Jervois
MINING LIMITED
ABN 52 007 626 575

Date: 20 August 2014 **ASX Code: JRV**

EL 7805 SYERSTON (FLEMINGTON) RESOURCE

Highlights

- Jervois Mining Limited announces an 'indicated' resource for the known mineralisation of the metal scandium at EL 7805. This indicated resource is located near Syerston on the edge of, and contiguous with, the old 'Black Range Minerals' nickel/cobalt laterite (this latter is now owned by IvanPlats Syerston).

- Main resource block: 981,640 tonnes @513g/t Sc. (504 tonnes of scandium metal)

- The scandium grades encountered are very high for this type of resource and almost 30% higher than anything else reported from laterites in NSW. Platinum is pervasive but its refractory nature degrades any perceived value. Cobalt and nickel are potential by-products and in any event will have to be recovered from any commercial metallurgical circuit.

- This is exciting news for Jervois shareholders and coincides with intensifying interest in this metal from the Asian and USA markets.

- The Company will look to a pilot plant operation as soon as possible, targeting production of up to 5 tonnes per annum of scandium oxide.

EL 7805 Syerston Scandium Project Resource Calculation

A Mineral Resource Calculation for Jervois Mining Limited Syerston/Flemington Scandium Project (EL 7805) was recently undertaken by Rangotts Mineral Exploration Pty. Ltd.

The calculation was based on data from 25 vertical air core drill holes and two diamond drill holes, which were part of a larger group of exploration holes drilled during the 2013 and 2014 drilling campaigns. The locations of these holes are shown in Figure 1.

The drilling intersected four broad lithotypes - (top to bottom) hematitic laterite, limonitic laterite, transitional laterite and saprolite. Only the hematitic (part), limonitic and transitional materials were included in the resource calculations.

The 1m samples were analysed for Scandium by ALS in Brisbane, using a fusion ICPAES method (technique Sc-ICP06).

Two vertical PQ (diamond) core holes, JSD-001 and JSD-002, were drilled 5 m away from the collars of aircore holes SY-37 and SY-35 respectively, reaching several metres into saprolitic bedrock. The objective of drilling these holes was to obtain solid samples to determine the bulk densities (SGs) and moisture content of the various laterite types, and to use them in metallurgical testing.

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The final resource calculation gave the following resource figures:
Hematitic Laterite
313,775 tonnes @ 316 ppm Sc (for 99.2 tonnes of contained Sc)
Limonitic Laterite
981,640 tonnes @ 513 ppm Sc (for 503.6 tonnes of contained Sc)
Transitional Laterite
321,373 tonnes @ 335 ppm Sc (for 107.7 tonnes of contained Sc).

The overall resource comprises 1,617,000 tonnes at a weighted mean grade of 439 ppm Sc, containing approximately 710.5 tonnes of Scandium metal, which equates to 1089 tonnes of scandium oxide (Sc_2O_3).

This confirms that the resource can sustain a mining operation that would last +40 years, assuming a production rate of 20 tonnes of Sc_2O_3 per year, the present estimated world consumption.
The present market value of scandium oxide varies from US$2 million/tonne to US$4+ million/tonnes AUD depending on the purity.

Due to undulations in the lithotype boundaries and the present uncertainty regarding the boundaries of the palaetopography, the resource is classified as an Indicated Mineral Resource. Shareholders are advised that the known Indicated Resource will be upgraded to a Measured Mineral Resource by carrying out a modest additional program of infill drilling. This will result in better definition of the boundaries of the palaetopographic features.

INAA Assay Results

Re-analysis of 10% of the samples from the 2013-2014 EL 7805 Syerston drilling programs was undertaken in Canada using split sample pulps retrieved from ALS Brisbane. The method used was Instrumental Neutron Activation Analysis (INAA). Samples were randomly selected from both high and low grade intervals and all three laterite types. Forty four single gram samples were assayed.

Re-analysis was done to verify the assay grades and compare them to the grades obtained from the ME-ICP61 and Sc ICP-AES results previously reported.

Comparison of the INAA and Fusion methods showed an average difference of only 4.0%. The Board is satisfied that any discrepancies are not material as they are considered to be within the range of sampling and analytical errors.

In brief, the INAA results confirm the unusually high grades of the JRV's Syerston resource and also verified the validity of the use of the fusion method (where the best interval was 1000ppm Sc from drill hole Sy 53 14-15m (INAA 980ppm) as a practical method for assaying scandium.

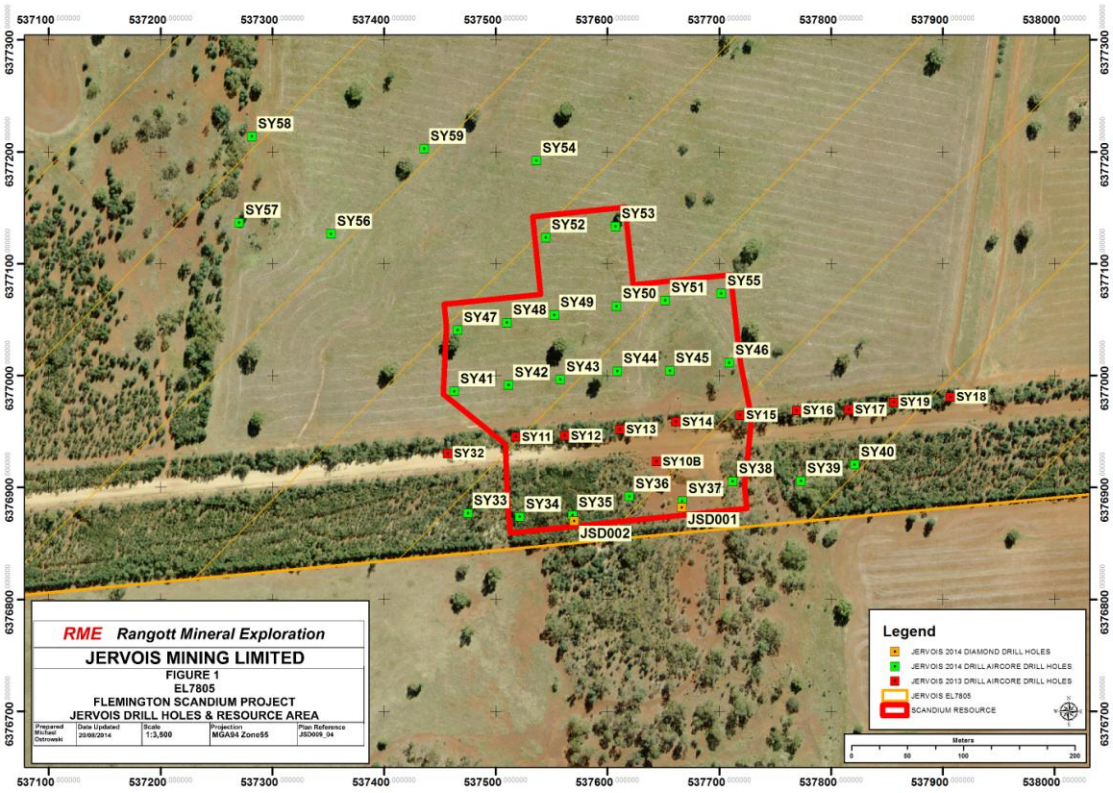

Fig 1 Location of the 24 drill holes that constitute the area of the Mineral Resource Calculation, 2013 and 2014 Drilling Programs

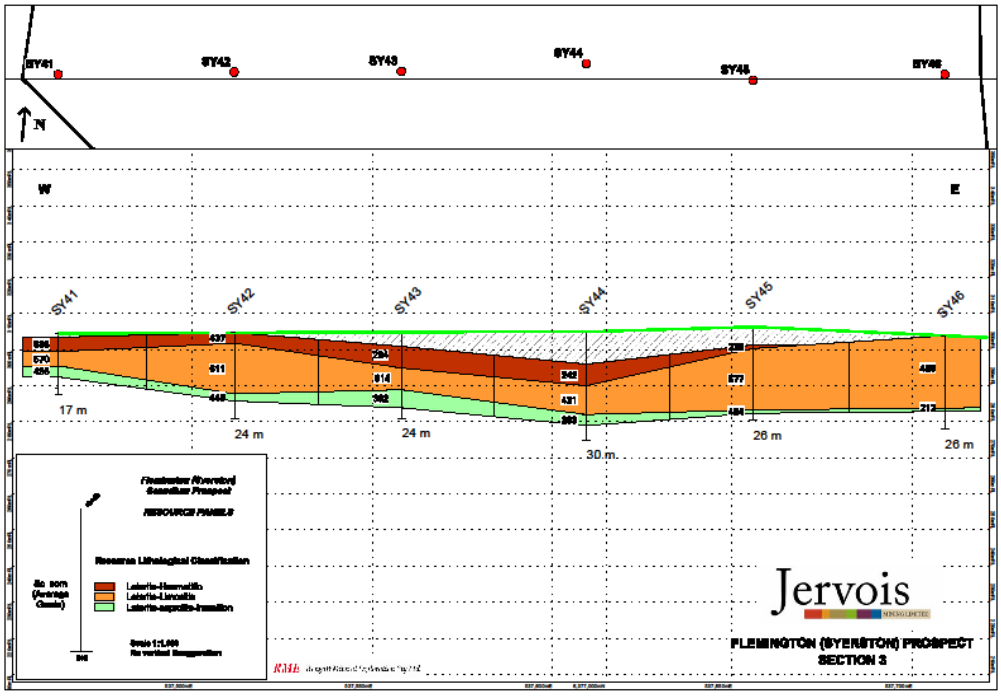

Fig 2 Cross Section of drill holes Sy41 to 46 showing east and west flanks of the scandium resource are exposed at the surface. The laterite layer (white) above the hematitic (red) laterite layer contains on average about 140-150 g/t scandium

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Future Exploration

Shareholders are advised that the Indicated Resource can be upgraded to a Measured Mineral Resource by small additional program of closely spaced infill drilling.

Target Area 1: Further exploration drilling to the immediate northwest, north and northeast of the known resource boundary will be undertaken this year. There are strong indications from soil sampling and 2013 scout drilling in this area to indicate well mineralized laterite beneath the soil cover. Follow up drilling could result in a substantial increase in the size of the total resource. Refer to Table 1 and the Target Area 1 in Fig 2 below.

Table 1 Scandium assay grades and thickness for 'scout drilling' holes not included in the 2014 Resource Calculation.

Hole number	MGA E	MGA N	From (m)	To (m)	Total (m)	Fusion Sc assay (ppm)
Sy52	537651.8926	6377067.127	**12**	**25**	**13**	**430**
Sy 54	537544.9263	6377123.183	**8**	**29**	**21**	**328**
Sy 56	537701.758	6377073.367	**0**	**17**	**17**	**458**
Sy 57	537352.5977	6377126.569	**0**	**11**	**11**	**602**
Sy 58	537270.7514	6377136.411	**7**	**17**	**10**	**410**

200ppm lower cutoff used

Target Area 2: The resource boundary is expected to expand even further west to the Target Area 2 shown in Fig. 3. This is due to the similarity between the geomagnetic signatures of the presently drilled and the target areas.

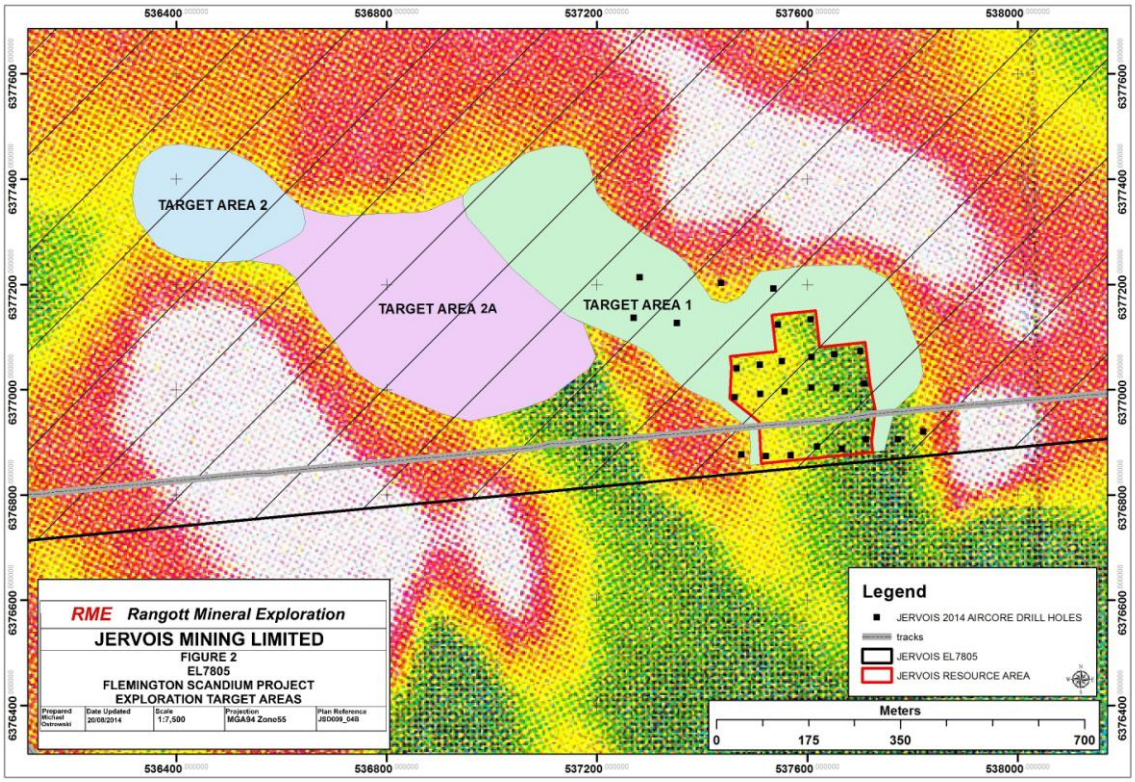

Fig 3 Approximate boundaries for future exploration EL 7805 Syerston

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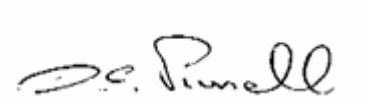
By order of the Board.



Duncan Pursell.

JORC COMPLIANCE TABLE

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Drilling techniques	Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).	Air core vertical drilling with core diameter 90mm standard tube
Drill sample recovery	Method of recording and assessing core and chip sample recoveries and results assessed. Measures taken to maximise sample recovery and ensure representative nature of the samples. Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.	12.5/87.5 splitter (cyclone meter intervals), plastic sample bags for up to 20kg , chip tray reference, sample recovery weight recorded every meter Negligible sample bias expected
Logging	Whether core and chip samples have been geologically and geotechnically logged to a level of to support appropriate Mineral Resource estimation, mining studies and metallurgical studies. Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography. The total length and percentage of the relevant intersections logged.	Core and chip samples have been geologically and geotechnically logged to a level of detail for a future Mineral Resource estimation. Logging is qualitative in nature 100% of intersections logged – 585 meters
Sub-sampling techniques and sample preparation	If core, whether cut or sawn and whether quarter, half or all core taken. If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry. For all sample types, the nature, quality and appropriateness of the sample preparation technique. Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples. Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/ second-half sampling. Whether sample sizes are appropriate to the grain size of the material being sampled.	12.5/87.5 splitter (cyclone meter intervals) to ensure representative sample taken All samples initially submitted to ALS Laboratory, Brisbane Sample preparation of all samples has been completed by an independent commercial laboratory to accepted industry standards. All subsampling conducted by the independent commercial laboratory to acceptable industry standards. 1 field duplicate per hole submitted (approximately one duplicate per 22m). Sample sizes are considered suitable

		for surface geochemical studies.
Quality of assay data laboratory tests	The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total. For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc. Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.	Analysis for Ni/Co/Sc suite 4 acid digest ME ICP-61, ALS Brisbane Fusion analysis ICP-AES (Sc-ICP06)ALS Brisbane INAA Instrumental Neutron Activation Analysis, ActLabs, Canada One standard and one blank routinely inserted into each drill core sample suite during laboratory procedures and samples sent to ALS (Australia) and ActLabs (Canada).
Verification of sampl assaying	The verification of significant intersections by either independent or alternative company personnel. The use of twinned holes. Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols. Discuss any adjustment to assay data.	Exploration results verified by Rangotts Mineral Exploration Pty. Ltd. along with acceptable standards with appropriate QA QC control measures. Data collected in the field and data entry completed in the office by experienced personnel. No adjustments made.
Location of data poin	Accuracy and quality of surveys used to locate drill (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation. Specification of the grid system used. Quality and adequacy of topographic control.	Drill collar positions determined by hand held Trimble Geoexplorer 600 differential GPS with accuracy of 100mm horizontal and 200mm vertical Coordinated determined in GDA94 Zone 55. Quality adequate for relevant data acquisition.
Data spacing and distribution	Data spacing for reporting of Exploration Results. Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) classifications applied. Whether sample compositing has been applied.	27 aircore holes drilled on a 50-75 m spacing x 50-75 m sample lines (augmenting a present drilling line) Spacing considered acceptable to establish a degree of grade and consider a future indicated Mineral Resource estimation No composite sampling applied.
Orientation of data in relation to geological structure	Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type. If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	Sample lines oriented approximately normal to interpreted geological features. Not applicable.

Sample security	The measures taken to ensure sample security.	Not applicable as samples delivered dire the laboratory.
Audits or reviews	The results of any audits or reviews of sampling techniques and data.	No audits or reviews conducted.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings. The security of the tenure held at the time of reporting with any known impediments to obtaining a licence to operate in the area.	EL 7805 is 100% held by Jervois Mining Limited (JRV). JRV manages the project. Tenure of tenement at time for drilling was pending
Exploration done by other parties	Acknowledgment and appraisal of exploration by other parties.	Not applicable
Geology	Deposit type, geological setting and style of mineralisation.	Laterite formed over ultra basic intrusive Tout Complex (Late Ordovician). The Tout Complex has a core of dunite, with pyroxenite, hornblende quartz monzonite, hornblende pyroxenite, gabbro, olivine pyroxenite and monzo-diorite. This intrusive is classified as an Alaskan type ultramafic body by the GSNSW.
Drill hole Inform	A summary of all information material to the understanding of the exploration results including a tab of the following information for all Material drill holes: easting and northing of the drill hole collar elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar dip and azimuth of the hole down hole length and interception depth hole length. If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	Collar location related to holes referred to in published assay data is included on the map and the assay table in the body of the report. RL, dip/azimuth and total hole length are not deemed relevant to the reporting of this data at present as it does not detract from the understanding of the report. Further results will be released in a more comprehensive report when they become available.
Diagrams	Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	Appropriate map is included in the body of the report.
Balanced report	Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be	Not applicable. Further results will be released in a more comprehensive report when they become available.

	practiced to avoid misleading reporting of Exploration Results.	
Other substantiv exploration data	Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	Not applicable
Further work	The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale out drilling). Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.	To be determined once further results are available

The information in this report that relates to Exploration Results is based on information compiled by D.C. Pursell (MAusIMM) and Mr D. Foster, (MAusIMM). D.C. Pursell and D. Foster have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Pursell is a full time employee and Managing Director of the Company and Mr Foster is geological consultant to the Company. Both have consented to the inclusion.

The information in this report that relates to Mineral Resources is based on information compiled by Max Rangott (MAusIMM). M Rangott has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Rangott is a Consultant Geologist and principle of Rangott Mineral Exploration Services. He has consented to the inclusion.