
JERVOIS MINING LIMITED

ACN 007 626 575

NOTICE OF ANNUAL GENERAL MEETING

TIME: 2pm (AEDST)

DATE: 31 October 2018

PLACE: offices of Baker McKenzie, Level 19, 181 William Street, Melbourne VIC 3000.

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Chairman or Company Secretary on (03) 9583 0498.

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the Annual General Meeting of shareholders of Jervois Mining Limited will be held at the offices of Baker McKenzie, Level 19, 181 William Street, Melbourne VIC 3000, at 2pm (AEDST) on 31 October 2018.

The Explanatory Statement to this Notice of Meeting provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Statement and the proxy form are part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders of the Company at 7pm on 29 October 2018. Accordingly, transfers registered after that time will be disregarded in determining entitlements to attend and vote at the Annual General Meeting.

Terms and abbreviations used in this Notice of Meeting and the Explanatory Statement are defined in the Glossary.

BUSINESS

1. ADOPTION OF THE ANNUAL FINANCIAL REPORT

To receive and consider the financial statements of the Company and the declarations and accompanying reports of the Directors and auditors for the financial year ended 30 June 2018.

2. RESOLUTION 1 - ADOPTION OF THE REMUNERATION REPORT

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, for the purposes of Section 250R(2) of the Corporations Act and for all other purposes, approval is given to the adoption of the Remuneration Report as contained in the Company's financial report for the year ended 30 June 2018."

Short Explanation: The vote on this resolution is advisory only and does not bind the Directors or the Company.

Voting Exclusion:

Under the Corporations Act, the following persons may not vote, and the Company will disregard any votes cast by or on behalf of the following persons, (in any capacity, whether by proxy or shareholder) on Resolution 1:

- any member of the Key Management Personnel whose remuneration details are included in the Remuneration Report;
- a closely related party of such Key Management Personnel; and
- any proxy for a member of such Key Management Personnel or a closely related party of such Key Management Personnel.

unless the vote is cast:

- by a person as a proxy for a person entitled to vote, provided that the vote is cast in accordance with a direction on the proxy form as to how the proxy is to vote on Resolution 1; or
- by the Chairman of the Meeting as proxy for a person who is entitled to vote, and the proxy appointment expressly authorises the Chairman to vote an undirected proxy on Resolution 1 as the Chairman sees fit.

3. RESOLUTION 2 – RE-ELECTION OF A DIRECTOR – MR STEPHEN VAN DER SLUYS

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That Mr Stephen van der Sluys, a Director of the Company who retires by rotation in accordance with clause 75.1 of the Constitution, and being eligible, be re-elected as a Director of the Company."

4. RESOLUTION 3 – ELECTION OF A DIRECTOR – MR PETER JOHNSTON

To consider and, if thought fit, to pass the following resolution as an **ordinary resolution**:

"That, Mr Peter Johnston, who was first appointed as a Director of the Company on 1 July 2018 and who retires in accordance with clause 71.2 of the Constitution and, being eligible, be re-elected as a Director of the Company."

5. RESOLUTION 4 - GRANT OF OPTIONS TO PETER JOHNSTON

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

"That for the purposes of Chapter 2E of the Corporations Act, ASX Listing Rule 10.11, and for all other purposes, approval is given to grant to Mr Johnston 7,500,000 options to subscribe for fully paid ordinary shares in the Company exercisable at 29.5 cents per share on or before 1 July 2023, and otherwise on the terms and conditions set out in the Explanatory Statement"

Voting Exclusions:

Under the Listing Rules and the Corporations Act, the Company will disregard any vote cast in favour of Resolution 4 by or on behalf of Mr Johnston or any of his associates. However, the Company will not disregard a vote if it is cast by:

Mr Johnston or any of his associates as a proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or

The Chairman of the Meeting, as proxy for a person who is entitled to vote, in accordance with a direction on the proxy form to vote as the proxy decides.

In addition, a vote must not be cast, and the Company will disregard any votes cast, on the Resolution 4 by any member of the Company's Key Management Personnel as at the date of the (or any closely related party of a Key Management Personnel) who is appointed as a proxy for a person who is entitled to vote, where the appointment does not specify how the proxy is to vote on Resolution 4.

However, this exclusion will not apply where the vote is cast by the Chairman of the Meeting as proxy for a person who is entitled to vote, and the proxy appointment expressly authorises the Chairman to vote undirected proxies on the Resolution 4 as the Chairman decides.

6. RESOLUTION 5 - RATIFICATION OF PRIOR ISSUE OF OPTIONS

To consider and if thought fit, to pass the following Resolution as an **ordinary resolution**:

"That for the purposes of Listing Rule 7.4 and for all other purposes, the shareholders of the Company approve and ratify the previous issue a total of 3,000,000 Options comprising, 500,000 unlisted Options to purchase new ordinary shares in the company at an exercise price of 34.5c per share under Listing Rule 7.1 on 31 May 2018 and 2,500,000 unlisted Options to purchase new ordinary shares in the company at an exercise price of 30.5c per share under Listing Rule

7.1 on 19 June 2018 and otherwise on the terms and conditions set out in the Explanatory Statement attached to this Notice of Meeting.”

Voting exclusion statement on Resolution 5:

The Company will disregard any votes cast in favour of this Resolution by:

- (a) any person who participated in the issue of the Options; and
- (b) any Associates of those persons.

However, the Company need not disregard a vote if it is cast by a person:

- (c) as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form; or
- (d) chairing the meeting as proxy for a person who is entitled to vote, in accordance with the direction on the Proxy Form to vote as the proxy decides.

7. RESOLUTION 6 – ADDITIONAL PLACEMENT CAPACITY

To consider, and if thought fit, to pass the following resolution as a **special resolution**:

“That for the purposes of Listing Rule 7.1A, the directors are authorised to issue totalling up to 10% of the issued capital of the Company (at the time of issue) at an issue price, or for non-cash consideration, that is at least 75% of the volume weighted price for the Company’s shares calculated over the period prescribed under Listing Rule 7.1A.3, and otherwise on the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion:

The Company will disregard any votes cast in favour of resolution 6 by a person (and any associates of such a person) who may participate in the issue of shares and a person who might obtain a benefit, except a benefit solely in the capacity of a Shareholder if resolution 6 is passed. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

Important notes to the Resolutions

For further information and explanation on the Resolutions to be put to the Meeting, please refer to the Explanatory Statement which is **enclosed** and forms part of this Notice of Meeting.

DATED: 26 September 2018
BY ORDER OF THE BOARD
JERVOIS MINING LIMITED
ALWYN DAVEY
COMPANY SECRETARY

VOTING INFORMATION

YOUR VOTE IS IMPORTANT

The business of the Annual General Meeting affects your shareholding and your vote is important.

VOTING IN PERSON

To vote in person, attend the Annual General Meeting on the date and at the place set out above.

VOTING BY PROXY

To vote by proxy, please complete and sign the proxy form enclosed and send the proxy form (and the power of attorney or other authority, if any, under which the proxy form is signed) or a copy which appears on its face to be an authentic copy of the proxy form (and the power of attorney or other authority):

- (a) by mail
C/- Computershare Investor Services Pty Limited
GPO Box 242, Melbourne
Victoria, 3001
- (b) By facsimile
On 1800 783 447 (within Australia) or
(61 3) 9473 2555 (outside Australia)
- (c) Online at
www.investorvote.com.au
- (d) Online at
www.intermediaryonline.com.au
(for intermediary Online subscribers only)

so that it is received not later than 2pm (AEDST) on 29 October 2018.

Proxy forms received later than this time will be invalid.

A shareholder entitled to attend and vote at the meeting may appoint one or two proxies to attend and vote on their behalf. Each proxy will have the right to vote on a poll and also to speak at the meeting.

A proxy need not be a member of the Company and a proxy can be either an individual or a body corporate.

The appointment of a proxy may specify the proportion or the number of votes that the proxy may exercise. Where more than one proxy is appointed and the appointment does not specify the proportion or number of the shareholder's votes each proxy may exercise, the votes will be divided equally among the proxies (i.e. where there are two proxies, each proxy may exercise half the votes).

If a proxy is not directed how to vote on an item of business, the proxy may vote or abstain from voting on that resolution as they think fit.

If a proxy is instructed to abstain from voting on an item of business, they are directed not to vote on the shareholder's behalf on the poll and the shares that are the subject of the proxy appointment will not be counted in calculating the required majority.

Shareholders who return their proxy forms with a direction on how to vote but do not nominate the identity of their proxy will be taken to have appointed the Chairman of the meeting as their proxy to vote on their behalf.

If a proxy form is returned but the nominated proxy does not attend the meeting, or does not vote on the resolution, the Chairman of the meeting will act in place of the nominated proxy and vote in accordance with any instructions.

Due to the voting exclusions and requirements referred to in the Explanatory Statement, if you intend to appoint any Director or Key Management Personnel or their closely related parties, other than the Chairman, as your proxy, you should direct your proxy how to vote on Resolutions 1 or 4 by marking either "For", "Against" or "Abstain" on the proxy form for that relevant item of business. Closely related parties are defined in the Corporations Act to include the spouses, dependents, certain other close family members of the members of Key Management Personnel as well as any companies controlled by such a member. If you do not direct such a proxy how to vote on those Resolutions they will not be able to vote an undirected proxy and your vote will not be counted. This does not apply to the Chairman, who is able to vote undirected proxies.

The Chairman intends to vote any undirected proxy in favour of all Resolutions. You should note that if you appoint the Chairman as your proxy, or the Chairman is appointed your proxy by default, you will be taken to authorise the Chairman to exercise the proxy even if the Resolution is connected directly or indirectly with the remuneration of a member of the Key Management Personnel.

If you wish, you can appoint the Chairman as your proxy and direct the Chairman to cast your votes contrary to the above stated voting intention or to abstain from voting on a Resolution. Simply mark your voting directions on the proxy form before you return it.

The proxy form must be signed by the member or his/her attorney duly authorised in writing or, if the member is a corporation, in a manner permitted by the Corporations Act. A proxy given by a foreign corporation must be executed in accordance with the laws of that corporation's place of incorporation.

A proxy form is attached to this Notice of Annual General Meeting.

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders of the Company in connection with the business to be conducted at the Annual General Meeting to be held at the offices of Baker McKenzie, Level 19, 181 William Street, Melbourne VIC 3000 on 31 October 2018 at 2pm (AEDST).

The purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

BUSINESS

1. FINANCIAL STATEMENTS AND DIRECTORS' REPORTS

The Corporations Act requires the financial report of the Company and the reports of the Directors and auditors be received and considered before the Annual General Meeting. Accordingly, the Company's financial report and the reports of the Directors and auditors for the year ended 30 June 2018 will be presented to the shareholders for consideration. No resolution is required on those reports.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

The Remuneration Report for the financial year ended 30 June 2018 is set out in the Directors' report of the Company's 2018 Annual Report and is available on the Company's website at www.jervoismining.com.au. The Remuneration Report sets out the Company's policies and a range of matters relating to the remuneration of Directors and other Key Management Personnel of the Company.

Shareholders attending the Annual General Meeting will be given a reasonable opportunity to ask questions about, or make comments on, the Remuneration Report.

Under the Corporations Act, a listed entity is required to put to the vote a resolution that the Remuneration Report be adopted. Whilst the resolution must be put to a vote, the resolution is advisory only and does not bind the Directors or the Company. However, if at least 25% of votes are cast against the resolution at two consecutive annual general meetings (this did not occur last year), a 'board spill resolution' needs to be put to shareholders. If such a board spill resolution is passed by shareholders, the Company is required to hold a further meeting of shareholders within 90 days to consider replacing those directors (other than the managing director) in office at the time the remuneration report was approved by the board.

The Board will take the outcome of the vote into consideration when reviewing remuneration practices and policies.

Recommendation

The Directors unanimously recommend that shareholders vote in favour of this resolution.

3. RESOLUTION 2 – RE-ELECTION OF DIRECTOR

Clause 75.1 of the Constitution requires that one third of the Company's Directors must retire at each annual general meeting. Clause 75.4 of the Constitution provides that a retiring Director is eligible for re-election.

Mr Stephen van der Sluys will retire by rotation in accordance with the Constitution, and offers himself for re-election at the Meeting.

Mr van der Sluys was previously an executive director of Queensland Nickel Limited leading to the \$ 375 Million IPO in the early 90's, subsequently brokered the sale of the

Ravensthorpe Project to BHP and was also principal financial advisor to Anaconda Nickel Limited in its AUD 1.4 billion Murrin Murrin Nickel/Cobalt Project Financing.

Recommendation

The Directors (with Mr van der Sluys abstaining) unanimously recommend that shareholders vote in favour of this resolution.

4. RESOLUTION 3 – ELECTION OF DIRECTOR

Mr Peter Johnston was appointed to the Board on 1 July 2018 as an additional Director. The Company's Constitution provides that a Director appointed as an additional Director to the Board must not hold office (without re-election) past the next annual general meeting. Mr Johnston will therefore retire, and offers himself for re-election at the Meeting.

Mr Johnston is recognised as one of Australia's leading mining executives and directors, with more than 35 years of operational and project development experience. His previous roles include Head of Global Nickel Assets for Glencore International AG and Managing Director and CEO of Minara Resources Limited, which was a subsidiary of Glencore from 2005 until its delisting in 2011.

Recommendation

The Directors (with Mr Johnston abstaining) unanimously recommend that shareholders vote in favour of this resolution.

5. RESOLUTIONS 4 – APPROVAL TO GRANT OPTIONS TO DIRECTOR

The Company proposes to grant Options to Mr Peter Johnston, the non-executive Chairman of the Company, as part of his remuneration package.

The ASX Listing Rules prohibit the issue of securities to directors without shareholder approval (except in certain circumstances, none of which apply here). In addition, if approval is given under Listing Rule 10.11, approval is not required under Listing Rule 7.1.

The following information is given to Shareholders as required by the Listing Rules:

- (a) The related party to whom the Options will be issued is Mr Peter Johnston and the maximum number of Options to be granted to him is 7,500,000. There is no issue price for the Options.
- (b) No funds will be raised by the issue of the Options under Resolutions 4. However, the funds received by the Company upon the exercise of the Options granted pursuant to Resolution 4 will be used as working capital.
- (c) If all of the Options granted pursuant to Resolution 4 are exercised, \$2,212,500 will be received by the Company upon exercise of the 7,500,000 Options.
- (d) Terms of the Options are set out in Annexure A:

The Options will be issued within 1 month of approval by Shareholders.

Other Information

The Directors are remunerated at a level commensurate with the current stage of the Company's development and its financial capacity. Mr Johnston is remunerated at \$75,000 per annum (including superannuation) for his role as Chairman and non-executive director.

The Company believes it is appropriate to grant Options to non-executive Directors. Smaller entities often elect to use equity instruments to remunerate key personnel in order to attract and retain high calibre individuals while minimising the cash cost of engaging those people. In addition, the Options also help to create alignment

between directors and shareholders. In particular, the Company wishes to grant the Options to Mr Johnston under the proposed Resolution 4 in order to align their remuneration with comparable non-executives of his experience rather than other alternatives considered by the Company including increasing Directors' fees or providing other forms of cash based remuneration in recognition of the calibre of Mr Johnston. The Company considers the issue of the Options to be preferable to other available alternatives because it provides a means of appropriately remunerating and incentivising Mr Johnston while preserving cash resources and also aligns their interests with the interests of shareholders.

The Board has approved the grant of the Options to Mr Johnston having regard to his roles as non-executive Director, the number of Options held by the other Directors and the current stage of the Company's development.

The Options, if their issue is approved by Shareholders, will be valued at the grant date. However, an indicative valuation of each tranche of Options as at 6 September 2018 (being the last practicable date prior to this Notice of Meeting) is detailed below:

<u>Option Holder</u>	<u>Number of Options</u>	<u>Exercise Price</u>	<u>Indicative value of Options</u>
Peter Johnston	7,500,000	\$0.295	\$1,524,563

The indicative value of the Options is based on a Black and Scholes valuation of the Options as at 6 September 2018 based on the following inputs:

- Underlying Share Price: \$0.28 per Share (closing price of Jervis on 6 September 2018).
- Exercise price: \$0.295 per Share (representing the closing price of the Company's securities on the ASX on 18 June 2018, the date immediately prior to the announcement of Mr Johnston's appointment).
- Risk free rate: 1.98% (Australian Government 3 year bond yield).
- Volatility: 100% (Jervis historic 12 month volatility).
- Indicative Grant Date: 1 November 2018.
- Expiry: 1 July 2023.
- All Options issued are not expected to be forfeited or become non-exercisable.
- The Company does not pay a dividend (on the basis that the Company has no short term plans to issue dividends); and

In accordance with AASB 2, the value of the Options to be granted to Johnston will be calculated on the issue date using the Black and Scholes method and expensed in the Statement of Profit & Loss in the years ended 30 June 2019 and 2020. However, based on the indicative valuation as at 6 September 2018 set out above, the total charge to profit and loss for the year ended 30 June 2019 and 30 June 2020, would be approximately \$1,524,563

The number of Options to be issued to Mr Johnston if Resolution 4 is approved represent, on a fully diluted basis assuming all other Options on issue are converted, 3.1% of the Company's issued capital as at the date of this Notice of Meeting. Mr Johnston currently holds no Shares in the Company. If Mr Johnston is granted, and subsequently exercise the Options the subject of Resolution 4, he will hold 7,500,000 Shares, representing 3.25% of the Company's capital (assuming no other options are converted). The exercise of the Options will therefore have no effect on the control of the Company.

The exercise of the Options will dilute existing Shareholders' interests by 3.25% (assuming no other changes in the Company's capital as at the date of this Notice of Meeting).

Chapter 2E of the Corporations Act

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

(a) obtain the approval of the public company's members in the manner set out in sections 217 to 227 of the Corporations Act; and

(b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in sections 210 to 216 of the Corporations Act.

The proposed grant of the Options constitutes giving a financial benefit and Mr Johnston is a related party of the Company by virtue of being a Director.

Shareholder approval is sought for Resolution 4 in accordance with Chapter 2E of the Corporations Act. Pursuant to and in accordance with the requirements of section 219 of the Corporations Act, information is set out above and throughout this Explanatory Statement in relation to the proposed issue of Options to Mr Johnston.

The Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 4. The full terms of the Options to be issued to Mr Johnston are set out in Annexure A of this Explanatory Statement.

Recommendation

Mr Johnston is to receive the Options under Resolution 4, and accordingly makes no recommendation and abstains from making a recommendation because of his material personal interest in the Resolution.

The other Directors consider that it is a matter of good practice to avoid making a recommendation about other Directors' remuneration in these circumstances as there may be a conflict of interest if such a recommendation was made. Accordingly, no Director makes any recommendation on the issue of Options to Mr Johnston under Resolution 4.

6. Resolution 5 - Ratification of prior issue of Options

The Resolution set out in item 6 of the Notice seeks Shareholder approval for the prior issue of 3,000,000 Options comprising, 500,000 unlisted Options to purchase new ordinary shares in the company at an exercise price of 34.5c per share under Listing Rule 7.1 on and 2,500,000 unlisted Options to purchase new ordinary shares in the company at an exercise price of 30.5c per share.

The Options were issued to the recipients on 31 May 2018 (500,000) and 19 June 2018 (2,500,000).

Listing Rule 7.1 provides that a company must not, subject to specified exceptions under Listing Rule 7.2, issue or agree to issue securities during any 12 month period in excess of 15% of the number of ordinary shares on issue at the commencement of that 12 month period, without shareholder approval.

Listing Rule 7.4 provides that an issue of securities made without approval under Listing Rule 7.1 will be treated as having been made with shareholder approval for the purposes of Listing Rule 7.1 if shareholders subsequently approve it and the issue did not breach Listing Rule 7.1.

Shareholder ratification of the prior issue of Options is now being sought for the purposes of Listing Rule 7.4.

The effect of ratification in accordance with Listing Rule 7.4 is the reinstatement of the Company's capacity to issue further securities up to 15% of the Shares, if required, in the next 12 months without requiring Shareholder approval.

The Directors believe that it is in the best interests of the Company that the Company maintains its ability to issue up to 15% of the issued capital of the Company.

For the purposes of Listing Rule 7.5, which contains the requirements as to the contents of a notice sent to shareholders for the purposes of Listing Rule 7.4, the following information is provided to Shareholders:

Number of securities issued	3,000,000 Options were issued under Listing Rule 7.1.
Price	Issue price per Option was \$nil
Terms	<p>500,000 Unlisted Options vesting in 1 year with 5 year expiry to 30 May 2024, exercisable at 34.5c per share</p> <p>2,500,000 Unlisted Options vesting in 2 years with 5 year expiry to 18 June 2024, exercisable at 30.5c per share</p> <p>Upon exercise the new shares issued will rank pari passu with all existing securities in their class.</p>
Names of persons to whom securities were issued	The Options were issued to employees and consultants to the Company.
Use of funds raised	<p>No funds were raised by the issue of the Options.</p> <p>Upon exercise of the Options (if all are exercised) \$935,000 would be received by the Company. Such funds raised will be deployed toward advancement of the Company's Nico Young nickel-cobalt deposit. The Company is also actively reviewing advanced stage business development opportunities in multiple jurisdictions for which the funds may be used.</p>

The Directors consider it appropriate and prudent for approval to be sought at the Meeting in respect of the prior issue of Options made by the Company on 31 May and 19 June 2018. The Directors believe this approval will enhance the Company's flexibility to finance its operations through raising equity capital, should the Directors consider it to be in the best interests of the Company to do so.

In particular, the Directors note that, if this approval is not obtained at the Meeting, the Company may be required to incur additional costs and delays if the Directors subsequently propose to issue securities which do not fall under an exception in Listing Rule 7.2 to the 15% rule in Listing Rule 7.1.

Recommendation

The Directors unanimously recommend that Shareholders vote in favour of this Resolution.

7. Resolution 6 – Additional Placement Capacity

Listing Rule 7.1A provides eligible companies, being those with a market capitalisation less than \$300 million and which are not included in the S&P/ASX 300, (which includes Jervois Mining]) the ability to raise an additional 10% of issued capital by way of placements over a 12 month period. This is in addition to a company's ability to issue up to 15% of its issued capital in a 12 month period without Shareholder approval.

This Resolution 6 will only be effective if it is passed as a special resolution which requires (amongst other matters) that it be passed by at least 75% of votes cast by members entitled to vote on the resolution.

The number of shares which may be issued by a company under Listing Rule 7.1A is calculated in accordance with the following formula:

$$(A \times D) - E$$

where

- A** is the number of shares on issue 12 months before the date of issue or agreement:
- plus the number of fully paid shares issued in the 12 months under an exception in Listing Rule 7.2;
 - plus the number of partly paid shares that became fully paid in the 12 months;
 - plus the number of fully paid shares issued in the 12 months with the approval of Shareholders under Listing Rule 7.1 or Listing Rule 7.4;
 - less the number of fully paid ordinary shares cancelled in the 12 months.
- D** is 10%.
- E** is the number of shares issued or agreed to be issued under Listing Rule 7.1A.2 in the 12 months before the date of issue or agreement to issue that are not issued with the approval of Shareholders under Listing Rule 7.1 or Listing Rule 7.4.

The Directors are seeking approval to issue a number of shares representing 10% of the issued share capital of the Company pursuant to Listing Rule 7.1A.

The primary purpose for which shares may be issued pursuant to resolution 6 is to pursue possible further project opportunities which may arise, for working capital to utilise within the Group for operations and current project development, or for further project opportunities for non-cash consideration.

The shares must be issued at an issue price that is no less than 75% of the volume weighted average market price for securities in that class calculated over the 15 trading days on which trades in that class were recorded immediately before:

- a. The date of which the price at which the equity securities are to be issued is agreed; or
- b. If the equity securities are not issued within 5 Trading Days of the date in paragraph (a) above, the date on which the equity securities are issued.

The Company may issue some of the shares for non-cash consideration, for example, as part of the consideration for an acquisition of assets but the issue price attributable to the shares shall be at least 75% of the volume weighted price as referred to above.

In the event that shares are issued for non-cash consideration, the Company will announce to the market the valuation of the non-cash consideration as required by Listing Rule 7.1A.3.

The Company will comply with the disclosure obligations under Listing Rules 7.1A(4) and 3.10.5A upon issue of any shares.

The Company's allocation policy is dependent on the prevailing market conditions at the time of any proposed issued pursuant to the 10% placement facility under Listing Rule 7.1A. The identity of the allottees of shares will be determined on a case by case basis having regard to factors including but not limited to the following:

- (i) The methods of raising funds that are available to the Company, including rights issue or other issues in which existing Shareholders can participate;
- (ii) The effect of the issue the shares on the control of the Company;
- (iii) The financial situation of the Company;
- (iv) Advice from corporate, financial and broking advisors; and
- (v) The potential benefits an allottee could provide to the Company as a strategic investor (if applicable).

The allottees under the 10% placement facility have not been determined as at the date of this Notice but may include existing substantial Shareholders and/or new Shareholders who are not related parties or associates of a related party of the Company.

Provided that Shareholder approval is granted for resolution 6, then there is a risk that the share price may be lower on the issue date than on the date on which approval is given to this resolution 6, and the shares may be issued at a discount to the market price for those equity securities. Listing Rule 7.1A prescribes a limitation on the discount to the prevailing market price at which they may be issued. The table below is provided to illustrate the potential dilution of existing Shareholders on the basis of the current market price of shares and the current number of shares for variable "A" calculated in accordance with the formula in Listing Rule 7.1A.2 as at 14 September 2018.

Variable "A" in Listing Rule 7.1A.2		Dilution		
		\$0.14 50% decrease in Issue Price	\$0.28 Issue Price	\$0.56 100% increase in Issue Price
Current Variable A 223,262,994 shares	10% Voting dilution	22,326,299	22,326,299	22,326,299
	Funds raised	\$3,125,682	\$6,251,364	\$12,502,728
50% increase in current Variable A 334,894,491 shares	10% Voting dilution	33,489,449	33,489,449	33,489,449
	Funds raised	\$4,688,523	\$9,377,046	\$18,754,091
100% increase In current Variable A 446,525,988 shares	10% Voting dilution	44,652,599	44,652,599	44,652,599
	Funds raised	\$6,251,364	\$12,502,728	\$25,005,455

The table is prepared on the following assumptions:

- (i) The Company issues the maximum number of shares available under Listing Rule 7.1A;
- (ii) The table shows only the effect of shares issues under Listing Rule 7.1A and does not factor in the Company's ability to issue up to 15% of its issued capital under Listing Rule 7.1; and
- (iii) The issue price is \$0.28, being the closing price of the shares of the Company as at 17 September 2018.

The table shows:

- (i) two examples where variable "A" has increased, by 50% and 100%. Variable "A" is based on the number of shares the Company has on issue. The number of shares on issue may increase as a result of issues of shares that do not require approval (for example, a pro rata entitlements issue) or future specific placements under Listing Rule 7.1 that are approved at a future Shareholders' meeting; and
- (ii) two examples of where the issue price of shares has decreased by 50% and increased by 100% as against the current market price.

If Shareholder approval is granted for resolution 6, then that approval will expire on the earlier of:

- (i) 30 October 2019 being 12 months from the date of the Meeting; or
- (ii) the date Shareholder approval is granted to a transaction under Listing Rule 11.1.2 (proposed change to nature and scale of activities) or Listing Rule 11.2 (change involving main undertaking).

The Company has not previously obtained Shareholder approval under Listing Rule 7.1A.

Recommendation

The Directors unanimously recommend that Shareholders vote in favour of this Resolution. A voting exclusion statement is included in the Notice. As at the date of the Notice, the Company has not approached any particular existing Shareholder or security holder or an identifiable class of existing security holder to participate in the issue of the equity securities utilising this 10% placement facility following the 2018 Annual General Meeting. No existing Shareholder's votes will therefore be excluded under the voting at the meeting.

8. ENQUIRIES

Shareholders are required to contact the Chairman or Company Secretary on +61 (3) 9583 0498 if they have any queries in respect of the matters set out in these documents.

GLOSSARY

\$ means Australian dollars.

ASX means ASX Limited (ACN 008 624 691).

Board means the board of directors of the Company.

Company or Jervois means Jervois Mining Limited (ACN 007 626 575).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Directors mean the current directors of the Company.

Explanatory Statement means the explanatory statement which accompanies, and forms part of, the Notice of Meeting.

Key Management Personnel means those persons having authority or responsibility for planning directing and controlling the activities of the Company, directly or indirectly, including any Director (whether executive or otherwise).

Listing Rules means the Listing Rules of ASX.

Meeting means the annual general meeting convened by the Notice of Meeting.

Notice of Meeting means the notice of general meeting accompanying this Explanatory Statement.

Option means an option over an unissued Share on the relevant terms set out in the Explanatory Statement.

Resolution means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires.

Share means a fully paid ordinary share in the Company.

Shareholder means a holder of a Share.

AEDST means Australian Eastern Daylight Savings Time.

Annexure A
Option Terms and Conditions

1. Each Option entitles the holder to subscribe for one (1) Share in the capital of the Company.
2. The Options vest on 1 July 2020.
3. The Options are exercisable before 5.00pm (EST) on 1 July 2023 (**Expiry Date**).
4. The Options are exercisable at a price of \$0.295 each.
5. If the holder is no longer a Director of the Company for any reason, the Options must be exercised by him within 3 months of the date on which he ceased to be a Director, after which time the Options will automatically lapse.
6. All Shares issued upon exercise of the Options will rank pari passu in all respects with the Company's then issued Shares. The Options will be unlisted. No quotation will be sought from ASX for the Options.
7. The Options are not transferable unless the Board otherwise determines in its discretion.
8. There will be no participation rights inherent in the Options to participate in the new issues of capital by the Company offered to Shareholders during the currency of the Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the relevant record date will be at least 4 Business Days (being a day that is not a Saturday, Sunday or public holiday in Melbourne, Victoria) after the relevant issue is announced and the option holder is notified at that time. This will give the holder the opportunity to exercise the Options prior to the date for determining entitlements and to participate in any such issue as a shareholder.
9. In the event of a reorganisation of the capital of the Company the rights attaching to the Options will be changed to the extent necessary to comply with the Listing Rules applying to a reorganisation of capital at the time of the reorganisation.
10. The number of Options held will appear on an option holder statement which will be accompanied by a Notice of Exercise of Options that is to be completed when exercising Options as follows:

Notice of Exercise of Options

To the Directors of Jervois Mining Limited ACN 007 626 575 (the "Company"),

I,

of

being the registered holder of options in the capital of the Company hereby exercise

..... such options to subscribe for fully paid ordinary shares in the Company

("Shares") and enclose application monies payable of cents per option exercised.

I authorise you to register me as the holder of the Shares to be issued to me and agree to

accept such Shares subject to the constitution of the Company.

Dated the day of __

Signed by)

the holder of the options)

11. Subject to vesting as per Paragraph 2, the Options can be exercised at any time prior to their Expiry Date by completing the Notice of Exercise of Options form (similar to the one in paragraph 10) and delivering it to the Company with the exercise monies payable to the Company.

- 12.** The Company shall, within 5 Business Days after the receipt of a Notice of Exercise of Options and exercise monies, issue Shares in respect of the Options exercised and arrange for a holding statement for the Shares to be despatched to the option holder. The Company will, within 7 days, apply for official quotation by the ASX of all Shares issued upon the exercise of the Options. Any Option that has not been exercised prior to the Expiry Date automatically lapses on the expiry date.
- 13.** The Company will advise option holders at least 10 Business Days before the impending expiry of their Options and will advise such other details as the ASX Listing Rules then prescribe, so as to enable option holders to determine whether or not to exercise their Options.
- 14.** If:

 - (a) a takeover bid within the meaning of the Corporations Act is made for the Shares in the Company and the bidder acquires a relevant interest in at least 50.1% of the Shares and the bid is declared unconditional, any Options not exercised which have not vested shall then vest, and any Options which are not exercised within 7 days thereafter shall lapse;
 - (b) a court orders a meeting to be held in relation to a proposed scheme of arrangement in relation to the Company the effect of which may be that a person will have a relevant interest in at least 90% of the ordinary shares in the Company and that resolution is passed by the requisite majorities, any Options which have not vested shall then vest and any Options not exercised during the period which is 2 days of the court order shall lapse.
- 15.** The option holder may exercise any number of the Options without prejudice to the option holder's ability to subsequently exercise any remaining Options.

Jervois

MINING LIMITED

ABN 52 007 626 575

Lodge your vote:

 **Online:**
www.investorvote.com.au

 **By Mail:**
Computershare Investor Services Pty Limited
GPO Box 242 Melbourne
Victoria 3001 Australia

Alternatively you can fax your form to
(within Australia) 1800 783 447
(outside Australia) +61 3 9473 2555

For Intermediary Online subscribers only
(custodians) www.intermediaryonline.com

For all enquiries call:
(within Australia) 1300 850 505
(outside Australia) +61 3 9415 4000

JRV

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Proxy Form

XX



Vote and view the annual report online

- Go to www.investorvote.com.au or scan the QR Code with your mobile device.
- Follow the instructions on the secure website to vote.



Your access information that you will need to vote:

Control Number: 999999

SRN/HIN: I9999999999 PIN: 99999

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

 **For your vote to be effective it must be received by 2pm (AEDST) on Monday, 29 October 2018**

How to Vote on Items of Business

All your securities will be voted in accordance with your directions.

Appointment of Proxy

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

Signing Instructions for Postal Forms

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Attending the Meeting

Bring this form to assist registration. If a representative of a corporate securityholder or proxy is to attend the meeting you will need to provide the appropriate "Certificate of Appointment of Corporate Representative" prior to admission. A form of the certificate may be obtained from Computershare or online at www.investorcentre.com under the help tab, "Printable Forms".

Comments & Questions: If you have any comments or questions for the company, please write them on a separate sheet of paper and return with this form.

**GO ONLINE TO VOTE,
or turn over to complete the form** →

MR SAM SAMPLE
 FLAT 123
 123 SAMPLE STREET
 THE SAMPLE HILL
 SAMPLE ESTATE
 SAMPLEVILLE VIC 3030

Change of address. If incorrect, mark this box and make the correction in the space to the left. Securityholders sponsored by a broker (reference number commences with 'X') should advise your broker of any changes.



I 9999999999

I ND

Proxy Form

Please mark to indicate your directions

STEP 1 Appoint a Proxy to Vote on Your Behalf

XX

I/We being a member/s of Jervois Mining Limited hereby appoint

the Chairman of the Meeting OR

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the Meeting. Do not insert your own name(s).

or failing the individual or body corporate named, or if no individual or body corporate is named, the Chairman of the Meeting, as my/our proxy to act generally at the Meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit) at the Annual General Meeting of Jervois Mining Limited to be held at the offices of Baker McKenzie, Level 19, 181 William Street, Melbourne VIC 3000 at 2pm (AEDST) on Wednesday, 31 October 2018 and at any adjournment or postponement of that Meeting.

Chairman authorised to exercise undirected proxies on remuneration related resolutions: Where I/we have appointed the Chairman of the Meeting as my/our proxy (or the Chairman becomes my/our proxy by default), I/we expressly authorise the Chairman to exercise my/our proxy on Resolutions 1 and 4 (except where I/we have indicated a different voting intention below) even though Resolutions 1 and 4 are connected directly or indirectly with the remuneration of a member of key management personnel, which includes the Chairman.

Important Note: If the Chairman of the Meeting is (or becomes) your proxy you can direct the Chairman to vote for or against or abstain from voting on Resolutions 1 and 4 by marking the appropriate box in step 2 below.

STEP 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a show of hands or a poll and your votes will not be counted in computing the required majority.

	For	Against	Abstain
Resolution 1 Adoption of the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 Re-election of a Director - Mr Stephen van der Sluys	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 Election of a Director - Mr Peter Johnston	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 Grant of Options to Peter Johnston	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 Ratification of prior issue of Options	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 Additional placement capacity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The Chairman of the Meeting intends to vote undirected proxies in favour of each item of business. In exceptional circumstances, the Chairman of the Meeting may change his/her voting intention on any resolution, in which case an ASX announcement will be made.

SIGN Signature of Securityholder(s) *This section must be completed.*

Individual or Securityholder 1

Sole Director and Sole Company Secretary

Securityholder 2

Director

Securityholder 3

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date / /

J R V

9 9 9 9 9 9 A

Computershare +