

Jervois Global Ltd. expands scope of Sao Miguel Paulista Refinery BFS

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Highlights:

- - Jervois expands São Miguel Paulista ("SMP") Bankable Feasibility Study ("BFS") scope to include a larger pressure oxidative ("POX") autoclave, and plans to restart the refinery in a fully integrated single stage.
- - Adjusted BFS flowsheet to consolidate on prior nickel sulphate studies commissioned at SMP by Companhia Brasileira de Alumínio ("CBA"), to leverage expertise in chemicals production from Jervois Finland and target higher premium battery markets.
- - BFS outcomes expected to be released by end Q1 2022 to include updated capital expenditure and schedule estimates for refinery restart.
- - Agreement with CBA to extend the outside date for closing SMP acquisition to March 2022, to allow CBA additional time to renew applicable operating permits.
- - Jervois remains confident in the attractiveness of restarting SMP and its future significance to expansion of the non-China battery materials value chain.

27 September 2021 - [Jervois Global Ltd.](#) ("Jervois" or the "Company") (ASX:JRV) (TSXV:JRV) (OTC:JRVMF) advises it is revising the scope of the Bankable Feasibility Study ("BFS") for the São Miguel Paulista ("SMP") nickel cobalt refinery in São Paulo, Brazil that is underway.

Jervois is revising the scope of the SMP BFS led by Ausenco to accommodate technical expertise the Company has gained through its recent acquisition of Freeport Cobalt (now Jervois Finland), and current nickel market conditions. Due to strong demand for mixed nickel-cobalt hydroxide products ("MHP") from China's nickel sulphate refineries, current payables are unfavourable for converting this feedstock into electrolytic nickel and cobalt metal (the "Tocantins" product formerly produced at SMP).

As such, Jervois will work with Ausenco and lead process engineer, Metso-Outotec, on optimising the scale of the pressure oxidative ("POX") autoclave to be constructed in front of the existing SMP circuit, to accommodate materials produced by Jervois' Idaho Cobalt Operations ("ICO") and other sulphides such as concentrates, mixed sulphides and mattes, in addition to the hydroxide and carbonate feeds the refinery can already accommodate.

Increasing POX capacity will lead to higher capital cost but improved economics due to benefits on metal recovery and operating costs, together with greater feed flexibility (in addition to sulphides, the POX will be able to process material from lithium ion batteries known as "black mass" and other recycled materials). The POX will also act as an effective debottlenecking initiative assisting Jervois to reach previous SMP capacity levels.

Final SMP product is also under review in conjunction with Jervois Finland with a view to switching product to nickel sulphate rather than metal. Nickel sulphate is trading at a significant premium to metal, a trend that Jervois' commercial team expects to continue due to the volume of nickel sulphate forecast to be derived from metal dissolution to satisfy global demand growth in battery markets.

This switch will be linked to restarting SMP at or close to its prior capacity, of 25,000 metric tonnes of nickel and 2,500 metric tonnes of cobalt. As a result the restart of SMP, and the associated Ausenco study release, will no longer be staged. The completed Ausenco BFS is expected to be delivered by end Q1 2022 due to the flowsheet change with the requisite BFS piloting testwork to support refined nickel sulphate production undertaken by Metso Outotec in Finland.

Jervois remains confident in the attractiveness of restarting SMP, and that a larger, less staggered restart is the correct commercial approach given the Company's increased scale and market presence following its acquisition of Freeport Cobalt (now rebranded Jervois Finland).

SMP Refinery Closing Date extension

Jervois currently holds a lease over SMP providing it access to undertake a BFS on a potential restart of the facility. Jervois has agreed with Companhia Brasileira de Alumínio ("CBA") (an investee company of Votorantim) to extend the outside date of closing of Jervois' acquisition of SMP from 31 December 2021 to 31 March 2022, however the R\$1.5 million¹ monthly lease charge will cease from the start of January 2022.

Closing of the SMP refinery acquisition by Jervois is subject to several conditions precedent, including renewal of the São Paulo City Hall operating permit. CBA is complying with necessary legal procedures for renewal, and an updated license is expected to be received during 2021.

Jervois' existing early termination option under the transaction sale and purchase agreement will also be extended to 31 December 2021.

The purchase price of R\$125.0 million² payable in tranches conditional upon permitting, restart BFS outcomes and future production thresholds - with the exception of a R\$15 million initial payment which occurred in December 2020 - remains payable in stages to June 2023. The next acquisition payment payable by Jervois will be R\$47.53 million cash on Closing.

On behalf of [Jervois Global Ltd.](#),

Bryce Crocker, CEO

For further information, please contact:

Investors and analysts:	Media:
James May	Nathan Ryan
Chief Financial Officer	NWR Communications
Jervois Global	nathan.ryan@nwrcommunications.com.au
jmay@jervoisglobal.com	Mob: +61 420 582 887

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1 Equivalent to US\$0.28 million at current USD/BRL exchange rate of 5.35

2 Equivalent to US\$23.4 million at current USD/BRL exchange rate of 5.35.

3 Equivalent to US\$8.9 million at current USD/BRL exchange rate of 5.35.

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