



A.B.N. 52 007 626 575

27 October 2016

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

QUARTERLY REPORT TO 30 September 2016

UPDATE OF PROGRAMS VICTORIA

EL006303 Eildon JRV (Antimony-Gold Project)

Jervois has applied for Exploration Licence 006303 (Eildon JRV) covering approximately 300 sq km south of the town of Eildon, Victoria. The focus of exploration will be antimony and gold. Areas of this tenement were previously held by BHP and CRA respectively. The application has been accepted by the Department of Economic Development, Jobs, Transport & Resources (Victoria). The Company is awaiting confirmation of securing the Exploration Licence and will advise shareholders when this happens. Initial exploration of this area is anticipated to commence in January 2017.

Metallurgical testing from our target area at Eildon is being undertaken on samples made available to Jervois Mining by the previous holder, who collected the samples during their exploration of the tenement. A full report is in the metallurgy section of this report.

UPDATE OF PROGRAMS NSW

SYERSTON SCANDIUM PROJECT (near Fifield NSW)

Exploration Licence 7805

As reported in the last Quarterly, there had been approaches for a Joint Venture over the Company's Syerston resource. Announced to Shareholders through the ASX on the 7th October, an option has been granted over all of EL 7805 to a wholly owned subsidiary of Australian Mines Limited – Flemington Mining Operations Pty Ltd.

The option agreement is for a series of rolling options, for a total maximum period of two years subject to payment of option fees of up to \$2 million in total.

If the option is exercised, the purchase price will be \$6.0M less the total amount paid to the date of the exercise as option fees. There will be a royalty applicable on sales of all mine product, fixed at 1.5% of gross revenues.

Australian Mines Limited are also Jervois Mining's Joint Venture Partners (and Managers) over the exciting base metals and gold prospect located at Arunta West (see our report on our Western Australian tenements in this report.)

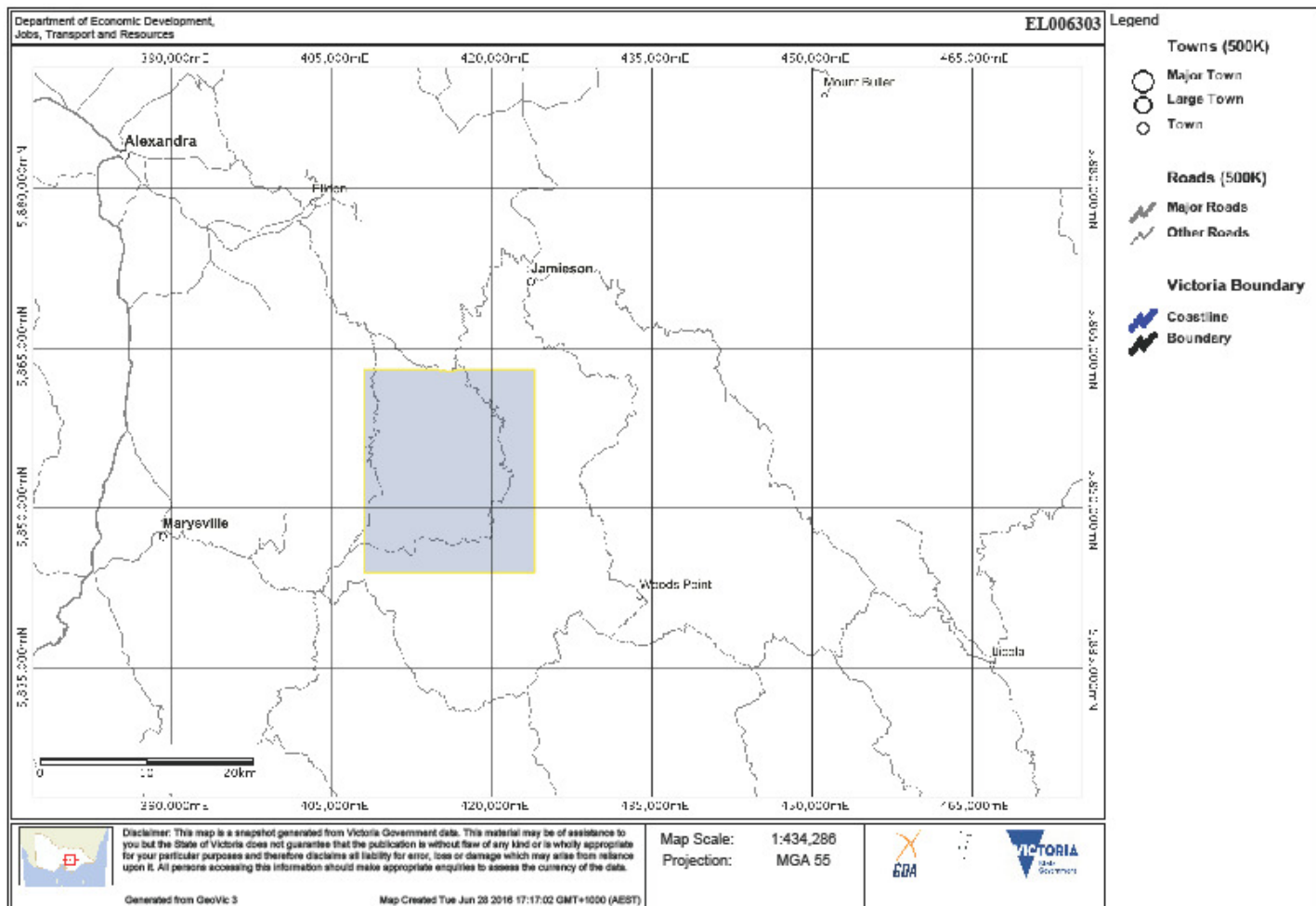


Figure 1: Map of EL006303 Eildon JRV showing area applied for.

The next exploration on EL 7805 will be a surface sampling program in the northern units to determine the extent of the scandium and other potential resources that are found in the southern units of the tenement. This program will be conducted in early November this year.

A calculated Measured Resource for scandium on EL7805 was completed and released to the ASX on the 19th 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.

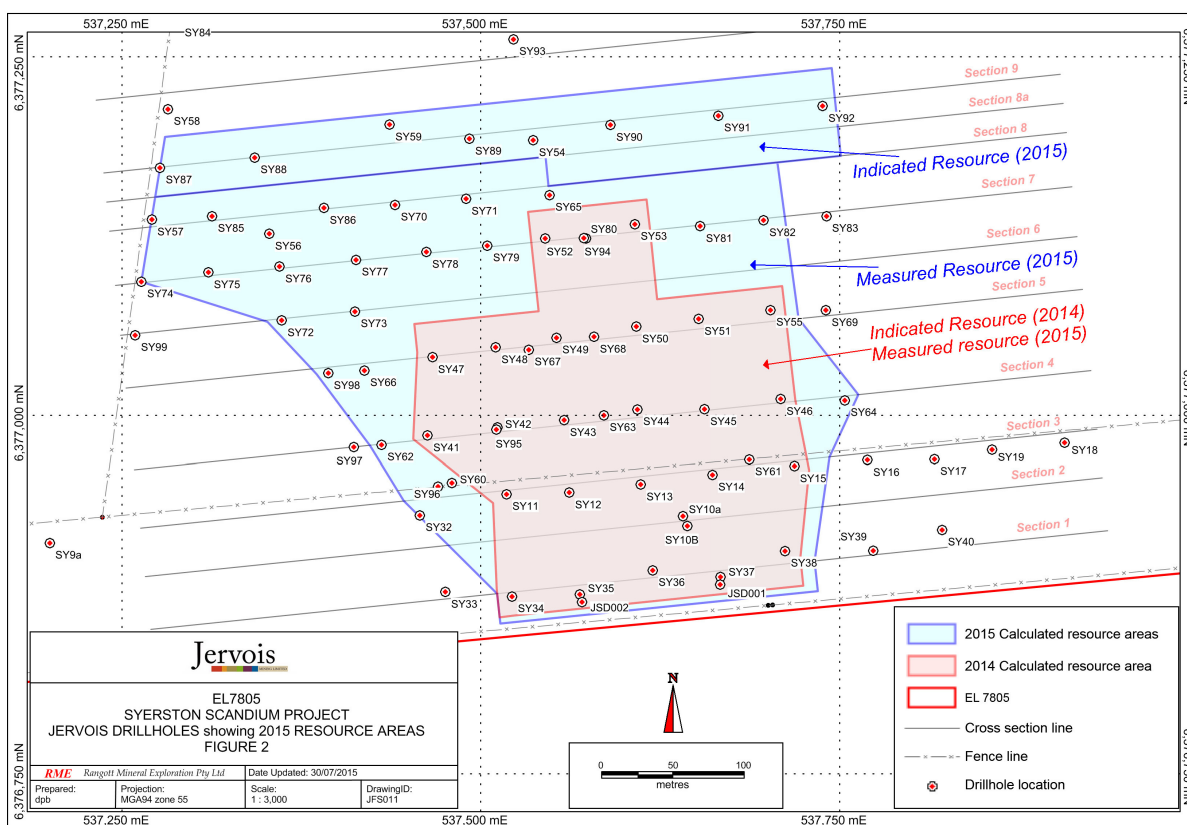


Figure 2: Drilling locations EL 7805 – 2014 Resource Area, Syerston Scandium Project
Area shown in pink indicates 2014 indicated resource area.

SYERSTON NORTH (new application, near Fifield NSW)

ELA 5370

A new tenement, comprising 6 units adjoining the Companies EL 7805 Syerston tenement, have been applied for. The units join onto EL 7805 to the north east and encompasses the western flank of the Owendale anomaly. This section of the Owendale is considered prospective for scandium. Shareholders will be kept informed of developments in the granting of this licence.

AREA 1 GROUP 1 METALS PROJECT (near Fifield NSW)

EL 8747 (previously ELA 5270)

Earlier this year Jervois Mining applied for a new Exploration Licence north of EL 7805. This new licence has recently been granted and exploration on EL 8747 'Area 1' will target Group 1 metals, gold and platinum. A ground reconnaissance over the western margin of this newly granted tenement is planned for early November this year.

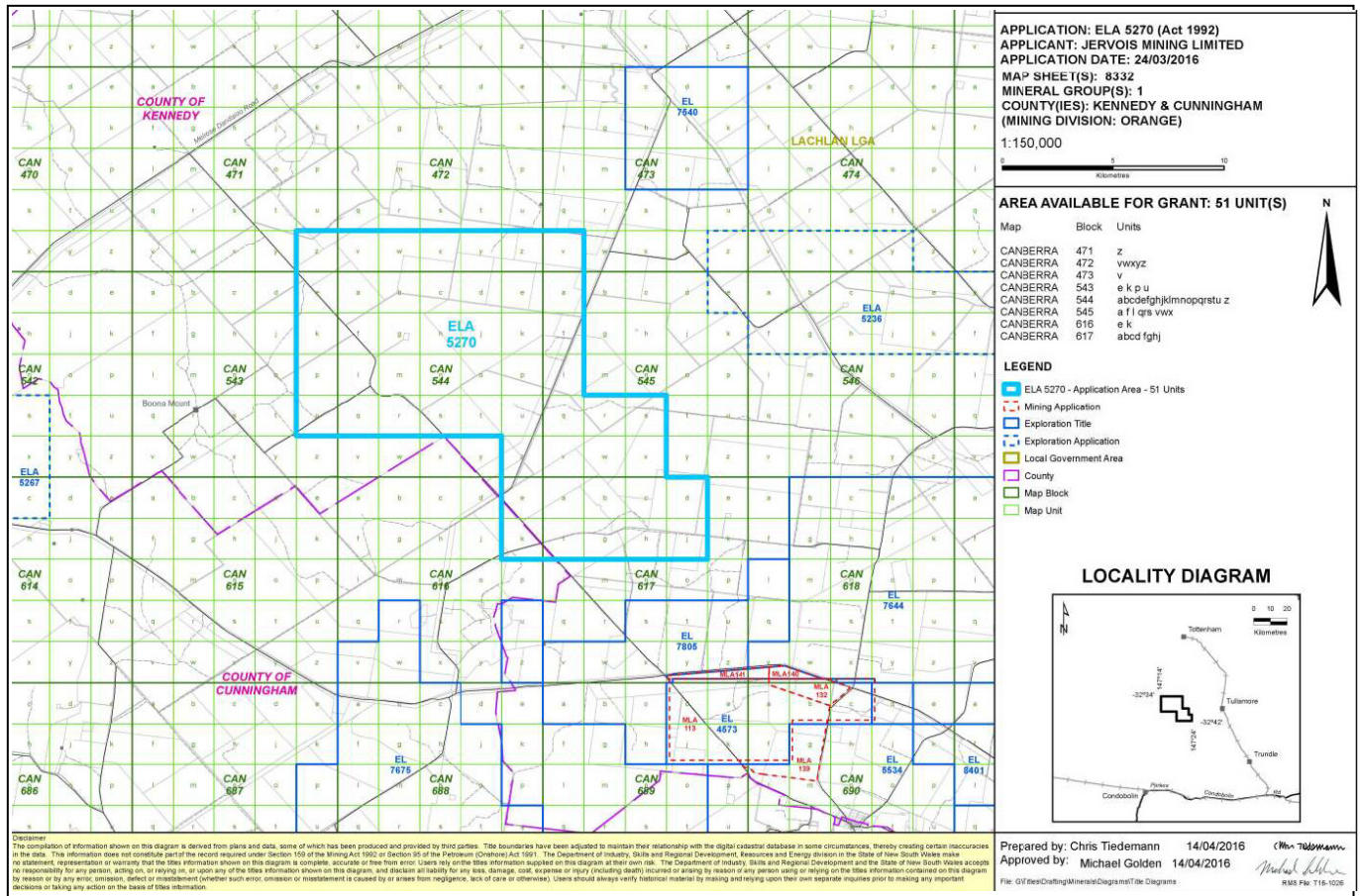


Figure 3: Location map of newly granted tenement - Area 1, EL 8747.

METALLURGY

Update on EL006303 Eildon JRV (Antimony-Gold Project) – Preliminary Flotation Tests

At Eildon (Victoria), antimony occurs in the form of narrow veins and veinlets. Securing the Eildon prospect is exciting news for Shareholders, as the antimony also contains gold. It is expected that the gold will upgrade further when the antimony/stibnite is concentrated. This was recently tested using a preliminary 'rougher' flotation test. Test results are presented below.

The samples were made available to Jervois Mining by the previous holder who collected the samples during their exploration of the tenement.

A 5 kg sample was crushed to -1 mm - CSIRO designation 1601. The sample was blended and riffled into 500g lots by standard means. The head assays of the sample are given in Table 1.

Table 1. Head assays.

	Al ₂ O ₃ %	As %	CaO %	Fe %	K ₂ O %	MgO %	Mn %	S %	Sb %	SiO ₂ %	Au ppm
1601 Head	3.81	0.1	0.29	0.74	0.97	0.12	0.01	4.57	25.7	56.5	0.87

The sample is high in antimony (>25%) but the sulphur assay was only 4.57%. If all the antimony was present as stibnite (Sb₂S₃) and there were no other sulphide minerals present, the sulphur assay would be expected to be approximately 10%. The lower than expected sulphur assay suggests that only half the antimony is present as a sulphide and the other half is present as an oxide. Antimony oxide is not normally recovered by flotation.

The results of the flotation test are summarised in Table 2, which shows good agreement between the calculated heads and the measured heads for all components except gold and iron. The reason for the discrepancy in the iron heads is unknown, but the discrepancy in gold assay may be a sampling issue. Because of the discrepancy in gold heads, no firm conclusions can be made about the deportment of gold in this particular test.

Table 2. Metallurgical results for flotation test

		Al ₂ O ₃ %	As ppm	CaO %	Fe %	K ₂ O %	Mg %	Mn %	S %	Sb %	SiO ₂ %	Au* ppm
Sulphide Concentrate	A	0.86	0.23	0.13	1.53	0.23	0.03	0.02	23.6	62.5	7.44	5.93
	R	4.22	41.2	7.88	22.6	4.26	5.26	19.6	91.3	44.5	2.41	61.2
Oxide Concentrate	A	4.08	0.15	0.47	2.78	1.07	0.12	0.05	4.18	36.3	37.4	2.34
	R	4.85	6.44	6.95	9.96	4.85	4.76	10.1	3.93	6.30	2.95	5.88
Tailing	A	4.39	0.07	0.33	1.08	1.15	0.13	0.02	0.29	16.2	68.9	0.75
	R	90.9	52.4	85.2	67.5	90.9	90.0	70.3	4.76	49.2	94.6	32.9
Calc. Head		3.73	0.10	0.30	1.24	0.98	0.11	0.02	4.72	25.6	56.3	1.76
Measured Head		3.81	0.10	0.29	0.74	0.97	0.12	0.01	4.57	25.7	56.5	0.87

* Au assays in ppm; A – assay; R- recovery; All analyses were done by ALS Minerals, an accredited lab in Brisbane.

The sulphide concentrate reported in Table 2 includes all concentrates recovered after the addition of lead nitrate and PaX up to and including the concentrate recovered after the second collector addition. The oxide concentrate refers to the concentrate recovered after the sulphidisation of the sulphide concentrate tailing.

This produced a concentrate containing 44.5% of the antimony and 91.3% of the sulphur at an antimony grade of 62.5%. This was a very good result in terms of both antimony sulphide recovery and grade. Note that the typical grade for a saleable antimony concentrate is minimum 60% Sb and therefore this one stage of flotation meets most of the specifications to make a saleable concentrate. Note also the 4 to 6-fold increase in the gold content in the sulphide concentrate. The results of this preliminary study will be confirmed when a more representative sample of the deposit can be obtained on grant.

Attempts to float the antimony oxide were unsuccessful. Alternative methods such as gravity concentration will be investigated.

SYERSTON-FLEMINGTON METALLURGICAL TESTS

Prior to the recent Joint Venture agreement with Australian Mines Ltd, Jervois Mining was committed to two projects to supplement further metallurgical information to our patented process.

Although solvent extraction is the preferred scandium extraction method, Jervois Mining has expanded its work into ion exchange and has obtained some successful results. The new scandium project is investigating the performance of four new resins obtained from Russia. Both projects are now in progress.

YOUNG – ARDNAREE (NSW) Ni-Co PROJECT

A number of leaching tests are planned to extract nickel and cobalt from our Young lateritic ores. These tests will involve the application of Jervois Mining's patented scandium extraction process.

UPDATE OF PROGRAMS WESTERN AUSTRALIA



Figure 4: Project Location Plan, Western Australia

During the June Quarter Jervois announced to the ASX that a Joint Venture Agreement had been entered into with Australian Mines Ltd (ASX: AUZ) in relation to the Arunta West Project. During the September Quarter AUZ commissioned Southern Geoscience Consultants to gather all available geophysical data, reprocess it and report on the geophysical targets in the project.

JRV purchased one tenement E80/4820 in the December Quarter 2015 from Ashburton Gold Mines Ltd a wholly owned subsidiary of Platypus Minerals Ltd. for two million JRV shares at 5 cents per share equating to \$100,000. Two tenements ELA80/4986 and ELA80/4987, which we also pegged at the time, have yet to be granted.

Executives from AUZ and JRV went to Alice Springs during the Quarter to meet with the Kiwirrkurra Community. The visit to Alice Springs resulted in a successful resolution of a land access agreement with the traditional owners on E80/4820.

The Arunta West project consists of three Exploration Licences E80/4820 (granted) and applications ELA80/4986 and ELA80/4987 which cover a total area of approximately 345 sq/km. The project is located approximately 600 km west-northwest of Alice Springs, within the Gibson Desert of Western Australia, near the Western Australian Northern Territory Border. (See Figure 5.)

Key terms of the agreement with Australian Mines Ltd (AUZ) include:

Expenditure of a minimum of \$350,000 on exploration within 24 months to acquire a 51% interest in the project. At which point AUZ may elect to acquire a further 29% interest in the project by spending \$3.15 million on exploration on the project within a further 24 month period to bring the total AUZ interest to 80%. Once AUZ has satisfied earn in requirements, Jervois may elect to contribute on a pro rata basis, or dilute using an industry formula based on expenditure.

AUZ will be the operator and manager of the project.

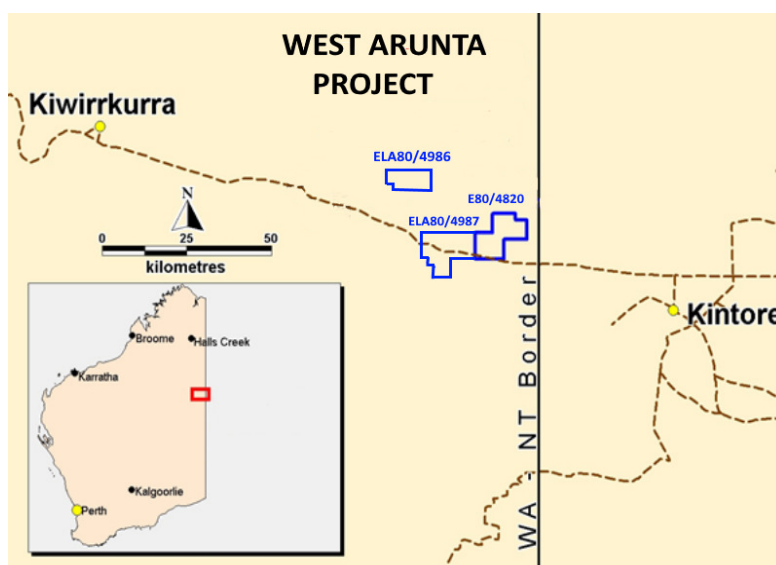


Figure 5: West Arunta location

The geophysical review of available aeromagnetic, gravity, digital elevation and airborne electromagnetic data by Southern Geoscience Consultants concluded that the project area straddles the Central Australian Suture (CAS); a major crustal boundary, geologically complex, with numerous intrusive rocks and overlying sediments.

The review stated that although a limited number of mineral discoveries have been made in the area, with affinities with IOCG (Iron Oxide Copper Gold) and VMS (Volcanogenic Massive Orebodies), the area is considered prospective for structurally controlled lode gold and potentially, base metals.

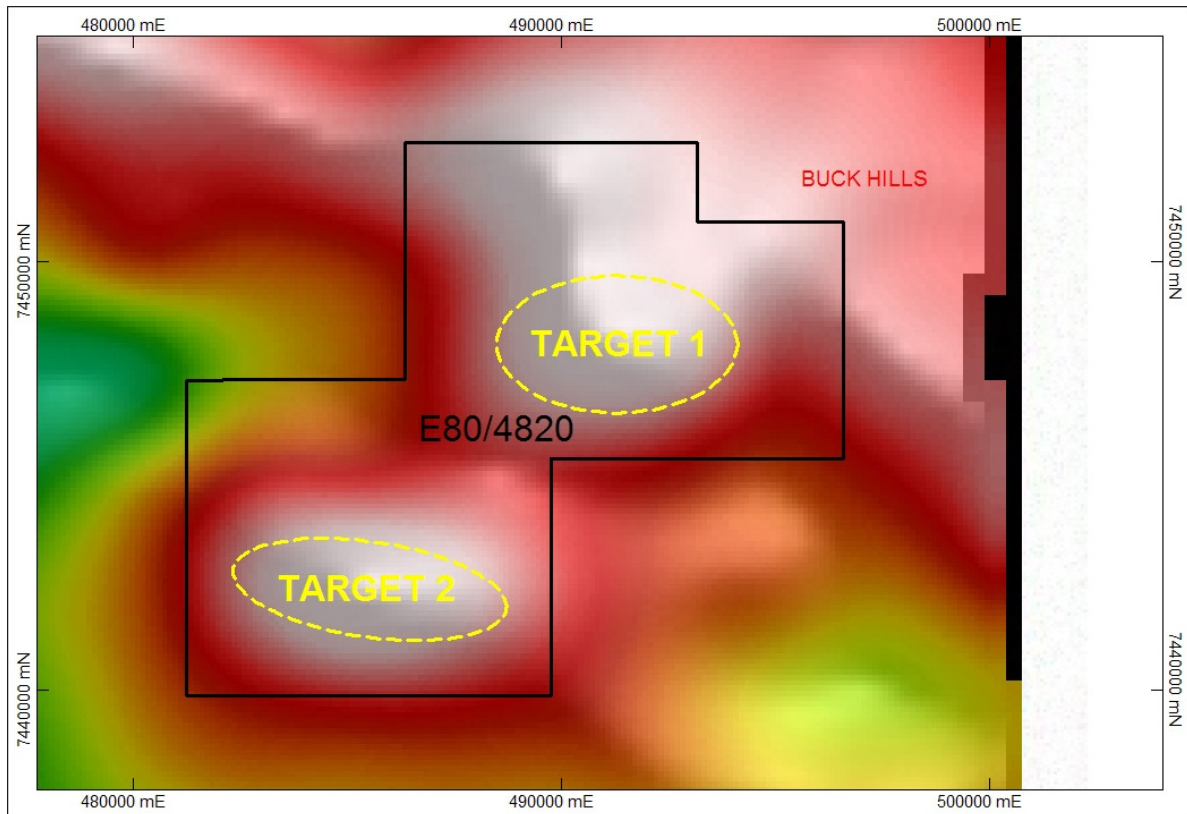


Figure 6: Tenement E80/4820 Gravity Map showing areas of High Anomalous Gravity Target 1 and Target 2

The above map (Figure 6) was prepared by Ashburton Gold Mines Ltd, showing two high gravity targets. The targets are approximately 4-5kms long and 2kms wide which is due to coarse resolution of sample points where gravity was sampled on a 2.5km x 2.5km grid. These targets were confirmed by Southern Geoscience, from the data review, as two high priority targets in the Arunta Project area. Target 2, which covers the North Dovers prospect, is considered the highest priority target due to the presence of coincident magnetic and gravity anomalies.

It was recommended by the consultants that the gravity grid be reduced to 400m x 400m and to take magnetometer measurements to better define the targets for drilling.

The land access agreement struck with the local community will allow a gravity survey to take place.

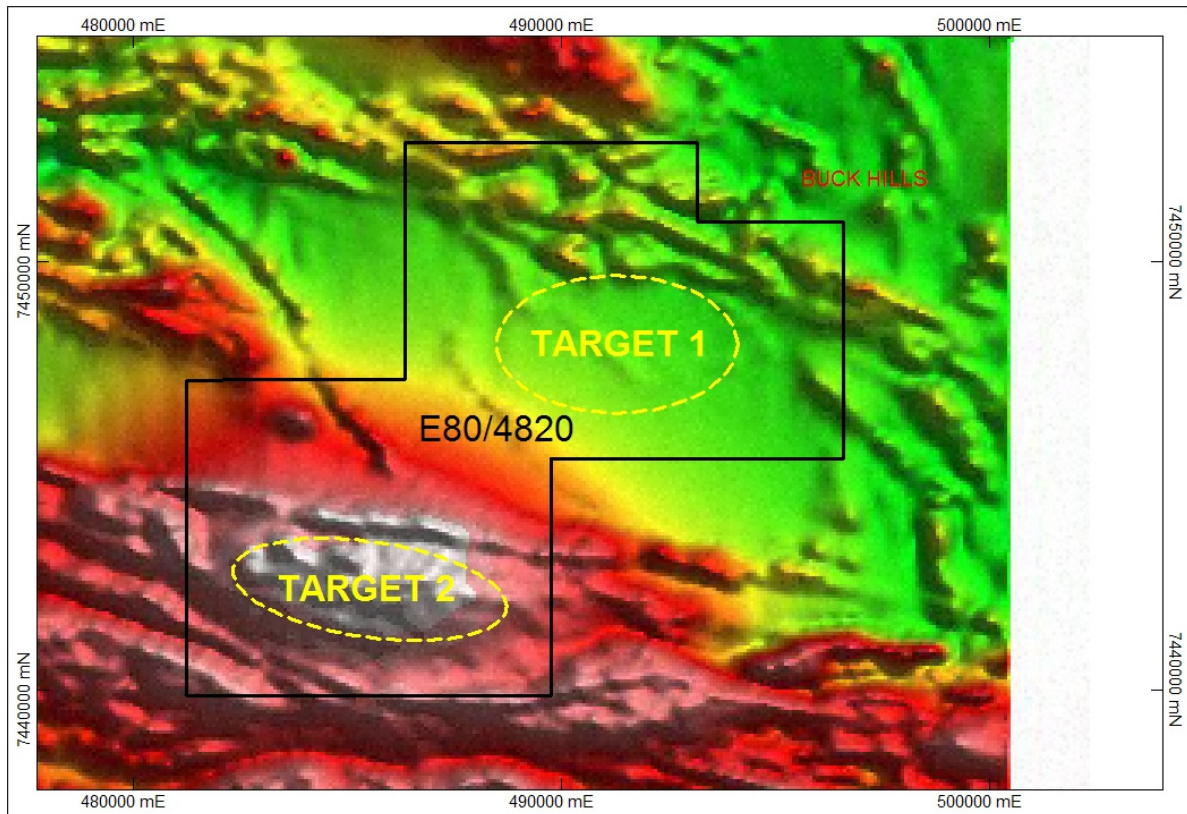


Figure 7: E80/4820 Total Magnetic Map Showing Targets 1 & 2

Figure 7 was also produced by Ashburton Gold Mines Ltd. It shows Target 2 as a highly magnetic feature and Target 1 as a magnetic low. On acquisition Target 2 is considered, by JRV, as potential for an IOCG mineralised style body such as found at Ernest Henry and the Olympic Dam mines.

Alteration may include secondary magnetite and hematite, which may account for the low magnetic response at Target 1 and structural zones demagnetised by through-going hydrothermal fluids.

The JRV board are satisfied with the projects progress and the potential that our joint venture partners AUZ and their geophysical consultants have confirmed for this project.

ROYALTIES

Jervois Mining Limited owns a spread of Royalty positions which encompass Gold at Bullabulling, 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 Jervois Mining Limited Royalty will ultimately be the first to yield 'cash flow' to the Company.

Jervois retains a production royalty over the Nyngan project, now owned by Jervois former joint venture partner Scandium International Inc. Jervois retain 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 Zinjin Groups wholly owned subsidiary Norton Gold Field Limited 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.

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Forest Reefs (Newcrest Mining Limited) 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. The Royalty is 1.5% Net Smelter Return.

EXPENDITURE FOR QUARTER ENDED 30 June 2016

Expenditure on Exploration for the Quarter was \$108,755

By order of the Board.



Duncan Pursell.
Managing Director.

The information in this report that relates to Exploration Results or Mineral Resources 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'. D.C. Pursell and D. Foster consent to the inclusion.