



A.B.N. 52 007 626 575

29th January 2016

The Manager  
Company Announcements  
Australian Stock Exchange  
Level 10, 20 Bond Street  
SYDNEY NSW 2000

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## QUARTERLY REPORT TO 31 DECEMBER 2015

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### HIGHLIGHTS

- Jervois Mining Limited announced to the ASX on the 6<sup>th</sup> of November 2015 the acquisition of exploration assets from Explaurum Limited. The Company acquired, for shares, a number of northern Queensland mineral tenements formerly owned by Auzex Resources. Tin is one metal whose sale price has held up well in an extremely weak two year period for base metals and gold. Tin potential arises from known tin/tungsten occurrences in the 'complex' pegmatites in North Queensland. Tin has intermittently been mined in this area, on a small scale, for most of last century. This geological setting is also expected to have Lithium potential.
- Shareholders should be aware that the Company has continued to explore for resources, as and where it can, despite the severe financial constraints affecting the exploration industry.
- Several exploration programs are planned including:
  - a/ An exploration program in the northern section of EL 7805 Syerston to evaluate the viability of a known alluvial copper and gold show. EL 7805 Syerston has been successfully renewed for an extra two years.
  - b/ Surface exploration work and ground mapping on the Queensland tenements recently acquired from Explaurum Limited by Jervois will be undertaken mid-year. The aim is to assay for the metal lithium in the pegmatite-rich exposures.
- Jervois application for ELA 59/2121 Nalbarra in WA has been granted.

### ROYALTIES

The Company owns an attractive spread of Royalty positions which encompass Gold at Bullbulling, WA and also at Forest Reefs, near Cadia in NSW. There is also the Royalty position over the Nyngan Scandium Resource, also in NSW.

In this investment climate it is difficult to judge which Royalty will ultimately be the first to yield 'cash flow' to the Company. At the time of writing, there are encouraging reports in the Nyngan local press on the future production of Scandium Oxide, by our former joint venture partner Scandium International Inc. Jervois retains a production royalty over the Nyngan project, of 1.7 % of the sale price for Scandium and any other products produced from the site. This royalty extends for a period of 12 years from the first production date. The minimum royalty payable, annually, would be based on production of ten tonnes of Scandium Oxide (Scandia).

The Bullabulling gold royalty is set at \$ 30.00 per oz. for the first 400,000 oz. and \$20.00 per oz. thereafter, unlimited for gold produced. This is obviously potentially valuable given the steadily rising gold price due to World market instability. The steadily weakening Australian Dollar should help this project, also.

Forrest Reefs located in the shadow of Cadia Gold Copper mine near Orange in NSW, has some, albeit, distant, potential for gold/copper production. Resources of gold do exist in the oxide zone, identified by Jervois years ago.

## **UPDATE OF PROGRAMS NSW**

### **SYERSTON SCANDIUM PROJECT (near Fifield NSW)**

#### **Exploration Licence 7805**

As outlined in Jervois September 2015 Quarterly Report a calculated Measured Resource for scandium was completed and released to the ASX on the 19<sup>th</sup> August 2015.

**Calculated Measured Resource:** 2,675,000 tonnes@435ppm Sc.

**Calculated Indicated Resource:** 468,000 tonnes @426ppm Sc.

**Calculated Total Resource:** 3,143,000 tonnes@434ppm Sc.

**Total Contained Scandium Metal:** 1,363 tonnes.

The next exploration on this tenement will be surface sampling program in the northern units to relocate and evaluate the viability of an alluvial copper and gold show.

## **METALLURGY**

The major metallurgical activities on the Syerston-Flemington Scandium Project for this quarter include:

- Collaborative research with an Australian research organisation is currently underway. A uniformly mixed bulk composite sample was prepared from recent drill cores to be used in the research work. This sample contained over 950g scandium oxide per tonne of ore – so far the highest ever known feedstock grade anywhere in the world. The collaborative work aims to explore all possible options to determine the best extraction conditions and develop methods to minimise the transfer of impurities into the leach solution. Impurity minimisation is an important step to avoid ‘downstream’ complications, especially during production of high purity scandium oxide.
- Jervois Mining has partnered with an Australian University to investigate the performance of the ion exchange route of extracting scandium oxide and compare it with the performance of a solvent extraction route. These investigations are scheduled to start in March 2016.
- Jervois Mining is supporting an international PhD student to gain a further understanding of scandium’s occurrence in primary peridotite and its alteration products. The PhD study is unique in the sense that it involves using ‘state of the art’ equipment, including synchrotron studies in Paris and Grenoble. The synchrotron studies will be carried out May-June 2016.



6 November 2015  
The Manager  
Market Announcements Office  
ASX Ltd  
4th Floor, 20 Bridge Street  
Sydney NSW 2000

Dear Sir

**SALE OF EASTERN STATE ASSETS**

*Explaurum Limited (EXU:ASX) (Explaurum) is pleased to announce that its wholly-owned subsidiary, Auzex Exploration Limited (Auzex), has today completed the sale of all of its Queensland and New South Wales assets to Jervois Mining Limited (JRV:ASX) (Jervois) for the issue to it of 11,100,000 fully paid ordinary shares in Jervois. The Company has previously advised that its exploration focus would be its flagship Tampia Gold Project in the wheat belt of Western Australia where it will soon commence an approximately 2500m reverse circulation (RC) drilling and metallurgy test work programme.*

*The consideration shares were issued at an issue price of \$0.055 per share which implies a sale value of \$610,500. This valuation is consistent with the recent Independent Expert Report completed by BDO for the merger of Auzex with Explaurum.*

*The Company believes this transaction is positive for the development of the Khartoum tin/tungsten project in which it has been seeking outside investment. The Company also considers the Syerston scandium project, the flagship project for Jervois, ready for development and having potential to be a very attractive investment.*

*Yours sincerely  
By Order of the Board  
P. M. Frederiks  
Company Secretary*

**UPDATE OF PROGRAMS WA**

During the December Quarter the Company has been actively pursuing gold projects that have become available in Western Australia. This has been an ongoing process with a number of tenements being assessed. During the March 2015 quarter Exploration Licence E59/2121 was applied for by Jervois Mining, to explore for gold and other minerals at Nalbarra in WA. The application followed the geostatistical reassessment of vacant ground that was a compulsory surrender by Jervois Mining Limited as a condition of the Department of Mines and Petroleum legislation. This application has now been granted.

Jervois Mining Ltd has also negotiated the purchase of E80/4820 and has applied for ELA80/4987 and ELA80/4986.

The West Arunta Project (E80/4820) is located approximately 600 kilometres west-northwest of Alice Springs within the Gibson Desert of Western Australia, near the Western Australian/Northern Territory Border (see Figure 2).

The project consists of three Exploration Licences. The granites of the Mt Webb region display all the important characteristics of granites associated with copper-gold mineralisation elsewhere in the Australian Proterozoic, including widespread sodic-potassic alteration and brecciation, which is also consistent with other Iron Oxide Cu-Au deposits including Olympic Dam (2000 Mt @ 1.6% Cu, 0.6 g/t Au) in South Australia and Ernest Henry (267 Mt @ 1.1% Cu, 0.54 g/t Au) in Queensland (Pollard, 2000).



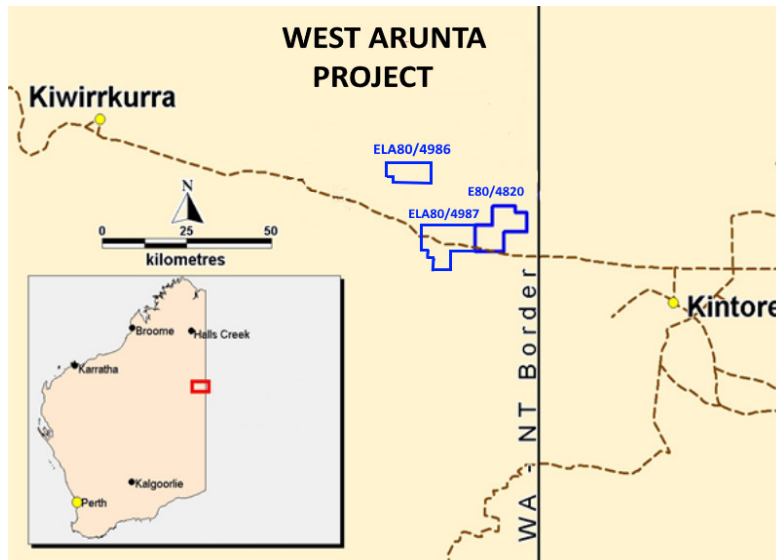
**Figure 1: Project Location Plan**

E80/4820 West Arunta project consists of 40 graticular blocks (approximately 125 square kilometres), adjoining ELA80/4987 which consists of 49 graticular blocks (approximately 154 square kilometres) and ELA80/4986 consisting of 20 graticular blocks (approximately 63 square kilometres): A total of 342 square kilometres.

The area provides the opportunity to explore for iron-oxide-copper-gold systems and also for diamonds in an area that has favourable geology and significant evidence of mineralisation; including 36m @ 0.42% Cu, with up to 0.55g/t Au including 6m @ 1.68% Cu and 0.29g/t Au at the nearby Pokali Prospect currently held by Platypus Minerals.

To date this area has seen limited exploration activity of any type. Previous preliminary exploration by other Companies has produced encouraging results which support the prospectivity of the area and the possibility of an extensive mineralised system with potential for Iron Oxide Cu-Au discoveries. Previous exploration by other companies, in relations to kimberlite occurrences in the area, have been positive with the discovery of micro-diamonds.

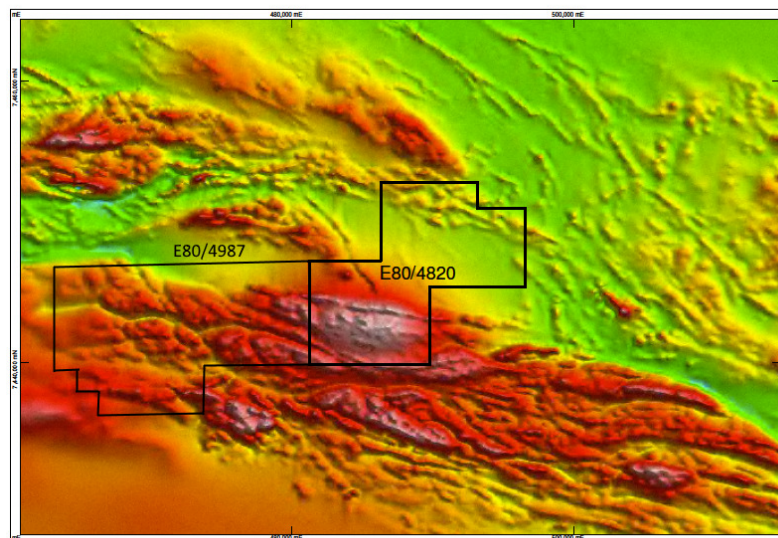
The project is totally contained within Land Reserves which have been set aside for the Use and Benefit of Aboriginal Inhabitants (Nos 24923, 40783) under the jurisdiction of the Ngaanyatjarra Land Council. An Access agreement needs finalisation for E80/4820 and agreements to be negotiated for ELA80/4987 and ELA80/4986.



**Figure 2: West Arunta location**

### **ELA80/4987**

The aero magnetics on the map shown in Figure 3 (below) indicates cross cutting faults. Broad spaced geochemical soil sampling by the Geological Survey of Western Australia has shown anomalous coincident Sb, Cu and Zn. Very little previous exploration has been done on this tenement.



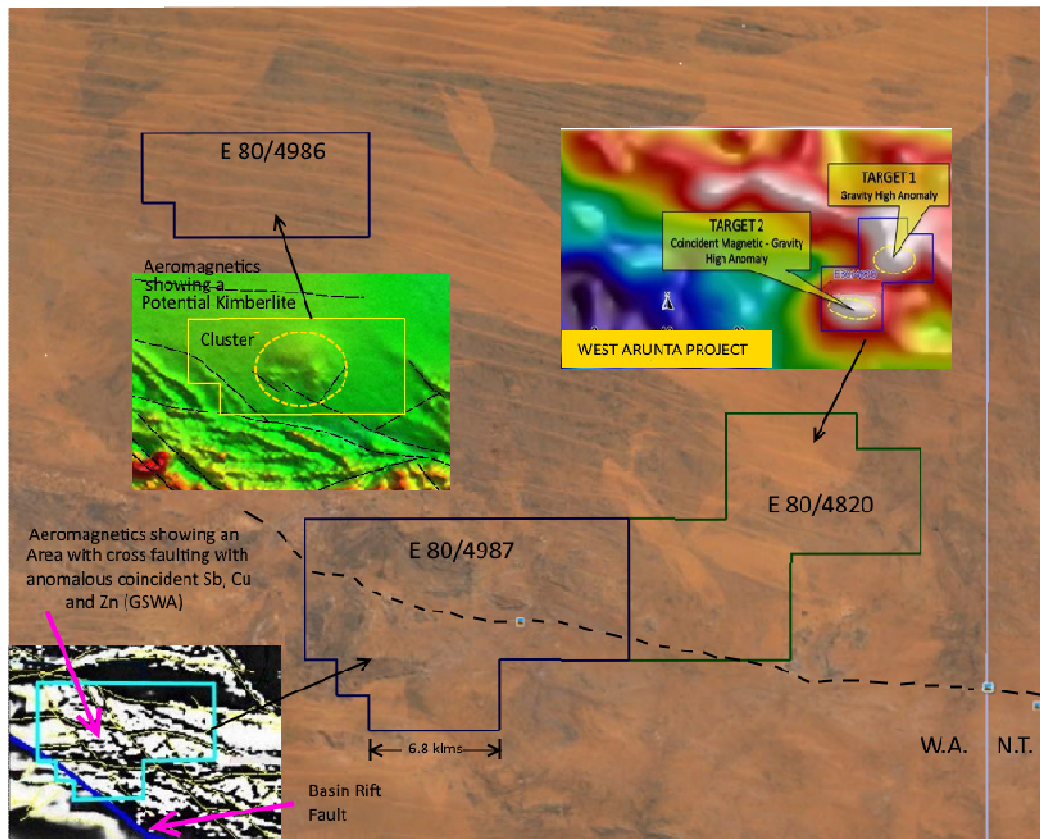
**Figure 3: Total Magnetic Map**

### **E80/4820**

This tenement has two targets; the first is a coincident magnetic and gravity high anomaly which indicates a rock type high in magnetic minerals with comparatively high density. The second is a gravity high coincident with a magnetic low. The latter could indicate mineralisation similar to the Olympic Dam Project (see Figure 4).

### **ELA80/4986**

The aero magnetic map of the area has indicated a discrete circular low magnetic cluster which has potential to be a kimberlite cluster. A large cluster of kimberlite intrusions, 70 kms to the west north west of this tenement, was discovered by BHP in the late 1990's. Since then a number of companies are actively exploring for diamonds related to the kimberlite intrusions in the region. A number of micro diamonds have been reported from their work. Very little exploration has been done on this tenement to date.



**Figure 4: An aerial photograph of the project area with the Geophysics relating to the tenements.**

#### EXPENDITURE FOR QUARTER ENDED 31 December 2015

Expenditure on Exploration for the Quarter was \$71,582.00

By order of the Board.

*D.C. Pursell*

Duncan Pursell.  
Managing Director.

The information in this report that relates to Exploration Results or Mineral Resources is based on information compiled by Max Rangott (MAusIMM), D.C. Pursell (MAusIMM) and Mr D. Foster, (MAusIMM). M. Rangott, 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'. M. Rangott, D.C. Pursell and D. Foster consent to the inclusion.