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Jervois suspends final construction at Idaho Cobalt Operations

Highlights:

- Jervois suspends final construction at Idaho Cobalt Operations ("ICO") due to continuing low cobalt prices and United States (the "U.S.") inflationary impacts on construction costs, to prudently preserve the value of ICO's ore body
- Jervois expects cobalt prices to recover over the medium term, including from the influences of the energy transition (EVs etc) and the Company's expectation that Western cobalt purchasers will increasingly prefer to buy from sources with Western ESG credentials, such as ICO
- Jervois expects to complete construction of and commission ICO when cobalt prices recover, which it also expects will align with cobalt refining capacity in the U.S. brought into operation by Jervois and/or third parties
- Jervois applied for U.S. Government grant monies to accelerate drilling aimed at increasing ICO mineral resource and reserve, and for studies to assess construction of a cobalt refinery in the U.S.; both can proceed as planned despite ICO's suspension
- Jervois is optimistic that it can benefit from recently announced U.S. Government programs to financially support the development of U.S. supply chains of critical minerals including cobalt

Jervois Global Limited ("**Jervois**" or the "**Company**") (ASX: JRV) (TSX-V: JRV) (OTCQX: JRVMF) announces its decision to suspend final construction and full concentrator commissioning at its 100%-owned Idaho Cobalt Operations mine ("**ICO**") in Idaho, United States (the "**U.S.**") due to continuing low cobalt prices and U.S. inflationary impacts on construction costs.

ICO's mineral resource and reserve is the largest and highest grade confirmed cobalt orebody in the U.S., and when commissioned will represent the country's only primary cobalt mine supply. Cobalt is a critical mineral as declared by the U.S. Government. Jervois has determined that not mining ICO cobalt at cyclically low prices, will preserve the optionality and inherent strategic value of ICO for shareholders and key stakeholders including local communities and the State of Idaho. The Company also views not mining ICO at current prices is consistent with U.S. Government critical mineral policy objectives.

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Jervois remains confident regarding the medium and longer term future of cobalt and in the trajectory of structurally higher prices that will be influenced by impacts such as rising cobalt demand from the energy transition including EVs, and the Company's expectation that Western cobalt purchasers will increasingly prefer cobalt from sources with Western ESG credentials, particularly given the concentration of supply from the Democratic Republic of Congo and China.

The U.S. Department of Defense (the "DOD") has advised that it intends to award Jervois an immediate need for Defense Production Act ("DPA") Title III with US$15 million of funding through a Not to Exceed Technology Investment Agreement. The DOD award would be subject to Jervois successfully completing required documentary steps including agreement to terms and conditions of the award.

Jervois applied for the DOD award monies to accelerate its drilling aimed at increasing the ICO mineral resource and reserve, and for studies to assess construction of a U.S. cobalt refinery; both can proceed despite ICO's suspension.

Jervois views the DOD's intention to issue its award as an indication of the importance to the U.S. Government of securing its cobalt supply chain. Accordingly, the Company continues to engage with the U.S. Department of Energy and EXIM, the official export credit agency of the U.S., on further financing initiatives. Whilst there can be no assurance any additional funding will be received, Jervois believes U.S. Government support in developing a viable domestic cobalt supply chain is important, given the energy transition and Jervois' expectation that Western cobalt purchasers will increasingly prefer cobalt from sources with Western ESG credentials such as ICO.

ICO continues to be a key part of delivering Jervois' strategy of acquiring and operating geopolitically strategic mining and critical mineral processing assets important to energy transition and the defense industry.

Jervois will immediately commence an orderly and rapid demobilisation of construction contractors from ICO's site which is expected to be completed in the coming weeks. The demobilisation will prioritise employee and contractor safety while maintaining Jervois' high standards of environmental and regulatory compliance. Total workforce including contractors will reduce from approximately 280 to under 30, which represents a fit-for-purpose workforce to maintain the site in compliance with its regulatory requirements. Where practical, Jervois will look to reassign local ICO employees to the activities to be funded by the DOD award.

As outlined in earlier Jervois announcements, the mine component of ICO's construction has been completed, with a successful start to underground stoping and more than 30,000 short tons of ore ready for processing. However, the current U.S. inflationary construction and cost environment, particularly at ICO's remote location, has proven challenging for Jervois to

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manage effectively. Jervois has spent ~US$130 million on construction at ICO, has a cash balance of ~US$52 million, and since the December 2022 year end, has paid down US$45 million of its US$150 million Mercuria loan facility resulting in a decrease from the end December 2022 drawn balance of US$115 million down to US$70 million[1]. The Company's US$100 million senior secured bonds remain due in July 2026, with no prior amortisation. Jervois remains in compliance with its bond covenants and there is no expected adverse impact on the bonds to Jervois from ICO's suspension. Jervois has also commenced a review of ICO's asset carrying value on the group's balance sheet, in accordance with applicable accounting standards.

On behalf of Jervois

Bryce Crocker, CEO

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[1] Financial information as at 26 March 2023