



A.B.N. 52 007 626 575

29 January 2010

The Manager
Company Announcements
Australian Stock Exchange
Level 10, 20 Bond Street
SYDNEY NSW 2000

QUARTERLY REPORT TO 31 DECEMBER 2009

BULLABULLING GOLD OPERATION – WA

Mining Leases 15/282, 483, 503, 529, 554 and 1414 & Prospecting Licenses P15/5356, 5357, 5358

Jervois Mining Limited (JRV) has granted Auzex Resources Limited (AZX) an exclusive option over all the Bullabulling assets for a 3 month period exercisable at any time. If the option runs for 3 months, a fee of \$60,000 would apply. This would reduce pro-rata if the option period is shorter.

The key terms of the Agreement are as follows:

- An exclusive option period of three months, exercisable at any time
- An option fee payable on a monthly basis at \$20,000 per month payable in arrears
- Replacement of the security bonds for the mining tenements (approximately \$1.25 million)
- Payment of \$800,000 consideration for existing buildings, plant and machinery*
- Royalty payment of \$30 per ounce for the first 400,000oz gold produced, reducing to \$20 per ounce thereafter.

**At the election of Auzex this payment can be cash or Auzex shares or a combination of both. The Auzex shares to be priced at the volume weighted average share price for the preceding 5 days trading.*

JRV understands that AZX are planning an extensive exploration programme and the tenements acquired from the Goldpride Pty Ltd acquisition were a significant element to this important initiative.

Gold Production – December Quarter

A total of 259.74 fine ounces of gold was produced and sold for \$307,366 – an average of \$1,183 per oz.

NICKEL/COBALT IN LATERITE, SUMMERVALE, NEAR NYNGAN, NSW - EXPLORATION LICENCE 7281

In 2009, exploratory drilling for nickel and cobalt at Jervois Mining Limited tenement EL 7281, Summervale, near Nyngan NSW, targeted a possibly large mineralised extension to the known nickel/cobalt resource of the Company's adjacent Westlynn (EL 6009) tenement.

Forty four (44) exploratory holes were drilled in the new tenement, within a zone identified by ground and airborne magnetics. Of these holes, eleven (11) intersected significant mineralisation, particularly for nickel, and a further five (5) intersected nickel intervals at 0.5% and above (all intervals are vertical). The approximate distance between Holes 39 to 34 is 2km.

In terms of 'scout drilling' (where the location of possible mineralisation is not known with certainty) a 1:4 ratio for significant results is very encouraging.

The results also indicate that the new tenement could encompass a very large structure. A complete list of significant nickel/cobalt intervals from drilling at Summervale is outlined below, with a list of nickel intervals >0.5% Ni.

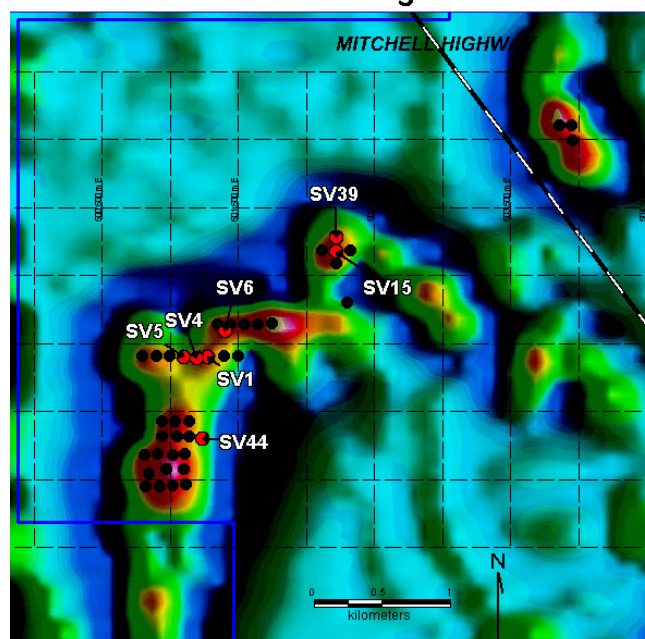
Shareholders should realize that economic processing of lower grade nickel (<1%) requires a technological breakthrough in the treatment of nickel laterites. This is the type of process that Jervois seeks in its partnership with a Canadian consortium, believed to be technically the most advanced in this field in the world.

Further exploration at Summervale in 2010 will include an RC drilling program with the view to extend the area of the significant intervals.

The delay in announcing the final assay results was due to samples being sent to an interstate laboratory for processing.

Preliminary testing was completed by Metcon Laboratories on two saprolite samples from Summervale, NSW. Composite B (hole SV4, depth 44-49 m) responded relatively well to atmospheric chloride leaching with cobalt and nickel extractions of 96 and 78% respectively, while the same test on Composite C (hole SV6, depth 32-37 m) gave results that were ~10% less. Preliminary atmospheric sulfate leach testing resulted in extractions of less than 50%.

Summervale Drilling 2009



**Summervale - Nyngan NSW.
Exploratory drilling program; June and September 2009**

Hole number	Northing GDA	Easting GDA	From (m)	To (m)	Interval width (m)	Ni %	Co %
SV1	6523588	501394	43	47	5	0.710	0.027
SV4	6523584	501313	43	49	6	0.914	0.046
SV5	6523584	501213	38	41	3	0.686	0.032
SV6	6523734	501426	31	41	10	0.922	0.034
including			32	37	5	1.145	0.038
SV15	6524364	502331	28	31	3	0.96	0.255
SV39	6524466	502333	27	38	11	1.02	0.035
including			29	35	6	1.25	0.034
SV44	6522985	501348	41	54	13	1.41	0.083
including			41	42	1	2.15	0.033
and			43	44	1	2.03	0.264
and			42	45	3	1.89	0.210

NYNGAN, NSW GILGAI SCANDIUM PROSPECT

Exploration Licences 6009 and 6096

At this property, the ultimate objective is to develop a dedicated scandium mine to meet the claimed future demand by end users, trading houses etc. Jervois makes no claim to any special knowledge in this field and has to rely on statements from potential buyers of 99.9% scandium oxide (Sc₂O₃).

A partner for this operation could have been found months ago but the emergence of competing interests to develop the mine did delay the process by 4-5 months, although the best interests of shareholders were met by this delay.

We are told that the surge in interest in scandium, especially from USA, is driven by the perceived 'green' energy benefits certain to emerge from the extensive use of Solid Oxide Fuel Cells (SOFC) for power generation (power stations, private houses, vehicles etc). In the end, there were 4 contenders, only one of whom seemed a perfect fit for Jervois (ie a blend of mining and scandium metallurgy expertise).

The Board pursued the 'perfect fit' to the JRV interests. Shareholders will be promptly advised of progress.

Ongoing Metallurgy

As part of ongoing testing to optimise the extraction of scandium from Gilgai limonite ore, several acid bake-leach tests have been completed by Metcon Laboratories. These have covered the moisture content of the ore before acid agglomeration and its effect on scandium extraction as well as further examination of the role that leach liquor pH plays in scandium extraction.

YOUNG, NSW

Nickel/Cobalt/Iron Laterite

Exploration Licences 5527, 5571 and 5152

No exploration was undertaken in these tenements during this Quarter.

Young Laboratory Testing

A series of tests were carried out by Metcon Laboratories, in which the composition of MgCl₂, AlCl₃, CaCl₂, ZnCl₂, and FeCl₃ solutions at different temperatures has been initiated. These tests relate to hydrolysis testing carried out in Canada.

DIAMOND EXPLORATION TARGETS IN WESTERN AUSTRALIA

Diamond Exploration – WA (E70/3560 and E70/3568 pending)

Granting of these tenements is currently pending. No exploration has occurred this Quarter.

BUNNAWARRA JOINT VENTURE, WA

E59/1391

Jervois Mining earning 40%

New Age Exploration (NAE) earning 40%

Exploration drilling of 35 air core holes to blade refusal at Bunnawarra resulted in the intersection of significantly higher than average values for Rare Earth Elements (RRE) including Ce, in holes BADAC33 and BADAC13.

The samples BC 097, BC 292 and BC 293, returned results for light and heavy REE's that were all at least six times greater than earth average abundances. In one case the results were sixteen times greater. The results are considered significant, coming from an area known to contain pegmatite – gneissic rocks, a possible source of REE.

Elements that returned higher than average values include Ce, Cu, Mo, Nd, Y, W and Au.

The drill holes were drilled over gold, molybdenum and rare earth soil anomalies.

Although results themselves are not significant enough to indicate economic grades of these elements, the results warrant further investigation in this largely unexplored area.

Results:

HOLE NO	INTERVAL M	SAMPLE NO	Ce	Dy	Er	Eu	Gd	Ho	La	Lu	Pr	Sm	Tb	Tm	Yb	Au
			ppm													
BADAC33	28 - 32	BC 292	458	42.5	16.5	20.8	58	7	233	1.8	66	60.5	8	2.2	13.5	
	32 - 36	BC 293	88	40	29.5		32	10	55	3.4	12	17	5.8	4	22	
	36 - 40	BC 294														3
	40 - 44	BC 295														3
	44 - 48	BC 296														3
	48 - 50	BC 297														2
BADAC13	28 - 32	BC 097	179						109							

URANIUM EXPLORATION – WA

Lake Barlee Exploration Licences 77/1440 & 77/1441

During the December Quarter reconnaissance and spectrometer surveys were used to gather data on surface uranium and thorium mineralisation. Uranium mineralisation was detected to 8ppm in lake sediments. This indicated further exploration was warranted for deeper mineralisation in the drainage system.

Nalbarra South Exploration Licence 59/1264
Lake Barlee West Exploration Licence 77/1332-3
Lake Giles Exploration Licence 77/1345

No exploration was undertaken in these tenements during this Quarter.

FOREST REEF JOINT VENTURE, NSW

Exploration Licence 4620
Newcrest Operations Limited (NOL) 80%
Jervois Mining Limited 20%

For the Quarter, NOL have reported as follows:

“No field work was completed during the reporting period. A database review to assist with soil programme planning was completed.

Expenditure during the last quarter was \$18,497 and excludes any management fee.”

CHINA RAILWAY RESOURCES

Shareholders will recall the ongoing dispute with China Railways Resource Co Ltd (CRR) regarding monies paid to JRV in respect of the proposed nickel/cobalt project at Young under the Frame Agreement.

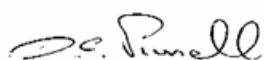
On 4 December 2009, CRR issued proceedings in the Supreme Court of Victoria against JRV. JRV intends to strongly defend the claims made against it and to make its own claims for monies it considers it is owed by CRR under the Frame Agreement.

Given the difficulties commonly associated with enforcing costs orders in foreign jurisdictions, JRV has made an application to obtain security for costs, to ensure that its litigation costs will be paid in the event that CRR is unsuccessful in its claim and JRV is entitled to a costs order in its favour.

JRV will continue to keep shareholders informed of developments in these proceedings.

EXPENDITURE FOR QUARTER ENDED 31 DECEMBER 2009

Expenditure on Exploration for the Quarter was \$205,804.



DUNCAN C. PURSELL
MANAGING DIRECTOR

The information in this report that relates to Exploration Results or Mineral Resources is based on information compiled by D.C. Pursell (MAusIMM) and Mr D. Foster, (MAusIMM). D.C. Pursell and D. Foster have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. D.C. Pursell and D. Foster consent to the inclusion.