

JERVOIS MINING LIMITED

A.B.N. 52 007 626 575



29 January, 2008

The Manager

Company Announcements

Australian Stock Exchange

Level 10, 20 Bond Street

Sydney NSW 2000

Dear Sir,

QUARTERLY REPORT TO 31 DECEMBER, 2007

Highlights

1. The Company is aiming for scandium production from Nyngan N.S.W. in 2009 at a minimum rate of 10 tonne scandium oxide per annum. A land purchase has been negotiated.
2. A major partner for the Young project should emerge within months unless the slow down in USA affects world and/or China trade.
3. Metallurgical testwork on various new processes for laterite treatment have yielded exciting outcomes including an elegant variation from Outotec Oy.
4. Direct smelting of the Young laterite is an option, especially for the refractory limonite at Young, N.S.W.
5. Bullabulling gold production reached a quarterly record of 581.4 fine oz. Estimated production for January is over 200 oz.
6. Preliminary sampling at Lake Barlee and Lake Giles yielded anomalous uranium values. Lake Barlee seems to be gaining recognition in W.A. as an area quite prospective for uranium.

YOUNG. N.S.W.

EXPLORATION LICENCES 5527, 5571 AND 5152

NICKEL/COBALT IN LATERITE PROJECT

The company's major asset by far, lies within the above licences, which themselves are well located with ready access to a major national gas-pipeline for possible co-generation of steam and power. A drilling programme dating from May 2007 was not completed due to adverse weather conditions and the difficulty of obtaining a drill. This programme will re-start in February/March, 2008 depending on drill availability. Some 2000 metre of infill drilling is scheduled. The main objective of the drilling is to recover sample for metallurgical test work, particularly from the Ardnarree resource. There is some potential for increasing the size of the resource.

Potential Joint Venture Partner – Young, N.S.W.

The company has consistently advised shareholders that a strong joint venture partner would ultimately be required to help fund the development of the Young nickel/cobalt resource. Shareholder support has allowed the Company to fund the early development work and has brought the project to an attractive stage with large in ground resources and several possible alternative processes.

The huge increase in demand for nickel (and other commodities) in China drove the nickel price to an unprecedentedly high level in 2007. It is therefore not too surprising that many Chinese groups have shown interest in the Young nickel resource. Some, but not all, of the interest has been generated by the Company's Chinese agent, Double Link Pty. Ltd. This latter group have recently visited Yunnan Jiaming Technology Company Limited (Jiaming) in China. Jiaming operated pilot plants for nickel leaching (200 mtpd) and ferro-nickel smelting (100 mtpd). It also has proprietary heap leaching technology and is interested in cooperation with Jervois by offering technology, funds and equipment. Jiaming plan to visit Jervois in Australia in late February, 2008. Other groups were also approached. There are four or more other companies following up on the Young project. Two of these are huge groups quite well known in Australia. Some of these groups asked for and were given drill hole sample from Young to test for themselves.

With all of this intense activity centred on the Young resource, it seems likely that shareholders should benefit in coming months.

ON GOING METALLURGICAL TESTWORK

The Company seeks a hydrometallurgical process that could produce a nickel product for sale in the lowest one third of the international production cost curve for nickel. To this end various alternative processes have been tried with some success. The testwork is carried out in Canada and Sydney, with back up confirmatory testwork at CSIRO in Perth. The current process uses hydrochloric acid (HCl) in a magnesium chloride brine and recovers nickel and cobalt very efficiently. The expense of hydrochloric acid, and the quantity necessary to break-up the laterite, forces us to seek to re-generate the hydrochloric acid for re-use.

On 13 December, 2007 the Company reported what it considered significant advances towards the successful re-generation of hydrochloric acid and the precipitation of an iron product (hematite). These results were more or less in line with successful Canadian tests. It seemed prudent and it was always the Company's intention, to cross-check the work at CSIRO with larger and more sophisticated test facilities. A formal report on this latter work is due shortly.

Share holders should not confuse the above work with other tests being carried out at Outotec Oy which will be dealt with below. There are other possible options for treating the difficult refractory 'limonite' zone at Young which represents about 25% of the resource overall. The limonite zone overlies the easier to treat saprolite and weathered serpentine and has to be mined in any event. These other options include Direct Smelting as practised extensively in China. This technique would be viable for the Young resource (particularly the limonite) if the nickel price stays above US\$9.50 per pound.

In addition the Company has identified a possible process for scandium recovery from the limonite at Nyngan, N.S.W. (reported on elsewhere in this report). For commercial reasons, details of the scandium work cannot be disclosed but our Metallurgical Consultant feels that this work also has good potential for the treatment of the 'Young' limonite for nickel and cobalt recovery.

OUTOTEC OY – BATCH LABORATORY TESTS

A formal report has been received from Outotec Research Oy which covers the testwork outlined in the September Quarterly. The tests covered Mineralogy, Chlorine Leaching and Precipitation tests for four (4) laterite samples drawn from drill-hole sample from Young (N.S.W.). The Outotec variation of chloride leach chemistry uses sodium chloride brine and has previously been successfully applied to the treatment of copper concentrates.

In its report Outotec concluded that the main resource types viz. Limonite, Saprolite and Weathered Serpentine could be efficiently leached in a sodium chloride (NaCl) solution using hydrochloric acid (HCl). High recoveries for nickel, cobalt and scandium were achieved, as reported in the last Quarterly.

Further work has been commissioned to examine preliminary CAPEX and OPEX for such a system of mineral processing for nickel and cobalt recovery. This work is expected to be complete by end March, 2008.

NYNGAN N.S.W. – Gilgai

EXPLORATION LICENCE 6009

The Company has reported extensive resources of scandium in laterite on previous occasions. These refractory resources have proved difficult to treat successfully at even laboratory scale. Hydrochloric acid was effective but viewed as impractical for a proposed small mining and treatment operation to produce up to 20 tonnes per annum of scandium oxide (Sc_2O_3) at 99.9% purity.

At Xstrata Process Services in Canada a series of small scale smelting tests yielded a slag component containing most of the scandium content at greatly increased grade. Unfortunately the scandium bearing slag has so far been even more refractory than the original laterite. The slag had also been contaminated somehow during the smelting process. A meaningful scandium extraction test on the slag at Metcon in Sydney was not possible as a consequence.

On a more positive note a straightforward process has been found which recovers more than 60% of the contained scandium and with the potential to reach 90%. Details of how this is achieved would not be in the Company's interest to release. As a consequence the company has committed to acquire some land at Nyngan and will shortly apply for a Mining Lease covering the resource. The whole application process will have to address the various regulatory requirements and is expected to take up to 12 months to complete. Any mining and treatment operation will produce a minimum of 10 tonnes of scandium oxide (Sc_2O_3) per annum on a one shift operation. Any increase in demand will be met by increased hours of operation. Interest in scandium oxide supply from the various end-users contacted by the Company seems genuine, with Fuel Cell components as the main target market. Some end users are predicting demand to go well beyond the present 15 tonnes per annum level.

For information, covering U.S.A. consumption only, the most recent annual report on scandium, extracted from the U.S. Geological Survey Mineral Commodity Summaries, is attached.

BULLABULLING GOLD MINE – WA

Mining Leases 15/282, 483, 503, 529, 554 and 1414

Exploration Licence 15/841

Prospecting Licences 15/4660-4622

This small 'heap leach' gold mine is owned and operated by the Company and lies just west of Coolgardie, in W.A. near the Great Eastern Highway. During the quarter gold production from the heap leach totalled 581.4 fine oz, sold for \$507,333.28 – a record for a quarter. The average sale price per oz, net of smelting charges, was \$872.60.

For at least two quarters, a build up of scale on the carbon reduced the efficiency of the gold loading on the carbon. Appropriate expertise was approached to tackle the problem. We believe this problem has now been resolved but an extra test carbon column will be installed shortly. As a consequence of the new increased size of the 'heap leach' the Board deemed it prudent to cut back on mine personnel, stop screening and crushing, and simply run the heap leach for gold recovery. This operation should now trade profitably for 6 – 12 months. Production will be monitored depending on the selling price for gold.

DICKSONS SOUTH

5000 tonnes of selected ore mined from a small 'open pit' at Dixons South was transported to the Lakewood Mill facility near Kalgoorlie. Basically a test run for future reference. The 5000 tonnes was duly treated during the quarter and the gold stripped from the carbon and sold in the usual way through AGP Matthey in Kalgoorlie. Jervis supplied the 'carbon' for this exercise and after stripping the carbon was returned to Bullabulling.

The mining operation yielded, in addition, about 30,000 tonnes of lower grade ore which was mined with the better grades. The lower grade resource was placed on the 'heap leach' and is actually leaching quite well. A gold dore' bar from Dixons South typically has about 25% silver content, in addition to the gold (74%).

BULLABULLING SOUTH W.A.

PROSPECTING LICENCES 15/4742 – 4748 AND 15/4798 – 4799

PROSPECTING LICENCE APPLICATION 15/4887

NEW AGE EXPLORATION LIMITED EARNING 60% OVER 3 YEARS

As reported in previous quarterly reports, drilling following IP results produced no assays of significance although numerous shear zones were encountered in rock types that are known to host nickel and gold in the district.

There have been recent advances in hydrogeology, by the CSIRO and others, in the understanding of acid groundwater in the southern part of the Yilgarn Block in which the Bullabulling South project is situated. A hydrogeologic survey using open drill holes and water bores to test for anomalous concentrations of minerals dissolved in the groundwater, in near proximity to the drill holes, will be conducted in the first quarter of 2008. This will check for the presence of minerals near the drill holes which may have not penetrated mineralization, or in some instances may have not returned a good sample as the sheared rock and wet conditions prevented it.

URANIUM EXPLORATION JOINT VENTURE – W.A.

LAKE BARLEE WEST

EXPLORATION LICENCES 77/1332 AND 77/1333

NEW AGE EXPLORATION LIMITED EARNING 60% OVER 3 YEARS

The tenements cover part of a northerly draining trunk valley flowing into Lake Barlee.

An auger sampling survey was conducted on Exploration Licences 77/1332 and 77/1333 to test for the presence of near surface uranium mineralization.

Airborne radiometric data has shown a highly anomalous uranium surface response where the drainage enters Lake Barlee, and in a number of small playa lakes in the trunk valley.

Twenty three holes were augered down to 2 metres where possible. Forty-two samples were taken, thirty-four samples detected uranium mineralization. Fifteen of these were weakly to moderately anomalous.

The samples were checked in the field with a CR135 Plus Scintillometer and again at base.

The samples were taken to a commercial laboratory for confirmation of the results; however these results are still being waited upon.

From the survey a Programme of Work application was submitted to the Department of Industry and Resources and a Radiation Management Plan was submitted to the Department of Consumer and Employment Protection to allow a drilling program to proceed when an aircore drilling rig becomes available.

LAKE GILES

EXPLORATION LICENCE 77/1345

NEW AGE EXPLORATION LIMITED EARNING 60% OVER 3 YEARS

The tenement covers part of a northerly draining valley. Lake Giles is a playa lake which forms part of the drainage system.

High grade uranium is known to occur along the same drainage system north of the project area. Airborne radiometric data shows a highly anomalous uranium surface response where the drainage from Lake Giles enters Lake Barlee, with a number of isolated hot spots also on the tenement.

Previously, uranium was found to be present in samples taken at the northerly hot spot.

An auger sampling survey was conducted on Exploration Licence 77/1345 to test for the presence of near surface uranium mineralization.

Fifty-six holes were augered down to 2 metres where possible and 107 samples were taken.

A field GR135 Plus Scintillometer was used to determine potassium, uranium and thorium counts. From this work uranium was detected with some results considered low grade anomalous uranium.

Confirmation of these results with samples sent to a laboratory, are still being waited upon.

Granite rock in the drainage system tested in the field with a GR135 Plus Scintillometer indicated concentrations of 16ppm uranium.

From the survey a Programme of Work application was submitted to the Department of Industry and Resources and a Radiation Management Plan was submitted to the Department of Consumer and Employment Protection to allow a drilling program to proceed when an aircore drilling rig becomes available.

FOREST REEFS JOINT VENTURE. N.S.W.

Exploration Licence 46250

Newcast Operations Limited (NOL) 80%

Jervois Mining Limited 20%

For the December 2007 Quarter

NOL have reported as follows:-

“Drilling”

Cored drill hole FRN 016, drilled in the south western corner of EL4620 was completed for a total of 774.2 metres. No significant zones of mineralisation were intersected. Assay results have not been received to date.

Other

The Annual Report for EL4620 (Forest Reefs) was completed and submitted. Expenditure on the Licence for the Quarter was \$155,022 excluding any management fee.

Expenditure on exploration for the Quarter was \$377,184.

By Order of the Board,



DUNCAN C. PURSELL

MANAGING DIRECTOR