

Jervois



ABN 52 007 626 575

Date 7 October 2016

ASX Code: JRV

The Manager
Market Announcements Office
ASX Ltd
4th Floor, 20 Bridge Street
Sydney NSW 2000

Option Granted to subsidiary of Australian Mines Limited, over EL7805 – Scandium Prospect.

The above Licence has been optioned to Flemington Mining Operations Pty Ltd (FMO) a wholly owned subsidiary of Australian Mines Limited. (AUZ).

The licence is located at Flemington, near Syerston, NSW. JORC Resources have already been released to shareholders.

The option agreement is for a series of rolling options for a total maximum period of two years subject to payment of option fees of up to \$2.0 million in total.

If the option is exercised the purchase price will be \$6.0 million less the total amount paid to the date of exercise as option fees.

There will be a royalty applicable on sales of all mine product fixed at 1.5% of gross revenues.

The option agreement signed with FMO is fully guaranteed by AUZ and is on considerably more favourable terms than previous proposals put to JRV by other parties. Negotiations for the sale of EL 7805 were carried out with several parties over 12 months plus, for a Joint Venture or outright sale.

Australian Mines Limited are also our Joint Venture partners (and Managers) in the exciting base metals and gold prospects, located at Arunta West.

The option is conditional on payment by FMO to JRV of the initial option fee of \$250, 000 plus GST within five days.

By order of the Board

Roger Fairlam
Company Secretary

Suite 12, 10 JAMIESON STREET, CHELTENHAM, VICTORIA 3192
Telephone: (03) 9583 0498 Facsimile: (03) 9583 0698 Email: admin@jervoismining.com.au
www.jervoismining.com.au