Jervois Mining Limited.

Management Discussion & Analysis ("MD&A")

For the Year Ended June 30, 2020

INTRODUCTION

This discussion and analysis of financial position and results of operations ("MD&A") is prepared as at September 30, 2020 and should be read in conjunction with the audited consolidated financial statements for the years ended June 30, 2020 and 2019 of Jervois Mining Limited (the "Company" or "Jervois") with the related notes thereto. The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") and in accordance with Australian Accounting Standards (AASBs) (AASB 134 Interim Financial Reporting) adopted by the Australian Accounting Standards Board (AASB). All dollar amounts included therein and in this MD&A are expressed in Australian dollars except where noted.

This discussion contains forward-looking statements that involve risks and uncertainties. Such information, although considered to be reasonable by the Company's management at the time of preparation, may prove to be inaccurate and actual results may differ materially from those anticipated in the statements made.

FORWARD LOOKING STATEMENTS

This MD&A contains "forward-looking information" and "forward-looking statements" (collectively, "forward-looking statements") within the meaning of the applicable Canadian securities legislation. All statements, other than statements of historical fact, are forward-looking statements and are based on expectations, estimates and projections as at the date of this MD&A. Any statement that involves discussion with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events or performance (often, but not always using phrases such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes" or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved) are not statements of historical fact and may be forward-looking statements.

Forward-looking statements relate, but are not limited, to: focus of the Company; estimation of mineral resources; magnitude or quality of mineral deposits; anticipated advancement of ICO, Nico Young Project, Kilembe Area and Bujagali; progress of financing discussions; future operations; future exploration prospects; the completion and timing of future development studies; future growth potential of the Company's projects and future development plans; statements regarding planned exploration and development programs and expenditures, including anticipated commercial production on the Company's properties; proposed exploration plans and expected results of exploration from the Company's projects; Jervois' ability to obtain licenses, permits and regulatory approvals required to implement expected future exploration plans; changes in commodity prices and exchange rates; currency and interest rate fluctuations; and impact of Covid-19 on the timing of exploration work and development studies.

Forward-looking statements are necessarily based upon a number of factors and assumptions that, if untrue, could cause actual results, performance or achievements to be materially different from future results, performance or achievements expressed or implied by such statements. Forward-looking statements are based upon a number of estimates and assumptions that, while considered reasonable by the Company at this time, are inherently subject to significant business, economic and competitive uncertainties and contingencies that may cause the Company's actual financial results, performance, or achievements to be materially different from those expressed or implied herein. Some of the material factors or assumptions used to develop forward-looking statements include, without limitation, the future price of cobalt and nickel, anticipated costs and the Company's ability to fund its programs, the Company's ability to carry on exploration and development activities, the timing and results of drilling programs, the discovery of additional mineral resources on the Company's mineral properties, the timely receipt of required approvals and permits, including those approvals and permits required for successful project permitting, construction and operation of projects, the costs of operating and exploration expenditures, the Company's ability to operate in a safe, efficient and effective manner, the Company's ability to obtain financing as and when required and on reasonable terms; and the impact of Covid-19 and the resumption of business.

Forward-looking statements are subject to a variety of known and unknown risks, uncertainties and other factors that could cause actual events or results to differ from those expressed or implied. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Certain important factors that could cause actual results, performance or achievements to differ materially from those in the forward-looking statements include, among others: (i) access to additional capital; (ii) uncertainty and variations in the estimation of mineral resources; (iii) health, safety and environmental risks; (iv) success of exploration, development and operations activities; (v) delays in obtaining or failure to obtain governmental permits, or non-compliance with permits; (vi) delays in getting access from surface rights owners; (vii) the fluctuating price of cobalt and nickel; (viii) assessments by taxation authorities; (ix) uncertainties related to title to mineral properties; (x) the Company's ability to identify, complete and successfully integrate acquisitions; (xi) volatility in the market price of

Company's securities; (xii) start-up risks; (xiii) general operating risks; (xiv) dependence on third parties; (xv) changes in government regulation; (xvi) the effects of competition; (xvii) dependence on senior management; (xviii) impact of US, Canadian, Ugandan and Australian economic conditions; and (xix) fluctuations in currency exchange rates and interest rates.

This list is not exhaustive of the factors that may affect any of the Company's forward-looking statements. Although the Company believes its expectations are based upon reasonable assumptions and have attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. See the section entitled "RISKS AND UNCERTAINTIES" below for additional risk factors that could cause results to differ materially from forward-looking statements.

Investors are cautioned not to put undue reliance on forward-looking statements. The forward looking-statements contained herein are made as of the date of this MD&A and, accordingly, are subject to change after such date. The Company disclaims any intent or obligation to update publicly or otherwise revise any forward-looking statements or the foregoing list of assumptions or factors, whether as a result of new information, future events or otherwise, except in accordance with applicable securities laws. Investors are urged to read the Company's filings with Canadian securities regulatory agencies, which can be viewed online under the Company's profile on SEDAR at www.sedar.com, and the Company's releases lodged with the Australian Securities Exchange ("ASX"), which can be viewed online under the Company's profile at https://www.asx.com.au/.

DESCRIPTION OF BUSINESS

Jervois was incorporated under the laws of Australia on 25 October 1962.

Jervois is a mineral exploration and development company. In late 2017, the Jervois completed a Board and management transformation, with a new focus on the growing battery metals market. Cobalt and nickel form critical components of the cathodes in lithium ion batteries, which are seeing increased demand as the market for electric vehicles ("EVs") continues to grow. Jervois has plans to construct and operate a portfolio of mines and processing facilities to take advantage of this market, aiming to supply high quality cobalt and nickel for use in EV batteries.

On 24 July 2019, Jervois completed its merger with eCobalt Solutions Inc. ("eCobalt") as announced on 1 April 2019 and thereby acquired the Idaho Cobalt Operation ("ICO"). The ICO comprises the largest National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* ("NI 43-101") compliant cobalt resource in the United Sates (see details below).

As a consequence of the acquisition of M2 Cobalt Corp. ("M2 Cobalt") as announced in January 2019, and completed in June of that year, Jervois acquired control of the Ugandan exploration assets held by M2 Cobalt. Jervois is also in discussions with the Government of Uganda over its potential involvement in a restart of an old Falconbridge mine, known as the Kilembe Project, and an associated cobalt refinery, Kasese Cobalt Company Limited ("KCCL"). The Government of Uganda owns 100% of the Kilembe Project, and its associated licenses and 25% of KCCL.

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

Separately, in late December 2019, the Government of Tanzania announced a pre-qualification tender for the development of the Kabanga nickel-cobalt deposit, in the Kagera Region of Tanzania. Jervois dispatched a team of executives and advisers to Tanzania in January 2020 to finalize an offer, which was submitted on Friday 17 January 2020, ahead of the deadline. The tender process has currently been postponed and the Company will continue to monitor the process.

Covid-19

In response to the impacts of Covid-19, the filing of a ICO Bankable Feasibility Study ("BFS") has been delayed. The results of the study were announced on 29 September 2020 and the workstreams are currently in final stages of completion for the public filing of the BFS.

ICO off-take negotiations have been impacted by Covid-19, particularly in Japan and South Korea where travel has been restricted as of the date of this MD&A. Jervois continues to prepare and dispatch physical concentrate samples to additional markets and is engaging and advancing discussions with customers remotely.

Earlier in 2020, the project execution plan and schedule was reviewed in light of Covid-19 and associated travel and equipment transportation restrictions, together with the impact on capital markets. As a consequence, a revised development plan envisaging ordering of long lead items and detailed design and engineering to commence in January 2021 now form the basis of the BFS. Site construction activities in Idaho will therefore commence only after the winter melt in Q2 calendar 2021, with a revised production start date of mid-2022. Jervois's Board believes this moderate delay is an appropriate step given the unprecedented dislocation Covid-19 has caused in capital markets and the operational risks associated with implementing an aggressive mobilization schedule during the pandemic whilst Idaho, at the time, remained in a State of Emergency with significant restrictions in place. This situation and restrictions on mobility in Idaho including at site have since been lifted.

TRANSACTION WITH ECOBALT

On 1 April 2019, eCobalt and Jervois entered into an arrangement agreement pursuant to which the companies agreed to combine (the "Transaction"). The Transaction was completed on 24 July 2019 by way of a Plan of Arrangement under the *Business Corporations Act* (British Columbia) (the "Arrangement") whereby Jervois has acquired all of the issued and outstanding common shares of eCobalt that it did not already own.

Under the Arrangement, each common share of eCobalt was exchanged for 1.65 shares of Jervois. This represents an implied offer price of $0.36 per eCobalt share based on the closing price of Jervois' common shares on the Australian Securities Exchange on 29 March 2019. After closing of the Transaction, eCobalt stock options and warrants provide that upon exercise the holders will receive Jervois shares.

OVERALL PERFORMANCE

<u>Trading on TSXV</u>

On 21 May 2019, the Company's Shares were granted conditional approval to be admitted to official quotation on the TSXV under the Code "JRV". The Shares of the Company were admitted to official quotation on 21 June 2019.

<u>The Company's operating segments are outlined below</u>.

Australia	Includes Nico Young and other Australian tenement licenses held.
Uganda	Prospective exploration licences held in Uganda, acquired through the acquisition of M2 Cobalt finalised in June 2019.
United States	Includes the eCobalt cobalt-copper-gold mine under construction in Lemhi County outside of the town of Salmon, Idaho.
Other	Consists of non-core exploration not related to Australia, Uganda and the USA, corporate costs, including acquisition costs and financing costs. This is not a reportable segment.

<u>During the 12 months ended June 30, 2020 and 2019 the following results were recorded:</u>

30 June 2020	**Australia A$'000**	**Uganda A$'000**	**USA A$'000**	**Other A$'000**	**Total A$'000**
Other income	-	-	88	3,171	3,259
Segment expense	(417)	(667)	(230)	(10,534)	(11,848)
Depreciation and amortisation	-	-	(304)	(18)	(322)
Net finance costs	-	-	(38)	51	13
Net foreign exchange gain	-	-	-	-	-
Income tax expense	-	-	-	-	-
Segment result	(417)	(667)	(484)	(7,330)	(8,898)
Segment assets	9,858	20,703	84,346	7,773	122,680
Segment liabilities	-	(27)	(11,390)	(515)	(11,932)

30 June 2019	Australia A$'000	Uganda A$'000	USA A$'000	Other A$'000	Total A$'000
Other income	-	-	-	4,138	4,138
Segment expense	(9,536)	(38)	-	-	(9,573)
Depreciation and amortisation	(17)	-	-		(17)
Net finance income	-	-	-	-	-
Net foreign exchange gain	34	41	-	-	75
Income tax expense	-	-	-	(624)	(624)
Segment result	(9,518)	3	-	3,514	(6,001)
Segment assets	16,106	18,138	-	583	34,828
Segment liabilities	(1,879)	(759)	-	-	(2,638)

The key items impacting the overall performance of the Company are:

- On 24 July 2019 the acquisition of eCobalt was completed and resulted in an increase in assets of A$77,034,284 from the corresponding period. In addition, liabilities increased by A$11,630,724.
- During the twelve-month period to June 30, 2020, significant one-off expenses were incurred in relation to the acquisition of M2 and eCobalt. In the corresponding period, the expenses relate to general operational costs and business development activities, including travel.
- On 29 September 2020, the Company announced the results of the ICO BFS.
- The Company is currently engaging with potential debt financiers for ICO and this process will impact the overall performance of the Company with respect to timing of the construction of ICO and therefore commercial production. Underlying these negotiations is the impact from Covid-19 and the current market for cobalt and its importance as a battery metal, in particular for use in Electric Vehicles ("EV"). Continued growth in the take up of EV's will support the long-term plans of the Company and in particular ICO.

Private Placements during financial year end June 30, 2020

In June 2019, the Company announced a non-brokered private placement of 82,500,000 shares at a price of A$0.20 per share for gross proceeds of A$16,500,000, all of which was received as of August 2019. The price represented an 8% premium to the prevailing price on the ASX on 26 June 2019, being the last trading price prior to announcement of the private placement.

Grant of Stock Options

On August 14, 2019, 750,000 share options were granted to an employee with an exercise price of A$0.20 expiring on August 14, 2027, vesting on August 14, 2022 subject to continued employment with the Company.

On August 14, 2019, 250,000 share options were granted to a consultant with an exercise price of A$0.20, vesting on the publication date of the ICO BFS and expiring 5 years thereafter.

On August 15, 2019, 12,500,000 share options were granted to employees and consultants with an exercise price of A$0.20 expiring on August 15, 2027, vesting on August 15, 2022 subject to continued employment with the Company.

On August 15, 2019, 2,500,000 share options were granted to an employee with an exercise price of A$0.24 expiring on August 15, 2024, vesting on August 15, 2021 subject to continued employment with the Company.

On September 9, 2019, 1,250,000 share options were granted to an employee with an exercise price of A$0.225 expiring on September 9, 2027, vesting on September 9, 2022 subject to continued employment with the Company. These options have been forfeited subsequent to the year end.

On October 1, 2019, 5,000,000 share options were granted to a Director with an exercise price of A$0.24 expiring on September 30, 2024, vesting on October 1, 2021 subject to continued employment with the Company.

On October 14, 2019, 2,500,000 share options were granted to an employee with an exercise price of A$0.22 expiring on October 14, 2027, vesting on October 14, 2022 subject to continued employment with the Company.

On April 1, 2020, 10,438,200 share options were granted to employees and consultants and 2,435,000 share options were granted to Directors subject to shareholder approval, with an exercise price of A$0.15 expiring on March 31, 2028, vesting on April 1, 2023 subject to continued employment with the Company. Of these options, 1,050,700 have been forfeited subsequent to the year end

PROJECT UPDATE

Idaho Cobalt Operations (ICO), USA

Upon acquisition of the ICO in July 2019, Jervois immediately commenced an updated Bankable Feasibility Study ("BFS").
The BFS was publicly released in late September 2020, due to delays associated with the Covid-19 global pandemic. The study confirmed the potential of the ICO to establish a near term, low-cost cobalt-copper-gold mine with significant opportunity to increase the mineral resource and extend mine reserves once mining commences. Jervois' current mineral resource estimate ("MRE") was integrated into a revised mine plan and mining reserve, together with design of the metallurgical plant and final infrastructure requirements. The BFS is based on a flotation mill processing 1,200 short tonnes per day ("stpd") or 1,090 metric tonnes per day ("mtpd") of ore from an underground cobalt-copper mine, a flotation mill as well as ancillary facilities. These will include aspects such as the mine and related infrastructure, ROM pad and crushers, fine ore conveyor and silo, mill and flotation, tailings, waste rock and water storage facilities, water treatment plant, soil stockpile area, National Pollutant Discharge Elimination System ("NPDES") discharge outfall and non-process infrastructure to support the development and mine operations.

ICO is located on National Forest lands, and activities adhere to United States Forest Service ("USFS") and Environmental Protection Agency ("EPA") requirements – the site is environmentally permitted with an approved Plan of Operations. The level of production permitted under ICO's approved Plan of Operations is 1,200 stpd ore processed and the BFS has been updated and optimized within the framework of existing approvals. In initial discussions with US regulators, Jervois expressed its confidence and desire that the operation can ultimately be expanded in an environmentally responsible manner. The BFS includes design and construction of the 1,200 stpd mine and concentrator, with a view to optimizing future expansion.

Metallurgical samples were taken from all Ram intercepts for testwork at SGS Lakefield (Canada), with results fed into the BFS. ICO will initially produce and sell a bulk cobalt, copper and gold concentrate.

During the September-December 2019 quarter, Jervois selected DRA Global ("DRA") and M3 Engineering ("M3") as lead engineers for finalization of the BFS for the ICO. The joint engineering team has extensive global experience across both cobalt and copper mining operations and concentrator flowsheets, whilst also having a detailed understanding of project delivery in the United States, specifically local conditions in Idaho and regional contractor capabilities.

Study scope encompassed mine schedule including a tender for contract mining services undertaken to underpin BFS costing. Metallurgical test work including lock cycle work had been completed on representative samples of the ore body and the final reports were prepared.

Total development costs for a mine and mill were estimated at US$78.4 million, for a 1,200 stpd (1,090 mtpd) facility. The proposed flow sheet to produce a combined bulk product has the following elements:

- Crushing and grinding;
- Bulk copper and cobalt flotation rougher and cleaner and cleaner scavenger cells;
- Concentrate dewatering, filtration and packaging;
- Tails dewatering, paste production and dry stack tailings; and
- The comminution circuit is proposed to be a conventional crush / SAG / ball mill circuit with a target product size (p80) of 75 microns feeding the flotation circuit. The flotation circuit utilizes standard tank cell technology to produce a bulk concentrate which is thickened and filtered prior to being conveyed into a concentrate handling shed where it is bagged for shipment. The tailings are dewatered with a vacuum disc filter where filtered cake is either sent directly to the dry-stack tailings or is re-pulped to be pumped back underground as cemented backfill.

Wood PLC and CSA Global were engaged to conduct audits of the permitting status and resource model respectively.

Mineral Resource Estimate

Jervois current MRE, prepared to support the ICO BFS, was independently audited by CSA Global (an ERM Group company) ahead of its publication and release to lenders and their technical advisers associated with ICO project financing.

The MRE used modified methodology to improve estimation using industry standard applications for narrow orebodies. This involved block rotation and adoption of a smaller cell size than previously used, as the previous MRE released 7 February 2018 was unrotated and used cell sizes not conducive to the narrow high-grade interzone intercepts found in the Main Ram zone.

2020 MRE using 0.15% Co cut-off

Category	Resource (M Tons)	Resource (M tonnes)	Co (%)	Co (M lbs)	Cu (%)	Cu (M lbs)	Au (oz/Ton)	Au (g/tonne)	Au (oz)
Measured	2.92	2.65	0.45	26.2	0.59	34.4	0.013	0.45	38,000
Indicated	2.85	2.59	0.42	23.8	0.80	45.7	0.018	0.62	51,000
M+I	**5.77**	**5.24**	**0.44**	**50.1**	**0.69**	**80.1**	**0.015**	**0.53**	**89,000**
Inferred	1.73	1.57	0.35	12.0	0.44	15.2	0.013	0.45	23,000

1. Mineral resources are not mineral reserves and by definition do not have demonstrated economic viability. The mineral resources in this MD&A were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council (2014).
2. This MRE includes inferred mineral resources that are normally considered too speculative geologically to have economic considerations applied to them and must not be converted to a mineral reserve. It is reasonably expected that the majority of the inferred mineral Resources could be upgraded to indicated mineral resources with continued exploration.
3. The cobalt cut-off grade for inclusion in the resource is 0.15%, no consideration of copper or gold content was used in determination of cut-off grade.
4. Contained metal values and totals may differ due to rounding of figures.
5. The mineral resources included above have an effective date of 20 January 2020.
6. The Mineral Resource estimate was prepared by Scott Zelligan, P.Geo., who is an independent resource geologist and qualified person under NI 43-101.
8. The Mineral Resource estimate was based on the results of 111 drill holes completed at the Ram Property.
9. The model was domained using newly modelled constraining wireframes. These were prepared based on a new compilation of all available data and a thorough review of the geological interpretation, including new structural modelling. This included 9 "zone" wireframes as well as multiple offsetting "fault surface" wireframes.
10. The block model used to estimate the Mineral Resource estimate has a block size of 12 ft x 12 ft x 4 ft and was rotated -14° around the Z-axis and -58° around the Y-axis. These parameters were chosen in order to better represent the deposit with regards to potential mining methods.
11. Drill hole data was composited to 2 ft lengths based on the statistical review of sample lengths.
12. In the main zone Co grades were capped at 4% and Cu grades were capped at 4%. In surrounding zones, Co grades were capped at 0.7% and Cu grades were capped at 2%.
13. Inverse-distance-squared was chosen as the estimation method after a thorough statistical and iterative review of different methods, as it reproduced the grade distribution of the input data best.
14. Maximum search distances in the main zone were 320 ft, and 240 ft in the surrounding zones. Three search passes were used in order to best honour the grade distribution of input data.
15. Mineral Resource categorization has been made in consideration of drill spacing, statistical continuity, deposit type, and consideration of the CIM definition standards.

The mineral resource has an adjusted cut-off of 0.15% Co, which Jervois considers to be more representative of future cobalt pricing, based on potential shortages of ethically sourced cobalt as battery demand increases and more in-line with current practice

Mineral Reserve Estimate

The mineral reserve estimate based on the MRE is set out below.

1,200stpd Mine Plan Reserve for 2020 Mineral Resource Estimate - Imperial[(3)(4)]

Category	Reserve (M short tons)	Co (%)	Co cont (M lbs)	Cu (%)	Cu cont (M lbs)	Au (oz / short ton)	Au cont (oz)
Proven[(1,2)]	1.59	0.56	17.9	0.67	21.2	0.015	24,633
Probable[(1,2)]	1.16	0.53	12.3	0.96	22.3	0.023	26,758
Total	**2.75**	**0.55**	**30.1**	**0.80**	**43.6**	**0.019**	**51,391**

1,200stpd Mine Plan Reserve for 2020 Mineral Resource Estimate - Metric[(3)(4)]

Category	Reserve (M Tonnes)	Co (%)	Co cont (Tonnes)	Cu (%)	Cu cont (Tonnes)	Au (g/tonne)	Au cont (oz)
Proven	1.44	0.63	8,100	0.67	9,600	0.53	24,633
Probable	1.05	0.53	5,600	0.96	10,100	0.80	26,758
Total	**2.49**	**0.55**	**13,650**	**0.80**	**19,800**	**0.64**	**51,391**

1. Mineral reserves are based on measured and indicated mineral resources which have demonstrated economic viability. The mineral reserves were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council.
2. Mineral reserves are reported as diluted recovered tons with grades considering those mineral resource blocks above mineral resource cut-off grade within the dilutive material as contributing to metal content.
3. The cobalt equivalent cut-off grade for inclusion in the reserve is 0.24% payable equivalent cobalt grade. The cut of grade value used in the mine design was based on the operating costs, metallurgical recovery estimates, net payable value of the contained metal and market prices that resulted from this study. No Inferred classification resource was considered in the Reserve determination. Metal price assumptions were applied based upon consensus analyst prices for each of cobalt, copper and gold.
4. Contained metal figures and totals may differ due to rounding of figures.
5. The mineral reserves disclosed above have an effective date of 29 September 2020.
6. The Mineral Reserve estimate was prepared by Nick Yugo, M.Eng., P.Eng, who is an independent mining engineer and qualified person under NI 43-101.
7. The Mineral Reserve is based on the Mineral Resource estimate previously disclosed in January 2020.
8. Stope outlines and mineable tonnages and grades for short-hole back stoping and sill mining methods were defined based on a CoG of 0.32% and 0.30% contained Co respectively to generate a mine plan further restricted by metal recoveries and net payable values.
9. The underground mining methods are appropriate for the orientation of the orebody, ground conditions, extraction rate and environmental constraints applicable to the RAM mineral deposit at the ICO.
10. Geotechnical parameters for stope design are derived from a detailed geotechnical report by Dr Woo Shin PhD P.Eng and an environmental permitting requirement to backfill workings with cemented tailings.
11. Planned and unplanned dilution is accounted for in the mine planning. Planned dilution is estimated using a 0.5ft overbreak at approximately 16% and unplanned due to variances in the orebody at a further 5%. The average total of planned and unplanned dilution for the ICO project is approximately 22%
12. Mining recovery was estimated based on the difficulty of mining, loading or recovery of the blasted material from the mining stopes. Average estimated recoveries from mining operation are 95%.
13. A minimum stope mining width for longitudinal short-hole back stopes of 6 feet and sill stopes of 15 feet is applied.
14. A paste fill plant and hydraulic delivery system is required for the cut and fill stoping. This has been designed using tailings parameter testwork conducted as part of this feasibility study.
15. All Proven reserves are composed of resource blocks that are from the Measured resource category. All Probable reserves were derived from stope blocks primarially composed of Indicated resources but may contain some Measured resource. No Inferred resource was used in the determination of reserve
16. Metallurgical testwork was conducted on samples selected from various drilling campaigns through out 2019 and is considered representative of the first few years of the mine plan. The tests also included varying head grades to understand variability within the ore body. Recoveries used were 91.1% for cobalt, 95.5% for copper and 84.9% for gold.
17. The Mineral Reserve has been calculated using the flotation adjusted recoveries and the mine plan scheduled to deliver a consistent feed grade in cobalt/copper ratio as is practically achievable.

Drilling

Jervois mobilized an initial diamond drilling program at ICO in the quarter ending 30 September 2019. This drilling aim to supply metallurgical core for test work to demonstrate the production of concentrates, and to generate physical samples for off-take parties. Core was drilled by large diameter PQ size to enable sufficient ore samples for comminution and flotation testing.

Jervois drilled two exploration drill holes to test for the existence of footwall lenses at depth, which are present in the southern areas of the Idaho Cobalt Belt and in the historic Blackbird Mine which is adjacent to ICO. Jervois' geology team planned these initial holes to target the untested footwall at the Ram deposit to validate a geological model re-interpretation.

Initial results from the exploration holes were announced in October, and successfully validated Jervois' geological model re-interpretation, with both deeper holes drilled into the footwall of the main Ram mineral resource intercepting copper and cobalt. The area of mineralization was named Blacktail North, due to it being analogous to the northern extension of the neighboring Blackbird mine lode, known as Blacktail, which was historically mined at the now closed operation adjacent to Ram.

Jervois also launched an infill drilling program of 1,300 meters, also of PQ size diamond core drilling, which followed on from the metallurgical drilling. This program was designed to enhance geological certainty and improve the robustness of the existing resource model (particularly during early production years) and to provide additional core for metallurgical test work.

In the December quarter, two holes were also extended to explore the footwall of the Ram deposit, with successful results for both step out exploration holes reported in October 2019. The Ram deposit mineral resource remains open at depth and along strike offering opportunities for expansion. The initial footwall exploration results confirm an extension of the Blackbird mine horizons, resulting in the opportunity to further explore the Blacktail North extension zone on strike and dip.

Environmental Social Governance

At year-end June 30, 2020, a Preliminary Estimate of Carbon Emissions of ICO was completed by M3 Engineering in accordance with the Greenhouse Gas Protocol ("GHGP") and United States Environmental Protection Authority ("EPA") standards. The assessment provides an important baseline for setting carbon emission objectives and targets for ICO and will be integrated within broader strategies to address climate change risks at operational and corporate levels.

Securing Supply Chains

With Covid-19 reinforcing the need to secure supply chains, American industry and government are assessing how to secure access to physical cobalt without reliance on China or the Democratic Republic of Congo. Jervois continued its engagement with both customers and government to ensure it can play its part in creating Idaho employment and demand for American manufactured capital goods at a critical period in the country's economic recovery.

In October 2019, Jervois announced it had selected internationally recognized engineering contractor Wood PLC as preferred contractor for a cobalt refinery scoping study. The scoping study considered commercially proven technology to process concentrates, including third party feed through to refined cobalt and copper. Jervois owns a potential refinery site at Blackfoot, Idaho. Whilst Jervois is optimistic that a domestic United States refinery will prove commercially viable, based on current mine reserves, the facility is uneconomic. Jervois needs to access underground via initial mine development in order to drill effectively to expand and prove up the known mine reserve.

The Company is working with the United States government to assist with its policy framework to develop a secure, competitive domestic supply of identified critical minerals (including cobalt). Jervois is partnering with the Department of Energy ("DOE") Idaho National Laboratory ("INL"), to advance a proposal to fund through the United States Critical Materials Institute development of enhanced leaching methods for ICO concentrates. The Critical Materials Institute is a DOE Energy Innovation Hub led by Ames Laboratory in Iowa which supports research to advance innovation in United States manufacturing.

The INL, a DOE laboratory, is a leader in advancing energy technology development, and partnered with Jervois to apply its advanced research in battery materials extraction to Jervois's ICO concentrate.

Jervois and INL have progressed to the final round for consideration for funding under the DOE, Office of Energy Efficiency and Renewable Energy ("EERE") FY2020 AMO Critical Materials FOA: Next-Generation Technologies and Field Validation Funding Opportunity. Final proposals will be submitted in Q3 2020 with awards over the Northern Hemisphere winter of 2020-21.

Project Financing

In December 2019, Jervois sent an ICO Information Memoranda ("IM") to selected senior lenders. Indicative proposals were received, and Jervois engaged Magma Capital, a debt advisory firm, to assist the Board in the debt financing initiatives.
In March 2020, Jervois appointed RPM Global ("RPM") to act as independent engineer ("IE") for prospective lenders. RPM has a well-established (50-year) track record of acting as IE for financiers on mining projects globally, including significant base and precious metal experience in North America.

The scope of work includes RPM completing an independent due diligence review of ICO and preparing an Independent Technical Expert ("ITE") report in a form suitable for debt financiers of the project. RPM is reviewing the final drafts of the BFS workstreams. RPM's site visit was delayed due to an inability to safely travel to Idaho due to Covid-19, and their engagement will be reinitiated once final lender appointment(s) are made.

Current construction schedule requires long lead item orders (SAG mill, tailings filters) to be placed by calendar year end, and detailed engineering to commence in January 2021. Upon snow melt in Q2 calendar 2021 early works execution will occur at site encompassing completion of the water treatment system, installation of camp, TWSF preparation and civils mobilization. Full site construction is anticipated to restart in mid-2021, and the portal will be opened in Q3 calendar 2021. First commercial production remains forecast for mid-2022.

Within the BFS a capital cost estimate was prepared which reflects the expenditure the Company expected to make to construct ICO as set out below:

	US$ million (real 2020 dollars)
Mine	18.6
Plant Direct	25.5
Infrastructure	10.8
Indirect (owners)	23.5
Total Capex	**78.4**

As ICO is currently in development, whilst the current commodity prices related to the commodities expected to be produced from ICO are lower than the long term consensus forecasts, these have not affected the value of the project, nor has any other environmental issues have affected the value of the project.

<u>Nico Young Nickel-Cobalt Project, New South Wales, Australia</u>

The Nico Young Project is a mineral exploration area for nickel cobalt laterite located approximately 30km west-northwest of Young in New South Wales, Australia.

The Nico Young Project comprises three known soil covered nickel-cobalt laterite deposits: Ardnaree, East and West Thuddungra and have been periodically drill sampled since 1998. An initial mineral resource estimate for the Nico Young Project was originally estimated in September 2001. Since that time, there have been multiple programs of air core, RC and diamond drilling within the nominal resource boundaries. These programs have produced metallurgical samples and provided infill data geological data. The most recent programs were in June 2017, February/March 2018 and July/August 2018.

The current mineral resource estimate for the Nico Young Project has an effective date of June 2018.

Ardnaree and Thuddungra Mineral Resource estimate as at June 2018 reported using a 0.5% Ni cut-off

Resource category (JORC 2012)	Deposit	ROCK	Tonnes (Mt)	Ni (%)	Co (%)	Mg (%)	Fe (%)	Al (%)
Indicated	Ardnaree	2000	3.1	0.67	0.04	4.89	15.92	3.29
		3000	0.1	0.57	0.02	12.48	9.47	2.83
	Total – Indicated		**3.2**	**0.67**	**0.04**	**5.15**	**15.70**	**3.27**
Inferred	Ardnaree	2000	21.2	0.64	0.04	6.29	14.86	3.50
		3000	16.3	0.66	0.03	13.16	8.92	2.44
	Thuddungra	2000	34.0	0.63	0.07	3.41	22.20	5.23
		3000	18.7	0.62	0.03	12.89	9.77	2.12
	Total – Inferred		**90.1**	**0.63**	**0.05**	**7.82**	**15.50**	**3.68**

1. Small discrepancies may occur due to effects of rounding.
2. Mineral resources are not mineral reserves and by definition do not have demonstrated economic viability.
3. This mineral resource estimate includes inferred mineral resources that are normally considered too speculative geologically to have economic considerations applied to them and must not be converted to a mineral reserve.

On May 24, 2019, the Company announced the results of a preliminary economic assessment for the Nico Young Project. A technical report titled, "Nico Young Project PEA Young, NSW, Australia National Instrument 43-101 Technical Report – Preliminary Economic Analysis" with an effective date of April 5, 2019 was subsequently filed on SEDAR under the company's profile at www.sedar.com. The preliminary economic assessment envisages heap leaching and refining through an integrated processing facility to produce battery grade nickel sulphate and cobalt in refined sulphide. Assessments on producing an MHP were also assessed and costed to the equivalent level of engineering. Mining would be completed with conventional truck and shovel.

Jervois continues to engage with local and other stakeholders in relation to the Nico Young Project, with executive management last visiting the local community and NSW political leaders in October 2019, prior to Covid-19 travel restrictions.

The Company is continuing discussions which envisage partial off-take in exchange for funding to complete a BFS. At that time, Jervois will reassess its level of equity ownership and uncommitted offtake of Nico Young to determine a suitable ownership structure and marketing strategy to secure the required project financing to move into construction. Jervois will maintain its minimum expenditure requirements at Nico Young, of approximately A$0.1m whilst it continues discussions with partners for the funding of a BFS on Nico Young. Due to the limited activity being undertaken at Nico Young at present there are no factors that have currently affected the value of the project when considering the positive long term outlook for nickel and cobalt demand and price.

<u>Ugandan Exploration Properties</u>

Kilembe Area

Jervois holds six exploration licenses ("EL's") totaling about 700km^2, in the region of the old Falconbridge-operated Kilembe copper-cobalt mine.

In September 2019, Jervois reported on results from rock and soil sampling, including a detailed soil grid completed to cover the Cu-Au mineralization discovered within the Kilembe area properties. Cu-Au mineralization within the Kilembe Area exploration licenses, now has a strike length of more than 1.7km along parallel structures identified from ground geophysics and is open to the SW and NE.

Three mineralized Cu-Au showings have been discovered (named Senator, Eagle and Bond). Jervois approved 2,500 metres of drilling and other exploration activities in the area during Q4 2019 at a cost of US$0.9 million. Diamond core drilling commenced in late October.

Results received in 2019 included highlights of:

- 9.9m @ 1.37 g/t Au from 29m - hole 19DDHS001
  - Including 0.45m @ 9.98 g/t Au; 0.1 percent copper ("% Cu") from 34.05m
  - Including 1.9m @ 3.59 g/t Au from 37.0m
- 2.0m @ 723 grams per tonne silver ("g/t Ag"); 0.15% Cu from 127m – hole 19DDHS003
- 13.5m @ 0.52 g/t Au from 32.5m – hole 19DDHS005
- 1.8m @ 2.92 g/t Au from 50.7m – hole 19DDHS005
  - Including 0.8m @ 6.26 g/t Au; 0.36% Cu from 50.7m
- 1.0m @ 0.65 g/t Au; 1.66% Cu from 38.2m – hole 19DDHS012
- 2.0m @ 1.49 g/t Au from 54.0m – hole 19DDHS012

Final results were reported in March 2020 after an additional four holes for 465m were completed. These included:

- 6.1m @ 2.10 g/t Au; 0.24% Cu from 101.3m – hole 20DDHS002
  - Including 1.0m @ 11.50 g/t Au; 1.36% Cu from 102.2m
- 8.0m @ 1.26 g/t Au; 0.15% Cu from 64.0m – hole 20DDHS001
- 6.0m @ 1.90 g/t Au; 0.43% Cu from 70.0m – hole 20DDHS002
  - Including 3.1m @ 2.72 g/t Au; 0.63% Cu from 70.9m

Further groundwork at the Kilembe area properties, including ground geophysics; soil and rock chip sampling, and prospecting extended the strike length of mineralization at surface to over 6km, of which only 1.5km has been tested. Rock chip sample highlights included: 41 g/t Au; 20.5 g/t Au; 10.3 g/t Au and 9.8 g/t Au.

After pausing exploration activities in Uganda in late Q1 calendar 2020 due to Covid-19, during Q2 calendar 2020, Jervois announced its Board had approved mobilization of a drill crew to the Kilembe area to test the CC copper-gold target. The CC target is undrilled and contains some of the highest-grade surface copper-gold samples achieved on Jervois' Kilembe Area properties to date. The planned Uganda exploration program follows relaxation of Covid-19 restrictions within the country.

The planned drilling is concentrated on an interpreted structural feature defined from ground magnetics conducted earlier in 2020. The structural feature is also coincident with high-grade surface rock chip and soil samples acquired in late 2019 and early 2020.

The program will be conducted utilizing Jervois' in-country geological professionals and regular East African drilling contractor, which has safely executed Jervois's prior workplans.

Bujagali

Bujagali is an area in south central Uganda with excellent access and logistics. Jervois has five EL's covering around 1,350km^2.

Phase 1 drilling concluded at Bujagali, which targeted the Waragi and Bombo anomalies. In total, five diamond holes were drilled at Bombo (totaling 1,325 meters), and an initial 12 diamond holes (or 2,225 meters) at Waragi. Jervois reported results from this program in October, with the Board approving a further 2,500 meters of drilling at Waragi during Q4 2019, at a cost of US$0.6 million.

Phase 2 drilling targeted anomalies detected through earlier geochemical and geophysical (IP) programs with an additional 10 diamond holes (1,740 meters) at the Waragi area. Highlights from partial results received include 1.5m @ 0.23% Co from 13.5m (hole 19DDHW011) and 1.0m @ 0.20% Co (hole 19DDHW010) from 13.4m.

Jervois reported final results in March 2020. Overall, although target mineralization at Bujagali was intercepted, it did not demonstrate consistency of width nor grade necessary to support a potentially economic resource. Further work is planned in 2021.

<u>NON-CORE ASSETS</u>

Jervois continued to rationalize its portfolio, with the sale of the Bullabulling royalty in October 2019, to Bullabulling Operations Pty Ltd, a subsidiary of Zijin Mining, for A$3.1 million in cash.

In May 2020, the remaining royalties held by Jervois which included a 1.5% NSR over the Forest Reefs exploration project in New South Wales, operated by Newcrest, and the Mt Moss mining lease in Queensland, owned by Curtain

Bros (Qld) Pty Ltd were sold.

In Q2 calendar 2020, it executed an option to sell the King Solomon project in Idaho with Hawkstone Mining Limited.

Other interests:

Khartoum Tin Project, Herberton, Queensland Australia

Discussions on a potential sale of the project commenced and are continuing.

Arunta West JV (Jervois 20%)

JV operator, Norwest Minerals Ltd (ASX: NWM), commenced a 12,000m RC drilling program to meet the next earn-in milestone. During Q2 2020, Jervois diluted its interest in the Arunta joint venture JV to 20%.

Virgin River JV (Uranium, Jervois 2%)

During the Q3 2019, the JV completed a deep drilling program on the project. Further exploration is planned for the 2020 field season with a budget to be presented to the JV committee.

SELECTED ANNUAL INFOMATION

The following table provides a brief summary of the Company's financial operations. For more detailed information, refer to the financial statements of the Company for the year end June 30, 2020.

	As at June 30		
	2020 A$	2019 A$	2018 A$
Current assets	$6,352,515	$4,581,192	$9,633,525
Non-current assets	$116,327,309	$30,246,615	$14,617,521
Total assets	$122,679,824	$34,828,107	$24,251,046
Current liabilities	$1,015,352	$2,623,481	$602,809
Non-current liabilities	$10,916,761	$15,296	$12,856
Shareholders' equity	$110,747,713	$32,189,330	$23,635,381
Total liabilities and shareholders' equity	$122,679,824	$34,828,107	$24,251,046
Working capital	$5,337,163	$1,958,011	$9,030,716

	Year ended June 30,		
	2020 A$	2019 A$	2018 A$
Total Revenue	$3,259,085	$4,137,860	$446,333
Expenses	($12,170,356)	($9,515,223)	($7,397,503)
Other items	$3,159,477	($6,233,021)	($2,313,566)
(Loss) from continuing operations	($8,898,271)	($6,001,444)	($6,951,170)
Comprehensive (Loss) for the year attributable to shareholders	($5,738,792)	($12,234,465)	($9,264,736)
Basic and diluted loss per share from continuing operations	(1.43) cents	(2.7) cents	(3.84) cents
Weighted average number of common shares outstanding	621,519,656	224,957,076	180,856,572

There were no dividends paid in the current or prior financial year.

In financial year ended 30 June 2019 the company completed the disposal of its Flemington royalty that comprised the revenue for this period. In financial year ended 30 June 2020, the Company disposed of the Bullabulling royalty representing materially all of the revenue for 2020. Prior to these periods, in 2018 the Company actively reviewed its non-core assets and commenced processes that resulted in the revenue in the subsequent periods. The Company has now disposed of the main non-core assets.

The acquisition of eCobalt in July 2019 resulted in an increase in assets of A$77,034,284 from the corresponding period. In addition, liabilities increased by A$11,630,724. Prior to this the majority of the assets in financial year ended 30 June 2018 were represented by cash and the Nico Young project, with these increased by the acquisition of M2 in the financial year ended 30 June 2019.

In financial year ended 30 June 2018 and part of 2019, the Company undertook work to complete a NI43-101 Preliminary Economic Assessment on Nico Young. In financial year ended 30 June 2019, expenses increased as the Company undertook the acquisition of M2 and eCobalt with related transaction costs, as well an increased G&A cost.
The expenses continued to rise in financial year ended 30 June 2020 as the enlarged group managed the ICO BFS work. Across all three periods a significant portion of the expenses related to the share based payments.

RESULTS OF OPERATIONS

<u>Year ended June 30, 2020 and 2019</u>

During the year ended June 30, 2020, the Company incurred a net loss of A$8.898m and comprehensive loss of A$5.739m (2019 - A$6.001m and A$12.234m). The losses are comprised of the following major items:

- Professional Fees of A$2,656,583 (2019 – A$1,908,144) related to the acquisition of eCobalt in year ended June 30, 2020, and for both eCobalt and M2 Cobalt in year ended June 30, 2019.

- Accounting and audit fees of A$391,583 (2019 - $119,813) were mainly for half year and annual financial reporting, year-end audit and tax preparation as well as accounting support for the eCobalt acquisition.

- Listing Fees of A$384,660 (2019 - $213,029) was mainly associated with the listing on the ASX, TSXV and OTCQB as well as TSX-V annual sustaining fees and fees for private placements, stock option grants and transaction review costs payable to the ASX and TSXV in relation to the eCobalt transaction.

- Legal fees of A$315,502 (2019 - $368,906) was mainly related to completing the acquisition of eCobalt. Legal fees for the comparative year ended June 30, 2019 was mainly for the acquisition of M2 Cobalt and the listing application to the TSXV.

- Employee Costs of A$1,456,678 (2019 - $3,316,000) included amounts paid to the Directors, CEO, Senior Executives, and other employees as well as the required statutory payments associated with salaries. See "Related Party Transaction" section for details. 2019 included one-off payments related to eCobalt Solutions.

- Share-based compensation of A$3,483,916 (2019 - $5,103,584) during the year ended June 2020, was the fair value of the stock options granted in the current and prior period amortized over their vesting periods.

- Office and miscellaneous of A$321,572 (2019 - $133,225) was mainly due to increased office rent, activities and associated costs due to the acquisition of assets and completion of private placements.

- Travel and related expenses of A$390,224 (2019 - $278,563) was for trips to Canada, USA, Asia and Africa for the property acquisition and exploration, and investor relations.

The Company completed exploration activities on its ICO and Uganda projects in the year to June 30, 2020. During the twelve months ended June 30, 2020, the Company incurred a total of A$13,574,333 expenditures on its exploration and development programs with A$7,433,637 at ICO and A$6,140,696 in Uganda.

Three-month period ended June 30, 2020 and 2019

During the three months ended June 30, 2020, the Company incurred a net loss of A$2,402,900 (2019 - A$8,898,271). The losses are comprised of the following major items:

- Accounting and audit fees of A$209,739 (2019 - $70,027) were mainly for year-end audit accrual.

- Legal fees of A$46,124 (2019 - $290,944) is related to corporate maintenance. In the comparative three months ended June 30, 2019, legal fees were related to the commencement of the Qualifying Transaction to list on the TSXV.

- Employee costs of A$301,891 (2019 - $313,169) included amounts paid to the Directors, CEO, Senior Management and employees. See "Related Party Transaction" section for details.

- Office and miscellaneous of A$59,178 (2019 - $21,705) was mainly due to increased office rent and annual communications costs falling due in the quarter.
- Travel and related expense reimbursement of A$8,283 (2019 - $44,677) was for cancelled travel due to Covid-19. The prior corresponding quarter included travel to Canada, USA, and Uganda for the property acquisition and exploration, and investor relations.

- Share-based compensation of A$695,967 (2019 - $2,368,694) during the quarter ended June 30 2020, was the fair value of the stock options granted in the current and prior period amortized over their vesting period and applied to the quarter.

The Company completed exploration activities on its ICO and Uganda projects in the 3 months ended June 30, 2020. During the three months ended June 30, 2020, the Company incurred a total of A$1,742,229 expenditures on its exploration and development programs with A$1,525,469 at ICO and A$185,510 in Uganda.

SUMMARY OF QUARTERLY RESULTS

The Company became a "reporting issuer" in Canada on 21 June 2019 when its securities were listed on the TSXV. From that date until the end of the 2nd quarter (fiscal period) ending December 31, 2019, the Company was a "designated foreign issuer" within the meaning of Canadian National Instrument 71-102 – Continuous Disclosure and Other Exemptions Relating to Foreign Issuers. Accordingly, prior to June 21, 2019, the Company was not subject to Canadian continuous disclosure requirements and, until December 31, 2019, the Company was entitled to comply with Canadian continuous disclosure requirements by filing the materials it was required to file in Australia.

Under applicable Australian law and the requirements of the ASX, the Company is not required to and has not historically produced financial statements for the first and third quarters of each fiscal year. Full financial statements are only produced half-yearly and annually. On a quarterly basis, certain cash flow information is publicly reported by the Company to the ASX.

For the foregoing reasons, the Company does not have historical financial statements that would allow it to provide quarterly financial disclosure derived from the Company's financial statements as called for by Canadian Form 51-102F1 – Management's Discussion & Analysis for the comparative three month periods ended June 30, 2019, March 31, 2019, December 31, 2018 or September 30, 2018. The Company has therefore provided the Six Month Comparative to 30 June, 2019 and December 31, 2018.

	Three month period ended June 30, 2020 A$'000	Three month period ended March 31, 2020 A$'000	Three month period ended December 31, 2019 A$'000	Three month period ended September 30, 2019 A$'000
Total Revenue	Nil	Nil	$3,100	Nil
Shareholders' equity	$110,748	$124,066	$110,788	$115,941
Net (loss) from continuing operations	($2,403)	($1,897)	($1,209)	($1,875)
Comprehensive profit / (Loss) for the period attributable to shareholders	($11,692)	$12,531	($1,209)	($1,875)
Loss per share for the period attributable to shareholders	(0.390) cents	(0.311) cents	(0.195) cents	(0.209) cents

	Six month period ended June 30, 2019 A$,000	Six month period ended December 31, 2018 A$,000
Total Revenue	$4,036	$49
Shareholders' equity	$32,189	$19,079
Net loss	($2,242)	($3,758)
Comprehensive Profit / (loss) for the period attributable to shareholders	($4,716)	($7,518)
Loss per share for the period attributable to shareholders	(2.090) cents	(1.690) cents

The activities of the Company over the above periods consist drilling and study costs to complete the PEA of the Nico Young project in Australia, and following the announcement of the acquisition of M2 Cobalt in January 2019, exploration activities in Uganda (prior to the transaction closing Jervois extended a loan to fund continued exploration). The Company has also undertaken a drilling program at ICO during the second half of calendar 2019 in order to support the completion of the updated BFS which commenced following the completion of the acquisition of eCobalt in July 2019. The Company completed a private placement to raise A$16,500,000 (before expenses) in June 2019 with funds being used to execute ICO BFS study work and associated resource drilling, together with Ugandan exploration activities.

On a quarter-by-quarter basis the loss can fluctuate significantly due to a number of factors including exploration activities during the period, impairment of assets, the timing of stock option grants, and changes in nature of the business.

An analysis of the three monthly results over the periods shows a significant change in financial performance primarily due to the sale of non-core assets and royalties in the periods ending June 30, 2019 and December 31, 2019 offsetting an increase in exploration and expenses related to completion of the PEA at Nico Young in Australia and the BFS at ICO in the United States as well as exploration in Uganda. In addition, the change in fair value of equity instrument (a 4.4% shareholding in eCobalt held prior to the acquisition of all remaining shares) impacted the comparative periods.

The mergers of both M2 Cobalt and eCobalt incurred significant one-off expenses that further offset the revenue in the June, 2019 and March 31, 2019 period as compared to exploration and evaluation expenses in the earlier periods. These one-off costs consist primarily of legal, securities exchange expenses and advisory fees.

LIQUIDITY AND CAPITAL RESOURCES

The Company has financed its operations to-date through the issuance of common shares and sale of non-core assets. The Company continues to seek capital through various means including the issuance of equity and/or debt.

If Jervois is to proceed with construction in 2021 at Idaho Cobalt Operations ("ICO") as outlined above, further financing will be required. As outlined in the ICO discussion earlier, Jervois is in negotiations with debt providers with regard to the provision of a project finance facility to support finishing construction and ramp up.

Jervois has sufficient liquidity to continue its current global operating footprint out to September 2021. If required, the Group has the ability to further reduce the forecast expenditure in order to extinguish its liabilities including the minimum expenditure commitments of its exploration licenses and permits and corporate activities, however this is not considered by the Directors or Management to be a desirable or likely scenario.

The Directors are satisfied with the Group's current financing position and are of the view that the continued application of the going concern basis of accounting is appropriate due to the following factors:

- Management and the Directors have reviewed the Group's consolidated cashflow requirements and the forecast shows that the current cash on hand will be utilized meeting the planned corporate activities, working capital requirements, planned Exploration and Mining activities, including but not limited to and the minimum Exploration and Mining License compliance obligations over the 12 months following the date of signing the 2020 annual financial statements (the forecast period);
- It is the Boards intention to raise equity capital during the forecast period for the Group to pursue its strategic business plans and objectives and enhance the Group's liquidity and balance sheet strength; and
- Aside from previously announced non-core asset sales and partnering processes underway, the Group has no plans to wholly or in part dispose of any of its interests in mineral exploration and development assets, however, does retain the ability to do so if required.

The ability of the Group to advance its strategic business plans and objectives, which includes its stated development schedule for the construction at ICO, (for commercial production by mid 2022), progression of exploration and evaluation activities elsewhere and Company working capital requirements, is dependent upon Jervois accessing additional financing during the forecast period.

The financial statements have been prepared on a going concern basis which assumes that the Company will be able realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. The continuing operations of the Company are dependent upon its ability to continue to raise adequate financing and to commence profitable operations in the future.

	June 30, 2020 A$	June 30, 2019 A$
Working capital	$5,337,163	$1,958,011

Net cash used in operating activities for the current year was A$2,145,901 (2019 – net cash from operating activities A$2,802,086). The net cash used in operating activities for the current year consists primarily of receipt of funds for the sale of the Bullabulling Royalty less the operating loss and one of merger costs. The net cash from operating activities for the prior year consists primarily of receipt of funds for the sale of the sale of the Flemington royalty less the operating loss.

Net cash used in investing activities for the current year was A$12,641,035 (2019 - A$979,800). Net cash used in investing activities for the year consists primarily of the exploration and expenditure on the ICO project and Uganda.

Net cash from financing activities during the current year was A$16,254,035 (2019 – net cash used $2,351,016). The Company completed one private placement during the year ended June 30, 2020 for gross proceeds of $16,500,000. (2019 - $0). The net cash used from financing activity in the prior period was primarily due to loans to other entities, being M2 Cobalt prior to its acquisition by the Company.

There can be no assurance that the Company will be able to obtain adequate financing in the future or that terms of such financing will be favorable. If adequate financing is not available when required, the Company may be unable to continue operating. The Company may seek such additional financing through debt or equity offerings, but there can be no assurance that such financing will be available on terms acceptable to the Company or at all. Any equity offering will result in dilution to the ownership interests of the Company's shareholders and may result in dilution to the value of such interests.

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

OFF-BALANCE SHEET ARRANGEMENTS

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

RELATED PARTY TRANSACTIONS

(a) The Company acquired a related party relationship between prior M2 Cobalt management personnel, Dr. Jennifer Hinton and Mr. Tom Lamb and an external services company Great Rift Geosciences ("Great Rift") via the M2 Cobalt merger. Acquired in June 2019, Jervois uses Great Rift to provide Ugandan exploration management services including local administration and in-country management, accounting, payroll and treasury services, offices including a core shed and sample preparation area, employee accommodation, and exploration staffing. Dr. Jennifer Hinton and Mr. Tom Lamb are also principals and co-owners of Great Rift. The commercial arrangements with Great Rift are conducted on an arms-length terms.

Amounts below represent payments to Great Rift (Canada) and Great Rift (Uganda) at which Dr. Hinton and Mr. Lamb are Directors. Payments made to Great Rift were solely for the in-country services outlined above. No loans have been made to key management personnel as of June 30, 2020.

	30 June 2020 A$'000	30 June 2019 A$'000
Management Services – Great Rift	312	-

(b) Details of the remuneration of directors and key management personnel of the consolidated entity are set out in the following tables.

	Short-term benefits			Post-employment benefits	Share based payments	Value of options as proportion of	
2020	**Salary and directors' fees**	**Non-Monetary Benefits (1)**	**Consultancy fees**	**Superannuation**	**Equity (2)**	**total remuneration**	**Total**
	$A	**$A**	**$A**	**$A**	**$A**	**%**	**$A**
Non-Executive Directors:							
P Johnston	75,000				104,963	58.3	179,963
B Kennedy	24,000				153,546	86.5	177,546
M Callahan (3)	-		-	-	33,588	60.4	33,588
S Hean (4)	-		-	-	-	-	-
S Clarke (5)	-	-	-	-	-	-	-
Executive Directors:							
B Crocker	315,222(8)	17,286	-	27,096	752,673	67.7	1,112,277
Other Key Management Personnel:							
M Rodriguez	256,732(10)	-	-	22,069	595,608	70.1	874,409
K Klassen	-	-	269,229(9)	-	157,445	36.9	426,674
Floyd Varley (6)	345,924(10)	-	-	8,723	575,587	62.7	930,234
A Edelmeier (7)	-	-	66,661	-	-	-	66,661
Total	**1,016,878**	**17,286**	**335,890**	**57,888**	**2,373,410**	**62.6**	**3,801,351**

1. Includes the value of fringe benefits and other allowances
2. In accordance with the requirements of Accounting Standards, remuneration includes a proportion of the fair value of equity compensation granted or outstanding during the year (i.e. options granted under LTIP that remained unvested as at 30 June 2020). The fair value of equity instruments is determined at the grant date and is progressively allocated over the vesting period. The amount included as remuneration is not necessarily related to or indicative of the benefit (if any) that senior executives may ultimately realise should the equity instruments vest. The fair value of the options at the date of their grant has been determined in accordance with AASB 2 *Share-based Payments*. All options granted under the LTIP are equity settled.
3. Appointed as Director 24 July 2019
4. Resigned as Non-Executive Director on 19 September 2019
5. Resigned as Non-Executive Director on 24 July 2019
6. Appointed as COO 24 July 2019
7. Resigned as Interim CFO 31 October 2019
8. Includes a payment of A$30,000 for the extension of vesting conditions to 30 September 2022 from 30 September 2019 related to the 1,000,000 shares granted (following shareholder approval) for appointment as an executive director. This amendment was effective on 26 September 2019. The market price of the ordinary shares on this day was A$0.215. There was no change to the fair value of the 1,000,000 ordinary shares due to the change in vesting date.
9. Includes A$15,688 for reimbursement of expenses
10. Includes annual leave accrued during the year of A$24,425 for Michael Rodriguez and A$11,989 for Floyd Varley.

	Short-term benefits			Post-employment benefits	Share based payments	Value of options as proportion of	
2019	**Salary and directors' fees**	**Non-Monetary Benefits (1)**	**Consultancy fees**	**Superannuation**	**Equity (2)**	**total remuneration**	**Total**
	$A		**$A**	**$A**	**$A**	**%**	**$A**
Non-Executive Directors:							
P Johnston (3)	75,000	-	-	-	304,334	80.2	379,334
B Kennedy	24,000	-	-	-	442,072	94.9	466,072
M Rodriguez (4)	18,000		34,800	-	442,072	89.3	494,872
S van der Sluys (5)	23,249	-	-	2,209	-	-	25,458
M Callahan (6)	-	-	-	-	-	-	-
S Hean (6)	-	-	-	-	-	-	-
S Clarke (7)	9,819	-	-	-	-	-	9,819
Executive Directors:		-					
B Crocker	273,972	-		26,027	3,553,934	92.2	3,853,933
Other Key Management Personnel:							
M Rodriguez (8)	72,418	-		6,880			79,298
K Klassen (9)	-	-	22,693		11,089	32.8	33,782
A Edelmeier (10)	8,183	-	-	-	-	-	8,183
Total	**504,641**	**-**	**57,493**	**35,116**	**4,753,501**	**88.8**	**5,350,751**

1. Includes the value of fringe benefits and other allowances
2. In accordance with the requirements of Accounting Standards, remuneration includes a proportion of the fair value of equity compensation granted or outstanding during the year (i.e. options granted under LTIP that remained unvested as at 30 June 2020). The fair value of equity instruments is determined at the grant date and is progressively allocated over the vesting period. The amount included as remuneration is not necessarily related to or indicative of the benefit (if any) that senior executives may ultimately realise should the equity instruments vest. The fair value of the options at the date of their grant has been determined in accordance with AASB 2 *Share-based Payments*. All options granted under the LTIP are equity settled.
3. Appointed as Chairman 1 July 2018
4. Resigned as Non-Executive Director on 17 April 2019
5. Resigned as Non-Executive Director on 19 June 2019
6. Appointed as Non-Executive Director 24 July 2019
7. Appointed as Non-Executive Director 19 June 2019, resigned 24 July 2019
8. Appointed Executive General Manager – Technical Services 18 March 2019
9. Appointed General Counsel / Executive General Manager – Legal 1 June 2019
10. Appointed Interim Chief Financial Officer 19 June 2019

SIGNIFICANT ACCOUNTING POLICIES, CRITICAL JUDGEMENTS AND ESTIMATES

Critical accounting judgements estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenues and expenses. Management bases its judgements, estimates and assumptions on historical experience and other factors, including expectations of future events management believes to be reasonable under the circumstances.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected. Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial period and that have the most significant effect on the amounts recognized in the financial statements are described below:

Exploration and evaluation costs
Exploration and evaluation expenditure related to areas of interest is capitalized and carried forward to the extent that rights to tenure of the area of interest are current; and

(a) Costs are expected to be recouped through successful development and exploitation of the area of interest or alternatively by sale; or
(b) Where activities in the area of interest have not yet reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Such expenditure consists of an accumulation of acquisition costs and exploration and evaluation costs incurred, together with direct overhead expenditure. The carrying value of capitalized exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying value may exceed its recoverable amount.

Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalized costs are determined not to be recoverable in the future, they will be impaired in the period in which this determination is made. All exploration assets are reviewed for impairment at each reporting period.

Property, plant, and equipment
Expenditures for new facilities or equipment that extend the useful lives of existing facilities or equipment are capitalized and recorded at cost. Facilities and equipment acquired as part of a lease, build-to-suit or other financing arrangements are capitalized and recorded based on the contractual lease terms. The facilities and equipment are depreciated using the straight-line method at rates sufficient to depreciate capitalized costs over the estimated productive lives of such facilities. These estimated productive lives do not exceed the related estimated mine lives, which are based upon proven and probable reserves.

Asset retirement obligation
The Company records a provision for the estimated future costs of site reclamation and closure of operating projects, which are discounted to net present value using the risk-free interest rate applicable to the future cash outflows. Judgement is used to estimate future costs which incorporate assumptions on the effects of inflation on those future costs, movements in foreign exchange rates, and other specific risks associated with the related liabilities.

Share based payments
The cost of equity-settled options granted is determined by the fair value at the date when the grant is made using a Black-Scholes valuation model which incorporates assumptions in relation to share price volatility and vesting periods. There are no market performance conditions which requirement measurement.

Taxation
Judgement is required in assessing whether deferred tax assets and certain deferred tax liabilities are recognized in the Consolidated Statement of Financial Position. Deferred tax assets, including those arising from un-recouped tax losses, capital losses and temporary differences, are recognized only where it is considered more likely than not that they will be recovered, which is dependent on the generation of sufficient future taxable profits.

Assumptions about the generation of future taxable profits and repatriation of retained earnings depend on management's estimates of future cash flows. These depend on estimates of future production and sales volumes, operating costs, restoration costs, capital expenditure, and other capital management transactions. Judgements are also required about the application of income tax legislation. These judgements and assumptions are subject to risk and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets and deferred tax liabilities recognized on the Consolidated Statement of Financial Position and the amount of other tax losses and temporary differences not yet recognized. In such circumstances, some or all the carrying amounts of recognized deferred tax assets and liabilities may require adjustment, resulting in a corresponding credit or charge to Profit or Loss.

New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. A summary of significant standards follows:

AASB 16 – Leases

The Standard provides a comprehensive model for identification of lease arrangements and their treatment (on-balance sheet) in the financial statements of both lessees and lessors. It superseded AASB 117 Leases and its associated interpretative guidance. The Company has no significant lease agreements in place and thus implementation had no material impact. The interpretation had an effective date for the Company of 1 July 2019.

AASB Interpretation 23 – Uncertainty over income tax treatment

This interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of AASB 112 Income Taxes. The Interpretation does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. The Company has reviewed its internal policies and tax risk frameworks and has determined that adoption of the interpretation did not have a material impact. The interpretation had an effective date for the Company of 1 July 2019.

Standards issued, not yet effective

Amendments to AASB 3: Business Combinations

The amendment to AASB 3 clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create output. These amendments had an effective date for the Company of 1 July 2020, since the amendments apply prospectively to transactions or other events that occur on or after the date of first application, the Group will not be affected by these amendments on the date of transition.

All of the Company's significant accounting policies and estimates are included in Notes 2 and 3 of its audited consolidated financial statements for the year ended June 30, 2020.

SUBSEQUENT EVENTS

On 29 September 2020 the Company announced the ICO Bankable Feasibility Study outcomes as set out in the Review of Operations.

On 29 September 2020 the Company announced the agreement to acquire the São Miguel Paulista nickel and cobalt refinery ("SMP Refinery") in São Paulo, Brazil. The SMP Refinery has annual refined production capacity of 25,000 metric tonnes of nickel and 2,000 metric tonnes of cobalt and is currently on care and maintenance. The cash purchase price of R$125 million is payable in tranches, with a R$15 million cash deposit payable by end December 2020.

On 14 August 2020, the Company announced plans to recommence drilling activities at its Kilembe area properties in Western Uganda. The Company has received environmental approval to execute an initial 1,000 metres of diamond core drilling on the CC copper-gold target. The programme will be conducted utilising the Company's in-country geological professionals and regular East African drilling contractor whom have safely executed the Company's prior workplans in conjunction with an ongoing and modified Community Engagement programme.

OUTSTANDING SHARE DATA

The following table summarizes the Company's outstanding share data as of the date of this MD&A:

	Number of shares issued or issuable
Common shares	643,412,545
Stock options	81,082,250
Warrants	10,312,500

CAPITAL MANAGEMENT

The Company considers its capital to be the components of shareholders' equity. The Company's objective when managing capital is to maintain adequate levels of funding to support the development of its business and maintain the necessary corporate and administrative functions to facilitate these activities. This is done primarily through equity financing. Future financings are dependent on market conditions and there can be no assurance the Company will be able to raise funds in the future. The Company invests all capital that is surplus to its immediate operational needs in short-term, highly liquid, high-grade financial instruments. There were no changes to the Company's approach to capital management during the year. The Company is not subject to externally imposed capital requirements. The Company has sufficient working capital to meet its projected minimum financial obligations for the next 12 months.

FINANCIAL INSTRUMENTS AND RISKS

The Company's financial liabilities, accounts payable and accrued liabilities, and other payables, are measured at amortized cost. Its financial assets, GST and promissory note receivables, are also measured at amortized cost. The Company's carrying values of these items approximate their fair value due to the relatively short periods to maturity of the instruments.

Currency risk

Foreign exchange risk arises when future commercial transactions and recognized assets and liabilities are denominated in a currency that is not the entity's functional currency. The consolidated entity manages foreign currency risk by minimizing the amounts of foreign currency required and buying foreign currency only at the time it is required. Average rate applied during the year CAD$0.9000 to A$ (2019: CAD$0.9166) and reporting date spot rate CAD$0.9380 (2019: CAD$0.9180) for A$.

Management monitors the exposure to currency risk on an ongoing basis. The Company operates internationally and is exposed to foreign exchange risk arising from various currencies, primarily with respect to the Australian Dollar ('AUD') and the United States Dollar ('USD').

Credit risk

Credit risk arises if there is a risk of default on a counterparty to which the Company holds financial assets.

Management monitors the exposure to credit risk on an ongoing basis. The maximum exposure to credit risk on financial assets which have been recognized on the balance sheet are generally the carrying amount, net of any provisions.

The Company has treasury policies in place for deposit transactions to be conducted with financial institutions with a minimum credit rating. At reporting date:

- cash is held with Tier 1 financial institutions which all meet the Company's minimum credit rating required by the approved treasury policy; and
- trade and other receivables, net of provision for doubtful receivables, are not overdue or in default.

The Company does not require collateral in respect of financial assets.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. As at June 30, 2020, the Company had a cash balance of A$5,663,336 to settle current liabilities of A$1,015,351. All of the Company's financial liabilities have contractual maturities of 30 days or are due on demand and are subject to normal trade terms.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company currently has no interest-bearing financial instruments other than cash, so its exposure to interest rate risks is insignificant.

Price risk

The Company has disposed of its investments in other listed entities and is not exposed to fluctuations in market price.

DISCLOSURE CONTROLS AND PROCEDURES

The Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") are responsible for designing internal controls over financial reporting in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Company's financial statements for external purposes in accordance with IFRS. The design of the Company's internal control over financial reporting was assessed as of the date of this Management Discussion and Analysis.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

Information provided in this report, including the financial statements, is the responsibility of management. In the preparation of these statements, estimates are sometimes necessary to make a determination of future value for certain assets or liabilities. Management believes such estimates have been based on careful judgments and have been properly reflected in the accompanying financial statements. Management maintains a system of internal controls to provide reasonable assurances that the Company's assets are safeguarded and to facilitate the preparation of relevant and timely information.

RISKS AND UNCERTAINTIES

Natural resources exploration, development, production and processing involve a number of business risks, some of which are beyond the Company's control. These can be broadly categorized as environmental, operational, financial, regulatory and foreign country risks.

ICO BFS

Risks associated with mining, geology and process has been largely mitigated through the BFS and the 2019 drilling and testwork programs. Geological risk will always remain on grade, which is planned by the company to be further mitigated by infill drilling once underground access has been opened.

Key risks moving forward at ICO identified in the BFS are:

- Construction of environmental systems – environmental systems and early works includes completion of the portal bench, miners dry and mining infrastructure, commissioning of the water treatment plant and pump back systems. This work has to be completed before mining development can commence in October 2021 and is subject to seasonal construction and can only start in June 2021.
- Long lead procurement Schedule Risk – procurement of the SAG mill in Q4 2020 is on the Process Plant critical path. In order to complete EC&I installation during winter 2021 the mechanical installation and the milling building construction has to be completed by October 2021.
- Detail Design Schedule Risk – detail design is important in terms of the construction schedule for both environmental systems/infrastructure and Process Plant Construction.
- Site Access and road usage – limiting road traffic and access to site is an environmental and safety risk which will be mitigated during construction by completing construction of the camp which will accommodate the bulk of construction and mining development resources/labour. Material and equipment deliveries will be managed/controlled through the Salmon warehouse to ensure deliveries to site are coordinated.

Coronavirus (COVID-19) and Global Health Crisis

The COVID-19 global pandemic and efforts to contain it may have an impact on the Company's business. These may extend to local impacts at the operational level, international travel restrictions, together with the broader global economic fallout. The Company continues to monitor the situation and the impact COVID-19 may have on the Company's mineral properties. Should the virus spread, travel bans remain in place or should one or more of the Company's executives become seriously ill, the Company's ability to advance its mineral properties may be impacted. Similarly, the Company's ability to obtain financing and the ability of the Company's vendors, suppliers, consultants and partners to meet obligations may be impacted as a result of COVID-19 and efforts to contain the virus.

Global Operating Footprint

The Company has investments across Australia, the United States and Uganda. The integration and ongoing management of this portfolio imposes heightened risks related to the ongoing business prospects of Jervois, particularly in the context of COVID-19 travel restrictions.

Commodity Prices

The Company is not currently a producing entity so is not directly exposed to fluctuations in commodity prices although these will affect equity market sentiment, the value of its securities and its ability to raise further capital on desired terms. As the Company transitions to become a producer this risk will become the most material factor affecting its financial results.

The development of the Company's properties is dependent on the future prices of cobalt and nickel. Once the Company's properties enter commercial production, the Company's profitability will be significantly affected by changes in the market prices of cobalt and nickel. Metal prices are subject to volatile price movements, which can be material and occur over short periods of time and which are affected by numerous factors, all of which are beyond the Company's control. Such factors include, but are not limited to, interest and exchange rates, inflation or deflation, fluctuations in the value of the U.S. dollar and foreign currencies, global and regional supply and demand, speculative trading, the costs of and levels of metal production, and political and economic conditions. Such external economic factors are in turn influenced by changes in international investment patterns, monetary systems, the strength of and confidence in the U.S. dollar (the currency in which the prices of metals are generally quoted) and political developments. The effect of these factors on the prices of precious metals, and therefore the economic viability of the Company's mineral properties, cannot be accurately determined. The prices of cobalt and nickel have historically fluctuated widely, and future price declines could cause the development of (and any future commercial production from) the Company's mineral properties to be impracticable or uneconomic. As such, the Company may determine that it is not economically feasible to commence commercial production, which could have a material adverse impact on the Company's financial performance and results of operations. In such a circumstance, the Company may also curtail or suspend some or all of its exploration activities.

Currency Fluctuations

The Company's operations in the U.S. and Australia make it subject to foreign currency fluctuations and such fluctuations may materially affect the Company's financial position, operational results and cashflows. The Company typically raises equity in Australian dollars, reports its financial results in Australian dollars, however the majority of transactions are denominated in U.S. dollars. The Company does not use an active hedging strategy to reduce the risk associated with currency fluctuations.

Credit Risk

Credit risk is the risk of loss if a counterparty fails to meet their contractual obligations. Potential non-performance by Company suppliers, customers or financial counterparties is carefully assessed and managed. In relation to its cash balances and (when applicable) marketable securities, the Company manages credit risk by banking with leading global financial institutions.

Reliance on Management

The success of the Company depends to a large extent upon its abilities to retain the services of its senior management and key personnel. The loss of the services of any of these persons could have a materially adverse effect on the Company's business and prospects. There is no assurance the Company can maintain the services of its Directors, officers or other qualified personnel required to operate its business.

Exploration and Development

Resource exploration and development is a speculative business and involves a high degree of risk. There is no certainty that the expenditures to be made by Jervois in the exploration of its mineral properties or otherwise will result in discoveries of commercial quantities of minerals. The marketability of natural resources which may be acquired or discovered by Jervois will be affected by numerous factors beyond the control of Jervois. These factors include market fluctuations, the proximity and capacity of natural resource markets and processing equipment, government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals and environmental protection. The exact effect of these factors cannot be accurately predicted, but the combination of these factors may result in Jervois not receiving an adequate return on invested capital.

Financing Risks

The Company will require financing in the future to continue in business and there can be no assurance that such financing will be available or, if available, that it will be on reasonable terms. If financing is obtained by issuing common shares, control of the Company may change and investors may suffer additional dilution. To the extent financing is not available, lease payments, work commitments, rental payments and option payments, if any, may not be satisfied and could result in a loss of property ownership or earning opportunities for the Company.

No History of Earnings

Jervois has no history of earnings, and there is no assurance that the Company's mineral properties or any other property or business that Jervois may acquire or undertake will generate earnings, operate profitably or provide a return on investment in the future. Jervois has no capacity to pay dividends at this time and has no plans to pay dividends for the foreseeable future.

Negative Operating Cash Flow / Liquidity Risk

The Company is an exploration and development company with opportunities to progress to an operating stage, however Jervois has not yet generated positive cash flow from operations. As a pre revenue company Jervois is subject to liquidity risk. Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company is devoting significant resources to the development of its properties, however there can be no assurance that it will generate positive cash flow from operations in the future. The Company expects to continue to incur negative consolidated operating cash flow and losses until such time as it achieves commercial production at a particular project. Due to the lack of positive operating cashflow, Jervois manages liquidity risk by maintaining adequate cash reserves, by continuously monitoring actual and forecast cash flows, and matching the maturity profiles of financial assets and liabilities.

Environmental Risks and Other Regulatory Requirements

The activities of the Company are subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation generally provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution. A breach of such legislation may result in imposition of fines and penalties. In addition, certain types of operations, including any proposed development of the Company's mineral properties, will require the submission and approval of environmental impact assessments. Environmental legislation is evolving to stricter standards, and enforcement, fines and penalties for noncompliance are more stringent. Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and directors, officers and employees. The cost of compliance with changes in governmental regulations has potential to reduce the profitability of operations.

Failure to comply with applicable environmental laws, regulations and permitting requirements may result in enforcement actions including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in mining operations may be required to compensate those suffering loss or damage by reason of such activities and may have civil or criminal fines or penalties imposed upon them for violation of applicable laws or regulations.

Amendments to current environmental laws, regulations and permits governing operations and activities of mining companies and mine reclamation and remediation activities, or more stringent implementation thereof, could have a material adverse impact on Jervois and cause increases in capital expenditures or production costs or reduction in levels of production at producing properties or require abandonment or delays in the development of new mining properties.

Influence of Third-Party Stakeholders

The mineral properties in which Jervois holds an interest, or the exploration equipment and road or other means of access which Jervois intends to utilize in carrying out its work programs or general business mandates, may be subject to interests or claims by third party individuals, groups or companies. In the event that such third parties assert any claims, Jervois' work programs may be delayed even if such claims are not meritorious. Such claims may result in significant financial loss and loss of opportunity for Jervois.

Insurance

Exploration, development and production operations on mineral properties involve numerous risks, including unexpected or unusual geological operating conditions, ground or slope failures, fires, environmental occurrences and natural phenomena such as prolonged periods of inclement weather conditions, floods and earthquakes. It is not always possible to obtain insurance against all such risks and Jervois may decide not to insure against certain risks because of high premiums or other reasons. Such occurrences could result in damage to, or destruction of, mineral properties or production facilities, personal injury or death, environmental damage to Jervois' properties or the properties of others, delays in exploration, development or mining operations, monetary losses and possible legal liability. Jervois expects to maintain insurance within ranges of coverage which it believes to be consistent with industry practice for companies of a similar stage of development. Jervois expects to carry liability insurance with respect to its mineral exploration operations, but is not expected to cover any form of political risk insurance or certain forms of environmental liability insurance, since insurance against political risks and environmental risks (including liability for pollution) or other hazards resulting from exploration and development activities is prohibitively expensive. Should such liabilities arise, they could reduce or eliminate future profitability and result in increasing costs and a decline in the value of the securities of Jervois. If Jervois is unable to fully fund the cost of remedying an environmental problem, it might be required to suspend operations or enter costly interim compliance measures pending completion of a permanent remedy. The lack of, or insufficiency of, insurance coverage could adversely affect Jervois' future cash flow and overall profitability.

Significant Competition for Attractive Mineral Properties

Significant and increasing competition exists for the limited number of mineral acquisition opportunities available. Jervois expects to selectively seek strategic acquisitions in the future, however, there can be no assurance that suitable acquisition opportunities will be identified. As a result of this competition, some of which is with large established mining companies with substantial capabilities and greater financial and technical resources than Jervois, Jervois may be unable to acquire additional attractive mineral properties on terms it considers acceptable. In addition, Jervois' ability to consummate and to integrate effectively any future acquisitions on terms that are favourable to Jervois may be limited by the number of attractive acquisition targets, internal demands on resources, competition from other mining companies and, to the extent necessary, Jervois' ability to obtain financing on satisfactory terms, if at all.

Community and Stakeholder Relations

The Company's relationships with the community in which it operates are critical to ensure the future success of its existing operations and the construction and development of its project. The future success of Jervois is reliant on a healthy relationship with local communities in which the Company operates. While the Company is committed to operating in a socially responsible manner, there is no guarantee that its efforts will be successful, in which case interventions by third parties could have a material adverse effect on the Company's business, financial position and operations.

Share Price Fluctuations

In recent years, capital markets have experienced a high level of price and volume volatility, and the market price of securities of many companies, particularly those considered exploration or development-stage companies such as the Company, have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur.

Jervois' Operations are Subject to Human Error

Despite efforts to attract and retain qualified personnel, as well as the retention of qualified consultants, to manage Jervois' interests, and even when those efforts are successful, people are fallible and human error could result in significant uninsured losses to Jervois. These could include loss or forfeiture of mineral claims or other assets for non-payment of fees or taxes, significant tax liabilities in connection with any tax planning effort Jervois might undertake and legal claims for errors or mistakes by Jervois personnel.

Conflicts of Interest

Certain Directors and officers of Jervois are, and may continue to be, involved in the mining and mineral exploration industry through their direct and indirect participation in corporations, partnerships or joint ventures which are potential competitors of Jervois. Situations may arise in connection with potential acquisitions in investments where the other interests of these Directors and officers may conflict with the interests of Jervois. Directors and officers of Jervois with conflicts of interest will be subject to the procedures set out in applicable corporate and securities legislation, regulation, rules and policies.

Geopolitical Risk

The Company's projects are in United States, Australia and Uganda. Operating in these jurisdictions may expose the Company to a range of significant country specific risks including general economic, regulatory, legal, social and political conditions. Investing in emerging markets such as Uganda involves greater risk than investing in more developed markets. These and other country specific risks may affect Company's ability wholly or in part to operate its businesses. Certain of Jervois' projects and operations are located in Uganda, a developing country which has historically experienced periods of civil unrest and political and economic instability. As such the operations of Jervois may be exposed various level of political, economic and other risks and uncertainties. Although the political and economic climate in Uganda is currently stable, any negative changes in laws, government, regulations, economic conditions or political attitudes in Uganda are beyond the control of Jervois and may adversely affect its business. These risks and uncertainties include, but are not limited to, terrorism, hostage taking, military repression, crime, political instability, currency controls, extreme fluctuations in currency exchange rates, high rates of inflation, labour unrest, the risks of war or civil unrest, expropriation and nationalization, renegotiation or nullification of existing concessions, licenses, permits, approvals and contracts, illegal mining, changes in taxation and mining laws, regulations and policies, restrictions on foreign exchange and repatriation, and changing political conditions and governmental regulations relating to foreign investment and the mining business.

In Uganda, land titles systems are not developed to the extent found in many developed nations. Jervois believes that it has good title to its mineral properties in Uganda. Whilst rights to explore mineral properties are currently held validly, no assurance can be given that the Ugandan government will not revoke or significantly alter the conditions of the applicable licenses and that such licenses will not be challenged or impugned by third parties. There is no certainty that such rights or additional rights applied for will be granted or renewed on terms satisfactory to Jervois. There can be no assurance that claims by third parties against Jervois' properties will not be asserted at a future date.

Calculation of Mineral Resources and Mineral Reserves

There is a degree of uncertainty attributable to the calculation of mineral reserves, mineral resources and corresponding grades being mined or dedicated to future production. Until mineral reserves or mineral resources are actually mined and processed, the quantity of mineral reserves or mineral resources and grades must be considered as estimates only. In addition, the quantity of mineral reserves or mineral resources may vary depending on mineral prices. Any material change in the quantity of mineral reserves, mineral resources, grade or stripping ratio may affect the economic viability of Jervois' properties. In addition, there can be no assurance that mineral recoveries in small-scale laboratory tests will be duplicated in larger scale tests under on-site conditions or during production.

Limitations on the Mineral Resource Estimates

Estimating the quantity and quality of mineral resources is an inherently uncertain process and the minerals resources stated and any mineral resources or mineral reserves the Company states in the future are and will be estimates, and may not prove to be an accurate indication of the quantity of mineral that the Company has identified or that it will be able to extract.

The mineral resource estimates on the ICO and Nico Young Project are estimates only. No assurance can be given that any particular level of recovery of minerals will in fact be realized or that identified mineral resources will ever qualify as a commercially mineable (or viable) deposit which can be legally and economically exploited. In addition, the grade of mineralization which may ultimately be mined may differ from that indicated by drilling results and such differences could be material. Production can be affected by such factors as permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. The estimated mineral resources on the ICO and Nico Young Project should not be interpreted as assurances of commercial viability or of the profitability of any future operations. Moreover, certain of the mineral resources are reported at an "inferred" level. Inferred mineral resources have a substantial degree of uncertainty as to their existence, and economic and legal feasibility. Accordingly, there is no assurance that inferred mineral resources reported herein will ever be upgraded to a higher category. Investors are cautioned not to assume that part or all of an inferred mineral resource exists or is economically or legally mineable.

Project Assessment and Development Risk

The Company has completed the BFS on the ICO subsequent to 30 June 2020, the study has determined that the project is economically and technically viable. The project is environmentally permitted, and the company is still in the process of applying for final permits as needed and securing finance for the construction and commissioning of the project.

Capital Management

With the completion of the ICO BFS providing an encouraging outcome, the Company will be looking to advancing the development of this project with the aim of first production in 2022. To successfully deliver on the development of ICO and bring it into sustainable production, the Company will need to secure additional sources of funding.

If the Company is not successful in securing additional sources of funding, it still has the ability to fund reduced ongoing working capital requirements of the Company, through to 30 September 2021, meeting minimum expenditure requirements to maintain tenure on all projects within its global footprint, continued care and maintenance at ICO and corporate cost commitments.

The ability of the Company to fund the ongoing working capital requirements beyond 30 September 2021 is uncertain. Accordingly a material uncertainty exists in regards to the ability of the Company to continue to operate as a going concern beyond 30 September 2021 and, therefore, whether it will be able to realize its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. There can be no assurance that the Company will be able to obtain or access additional funding when required, or that the terms associated with the funding will be acceptable to the Directors. If the Company is unable to obtain such additional funding, it may be required to reduce the scope of its operations, which could adversely affect its business, financial condition and operating results. Further details on the going concern matter are included in Note 2 to the Financial Statements.

Pre-existing Environmental liabilities

Pre-existing environmental liabilities may exist on the properties in which Jervois currently holds an interest or on properties that may be subsequently acquired by Jervois which are unknown to Jervois and which have been caused by previous or existing owners or operators of the properties. In such event, Jervois may be required to remediate these properties and the costs of remediation could be substantial. Further, in such circumstances, Jervois may not be able to claim indemnification or contribution from other parties. In the event Jervois was required to undertake and fund significant remediation work, such event could have a material adverse effect upon Jervois and the value of its securities.

Infrastructure and Logistics

Jervois' business depends on adequate infrastructure, including reliable power sources, water supply, roads and other infrastructure. Water shortages, power outages, sabotage, community, government or other interference in the maintenance or provision of such infrastructure could adversely affect Jervois' business, financial condition and results of operations.

Project Delay

Jervois has a significant investment planned to complete construction in Idaho. There are a number of risks inside and outside its control, such as availability of suitable financing, technical risk, infrastructure and logistics constraints, construction delays, cost overruns, insufficient labour skills or resources, delays in confirmatory permitting to move into construction then the commissioning and operating phases, or any other regulatory matters. Once complete given the risks outlined previously, there is no guarantee the results of ICO will be sufficient to offset such capital expenditures and generate adequate investor return.

Licenses, Permits and Titles

The Company holds multiple tenements, represented by licenses and/or titles to land that contain mineral resources or are prospective for minerals. At ICO, the Company holds permits for the operation of the project. Each of these tenements, licenses and permits have certain requirements and obligations attached to them, which if not met, will result in the Company losing the rights to operate on these land areas and the resulting negative impact to the future prospects of the Company.

Permitting

Jervois' mineral property interests are subject to receiving and maintaining permits from appropriate governmental authorities. In particular, prior to any development of any of the Company's mineral properties, Jervois will need to receive numerous permits from appropriate governmental authorities including those relating to mining operations, occupational health, toxic substances, waste disposal, safety, environmental protection, land use and others. There is no assurance that the Company will be able to obtain all necessary renewals of existing permits, additional permits for any possible future developments or changes to operations or additional permits associated with new legislation. Further, failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing activities to cease or be curtailed, and may include corrective measures requiring capital expenditures or remedial actions.

Land Title

No assurances can be given that there are no title defects affecting the properties in which Jervois has an interest. The Company's mineral properties may be subject to prior unregistered liens, agreements, transfers or claims, and title may be affected by, among other things, undetected defects. Other parties may dispute title to a property or the property may be subject to prior unregistered agreements and transfers or land claims by Indigenous people. Title may also be affected by undetected encumbrances or defects or governmental actions. Jervois has not conducted surveys of the Company's mineral properties and the precise area and location of claims and other mineral rights may be challenged. Jervois may not be able to register rights and interests it acquires against title to applicable mineral properties. An inability to register such rights and interests may limit or severely restrict Jervois' ability to enforce such acquired rights and interests against third parties or may render certain agreements entered into by Jervois invalid, unenforceable, uneconomic, unsatisfied or ambiguous, the effect of which may cause financial results yielded to differ materially from those anticipated. Although Jervois believes it has taken reasonable measures to ensure proper title to its mineral properties, there is no guarantee that such title will not be challenged or impaired.

Nico Young NI 43-101 Preliminary Economic Assessment

The Nico Young PEA is based on inferred mineral resources that are not of sufficient certainty to constitute a pre-feasibility study or a feasibility study. Jervois has not declared proven or probable mineral reserves at Nico Young, and no assurance can be given that we will ever be in a position to declare a proven or probable mineral reserve. For the Nico Young Preliminary Economic Assessment to advance into feasibility study level, delineation of proven or probable mineral reserves will be required, which depends on a number of factors, including:

- the particular attributes of the deposit (including its size, grade, geological formation and proximity to infrastructure);
- metal prices, which are highly cyclical;
- government regulations (including regulations relating to taxes, royalties, land tenure, land use and permitting); and
- environmental protection considerations.

We cannot determine at this time whether any of our estimates will ultimately be correct.

ADDITIONAL INFORMATION

Additional information about the Company, including the Company's annual information form dated 30 September, 2020 for the year end June 30, 2020, is available on the Company's website, www.jervoismining.com.au and on SEDAR at http://www.sedar.com.

BOARD APPROVAL

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

COMPETENT PERSON’S STATEMENT

The information in this MD&A that relates to Mineral Exploration is based on information compiled by David Selfe who is a full time employee of the company and a Fellow of the Australasian Institute of Mining and Metallurgy and Dean Besserer, P.Geol. who is the GM Exploration for the Company and a member of The Association of Professional Engineers and Geoscientists of Alberta. Both David Selfe and Dean Besserer have sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2012 Edition of the ‘Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves’. David Selfe and Dean Besserer consent to the inclusion in the release of the matters based on their information in the form and context in which it appears.

The information in this report that relates to Ore Reserves underpinning the Production Target has been prepared by Mr Nick Yugo, P.Eng who is a consultant to the Company and who is a member of the Professional Engineers Ontario which is a Recognised Professional Organisation. Mr Yugo has sufficient experience which is relevant to the styles of mineralisation and types of deposits under consideration and to the activities being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Mr Yugo consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

QUALIFIED PERSON’S STATEMENT

The scientific and technical disclosure included in this MD&A has been reviewed and approved by Dean Besserer, P.Geol., who is the GM Exploration for the Company and a Qualified Person as defined by NI 43-101.

The technical content of this news release that relates to Mineral Reserve has been reviewed and approved by Nick Yugo, M.Eng who is a consultant to the Company and each are a Qualified Person as defined by National Instrument 43-101.