

# Jervois

*Building a leading independent cobalt and  
nickel company*

**Q4 2023 INVESTOR CALL**

Tuesday, 30 January 2024 (Australia)



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## FINANCIAL DATA AND ROUNDING

All dollar values are in United States dollars (US\$) and financial data is presented as at 31 December 2023, unless stated otherwise. Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

## Q4 2023 highlights

Q4 2023 Jervois Finland  
operating cash flow  
US\$4.7M<sup>1,2</sup>  
(FY2023: US\$46.1M)<sup>1,2</sup>

Quarter-end cash  
balance of US\$45.4M<sup>2</sup>

DoD funded ICO drilling  
complete at Sunshine  
and preparatory work  
advancing at RAM

Active engagement with  
high-quality  
counterparties on  
partnership opportunities  
continuing in Q1 2024

# Delivering on key priorities

Focus remains on cash preservation and path to multiple cash generative assets

## Near-term priorities

- Maximise margin and cash flow, and deliver operational improvement at Jervois Finland
- Execute government (DoD) funded ICO drilling programme and U.S. refinery studies
- Advance debt and partner financing process at SMP
- Review partnership opportunities at each asset to crystallise and demonstrate value
- Continue U.S. Government engagement on protecting American critical mineral supply chains

## Progress achieved in Q4 2023

- ✓ US\$4.7M Q4 2023 operating cash flow at Jervois Finland; US\$46.1M for year. Operations cash flow positive for all four quarters in 2023<sup>1</sup>
- ✓ ICO Sunshine drilling completed; ICO RAM preparation work underway (100% DoD funded)
- ✓ Cost reduction and improvement programme launched to deepen resilience to current cyclical weakness in cobalt prices
- ✓ Counterparty engagement on project-level funding for SMP and strategic initiatives across other assets is continuing
- ✓ Bipartisan U.S. Congressional Select Committee proposes reserve or price floor for cobalt; expansion of EXIM mandate in critical minerals

**US\$45.4M cash balance at 31 December 2023**

# Jervois Finland: market segment outlook

Outlook for Q1 remains mixed, but improvements expected in 2024

## Chemicals, Catalysts, & Ceramics

- Chemicals: Demand continues to be stable in the main chemical applications (copper electrowinning, coatings, and rubber adhesion).
- Catalysts: Oil and gas segment (processing / refining) remains steady, and outlook remains positive.
- Ceramics: Continue to see reduced demand and rising competition (especially ex PRC) in this sector, linked to lower end-use demand in the housing and construction sector. In particular, weak construction markets in China are causing Chinese cobalt suppliers to aggressively access export markets, driving down prices. Demand is volatile, and consumers often wait for favourable market pricing. Prices in ceramics look to remain under pressure through the coming months, with limited ESG impacts on buyer behaviour.



Pigments



Catalysts

## Powder Metallurgy

- Lower demand and competition have limited volumes into all powder metallurgy applications.
- Automotive, oil and gas production (drilling), general engineering, and construction all remain soft.
- Aerospace remains positive with solid demand from both civilian and military sectors.



Hard metal tools



Diamond tools

## Batteries

- There is increasing optimism that destocking rates in the battery sector have subsided and customer inventory levels have reduced. Recovery from current Jervois customers is expected over the course of 2024.
- Interest continues from both European and U.S. based EV OEMs (automakers) for long-term cobalt supply but with volumes starting in 2025 and beyond.
- U.S. Inflation Reduction Act continues to drive interest in U.S. and other Western supply of battery raw materials, providing a key advantage to Kokkola as the leading global cobalt refinery outside of China.



Batteries

# Balance sheet management

Focus on enhancing liquidity and financial flexibility that supports business plan delivery

## Deleveraging and enhancing liquidity

- Cobalt inventory stable in the quarter – remains at ~1,300 mt and below target of 90 days
- Mercuria loan voluntary repayment of ~US\$5M completed in early October (loan balance ~US\$44M)
- Cost reduction programme aims to support profitability and liquidity through the cycle

## Portfolio initiatives a key goal for 2024

- Jervois aims to de-risk the path to establishing a multi-asset platform underpinned by a durable capital structure
- Counterparty site visits, due diligence, and commercial engagement occurred during Q4 2023
- Active engagement with high-quality potential counterparties is continuing in Q1 2024

Balance sheet summary (unaudited) – US\$M <sup>1</sup>	31 Dec 2023	30 Sep 2023
Cash – unrestricted	45.4	54.9
Total inventories and receivables	68.2	75.7
Debt – Mercuria working capital facility (Dec 2024) <sup>2</sup>	44.1	48.9
Debt – ICO Senior Secured Bonds (Jul 2026) <sup>2</sup>	100.0	100.0
Debt – Unsecured Convertible Notes (Jul/Aug 2028) <sup>2</sup>	25.0	25.0

Jervois Finland inventory (unaudited) – US\$M	31 Dec 2023	30 Sep 2023
Cobalt price at quarter-end (actual, US\$/lb) <sup>3</sup>	13.0	14.5
Cobalt inventory: total (mt)	1,297	1,353
Physical cobalt inventories (US\$M)	40.7	44.5
Inventory days <sup>4</sup>	78	81

# Guidance

Volume guidance for 2024 takes account of near-term cobalt market conditions

Jervois Finland	2023	2024
Sales volumes (calendar year)	5,300 to 5,600mt	5,300 to 5,600mt
Cobalt hydroxide volume protection against index	50 to 60%	50 to 60%
Inventory days (target)	90 to 110 days	90 days

ICO	2023	2024
Final project cost at suspension (including demobilisation)	US\$155M	n/a
Estimated monthly suspension cost	US\$1.0M	US\$1.0M

SMP	2023	2024
Forecast project cost <sup>1</sup>	US\$65M	US\$65M
Estimated monthly owner's / site cost	US\$0.5M	US\$0.5M
Estimated first production	12 months from full mobilisation	12 months from full mobilisation

## Jervois Finland

- 2023 sales volume 5,474 mt (within guidance range)
- 2024 guidance takes account of current market conditions

## ICO, SMP, and Corporate

- Holding cost run-rates achieved at both sites in late 2023
- ICO, SMP, and Corporate costs to be further reviewed in Q1 2024
- SMP restart cost estimate remains unchanged from BFS
- ICO restart cost to be determined once market conditions improve and or U.S. Government price support becomes legislated

# JERVOIS INVESTMENT HIGHLIGHTS



EV batteries require nickel and cobalt

Nickel and cobalt are critical minerals

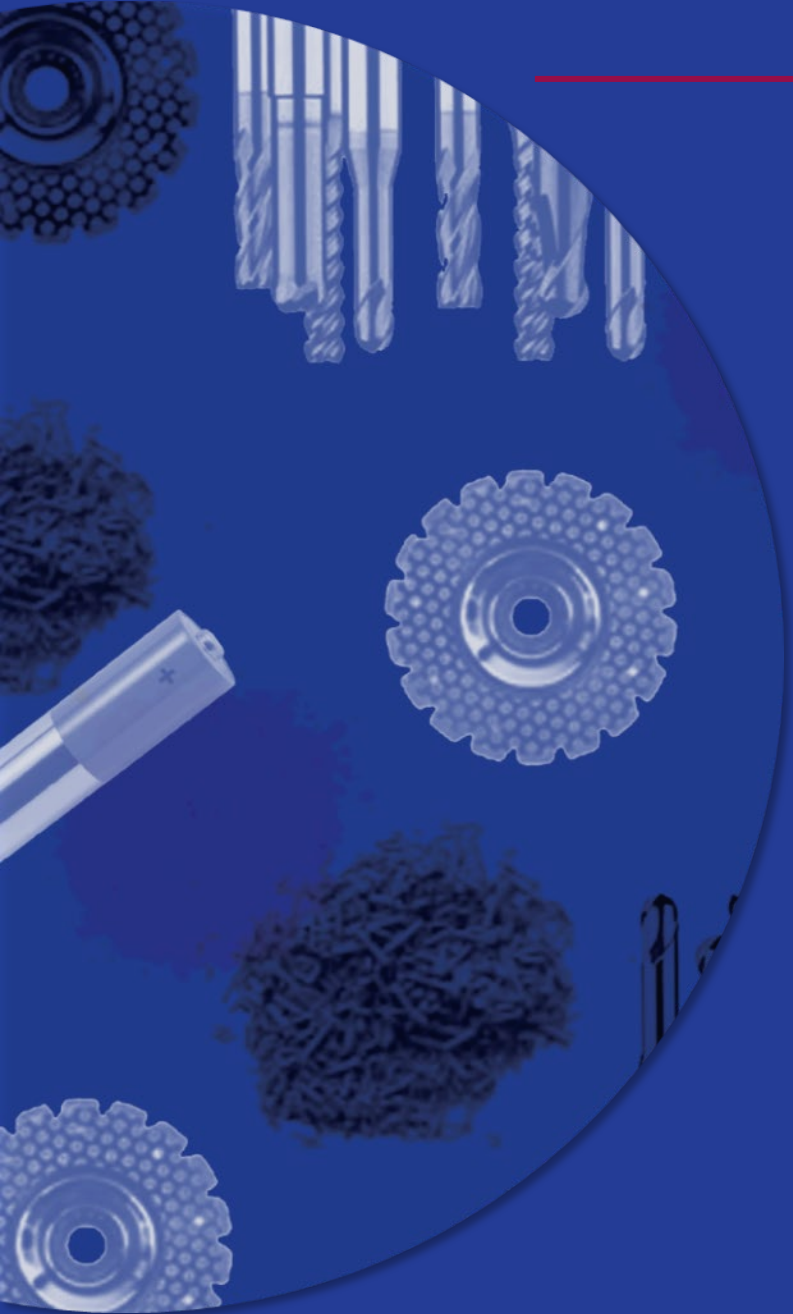
Jervois assets are strategically important

Jervois portfolio is diversified

Jervois management is highly experienced

Cash generation and portfolio flexibility



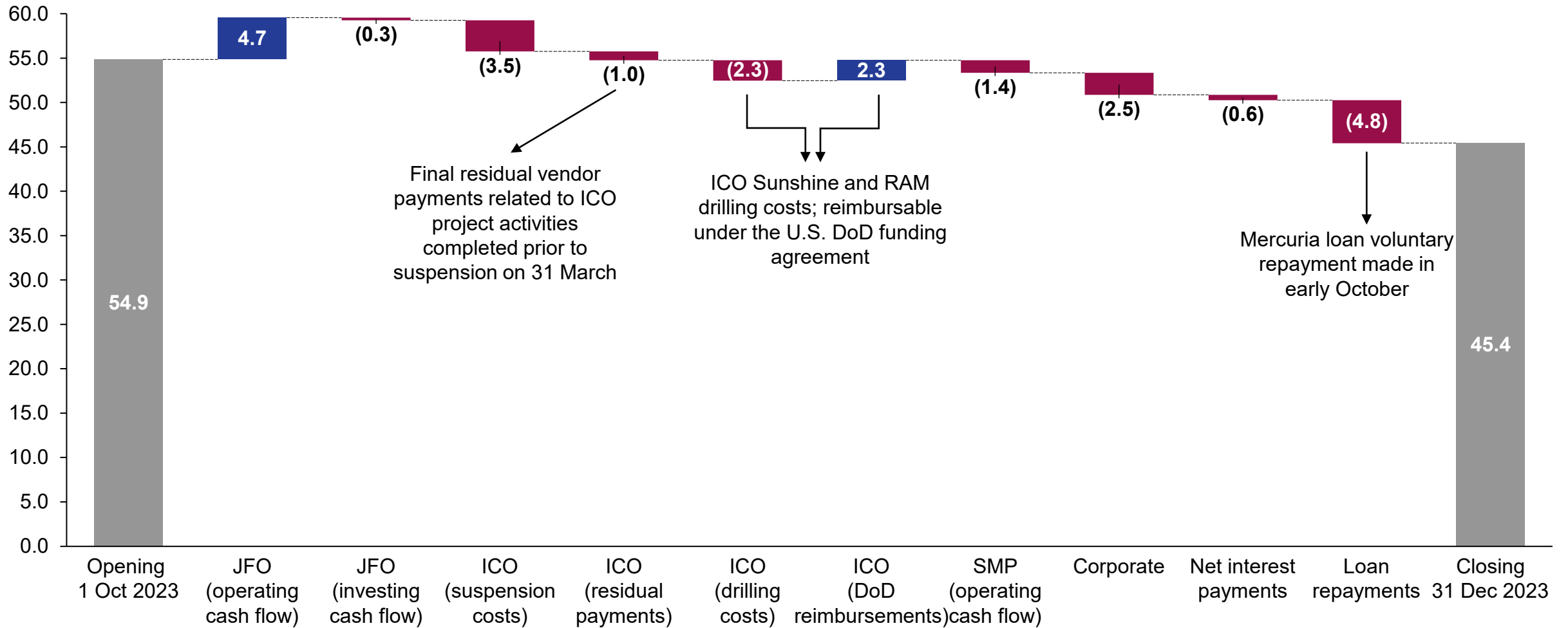


## Appendix

# Q4 2023 cash flow

Jervois Finland cash generation offset by suspension and financing costs

Jervois Global fourth quarter cash reconciliation (unaudited) (US\$M)<sup>1</sup>



Note: 1) Chart shows cash flows as reported in the Appendix 5B to December 2023 – see ASX announcement dated 30 January 2024. All information is presented on a preliminary and unaudited basis.