



Jervois Mining USA Limited

CONDENSED INTERIM FINANCIAL STATEMENTS

(Unaudited – Expressed in US Dollars)

For the three months ended 31 March 2022

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JERVOIS MINING USA LIMITED

Management Report

Management presents their report, together with the unaudited condensed interim financial statements, of Jervois Mining USA Limited (the “Company”) for the three months ended 31 March 2022 (the “period”).

1. Director

The sole Director of the Company during the whole of the financial period and up to the date of this report was:

Name	Role
Bryce Crocker	Chief Executive Officer

2. Principal activity

The principal activity of the Company during the period was mine construction.

3. Principal address

1309 S Challis St,
Salmon, Idaho,
83467-5453,
United States of America (“United States”)

4. Dividends paid or recommended

There were no dividends paid, recommended, or declared during the period.

5. Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Company.

6. Review of operations

The net loss after tax of the Company for the period was US\$1.1 million (31 March 2021: loss of US\$0.1 million).

During the period, operations have focussed on the ongoing development of the Idaho Cobalt Operations (“ICO”) cobalt-copper-gold mine located outside the town of Salmon, Idaho, United States. ICO is a key asset in delivering Jervois Global Limited’s (“Jervois”, the ultimate parent of the Company) strategy to become a leading independent cobalt and nickel company providing metals and minerals for the world’s energy transition through a Western supply chain. With commissioning expected in Q3 2022, ICO will be the United States’ only primary domestic mine supply of cobalt, a critical mineral used in applications across industry, defence, energy, and electric vehicles.

Following a cost and schedule review for ICO in December 2021, which led to a revised capital estimate of US\$99.1 million, the Company continued to progress construction of the project. In February 2022, the Company announced it had completed the first of two US\$50 million drawdowns of its US\$100 million bond offering proceeds from the escrow account, as contemplated by the terms of the bonds.

Surface construction continued during the quarter, with advancement on mill foundations, the completion of the structural steel for the concentrator building, completion of the crushed ore bin and commencement of the camp construction with the first sleeper units of the camp installed. Mine development by regional contractor Small Mine Development continued during the quarter, with the completion of the explosives magazines and initial underground drill bays as well as the first ore access development, the start of the underground maintenance infrastructure and the main access decline. During the quarter, approximately 50,000 short tons were moved from the mine to the tailings and waste storage facility.

As of 31 March 2022, the Company had committed US\$74.6 million of the total capital expenditure budget. Capital expenditure in Q1 2022 was US\$19.6 million, and construction remains on budget and on schedule. First concentrate production at ICO is anticipated during Q3 2022 and the Company expects to reach sustainable commercial production in December 2022.

Drilling at ICO:

In January 2022, Jervois announced its Board had approved an initial infill programme at ICO to commence in Q1 2022. Jervois committed US\$1.2 million to complete approximately 5,800 metres of underground drilling at its RAM deposit within ICO. The

JERVOIS MINING USA LIMITED

Management Report

infill drilling campaign across 2022 will reduce drill hole spacing in the underground resource ahead of first production and is underway. During the quarter, approximately 300 metres (1,000 feet) of initial drilling was completed. In addition, Jervois' team at ICO is planning a resource expansion drill programme from surface between April to November 2022, when site conditions allow.

Principal risk factors affecting the Company include:

- Weather, which is a key risk regarding potential delays, albeit reducing in spring.
- Inflationary pressures in the United States in relation to labour and materials.
- Supply chain disruptions and costs.
- Construction contractor staffing.

For additional risks affecting the Company, reference is made to the audited financial statements for the year ended 31 December 2021, which can be found on Jervois' website.

7. Director's declaration

In the opinion of the Director of the Company, the financial statements that are set out pages 5 to 8 below give a true and fair view of the Company's financial position as at 31 March 2022 and of its performance for the financial period ended on that date.

JERVOIS MINING USA LIMITED
Condensed Statement of Financial Position
As at 31 March 2022 (Unaudited)

	31 March 2022	31 December 2021
	US\$'000	US\$'000
Current assets		
Cash and cash equivalents	33,676	779
Funds held in escrow	57,250	113,500
Prepayments	738	761
Receivables with other group entities	966	316
Inventories	149	15
Financial assets at fair value through profit or loss	1,834	1,834
Total current assets	94,613	117,205
Non-current assets		
Property, plant, and equipment	139,877	115,116
Intangible assets	192	219
Total non-current assets	140,069	115,335
Total assets	234,682	232,540
Current liabilities		
Trade and other payables	9,251	10,631
Employee benefits	45	-
Payables with other group entities	26	200
Borrowings	48,042	96,084
Total current liabilities	57,364	106,915
Non-current liabilities		
Payables with other group entities	106,273	101,508
Asset retirement obligation	7,727	7,727
Borrowings	48,042	-
Total non-current liabilities	162,042	109,235
Total liabilities	219,406	216,150
Net assets/liabilities	15,276	16,390
Equity		
Share capital	122,708	122,708
Reserve	(24,813)	(24,813)
Accumulated losses	(82,619)	(81,505)
Total equity attributable to equity holders of the Company	15,276	16,390

The above statement of financial position should be read in conjunction with the accompanying notes

JERVOIS MINING USA LIMITED**Condensed Statement of Profit or Loss and Other Comprehensive Income****For the three months ended 31 March 2022 (Unaudited)**

	31 March 2022	31 March 2021
	US\$'000	US\$'000
Administrative expenses	(36)	(38)
Communication expenses	(83)	(17)
Employee benefits expenses	(504)	(164)
Share-based payments	(92)	-
Professional fees	(21)	(2)
Securities quotation fees	(14)	(25)
Other expenses	(249)	(32)
Depreciation and amortisation	(74)	(45)
Asset write-down	-	(44)
Net foreign exchange loss	(15)	(1)
Interest expense	(26)	(17)
Interest income	-	243
Loss before income tax expense	(1,114)	(142)
Income tax expense	-	-
Loss for the period	(1,114)	(142)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

JERVOIS MINING USA LIMITED**Condensed Consolidated Statement of Changes in Equity****For the three months ended 31 March 2022 (Unaudited)**

	Share capital US\$'000	Accumulated losses US\$'000	Group re- organisation reserve US\$'000	Total US\$'000
Balance as at 1 January 2022	122,708	(81,505)	(24,813)	16,390
Loss for the period	-	(1,114)	-	(1,114)
Balance as at 31 March 2022	122,708	(82,619)	(24,813)	15,276

	Share capital US\$'000	Accumulated losses US\$'000	Group re- organisation reserve US\$'000	Total US\$'000
Balance as at 1 January 2021	39,513	(75,251)	-	(35,738)
Loss for the period	-	(142)	-	(142)
Balance as at 31 March 2021	39,513	(75,393)	-	(35,880)

The above statement of changes in equity should be read in conjunction with the accompanying notes

JERVOIS MINING USA LIMITED
Condensed Consolidated Statement of Cash Flows
For the three months ended 31 March 2022 (Unaudited)

	31 March 2022	31 March 2021
	US\$'000	US\$'000
Cash flows from operating activities		
Payments to suppliers and employees	(986)	(245)
Interest paid	(6,250)	-
Net cash outflow from operating activities	(7,236)	(245)
Cash flows from investing activities		
Payments for property, plant, and equipment	(19,940)	(1,285)
Net cash outflow from investing activities	(19,940)	(1,285)
Cash flows from financing activities		
Additions to payables with other group entities	3,823	2,088
Transfer from funds held in escrow	56,250	-
Net cash inflow from financing activities	60,073	2,088
Net increase in cash and cash equivalents	32,897	558
Cash and cash equivalents at the beginning of the period	779	188
Cash and cash equivalents at the end of the period	33,676	746

The above statement of cash flows should be read in conjunction with the accompanying notes

JERVOIS MINING USA LIMITED

Notes to the Condensed Interim Financial Statements

For the three months ended 31 March 2022 (Unaudited)

1. Corporate information and basis of preparation

These unaudited condensed interim financial statements cover Jervois Mining USA Limited (the “Company”) at the end of, or during, the three months ended 31 March 2022 (the “period”). The financial statements are presented in United States dollars, which is Company’s functional and presentation currency.

These unaudited condensed interim financial statements have been prepared in accordance with International Financial Reporting Standards and interpretations adopted by the International Accounting Standards Board. These unaudited condensed interim financial statements have been prepared for information purposes only and may not be indicative of the financial performance of the Company. These unaudited condensed interim financial statements have been rounded to the nearest thousands.

2. Principal activity

The principal activity of the Company during the period was mine construction.