>Australia</b>	Includes Nico Young and other Australian tenement licenses held.
<b>Brazil</b>	Includes SMP Refinery in São Paulo, Brazil.
<b>Finland</b>	Includes the cobalt refining and specialty products business located in Kokkola, Finland.
<b>United States</b>	Includes ICO, encompassing a cobalt-copper-gold mine under construction in Lemhi County outside of the town of Salmon, Idaho.
<b>Other</b>	Consists of non-core exploration not related to Australia and the United States, corporate costs, including acquisition costs and financing costs. This is not a reportable segment.

During the three months and six months ended June 30, 2022, the following results were recorded:

Three months ended June 30, 2022	Australia US\$'000	Brazil US\$'000	Finland US\$'000	USA US\$'000	Other US\$'000	Total US\$'000
<i>Revenue from external customers</i>						
Type of goods or services:						
Sales of cobalt	-	-	91,292	-	-	91,292
	-	-	91,292	-	-	91,292
Timing of revenue recognition:						
At a point in time	-	-	91,292	-	-	91,292
Over time	-	-	-	-	-	-
	-	-	91,292	-	-	91,292
Other income	-	-	20	-	3	23
Segment expense	(18)	(1,359)	(79,450)	(1,564)	(3,507)	(85,898)
Adjusted EBITDA <sup>2</sup>	(18)	(1,359)	11,862	(1,564)	(3,504)	5,417
Integration costs	-	-	(539)	-	-	(539)
Other loss <sup>3</sup>	-	-	-	(153)	-	(153)
Profit on sale of fixed assets	-	-	-	1,481	-	1,481
Depreciation and amortisation	(3)	(136)	(2,753)	(128)	(16)	(3,036)
Interest income	-	-	-	-	2	2
Interest expense	(2)	(468)	(1,249)	(6)	-	(1,725)
Net foreign exchange loss	-	33	(649)	4	74	(538)
<b>(Loss)/profit before income tax expense (segment result)</b>	<b>(23)</b>	<b>(1,930)</b>	<b>6,672</b>	<b>(366)</b>	<b>(3,444)</b>	<b>909</b>
<b>Segment assets</b>	<b>5,412</b>	<b>22,141</b>	<b>418,993</b>	<b>214,161</b>	<b>7,527</b>	<b>668,234</b>
<b>Segment liabilities</b>	<b>(224)</b>	<b>(19,824)</b>	<b>(225,018)</b>	<b>(120,076)</b>	<b>(1,813)</b>	<b>(366,955)</b>

<sup>2</sup> Adjusted EBITDA represents earnings before interest, tax, depreciation, and amortisation ("EBITDA"), adjusted to exclude items which do not reflect the underlying performance of the Group's operations. Exclusions include gains (or losses) on sale of fixed assets, impairment charges (or reversals), certain derivative items, and one-off acquisition and integration costs.

<sup>3</sup> Net fair value loss on financial assets at fair value through profit or loss.

<b>Six months ended June 30, 2022</b>	<b>Australia US\$'000</b>	<b>Brazil US\$'000</b>	<b>Finland US\$'000</b>	<b>USA US\$'000</b>	<b>Other US\$'000</b>	<b>Total US\$'000</b>
<i>Revenue from external customers</i>						
Type of goods or services:						
Sales of cobalt	-	-	196,319	-	-	196,319
	-	-	196,319	-	-	196,319
Timing of revenue recognition:						
At a point in time	-	-	196,319	-	-	196,319
Over time	-	-	-	-	-	-
	-	-	196,319	-	-	196,319
Other income	-	-	21	-	5	26
Segment expense	(17)	(2,607)	(169,486)	(2,509)	(6,455)	(181,074)
Adjusted EBITDA <sup>2</sup>	(17)	(2,607)	26,854	(2,509)	(6,450)	15,271
Integration costs	-	-	(1,186)	-	-	(1,186)
Other loss <sup>4</sup>	-	-	-	(153)	-	(153)
Profit on sale of fixed assets	-	-	-	1,481	-	1,481
Depreciation and amortisation	(4)	(327)	(5,505)	(202)	(34)	(6,072)
Interest income	-	-	1	-	2	3
Interest expense	(7)	(900)	(2,151)	(6)	-	(3,064)
Net foreign exchange loss	-	33	(938)	(11)	33	(883)
<b>(Loss)/profit before income tax expense (segment result)</b>	<b>(28)</b>	<b>(3,801)</b>	<b>17,075</b>	<b>(1,400)</b>	<b>(6,449)</b>	<b>5,397</b>
<b>Segment assets</b>	<b>5,412</b>	<b>22,141</b>	<b>418,993</b>	<b>214,161</b>	<b>7,527</b>	<b>668,234</b>
<b>Segment liabilities</b>	<b>(224)</b>	<b>(19,824)</b>	<b>(225,018)</b>	<b>(120,076)</b>	<b>(1,813)</b>	<b>(366,955)</b>

The comparative results for the three months and six months ended June 31, 2021, are set out below:

<b>Three months ended June 30, 2021</b>	<b>Australia US\$'000</b>	<b>Brazil US\$'000</b>	<b>USA US\$'000</b>	<b>Other US\$'000</b>	<b>Total US\$'000</b>
Other income	-	-	80	12	92
Segment expense	(43)	(1,075)	(581)	(3,908)	(5,607)
Depreciation and amortisation	-	(198)	(53)	(4)	(255)
Interest income	-	-	-	-	-
Interest expense	-	(468)	-	-	(468)
Net foreign exchange gain	-	-	(79)	923	844
<b>Loss before income tax (segment result)</b>	<b>(43)</b>	<b>(1,741)</b>	<b>(633)</b>	<b>(2,977)</b>	<b>(5,394)</b>
<b>Segment assets</b>	<b>6,128</b>	<b>24,536</b>	<b>64,816</b>	<b>25,225</b>	<b>120,705</b>
<b>Segment liabilities</b>	<b>-</b>	<b>(21,581)</b>	<b>(10,650)</b>	<b>(1,824)</b>	<b>(34,055)</b>
<b>Six months ended June 30, 2021</b>	<b>Australia US\$'000</b>	<b>Brazil US\$'000</b>	<b>USA US\$'000</b>	<b>Other US\$'000</b>	<b>Total US\$'000</b>
Other income	-	-	80	33	113
Segment expense	(76)	(1,190)	(614)	(6,040)	(7,920)
Depreciation and amortisation	-	(410)	(98)	(7)	(515)
Interest income	-	-	-	-	-
Interest expense	-	(981)	-	-	(981)
Net foreign exchange loss	-	-	4	231	235
<b>Loss before income tax (segment result)</b>	<b>(76)</b>	<b>(2,581)</b>	<b>(628)</b>	<b>(5,783)</b>	<b>(9,068)</b>
<b>Segment assets</b>	<b>6,128</b>	<b>24,536</b>	<b>64,816</b>	<b>25,225</b>	<b>120,705</b>
<b>Segment liabilities</b>	<b>-</b>	<b>(21,581)</b>	<b>(10,650)</b>	<b>(1,824)</b>	<b>(34,055)</b>

### **Three-month period ended June 30, 2022, and 2021**

During the three months ended June 30, 2022, the Company incurred a net profit before income tax expense of US\$0.9 million (three months ended June 30, 2021: net loss of US\$5.4 million) and a comprehensive loss of US\$0.5 million (three months ended June 30, 2021: loss of US\$5.0 million). The results are comprised of the following major items:

- Revenue of US\$91.3 million (three months ended June 30, 2021: US\$nil) represents Jervois Finland sales to customers for the three-month period ended June 30, 2022.
- Cost of goods sold of US\$78.8 million (three months ended June 31, 2021: US\$nil) represents Jervois Finland production-related costs for the three-month period ended June 30, 2022.
- Employee costs of US\$2.0 million (three months ended June 30, 2021: US\$1.1 million) includes amounts paid to the Directors, the CEO, Senior Executives, and other employees. The increase period-on-period reflects the increase in the number of staff employed within the Company.
- Share-based payments of US\$0.9 million (three months ended June 30, 2021: US\$0.6 million) was the fair value of the stock options granted in the current and prior period amortized over their vesting period and applied to the period.
- Business development costs of US\$1.3 million (three months ended June 30, 2021: US\$2.2 million) includes professional fees in relation to the ongoing professional, study and SMP BFS fees in relation to the acquisition of SMP Refinery. For the three months ended June 30, 2021, these costs were mainly related to professional fees in relation to the acquisition of Freeport Cobalt as well as ongoing professional, study and SMP BFS fees in relation to the acquisition of SMP Refinery.
- Sales and marketing costs of US\$1.1 million (three months ended June 30, 2021: US\$nil) represents Jervois Finland sales and marketing costs for the three-month period ended June 30, 2022.
- Depreciation and amortisation of US\$3.0 million (three months ended June 30, 2021: US\$0.3 million) has increased due to the fair value uplift as a result of the acquisition accounting in relation to the Jervois Finland.
- Interest expense of US\$1.7 million (three months ended June 30, 2021: US\$0.5 million) mainly relates to the interest incurred on the Mercuria secured revolving credit facility. For the three months ended June 30, 2021, this mainly relates to the interest incurred on the SMP Refinery lease.

### **Six-month period ended June 30, 2022, and 2021**

During the six months ended June 30, 2022, the Company incurred a net profit before income tax expense of US\$5.4 million (six months ended June 30, 2021: net loss of US\$9.1 million) and a comprehensive income of US\$2.7 million (six months ended June 30, 2021: loss of US\$10.3 million). The results are comprised of the following major items:

- Revenue of US\$196.3 million (six months ended June 30, 2021: US\$nil) represents Jervois Finland sales to customers for the six-month period ended June 30, 2022.
- Cost of goods sold of US\$168.1 million (six months ended June 30, 2021: US\$nil) represents Jervois Finland production-related costs for the six-month period ended June 30, 2022.
- Employee costs of US\$3.4 million (six months ended June 30, 2021: US\$1.8 million) includes amounts paid to the Directors, the CEO, Senior Executives, and other employees. The increase period-on-period reflects the increase in the number of staff employed within the Company.
- Share-based payments of US\$1.8 million (six months ended June 30, 2021: US\$1.5 million) was the fair value of the stock options granted in the current and prior period amortized over their vesting period and applied to the period.

- Business development costs of US\$2.6 million (six months ended June 30, 2021: US\$2.4 million) includes professional fees in relation to the ongoing professional, study and SMP BFS fees in relation to the acquisition of SMP Refinery. For the six months ended June 30, 2021, these costs were mainly related to professional fees in relation to the acquisition of Freeport Cobalt as well as ongoing professional, study and SMP BFS fees in relation to the acquisition of SMP Refinery.
- Sales and marketing costs of US\$2.5 million (six months ended June 30, 2021: US\$nil) represents Jervois Finland sales and marketing costs for the six-month period ended June 30, 2022.
- Depreciation and amortisation of US\$6.1 million (six months ended June 30, 2021: US\$0.5 million) has increased due to the fair value uplift as a result of the acquisition accounting in relation to the Jervois Finland.
- Interest expense of US\$3.1 million (six months ended June 30, 2021: US\$1.0 million) mainly relates to the interest incurred on the Mercuria secured revolving credit facility. For the three months ended June 30, 2021, this mainly relates to the interest incurred on the SMP Refinery lease.

## SUMMARY OF QUARTERLY RESULTS

	Three-month period ended June 30, 2022 US\$'000	Three-month period ended March 31, 2022 US\$'000	Three-month period ended December 31, 2021 US\$'000	Three-month period ended September 30, 2021 US\$'000
Total revenue	91,292	105,027	96,036	25,338
Shareholders' equity	301,279	300,847	296,772	299,824
Net profit / (loss) after income tax expense from continuing operations	465	2,389	(5,063)	(7,774)
Comprehensive income / (loss) for the period attributable to shareholders	(482)	3,194	1,063	(1,465)
Basic earnings / (loss) per share for the period attributable to shareholders	0.031 cents	0.157 cents	(0.334) cents	(0.686) cents
Diluted earnings / (loss) per share for the period attributable to shareholders	0.030 cents	0.151 cents	-	-
	Three-month period ended June 30, 2021 US\$'000	Three-month period ended March 31, 2021 US\$'000	Three-month period ended December 31, 2020 US\$'000	Three-month period ended September 30, 2020 US\$'000
Total revenue	Nil	Nil	Nil	Nil
Shareholders' equity	86,709	90,879	93,486	75,912
Net loss after income tax expense from continuing operations	(5,394)	(3,675)	(17,994)	(1,188)
Comprehensive income / (loss) for the period attributable to shareholders	415	(1,659)	952	390
Basic earnings / (loss) per share for the period attributable to shareholders	(0.672) cents	(0.459) cents	(2.206) cents	(0.185) cents
Diluted earnings / (loss) per share for the period attributable to shareholders	-	-	-	-

The activities of the Company over the above periods consist of numerous workstreams. In the September 2020 quarter, the Company announced the acquisition of SMP Refinery and, in the December 2020 quarter, completed a private placement to raise US\$33 million (before expenses), with the funds being used to commence early works at ICO and

studies related to the restart of SMP Refinery. Due to the results of the exploration activities in Uganda, along with the political situation in-country, the Company impaired its Ugandan assets, contributing the majority of the loss in the December 2020 quarter. In the March and June 2021 quarters, the majority of the losses incurred were driven by general operational costs as well as business development activities in relation to SMP Refinery and the acquisition of Jervois Finland. In the September 2021 quarter, the Company raised approximately US\$237 million (before expenses) in equity via the issuance of new fully paid ordinary shares, associated with the acquisition of Jervois Finland. In addition, the Company completed settlement of a US\$100 million senior secured bond facility. The Bonds were issued by the Company's wholly owned subsidiary, Jervois Mining USA Limited, with the proceeds to be applied towards capital expenditures, operating costs and other costs associated with the construction of ICO and bringing it into production.

## **LIQUIDITY AND CAPITAL RESOURCES**

The financial statements have been prepared on a going concern basis which assumes that the Company will be able realise 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 the future cash flow performance of its assets and its ability to continue to raise adequate additional financing in circumstances where this is required.

	June 30, 2022	June 30, 2021
	US\$'000	US\$'000
Working capital <sup>4</sup>	146,669	10,629

Net cash used in operating activities for the current quarter was US\$28.1 million (June 30, 2021: outflow of US\$3.0 million). The net cash used in operating activities for the current period consists primarily of cash received from Jervois Finland customers, offset by payments for production, staff and administration costs as well as business development expenditure. In the prior period, this consisted primarily of staff and administration costs.

Net cash used in investing activities for the current quarter was US\$26.9 million (June 30, 2021: outflow of US\$2.2 million). Net cash used in investing activities for the current period consists primarily of ICO development expenditure. In the prior period, this consists primarily of ICO development expenditure.

Net cash inflow from financing activities during the current quarter was US\$24.8 million (June 30, 2021: outflow of US\$0.8 million) and was primarily the result of net proceeds from the Mercuria secured revolving credit facility. In the prior period, the outflow was the result of repayments on the SMP Refinery lease liability.

The Company has sufficient funds to meet the minimum expected operational, development, exploration, and administration expenses through the ensuing fiscal year.

### **Equity Issuance during the Three Months to June 30, 2022**

The Company issued Nil new ordinary shares following the exercise of options.

### **Equity Issuance during the Six Months to June 30, 2022**

The Company issued 1,945,099 new ordinary shares following the exercise of options.

## **OFF-BALANCE SHEET ARRANGEMENTS**

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

<sup>4</sup> Represents current assets less current liabilities, including cash and cash equivalents but excluding funds held in escrow and undrawn bond borrowings.

## 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 used 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 were conducted on arms-length terms. Upon suspension of all exploration activities in Uganda, the relationship with Great Rift was terminated in February 2021. 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 June 30, 2022.

	June 30, 2022 US\$'000	June 30, 2021 US\$'000
Management services – Great Rift	-	33

## PROPOSED TRANSACTIONS

There are no proposed transactions.

## SUBSEQUENT EVENTS

On July 15, 2022, the Company’s wholly owned subsidiary, Jervois Brasil Participacoes Ltda, closed the acquisition of SMP Refinery from Companhia Brasileira de Alumínio. Total consideration paid for the acquisition is agreed at R\$125.0 million in cash, payable in tranches. The Company paid the initial R\$15.0 million payment in late 2020 when the acquisition was publicly announced and a further R\$47.5 million on closing, in accordance with the terms of the purchase agreement. The remaining R\$62.5 million is to be paid on the earlier to occur of commencement of commercial production at SMP Refinery and June 2023, per the purchase agreement, which Jervois expects to be June 2023 based on SMP Refinery’s current restart schedule. The transaction is expected to be treated as an asset acquisition and accounted for under AASB 116 – Property, Plant and Equipment.

Upon satisfaction of the pre-disbursement conditions precedent, on July 20, 2022, the Company’s wholly owned subsidiary, Jervois Mining USA Limited, completed the second US\$50.0 million drawdown of the US\$100.0 million senior secured bond facility, with these funds to be used exclusively for ongoing construction of ICO. Subsequent to June 30, 2022, the total proceeds of the Bonds will be classified as a non-current liability in the statement of financial position.

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 period ended December 31, 2021, other than as set out immediately below.

The Directors elected to change the Group's presentation currency in accordance with AASB 108 "Accounting Policies, Changes in Accounting Estimates and Errors" from Australian dollars ("A\$") to United States dollars ("US\$"). The financial report for the three and six-months ended June 30, 2022, is the first financial report with results in US\$. The Directors believe that the change provides investors and other stakeholders with a clearer and more reliable understanding of the Group's global business performance as a whole and is more comparable to the Company's peers, many of which are presented in US\$. The change is accounted for retrospectively and, as such, comparative information has been restated in US\$.

The financial report has been restated to US\$ using the procedures below:

<b>Foreign currency amount</b>	<b>Applicable exchange rate</b>
Income and expenses	Average rate prevailing for the relevant period
Assets and liabilities	Period-end rate
Equity	Historical rate
Statement of cash flows	Average rate prevailing for the relevant period

The average rate used for the current period ended was A\$/US\$ 1: 0.7193 (2021: 1: 0.7709) and the period-end exchange rate used was A\$/US\$ 1: 0.689127 (2021: 1: 0.7256).

Where necessary, comparative information has been reclassified to achieve consistency in disclosure with period-end amounts and other disclosures.

### **New or Amended Accounting Standards and Interpretations Adopted**

The consolidated entity has adopted all the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period.

### **Disclosure Controls and Procedures**

Jervois' 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 MD&A, 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 twelve 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	1,519,750,961
Stock options	93,638,250 <sup>(1)(2)</sup>
Performance rights	3,839,197 <sup>(1)(2)</sup>

Notes:

- 1) On January 13, 2022, 500,000 options were exercised. On February 2, 2022, 700,000 options were exercised. On February 11, 2022, 350,000 options were exercised. On February 15, 2022, 968,487 Performance Rights were settled. On February 24, 2022, 2,200,000 options and 99,098 Performance Rights were forfeited. On April 14, 2022, 2,292,458 Performance Rights were issued. On May 6, 2022, 263,158 Performance Rights were issued. On June 28, 2022, 1,344,750 Acquisition Options expired.
- 2) Details of all share options and performance rights on issue are set out below. The share option exercise prices referenced below reflect the price each holder would have to pay to acquire one ordinary share of Jervois. Pursuant to ASX Listing Rule 6.22.2 options have been repriced as a result of the Accelerated Non-Renounceable Entitlement Issue undertaken by the Company in August 2021 with applicable shareholder approval received on May 6, 2022.

Expiry date	Exercise price (A\$)	Number of shares
30-Nov-22	\$0.103	12,500,000
01-Jul-23	\$0.248	7,500,000
30-Sep-23	\$0.243	5,000,000
30-May-24	\$0.298	300,000
01-Jun-24	\$0.193	2,500,000
18-Jun-24	\$0.258	1,806,000
15-Aug-24	\$0.193	2,500,000
30-Sep-24	\$0.193	5,000,000
30-Sep-25	\$0.263	5,000,000
15-Aug-27	\$0.153	10,000,000
31-Mar-28	\$0.103	8,122,500
18-Oct-28	\$0.278	7,500,000
03-Jan-29	\$0.243	6,000,000
28-Feb-29	\$0.243	3,250,000
28-Feb-29	\$0.453	500,000
08-Aug-29	\$0.565	3,250,000
31-Aug-29	\$0.555	1,000,000
31-Aug-29	\$0.480	6,250,000
31-Mar-30	\$0.550	2,500,000
	<b>Subtotal</b>	<b>90,478,500</b>
<b>Performance Rights</b>		
03-Apr-24	N/A	315,984
17-Feb-24	N/A	967,597
03-Apr-25	N/A	2,555,616
	<b>Subtotal</b>	<b>3,839,197</b>



Acquisition Options	Exercise price (C\$)	
28-Jun-2023	\$0.61	1,179,750
1-Oct-2023	\$0.53	1,980,000
	<b>Subtotal</b>	<b>3,159,750</b>
	<b>Total</b>	<b>97,477,447</b>

## RISK FACTORS

This section discusses some of the risks associated with Jervois Global Limited, (the “Company” or “Jervois” and, together with its subsidiaries, the “Group”).

The Group’s business is subject to a number of risks both specific to its business and of a general nature which may impact on its future performance. Investors should carefully consider and evaluate the Company and the Group’s business, having regard to their investment objectives and financial circumstances and take into consideration the risks set out in this section and other risks relevant to the Group.

The list of risks below should not be taken as an exhaustive list of the risks faced by the Group or by investors in the Company. Those risks, and others not specifically referred to below, may in the future materially affect the financial performance of the Group and the value of the shares.

Investors should also note that the uncertainties and risks created by the COVID-19 pandemic could materially change the Group’s risk profile at any point after the date of this MD&A and adversely impact its financial position and prospects in the future.

### *Jervois Finland*

#### *Future earnings may not be as expected:*

To the extent that the actual results achieved by Jervois Finland are different than those anticipated there is a risk that the profitability and future earnings of the operations of Jervois Finland and the Group may differ (including in a materially adverse way) from the performance as expected.

#### *Cobalt prices:*

A significant proportion of Jervois Finland’s product sales are based on prices linked to the quoted prices for cobalt. Purchases of cobalt hydroxide, which is refined and then processed into a range of cobalt products, are priced according to a percentage of quoted cobalt prices. Changes in the quoted price of cobalt impact Jervois Finland’s sales, costs, profitability, cash flow, and working capital requirements. Rapid or material adverse movements in the quoted price of cobalt, may lead to financial losses and may adversely impact liquidity of the Group.

#### *Feed supply payables:*

The cobalt hydroxide (feed supply) cost is typically paid as a percentage of the cobalt price and may be influenced by levels of available supply feed stock. In market conditions where there is limited supply feed, the Group may need to pay a higher percentage to secure supply. Historically a higher payable is often associated with higher cobalt prices, however this is not always the case. If a higher payable is required without a commensurate change in the quoted price of cobalt, this may impact the operating margin and therefore the future profitability of Jervois Finland.

#### *Risks to availability of supply:*

In view of forecast growth in demand for cobalt, there is a risk that supply availability will be partially or totally constrained. ESG issues will constrain preferred supply, and material that is available from sources meeting ESG requirements (including Jervois Finland’s sources of supply) will be in higher demand. There is also a risk that if availability of supply is materially constrained that feed supply prices increase adversely impacting the future profitability of Jervois Finland.

### *Cooperation with Umicore:*

Jervois Finland relies on a shared refinery with Umicore, and future cooperation with Umicore on matters related to the operation of the facilities is essential. Any material technical malfunction, fire, loss of cooperation or dispute may adversely impact the Jervois Finland business.

*The key risks related to Jervois USA identified in the ICO BFS and more generally moving forward are:*

### *Geology:*

- Geological interpretation – sub-surface modelling of geological characteristics is based on drilling information, surface mapping and ore deposit models. This carries data accuracy and interpretation risk. To minimise this risk, factors such as nearby mine knowledge, drillhole core analysis and structural models have been used to develop the resource model. The ore deposit is stratiform with mineralization confined to the BTE rock unit which has been identified from drillhole logging. By their nature, stratiform deposits display a high continuity.
- Drill spacing – the orebody has been drilled on a nominal 200ft sectional spacing, however the central zone which is the first to be mined has been infilled to a 100ft spacing. Establishing surface drilling platforms is difficult due to the steep terrain, as such we are executing an infill drilling programme from underground. Initial planned stopes will be infill drilled to 50ft spacing for ore definition and grade control.
- Assay data – pre-2009 assay data is incomplete with respect to arsenic assays. Examination of drill ore intercepts with QEMScan reveals that arsenic is mostly associated with cobalt as the mineral Cobaltite. Therefore, arsenic is mainly contained within the orebody and has a close direct relationship to cobalt.
- Oxidation – oxidized ore shows poor recoveries. This ore is identified by low sulphur content and is excluded from the reserve.
- Faulting displacement – a detailed 3D structural model has been formed of the major faults occurring in the orebody area. These have been shown to be subparallel to the orebody strike and only minor displacements of the orebody occur. There may be minor fault splays which remain unknown in extent and orientation however the occurrence of these will be defined by close spaced underground drilling.
- Grade estimation – the selected method of grade estimation is ID2. This method was chosen over other statistical methods for preservation of the high-grade components of the ore intercepts which is appropriate to the selective mining method to be employed. Indicator and ordinary kriging were found to smear grades on a local scale which is not acceptable for selective mining. As the drill intercept density increases via underground drilling, conditional simulation methods will be employed to further enhance grade definition.

### *Calculation of mineral resources and mineral reserves and limitations on mineral resource estimates:*

There is a degree of uncertainty attributable to the calculation of mineral reserves, mineral resources and corresponding grades being mined or dedicated to future production. Until mineral reserves or mineral resources are actually mined and processed, the quantity of mineral reserves or mineral resources and grades must be considered as estimates only. In addition, the quantity of mineral reserves or mineral resources may vary depending on metal prices. Any material change in the quantity of mineral reserves, mineral resources, grade or dilution may affect the economic viability of the ICO Project. 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.

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 at ICO should not be interpreted as assurances of commercial viability or of the profitability of any future operations. Moreover, certain sections 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.

Jervois engaged independent consulting firms to both prepare (Orix Geosciences) and audit (CSA Global) the ICO Mineral Resource Estimate. RPM Global were engaged by Jervois as Independent Engineer for lenders, and part of their scope was to also review the mineral resource estimate. RPM Global's recommendation was that the resource classification must be solely based on drillhole spacing and, as a result, Measured tonnes should be changed to Indicated, and Indicated tonnes changed to Inferred tonnes. No change to the Inferred resource was recommended. Jervois and Orix disagree with RPM Global's opinion, which is also inconsistent with prior mineral resource estimates at ICO from Micon. The Group has commenced an additional infill drilling at ICO in order to increase the confidence in the mineral resource and mineral reserve estimates. The outcome of the drilling may result in an updated mine plan being prepared to take into account any changes to classification, tonnes and metal grades and may result in the operations at ICO reaching commercial production later than currently expected.

#### *Mining:*

- Contractor performance – Currently Jervois USA has opted for a contract miner option and operation of the mine is reliant on contractor performance. The mine plan, mining method and contractor performance can be impacted by ground conditions, updates in geological information, such as faults and structures, resource definition and the presence of water.
- Geological interpretation – The mine schedule is based on resource estimation and any scheduling is based on geological interpretation.

#### *Infrastructure, Logistics and Transportation:*

- ICO 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 ICO's business, financial condition and results of operations.
- Significant current infrastructure is already in place. Risks such as adverse weather, forest fires and other climatic risks may impact this infrastructure.
- Future infrastructure development that may be required could be impacted by climatic risks.
- Site access and road usage – limiting road traffic and access to the site is an environmental and safety risk which will be mitigated during operations by use of the accommodation camp which will accommodate the bulk of mining labour. Material and equipment deliveries will be managed or controlled through the Salmon warehouse to ensure deliveries to site are coordinated.

#### *Permitting:*

- Demonstrating the effectiveness of the pump-back system/groundwater capture zone prior to initiating mining activities below the water table.
- Ability of the water treatment plant to meet agency compliance.
- Submittal and approval of various plans to the agency and the uncertainty in obtaining the approval by the agencies.
- Final outcome of the Point of Compliance issued by the State of Idaho regarding groundwater quality threshold levels for the project.
- Uncertainty of regulatory or rule changes by the State of Idaho or the U.S. federal government during construction and/or operations that may apply to the site.

#### *Procurement, Construction and Execution:*

- As part of project development risks associated with supply chain, sourcing of materials and equipment and deliveries can impact project cost and schedule.

- Construction activities can be impacted by sourcing of contractors and workforce, site conditions and weather, delivery of materials and equipment and site productivity
- Construction of environmental systems – environmental systems and early works include completion of the miners dry and mining infrastructure, commissioning of the water treatment plant and pump back systems. Certain aspects of this work are affected by seasonal construction access.

*Commissioning:*

- Under delivery of ore to the Mill creating the requirement for stop start operations of the Mill.
- Catastrophic failure of equipment in the initial start-up and commissioning phase.
- Technical difficulties in achieving expected recoveries and concentrate qualities expected in the concentrate flowsheet during start up activities.
- The ability to attract and retain adequate workforce through start up, commissioning and operations phase of the project could impact project cost and schedule.

*Marketing:*

The cobalt at ICO is contained within cobaltite, a mineral composed of cobalt, arsenic and sulphur. The ICO cobalt concentrate therefore contains elevated arsenic, as the arsenic cannot be separated from cobalt using conventional sulphide flotation methods. The marketability of the ICO concentrate is more limited due to the arsenic which requires specialised and safe extraction (such as that which Jervois plans to undertake at the SMP refinery via the use of a pressure oxidative leach (“POX”) autoclave).

Arsenic will also deport to the copper concentrate, in quantities likely sufficient to trigger penalties from customers (which were incorporated into the ICO BFS marketing assumptions), but not in adequate volumes to affect the marketability of the concentrate or to render it a ‘complex’ material for global copper smelters.

*The other key risks related to the Group moving forward are:*

*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 and refinery assets. Should the virus spread, travel bans be re-instated or should one or more of the Company’s executives become seriously ill, the Company’s ability to advance its mineral properties or refinery assets 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 and Russian Federation Invasion of Ukraine:*

The Company has activities across Finland, Australia, the United States and Brazil. The integration and ongoing management of this portfolio imposes heightened risks related to the ongoing business prospects of Jervois.

The invasion by the Russian Federation of Ukraine, the resulting economic sanctions and the potential escalation or expansion of the invasion and the global response to it may have an impact on the Company’s business. It may result from a broader global economic fallout and its impact on commodity prices including their price discovery mechanisms, credit markets and commercial counterparty risk or have more local impacts at the operational level. The Company continues to monitor the situation and the impact the invasion, resulting sanctions and potential escalation or expansion may have on the Company. The Company’s ability to obtain financing and the ability of the Company’s vendors, suppliers, customers and partners to meet obligations may be impacted as a result of the invasion, the resulting sanctions and potential escalation or expansion. Similarly, the Company’s ability to advance our stated strategy and business plan and commodity prices may be impacted.

### *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.

Jervois Finland is directly exposed to the price of cobalt. Jervois Finland's profitability may be significantly affected by changes in the market price of cobalt.

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 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., Finland, Brazil, 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 does not currently 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, however, it does have a short-term incentive plan and long-term incentive plan in place to assist in the retention of its senior management.

### *Financing Risks:*

The Company will require financing in the future to continue to develop its 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.

#### *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 or refining 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 and restart of the SMP Refinery, may 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 and mineral processing activities 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 and metallurgical processing companies may change. Regulatory requirements surrounding site reclamation and remediation activities, or more stringent implementation thereof, could have a material adverse impact on the Group and cause increases in capital expenditures or production costs or reduction in levels of operational production, or require abandonment or delays in the development of new sites.

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

Assets in which the Group holds an interest, including fixed assets and infrastructure / utilities, which the Group intends to utilize in carrying out its general business mandates, may be subject to interests or claims by third party individuals, groups, or companies. If such third parties assert any claims, the Group's activities may be delayed even if such claims are not meritorious. Such claims may result in significant financial loss and loss of opportunity for the Group.

#### *Insurance:*

Exploration, development and production operations on mineral properties and in refineries involve numerous risks, including unexpected or unusual geological operating conditions, ground or slope failures, fires, environmental occurrences and natural or climate change related phenomena such as prolonged periods of inclement weather conditions, floods and wildfires. It is not always possible to obtain insurance against all such risks and the Group 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 the Group's properties or the properties of others, delays in exploration, development or mining operations, supply chain disruptions, monetary losses and possible legal liability. 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 the Group. If the Group 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 the Group's future cash flow and overall profitability.

#### *Competition risk in the market in which the Group operates:*

Significant and increasing competition exists for appropriate supply of feedstock for the mineral processing assets of the Group and the limited number of mining and mineral processing acquisition opportunities available. Additionally, new mineral processing facilities may be commissioned that will be in competition for the supply of feedstock and the sale of

products in which the Group operates. The Group expects to leverage its increased size and market exposure to secure appropriate feed supply and to selectively seek strategic acquisitions in the future, however, there can be no assurance that suitable feed supply or acquisition opportunities will be identified. As a result of this existing or potentially new competition, some of which is with large established mining or refining companies with substantial capabilities and greater financial and technical resources than the Group, the Group may be unable to acquire adequate feed supply on suitable terms and this may impact the operating margin and therefore the future profitability of the Group. Additionally, the Group may be unable to acquire additional attractive mining or mineral processing assets on terms it considers acceptable. In addition, the Group's ability to consummate and to effectively integrate any future acquisitions on terms that are favourable to the Group may be limited by the number of attractive acquisition targets, internal demands on resources, competition from other companies and, to the extent necessary, the Group's 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.

#### *Climate Change Risks:*

The main climate change risks are associated with changes in the frequency, intensity, spatial extent, duration, and timing of weather and climate events and conditions. Potential effects, such as those related to flooding, droughts, forest fires, insect outbreaks, erosion, landslides and others, may pose risks to operations and their safety, environmental, social and financial performance. Potential adverse effects may occur in terms of geotechnical stability, water supply systems and water balance, working conditions (humidity, heat stress), construction schedules, site access, reclamation as well as supply chain disruptions (e.g. access to inputs, shipping of products), among others. Economic implications of climate change may pose additional risks through reduced global demand for products and increased costs of inputs, among others. Although, through its expanding ESG regime, the Group is taking steps to mitigate its carbon emissions and assess and respond to climate change risks within its business and management processes, the nature and intensity of potential adverse impacts of climate change cannot be precisely ascertained.

#### *Market Liquidity and Share Price Fluctuations:*

There can be no guarantee of an active market for the Company's shares or that the price of the Company's shares will increase. There may be relatively few potential buyers or sellers of the Company's shares at any time. This may increase the volatility of the market price of the Company's shares. It may also affect the prevailing market price at which shareholders are able to sell their shares in the Company. In recent years, capital markets have experienced a high level of price and volume volatility, and the market price of securities of many companies 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.

#### *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.

#### *Project Delay:*

Jervois has a significant investment planned to complete construction in Idaho, US and to restart the SMP Refinery in Brazil. 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 ICO or SMP Refinery will be sufficient to offset such capital expenditures and generate adequate investor return.

#### *Licenses, Permits and Titles:*

Jervois Mining USA holds permits for the operation of the ICO Project. Each of these have certain requirements and obligations attached to them, which if not met, will result in Jervois Mining USA losing the rights to operate in these land areas and the resulting negative impact to the future prospects of Jervois Mining USA.

There is no guarantee that title to the Group's mining leases, exploration licenses, environmental licenses and other tenure of property will not be challenged or impugned. The Group's tenure, permits and licenses may be subject to prior unregistered agreements, transfers, leases or native land claims and title may be affected by such unidentified or unknown claims or defects. Furthermore, any concession, permit or license may be withdrawn or the terms and conditions thereof, be changed by the relevant authority if the Group does not comply with its obligations under applicable laws or such specific concession, permit or license or if there otherwise are compelling reasons, (e.g. effects of the operations that could not have been foreseen at the time of authorization of such concessions, permits and licenses). In particular, mining tenements are subject to expenditure and work commitments which must be complied with in order to keep the tenements in good standing. In certain circumstances, these commitments may be varied at the discretion of the relevant mining authority. Failure to meet these commitments could lead to forfeiture of the tenement. Where tenement expenditures and work commitments or other regulatory requirements are not complied with, regulatory exemptions may need to be applied for within specified periods. Should exemptions not be applied for in time or are applied for in time but are not ultimately granted, fines may be payable to avoid the tenements being forfeited or, in extreme cases, the tenements may be forfeited.

Obtaining the necessary governmental licenses or permits is a complex and time-consuming process. There can be no assurance that the Group will be able to maintain or obtain all necessary licenses and permits that may be required to carry out exploration, development and mining operations or refinery activities at its projects. This could materially and adversely affect its business, results of operations, financial conditions or prospects. The ICO Project and SMP Refinery will require certain permits through construction and commissioning.

#### *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 and refineries 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 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 Nico Young, 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.jervoisglobal.com](http://www.jervoisglobal.com) and under the Company's profile on SEDAR at <http://www.sedar.com>.

#### **BOARD APPROVAL**

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

#### **QUALIFIED PERSON'S STATEMENT**

The scientific and technical disclosure included in this MD&A has been reviewed and approved by Dean Besserer, P.Geol. who is a Qualified Person as defined by NI 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.