

2 January 2025 (Australia)

ASX / TSX-V: JRV

United States OTC: JRVMF

Jervois Global signs recapitalisation agreement

- Jervois reaches funding and recapitalisation agreement with Millstreet Capital Management, which will result in Jervois being recapitalised through a prepackaged United States Chapter 11 procedure and becoming a private group
- Transaction implementation will not disrupt commercial operations or business continuity; completion of the transaction will result in a stronger balance sheet with additional capital to revitalise its business plan
- US\$145 million new equity capital pre- and post-recapitalisation to fund business, including funding to restart the São Miguel Paulista nickel cobalt refinery in Brazil
- Total forecast debt reduction of US\$170 million including a full debt to equity conversion of the US\$100 million ICO Bonds and US\$25 million Jervois Global Convertible Notes plus an expected US\$44.5 million repayment of JFO Working Capital Facility principal on transaction close
- Millstreet extends its existing US\$150 million JFO Working Capital Facility from March 2025 to March 2026 on amended terms
- Jervois' recapitalisation to be implemented in Australia through Millstreet proposing a deed of company arrangement once the recapitalisation plan has been confirmed through the United States Chapter 11 prepackaged plan

Jervois Global Limited ("**Jervois**" or the "**Company**") (ASX: JRV) (TSX-V: JRV) (OTC: JRVMF) has reached an agreement with Millstreet Capital Management LLC ("**Millstreet**" or "**Lender**"), a leading alternative investment firm and current lender to the Company, on a comprehensive proposed recapitalisation that will strengthen the group's balance sheet and provide US\$145 million of new pre- and post-recapitalisation equity capital to fund the business and certain growth initiatives, including underpinning the restart of the São Miguel Paulista ("**SMP**") nickel cobalt refinery in Brazil.

To effect the proposed recapitalisation in a timely and efficient manner, Jervois and certain of its subsidiaries will commence a prepackaged United States ("**U.S.**") Chapter 11 procedure ("**Chapter 11 Plan**"), expected to commence in January 2025. Throughout the process, the Company is expected to continue operations in the normal course, and anticipates that its vendors, suppliers, customers and employees will remain unaffected by the proposed recapitalisation. Millstreet is expected to implement the recapitalisation in Australia by an interconditional deed of company arrangement in respect of Jervois.

Millstreet's intended Australian deed of company arrangement proposal will be consistent with the recapitalisation plan under the Chapter 11 Plan, which requires Jervois to dispose of its material assets to a nominee of Millstreet, conditional on creditor approvals required under the *Corporations Act 2001* (Cth). As an implementation condition, Jervois would seek Australian Securities Exchange ("ASX") approval of its delisting.

Millstreet currently provides the secured Jervois Finland ("JFO") Working Capital Facility ("Facility"), is the majority and controlling lender of the 12.5% US\$100 million Idaho Cobalt Operations ("ICO") Senior Secured Bonds ("ICO Bonds") and is the sole holder of the US\$25 million convertible notes ("CN") issued by the Company.

Under the Restructuring Support Agreement ("RSA") between Jervois (and certain of its subsidiaries) and Millstreet:

- Millstreet will provide US\$145 million of pre- and post-recapitalisation new equity capital to recapitalise the Jervois group business, including a US\$70 million equity commitment to underpin the SMP nickel cobalt refinery restart
- Jervois will transfer the subsidiaries that operate the JFO, SMP and ICO assets and the CN to a reorganised parent entity, and the ICO Bonds and CN shall be converted into new equity interests in the reorganised parent entity
- The reorganised parent intends to operate all of its subsidiaries with no interruption to business, continuing to service its customers. This includes JFO where the Lender intends to continue the existing US\$150 million Facility for the group's working capital requirements under amended terms
- The recapitalisation is intended to be implemented in Australia by Millstreet proposing a deed of company arrangement in respect of Jervois once the Chapter 11 Plan has been confirmed
- Post completion of the proposed recapitalisation, Jervois is intended to be delisted (subject to the ASX agreeing to the delisting) and wound up. As a result of the proposed recapitalisation there is anticipated to be no return for the current equity holders of the Company
- The Company will confirm with the ASX that a waiver from any requirement for shareholder approval under the ASX listing rules will be granted
- The RSA allows that the Directors of Jervois can comply with their fiduciary duties and in those circumstances, potentially terminate the RSA. Jervois has agreed to exclusivity arrangements in the RSA which restrict it from soliciting, or encouraging any alternative proposals, subject to certain customary exceptions

It is expected that the proposed recapitalisation will be completed before 30 April 2025.



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Background

Jervois has undertaken significant diligence and negotiations with third parties, stakeholders and Millstreet in relation to the proposed recapitalisation of the Company's balance sheet extending to potential partnerships including joint ventures, sale of its assets and or injections of equity capital into either its assets or the Company. Due to several factors including the current cobalt price which is, in real terms, at all-time lows, these negotiations have not resulted in a transaction that allows Jervois to recapitalise its group balance sheet on terms more favourable than those provided in the RSA.

With the proposed recapitalisation and Chapter 11 process, Jervois will request that its ordinary shares be suspended from the ASX and no longer trade on the TSX-V or United States OTC market pending the outcome of the Chapter 11 Plan and associated implementation steps.

On behalf of Jervois Global Limited

Bryce Crocker, CEO

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