Jervois

MINING LIMITED

A.B.N. 52 007 626 575

Annual Report - 30 June 2018

Jervois Mining Limited
Chairman's letter
30 June 2018

Dear Shareholder,

It gives me great pleasure to present the 2018 Annual Report for Jervois Mining Limited (ASX: JRV), my first since taking over the role of Chairman on 1 July 2018.

The past year has marked a fresh approach at Jervois, with new and enthusiastic management and Board members who are working to shift the Company’s focus towards new opportunities in battery metals to create shareholder value.

Our new CEO Bryce Crocker has a wealth of experience in base metals including cobalt and nickel from his years at Xstrata plc, as well as a finance and investment banking background servicing the same industry. Our Directors Brian Kennedy, Michael Rodriguez and Steve van der Sluys have all worked on large Australian base metals projects, such as Murrin Murrin, Mt Keith, Kwinana and Kambalda in Western Australia, as well as gained significant international experience throughout their careers, particularly in Africa.

I bring to Jervois more than 35 years of operational and project development experience in roles that have included Interim CEO of Tronox Limited, a NYSE-listed titanium dioxide feedstock and processing business, Head of Glencore International’s global nickel assets and CEO of Minara Resources for over a decade. I hope I can put the skills and knowledge I have acquired throughout my career to good use at Jervois as we build on the Company’s 50-year history on the Australian Stock Exchange (“ASX”).

A key focus during the year has been on our Nico Young cobalt nickel project in New South Wales, Australia, where we continue to progress a Pre-Feasibility Study (“PFS”). In November 2017, an updated JORC Mineral Resource was published, estimating a JORC Inferred Resource of 167.8Mt at 0.59% nickel and 0.06% cobalt (using 0.6% nickel equivalent cut-off). This will be updated again as part of the PFS once further drilling is complete and assayed. The final PFS study is due before the end of the 2018 calendar year.

To support development at Nico Young, we have purchased second-hand heap leach equipment from the Mt Cuthbert copper operation in Queensland, Australia, compromising an agglomerator, radial stackers and conveying infrastructure. This equipment is now being relocated to Mt Isa for storage as we engineer refurbishment specifications to facilitate an early production decision.

In August 2018, we confirmed our application for a Prospecting Licence covering the Kabanga cobalt-nickel deposit in Tanzania. Jervois’s Board believes this deposit to be the highest quality undeveloped nickel-cobalt deposit in the world, unmatched in scale and grade. Its current JORC Mineral Resource represents 57Mt of easily floatable sulphide ore at 2.62% nickel, 0.20% cobalt and 0.35% copper, with significant regional exploration potential. The project was previously jointly held by Glencore and Barrick Gold until changes to the Tanzania Mining Regulations earlier in the year. Our application for a Prospecting Licence at Kabanga represents a company-making opportunity and we believe Jervois’s Board and management has the knowledge and experience to support our application. We look forward to a decision from the Tanzanian Government in this regard.

In gaining further exposure to the battery metals market, Jervois acquired shares in eCobalt Solutions Inc., a Toronto Stock Exchange-listed cobalt company which owns 100% of an advanced development project in Idaho, United States. Our aim is to support eCobalt in the financing, construction and successful commissioning of eCobalt’s Idaho project, comprised of three high-grade primary cobalt deposits, and a partially completed mine site and mill. The mine is fully environmentally permitted and ready for construction, representing the only near term domestic cobalt production potential in the United States. This is another exciting opportunity that can help Jervois achieve its goal of becoming a battery metals producer.

Throughout the year, consistent with the revised strategy introduced by management and Board changes in 2017, the divesture of non-core assets continued. We sold our royalties at Nyngan and Flemington to Cobalt 27 Capital Corp. (“Cobalt 27”) for US$4.5 million, comprised of US$1.5 million in cash and US$3.0 million in common shares of Cobalt 27 based on the five-day volume weighted average share price prior to the execution of definitive contracts. We retained our right to receive the final A$4.0 million option payment from Australian Mines on the Flemington Project, which has now been exercised and is expected to be paid by calendar year end. In addition, we established a data room for the Khartoum project in Queensland as we aim to exit that project, after determining it is non-core to our revised business strategy.

Jervois completed a heavily oversubscribed share placement to raise A$12.7 million in December 2017, which facilitated the acceleration of activities at Nico Young. I thank our new and existing shareholders for your support in that raising.

I also thank my fellow Board members, who I look forward to working with in the coming year, as well as Jervois' management and staff for their efforts in 2018. Jervois will continue to progress its Nico Young development whilst simultaneously pursuing other opportunities to further build on company value. I look forward to our sharing of further success in the year ahead.

P. B. Johnston.

Peter Johnston
Non-Executive Chairman

Directors	Bryce Crocker (Chief Executive Officer) Appointed 1 October 2017 Brian Kennedy (Non-Executive Director) Appointed 1 October 2017 Michael Rodriguez (Non-Executive Director) Appointed 1 October 2017 Stephen van der Sluys (Non-Executive Director) Peter Johnston (Non-Executive Chairman) Appointed 1 July 2018
Company secretary	Alwyn Davey
Registered office	585 Burwood Road Hawthorn, Victoria, 3122
Principal place of business	585 Burwood Road Hawthorn, Victoria, 3122
Share register	Computershare Investor Services Pty Ltd, 452 Johnston Street Abbotsford, Victoria, 3067
Auditor	BDO East Coast Partnership Tower 4, Collins Square Level 18, 727 Collins Street Docklands, Victoria, 3008
Bankers	ANZ Banking Group Limited Level 1 420 St Kilda Road, Melbourne, Victoria, 3004
Stock exchange listing	Jervois Mining Limited shares are listed on the Australian Securities Exchange (ASX code: JRV)
Website	www.jervoismining.com.au
Corporate Governance Statement	Refer to www.jervoismining.com.au
Email	admin@jervoismining.com.au

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Jervois Mining Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2018.

Directors

The following persons were directors of Jervois Mining Limited during the whole of the financial year and up to the date of this report, unless otherwise stated:

Peter Johnston (Non-Executive Chairman) appointed 1 July 2018
Bryce Crocker (Chief Executive Officer) appointed 1 October 2017
Brian Kennedy (Non-Executive Director) appointed 1 October 2017
Michael Rodriguez (Non-Executive Director) appointed 1 October 2017
Stephen van der Sluys (Non-Executive Director)
John Newton (resigned 22 January 2018)
John Byrne (resigned 31 March 2018)

Principal activities

The principal activity of the consolidated entity during the year was mineral exploration and evaluation, including associated metallurgical test work and research and development activities.

Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Review of operations

The total loss of the consolidated entity attributable to the owners of the parent for the year ended 30 June 2018 was $6,951,170 (2017: profit $3,944,192). The loss for the current year included a non-cash item of $5,159,219 on account of value of options issued to directors and employees. This large amount came about as a result of the increase in the Company’s share price between the time of contract negotiation and the time options were issued after shareholders’ approval.

Nico Young cobalt nickel project, New South Wales, Australia

The Nico Young deposit sits over key exploration licenses 5527 (“Ardnaree”) and 5571 (“Thuddungra”) in an established mining and farming region of central west New South Wales, Australia, 300km west of Wollongong and Sydney ports. It consists of horizons of high-grade cobalt congruent with nickel and extends along 15km NNE-SSW strike. Jervois holds 100% of the licenses with no private royalties or other encumbrances over title.

In late 2017, new Jervois management, in conjunction with advisers, reviewed the Nico Young geological model with a focus on understanding cobalt distribution and grade around the deposits, as the previous focus had been exclusively nickel. The Company also worked on updating the Mineral Resource Estimate for the project, which was last reported in April 2012 in compliance with JORC 2012.

Jervois released an updated Mineral Resource on 22 November 2017, prepared by Geostat Services Pty Ltd (“Geostat”) with Snowden Mining Industry Consultants Ltd (“Snowden”) undertaking an independent audit. The updated JORC Inferred Resource comprised 167.8Mt @ 0.59% Ni and 0.06% Co (using 0.6% Ni equivalent cut-off).

Jervois commenced a PFS for Nico Young during the March quarter, making key appointments of Mining Plus (PFS Project Management), Snowden (geological and mining lead), Mworx (metallurgical lead), Lycopodium (engineering lead) and RW Corkery (environmental lead).

In January 2018, Jervois prepared for its summer drilling programme and undertook an infill programme at the Ardnaree deposit at Nico Young. This was completed during the end of the March quarter with 2,400 metre drilled across 86 holes, of which 15 were diamond PQ (85mm diameter, to facilitate extraction of adequate core for metallurgical test work) and the remainder reverse circulation ("RC") holes. Drilling recommenced in early July at the adjacent Thuddungra deposit, with a 90-hole, 4,400 metre programme planned of both diamond PQ and air core drilling. Whilst the primary focus is on the Thuddungra deposit, five holes are planned for Ardnaree. The Thuddungra programme will also provide further samples for metallurgical testwork and bulk density determinations.

Geostat updated the Nico Young drill hole database from the Ardnaree programme and provided it to Snowden to prepare an updated Mineral Resource Estimate, the same will occur once the Thuddungra drilling is complete. Snowden is updating the geological model for the PFS and undertaking detailed mine design. Pit optimisations of both deposits are being prepared using Whittle shell software, which thus far have confirmed management's view that economically Ardnaree appears the more attractive deposit due to lower strip ratios.

Ultimately, Jervois intends to restore the mine to its pre-mining state, with pits backfilled with waste from the mine. External dumps will be formed to store waste until there is sufficient void capacity for pit backfilling in that area to commence. Jervois expects "spent" ore from the pads will also be placed back into pit voids. Site layouts have been prepared and further work is continuing.

In the March quarter, Jervois purchased second-hand equipment including an ore agglomerator, stacker and conveying heap leach equipment from Fox Resources Ltd to fast-track development. While the purchase saved Jervois significant capital expenditure (estimated at A$10 million), it also provided an opportunity to compress project schedule. Contractors have inspected the equipment which is at the Mt Cuthbert Copper Project in Queensland, approximately 170km north east of Mt Isa by road. Plans are underway for extraction and temporary storage in Mt Isa pending refurbishment.

Snowden continued its work to optimise mine plans at both 1.0Mtpa and also a higher production scenario of 3.0Mtpa, with pit optimisation, sequencing and preliminary scheduling of the pits provided to Jervois. Site layout and associated material storage points including mine waste, topsoil and process residues (both liquid and solid) is proceeding.

Metallurgical testwork was completed at Nagrom Brisbane Laboratories ("Nagrom") in Australia, with encouraging results received to date for both nickel and cobalt solubility and acid consumption. The results from the geometallurgical testwork showed a high proportion of the nickel (80 to 90 percent) and cobalt (85 to 90 percent) are present as acid soluble species. It is typical to expect that 80 to 90 percent of the acid soluble nickel and cobalt is recoverable using heap leaching, with results from Nico Young expected to fall closer to 80 percent given its specific JORC resource grades.

Composites of the key lithologies at Nico Young (saprolite, weathered serpentine and limonite) were prepared for bottle rolls, agglomeration and stacking testing, and columns.

Test information was applied to ensure column test parameters at SGS Australia Pty Ltd ("SGS") in Perth were optimised. Columns and bottle rolls commenced leaching at SGS in July, and composites were received by HydroGeoSense in Tucson, Arizona USA, where hydrodynamic characterisation including agglomeration and stacking testing will occur.
As of the date of this report, geotechnical integrity of the columns was considered positive, with minimal slumping. Bottle rolls and columns tests are still in progress (approximately 55 days, or half way complete),

however forecasting forward from the current data sets indicates that cobalt dissolution for all ore types is anticipated to range from 85 to 95 percent. Forecast nickel dissolution for a typical leach cycle of 150 days indicates 40-50 percent for limonite, 65-75 percent for saprolite, and 75-85 percent for weathered serpentine. The "scaled up" expectation for nickel recovery from a commercial heap leach would therefore be 35-45 percent for limonite, 60-70 percent for saprolite and 70-80 percent for weathered serpentinite.
The current Ardnaree JORC resource consists of approximately 10-15 percent limonite, 50-55 percent saprolite and 35-40 percent weathered serpentine. Due to poor nickel recoveries in limonite, Jervois has adjusted the mining and processing schedule at Nico Young to both selectively mine lithologies and preferred leaching characteristics, and also stockpile limonite for future processing where it makes economic or operational sense to be extracted. Jervois expects that high cobalt limonite zones will be processed, as high cobalt recoveries mean that the nickel equivalent cut-off grade that will ultimately be applied to mining will often offset low nickel recoveries from limonitic lithologies. This may also result in mining areas of Thuddungra being accelerated, as cobalt grades in saprolite and weathered serpentine lithologies at this deposit are significantly higher than that of Ardnaree. Current expectations for a blended saprolite / weathered serpentine heap leach is for commercial nickel recoveries of 70-75 percent, with improved expectations on cobalt recovery of 80-85 percent. Forecast acid consumption to achieve these recoveries remains 450kg per tonne.

Incorporating these initial results for nickel recovery within the limonitic lithology of Nico Young and after adjusting for higher mining and materials handling costs associated with the stockpiling of low cobalt limonite, in conjunction with higher than expected cobalt recoveries (and associated processing of high cobalt blocks of the resource model), the impact to forecast investment economics are neutral. Further test work is being conducted in agglomeration and column leaching optimisation both at HydroGeoSense in the USA and SGS in Perth to continue to improve the expected final nickel recoveries.

Land & Marine Geological Services completed civil and geotechnical plans for the 1.0Mtpa heap leach facility design, residue storage facility and an evaporation pond at Nico Young, and commenced work on a 3.0Mtpa production rate.

Soil, heritage, biodiversity, noise and air quality workstreams progressed as part of environmental studies coordinated by RW Corkery & Co. Water consultant AQ2 completed an initial assessment on water availability, identifying several options, and moved onto detailed PFS investigations and trade-offs.

Jervois commenced discussions with third parties to secure adequate water supply for an operation and started a site aquifer exploration and bore monitoring drilling program to complement these efforts.

Assessment of logistics continued, reviewing and visiting port infrastructure at Newcastle, Botany and Port Kembla, all in New South Wales, Australia. Road and rail assessment also progressed.

Lycopodium Minerals Pty Ltd continued its work as engineering lead for Process Plant and Site Design, with overall process engineering proceeding well. Re-optimisation work is also being undertaken on a 3.0Mtpa scenario, to understand the economics of a larger development.

The PFS is due for completion prior the end of the 2018 calendar year once drilling at Thuddungra is complete, metallurgical test work on Ardnaree is completed, and design and incorporation of a larger scale production scenario can be delivered.

Khartoum tin project, North Queensland, Australia

The Khartoum Tin Project comprises six tenements in the Mt Garnet/Herberton area of the Atherton Tablelands, Queensland, Australia: an area that has been historically mined for tin.

Jervois assessed the relative prospectivity of tin targets at Khartoum, completing an intensive on-ground exploration program that included mapping, surface sampling, review of existing diamond cores and data, and design and targeting for a drilling program. Rock chip samples were submitted for assay. Thirty sites were covered across all tenements. Results showed potential for economic mineralisation with prospects identified for drill testing.

During the March quarter, Jervois determined the Khartoum properties were no longer core to its revised strategy to focus on lithium ion battery cathode raw materials. A data room was established and a process to reduce or exit Jervois' interests is underway.

Capital Raising

Jervois completed a heavily oversubscribed A$12.7 million placement (prior to issuance costs) that settled on 12 December 2017. Placement funds enabled Jervois to accelerate activities at the Nico Young cobalt/nickel laterite project in New South Wales, Australia.

Board and Management Changes

Jervois appointed mining and natural resources executive Bryce Crocker as Chief Executive Officer in October 2017. Mr Crocker has broad experience including nickel/cobalt roles at Xstrata plc's nickel division. Mr Crocker was a Director on the Xstrata Nickel Board, an Xstrata nominee Director to the Nickel Institute Board (global body representing the industry) and an Xstrata nominee to the Kabanga Shareholder Advisory Committee.

Concurrent with Mr Crocker's arrival, Brian Kennedy and Michael Rodriguez both joined the Board as Non-Executive Directors.

Peter Johnston was appointed Non-Executive Chairman with an effective start date of 1 July 2018.

Mr Johnston is recognised as one of Australia's leading mining executives and directors, with more than 35 years of operational and project development experience. His previous roles include Head of Global Nickel Assets for Glencore International AG and Managing Director and CEO of Minara Resources Limited, which was a subsidiary of Glencore from 2005 until its delisting in 2011.

Mr Crocker, who was serving as Interim Chairman, stepped down from that role upon Mr Johnston's appointment.

In addition, Jervois appointed David Selfe as Group Manager – Geology. Mr Selfe is a geologist with more than 30 years of experience, and he also worked for Glencore and Minara at the Murrin nickel cobalt operations in Leonora, Western Australia, where he held several roles over 15 years.

Investment in eCobalt

In the June quarter, Jervois advised it is a shareholder of eCobalt Solutions Inc. ("eCobalt") (TSX: ECS), a Toronto Stock Exchange-listed cobalt company which owns 100% of an advanced development project in Idaho, United States. Jervois owns 7.249 million shares or approximately 4.54% of the currently issued capital.

Jervois acquired shares in eCobalt to facilitate discussing how it may support eCobalt's Board and management in the financing, construction and successful commissioning of its advanced primary cobalt development project in the United States.

eCobalt owns 100% of the Idaho Cobalt Project, an advanced development project outside the town of Salmon in the heart of the historic cobalt belt in Lemhi Country Idaho. The Idaho Cobalt Project is comprised of the Ram, Sunshine and East Sunshine mineral resources, which are high grade primary cobalt deposits, together with a partially completed mine site and mill. The mine is fully environmentally permitted and ready for construction, representing the only near term domestic cobalt production potential in the United States.

Sale of Explaurum shares

Jervois sold its investment in Explaurum, an ASX-listed gold miner, in the December 2017 quarter, generating cash proceeds of A$1.15 million with a A$0.7 million pre-tax profit.

Royalties

Over its history Jervois accumulated royalties diversified by commodity, project type and stage, all based in Australia. The royalties are over the 3.8Moz Bullabulling gold resource in Western Australia owned by Zijin Mining Group (A$20-30/oz Au), the Flemington-Syerston scandium/cobalt/nickel project in NSW (1.5% gross royalty); the Nyngan scandium project owned by Scandium International in NSW (1.7% gross royalty for the first 12 years of production); the Forest Reefs copper-gold project operated by Newcrest Mining in NSW (1.5% NSR), and the Mt Moss magnetite and base metal mine in Queensland owned by Curtain Bros on care and maintenance (1.5% NSR).

In the December quarter, Jervois engaged specialised adviser Mineral Royalties Online Pty Ltd to sell its royalty portfolio.

In the June quarter, Jervois announced the sale of its Nyngan and Flemington royalties to Cobalt 27 Capital Corp. ("Cobalt 27") for US$4.5 million, comprised of US$1.5 million in cash and US$3.0 million in common shares of Cobalt 27. Jervois will receive 422,856 Cobalt 27 common shares, representing the equivalent of US$3.0 million at the time determined by the 5-day VWAP preceding execution of the definitive agreement.

Jervois retained its right to receive the final A$4.0 million option payment from Australian Mines Ltd (ASX: AUZ) on the Flemington Project, which is to be paid to Jervois as part of the Flemington Option exercise. Notification from Australian Mines of their election under the Option Agreement has been received and completion is now forecast for Q4 2018. As a consequence, the US$4.5 million royalty sale to Cobalt 27 is also now expected to close in Q4 2018.

As at 30 June 2018, Jervois retained its remaining royalties (Bullabulling, Forest Reefs and Mt Moss) with a view to working with project operators to improve visibility over future development plans, to facilitate an ultimate exit.

Investment in Elementos

Jervois continues to hold an investment in Elementos, an ASX-listed tin exploration and development company, which owns 100% of the Cleveland Tin project in Tasmania, Australia. New management visited the Cleveland site in late 2017 and continues to work with Elementos shareholders and management to optimize the value of our investment.

Cash Balance

Jervois ended June 2018 with A$4.7 million in cash, A$8.4 million in public securities and no debt.

Significant changes in the state of affairs

During the year the company issued 40,721,359 fully paid ordinary shares raising $13,686,628 before costs. Additionally, 43,087,723 options were exercised during the year. Options exercised amounted to $2,584,386.

There were no other significant changes in the state of affairs of the consolidated entity during the financial year.

Matters subsequent to the end of the financial year

Kabanga nickel-cobalt-copper deposit, Tanzania

On 20 August 2018, the company announced that it had applied for a Prospecting License over the Kabanga nickel-cobalt deposit in the Kagera region of Tanzania.

Until January 2018, Kabanga was subject to a retention license (“RL”), held jointly and equally by Glencore plc and Barrick Gold. On 10 January 2018, the Government of Tanzania published the Mining (Mineral Rights) Regulations, 2018. Section 21 of those Regulations cancelled all existing RLs and stipulated that rights over all areas which were the subject of such RLs reverted to the Government.

Jervois applied to the Mining Commission in May 2018 for a PL covering the ground held under the previous RL. Jervois believes the Kabanga sulphide deposit to be the highest quality undeveloped nickel-cobalt deposit in the world, unmatched in scale and grade. Its existing JORC Resource represents 57Mt of easily floatable sulphide ore at 2.62% nickel, 0.20% cobalt and 0.35% copper, with significant regional exploration potential. Approximately two-thirds of the current JORC Resource is in Measured and Indicated categories. The quality of the mineralisation is exceptional, with low-risk sulphide metallurgy expected to produce a high-grade low impurity nickel-cobalt product. Prior owners invested significantly in drilling and studies that culminated in a DFS envisaging annual production in excess of 50ktpa nickel with significant cobalt and copper co-products. Kabanga’s scale of mineral resource, exploration upside and production potential place the province squarely among the great nickel-cobalt basins in the world, comparable to Thompson Manitoba, Jinchuan and Voisey’s Bay.

While Jervois is not certain of securing tenure over the deposit, it has a team of experienced mining executives and advisers who understand the nickel-cobalt business, have an established track record in financing, constructing and operating sophisticated nickel-cobalt mining and processing operations, and have extensive experience in Tanzania’s mining sector.

Jervois believes it can significantly improve on the DFS prepared by the previous owners of Kabanga, and the Company is looking forward to working with the Government of Tanzania to establish a viable pathway to develop it if it is granted the licence.

On 27 August 2018, the company announced that Australian Mines Ltd exercised its option to acquire 100% interest in the Flemington project near Fifield, New South Wales, Australia for A$6.0 million. A$2.0 million had already been received in rolling option payments by Jervois, with the notification triggering the final Option Exercise Fee of A$0.6 million plus GST, with the remainder of the purchase price (A$3.4 million in cash) payable upon completion, anticipated prior to calendar year end.

Apart from the above no other matter or circumstance has arisen since 30 June 2018 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Likely developments and expected results of operations

The consolidated entity will continue to seek to commercialise existing assets and pursue further exploration opportunities. There are no significant changes in the nature or size of operations expected.

Environmental regulation

The consolidated entity holds participating interests in several mining and exploration tenements. The various authorities granting such tenements require the tenement holder to comply with the terms of the grant of the tenement and all directions given to it under those terms of the tenement. There have been no known breaches of the tenement conditions, and no such breaches have been notified by any government agencies, during the year ended 30 June 2018.

Information on directors

Name:	Peter Johnston
Title:	Non-Executive Chairman
Qualifications:	BA, FAICD, FAusIMM
Experience and expertise:	Peter Johnston is recognised as one of Australia's leading mining executives and Board Directors, with more than 35 years of operational and project development experience. Prior to joining Jervois, Mr Johnston was Interim Chief Executive Officer ("CEO") of Tronox Limited ("Tronox"), a NYSE-listed titanium dioxide feedstock and processing business; he remains a Non-Executive Director of the company. Mr Johnston was Head of Global Nickel Assets for Glencore International AG ("Glencore") from 2013 to 2015. During this period, he was responsible for all of Glencore's nickel-cobalt mine and processing facilities operations across Australia, Canada, the Dominican Republic, New Caledonia and Norway, as well as the Kabanga nickel-cobalt project in Tanzania. He was a member of the Glencore Executive Management Committee. From 2001 to 2013, Mr Johnston was Managing Director and CEO of Minara Resources Limited ("Minara"), listed on the ASX and a subsidiary of Glencore from 2005 until late 2011 when Glencore delisted it.
Other current directorships:	NRW Holdings Ltd and Tronox Limited
Former directorships (last 3 years):	Nil
Name:	Bryce Crocker
Title:	Chief Executive Officer
Qualifications:	Bsc, LLB (Hons), GradDip Applied Finance and Investment
Experience and expertise:	Bryce Crocker (CEO) is a seasoned mining and natural resources executive with significant experience in base metals including cobalt. Mr Crocker joined Xstrata plc shortly after its IPO in mid-2002, was based in London in business development roles until 2006, when he transitioned to Canada following the acquisition of Falconbridge and establishment of Xstrata Nickel headquarters in Toronto. His past nickel/cobalt roles at Xstrata plc's nickel division include VP and Head Strategy, Marketing and Research, and GM and Head Business Development. Mr Crocker was a Director on the Xstrata Nickel Board, an Xstrata nominee Director to the Nickel Institute Board (global body representing the industry) and an Xstrata nominee to the Kabanga Shareholder Advisory Committee. Following the sale of Xstrata to Glencore in 2013, Mr Crocker was based in Latin America focused on natural resource investments in the region. Mr Crocker holds an LLB (Honours) and BSc from the University of Melbourne and a Post Graduate Diploma in Applied Finance and Investment from the Australian Securities Institute.
Other current directorships:	Nil
Former directorships (last 3 years):	Nil

Name:	Brian Kennedy
Title:	Non-Executive Director
Qualifications:	Cert Gen Eng
Experience and expertise:	Brian Kennedy has more than 35 years' experience in construction and mining sectors with clients across coal, iron ore, nickel, cobalt, gold and fertilisers, both in Australia and overseas. During his career Mr Kennedy has managed large scale mining operations such as Kambalda and Mt Keith on behalf of WMC Resources, and Murrin Murrin for Glencore. Mr Kennedy has extensive experience in nickel/cobalt/base metal project start-ups in both construction and transition to operations. Specific roles include Project Manager for Albidon at Munali nickel mine in Zambia, GM Dikulushi copper mine for Anvil Mining Ltd in DRC, Project Technical Manager for Vale Inco at Goro New Caledonia, Senior VP AngloGold Ashanti DRC, Director Kabali Gold Mines and Director Kabali SPRL DRC. Mr Kennedy was a founding shareholder and Director of Reliance Mining, before its takeover by Consolidated Minerals, and a founding shareholder and non-executive Director of Silver Lake Resources.
Other current directorships:	Silver Lake Resources Ltd
Former directorships (last 3 years):	Nil

Name:	Michael Rodriguez
Title:	Non-Executive Director
Qualifications:	BMet, MAICD
Experience and expertise:	Michael Rodriguez is currently Chief Operating Officer of Poseidon Nickel; previous employers include GoldCorp, WMC Resources (Olympic Dam and Kwinana Nickel Refinery), Glencore (Murrin Murrin), Gordes Nickel, Black Swan and Lake Johnston. Mr Rodriguez has more than 30 years of experience in the design, construction, commissioning, operation and management of hydrometallurgical and pyro-metallurgical plants across Australia, Turkey, Europe and the Americas. Mr Rodriguez has a strong background in project construction, mechanical completion and site handover to operations. At Murrin Murrin, Mr Rodriguez held the positions of Operations, Project, Technical Services and Corporate Strategic Development Manager. He managed more than 300 staff and contractors with an annual budget over A$150 million. His team had responsibility for the design and commissioning of the High-Pressure Acid Leach (HPAL) circuit, including the Pressure Oxidative (POX) leach autoclave, sulphuric acid and hydrogen sulphide plants, solvent extraction (SX) and hydrogen reduction.
Other current directorships:	Nil
Former directorships (last 3 years):	Nil

Name:	Stephen van der Sluys
Title:	Non-Executive Director
Qualifications:	BBuild, FAICD, FAusIMM
Experience and expertise:	Stephen van der Sluys is both Fellow of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Company Directors. His career spans over 40 years as banker to, and as a director of mining and metals businesses. Mr van der Sluys commenced his career after completing studies in geology and a Degree in Building from University Blue from UNSW. Specific to our Company's current interests, Mr van der Sluys was previously an Executive Director of Queensland Nickel Limited leading to its A$375 million IPO in the early 1990s, subsequently brokered the sale of the Ravensthorpe Project to BHP Billiton and was also principal financial advisor to Anaconda Nickel Limited in its A$1.4 billion Murrin Murrin Nickel/Cobalt Project Financing. His background in banking commenced with roles at Citibank and JP Morgan Chase (then Chase Manhattan Bank) in Sydney and New York. His career evolved to include roles in the reconstruction and sale of the Bank of New Zealand and as Managing Director of CIBC Wood Gundy Australia. His extensive finance industry experience encompasses a wide variety of roles including in project and infrastructure financing, commodity finance and challenging workouts.
Other current directorships:	Nil
Former directorships (last 3 years):	Nil

Name:	John Newton
Title:	Non Executive Director (Resigned 22 January 2018)
Experience and expertise:	John Newton is an accountant with 40 years' experience in international stockbroking, accounting, corporate finance and property development. He has been a director of a number of public companies including M.E.O. Australia Ltd, Rum Jungle Resources Ltd, EastCoal Ltd, listed on TSX Ventures Exchange Canada, Xtract Energy PLC, listed on the AIM of the London Stock Exchange. He has maintained a continued involvement in the Australian and International financial sector as investment advisor, consultant and financier. In 2005 Mr. Newton developed, in conjunction with Coles Ltd, the first 'Green Supermarket' in Gisborne, a regional area of Melbourne, Australia. The raft of energy reducing measures in the design initiatives resulted in a 40 per cent reduction in energy use across the 3,700m2 supermarket. The development received the award for 'Sustainable Architecture' from the Royal Australian Institute of Architects. The project demonstrated the tremendous gains in energy efficiency provided a design platform for future sustainable property development.
Other current directorships:	Nil
Former directorships (last 3 years):	Lions Bay Capital Inc

Name:	John Byrne
Title:	Non Executive Chairman (resigned 31 March 2018)
Experience and expertise:	John Byrne has over 40 years' experience in the natural resources industry as an investor and resource business developer and has been since July 2009 the Chairman of Kalina Power Limited. During the past 40 years Mr. Byrne has founded and built a number of companies from the ground up, including from development through to production. In this period he has been instrumental as either CEO or Executive Chairman in overseeing the building of six coal mines (in Canada, the US and the UK) along with three wash plants, totalling in excess of $500 million of expenditure. From March 2001 to May 2010, Mr. Byrne was Chairman of Western Coal Corporation, a global coal producer. Mr. Byrne formed Cambrian Mining PLC in 2002 with assets of GBP1.4 million and was CEO until it was acquired in 2008 for GBP148 million. During this time he was the founding Chairman of Mandalay Resources Corporation which developed and operated the Costerfield Gold and Antimony Mine in Victoria. He has been an Executive Director of numerous gold mining companies in South Africa, Canada and Australia. Since retiring from Western Coal Corporation, Mr. Byrne is now concentrated on identifying projects in and solutions to a number of sustainability issues that exist in the world today.
Other current directorships:	Kalina Power Limited (ASX : KPO), Lions Bay Capital Inc
Former directorships (last 3 years):	Nil

Company secretary

Mr Alwyn Davey was appointed to the position of Company Secretary on 12 April 2017. Mr Davey has experience in cross border mergers, acquisitions and investments as well as formally being a member of the Executive Committee of Cambrian Mining Plc, a diversified mining group. He was a non-executive director for Energybuild Group Plc, a UK listed coal company and has been company secretary of several UK listed companies which were predominately part of the Cambrian Mining Plc group. Mr Davey holds an LLB degree from Waikato University, New Zealand.

Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') held during the year ended 30 June 2018 was 18 and the number of meetings attended by each director were:

	Full Board		Audit Committee	
	Attended	Held	Attended	Held
Bryce Crocker (appointed 1 October 2017)	14	14	-	-
Brian Kennedy (appointed 1 October 2017)	14	14	-	-
Michael Rodriguez (appointed 1 October 2017)	14	14	1	1
Steven van der Sluys	18	18	1	1
John Byrne (resigned 31 March 2018)	11	11	-	-
John Newton (resigned 22 January 2018)	7	7	-	-
Peter Johnston (appointed 1 July 2018)	-	-	-	-

Held: represents the number of meetings held during the time the director held office.

Remuneration report (audited)

The remuneration report details the key management personnel remuneration arrangements for the consolidated entity, in accordance with the requirements of the *Corporations Act 2001* and its Regulations.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including all directors.

Directors and senior management personnel

The following persons acted as directors of the Company during or since the end of the financial year
Executive Directors:
S van der Sluys (Executive director till 31 December 2017)
B Crocker (appointed 1 October 2017)
Non-executive Directors:
J Byrne (resigned 31 March 2018)
J Newton (resigned 22 January 2018)
B Kennedy (appointed 1 October 2017)
M Rodriguez (appointed 1 October 2017)
P Johnston (appointed 1 July 2018)

The term "senior management" is used in this remuneration report to refer to the following key management personnel. Except as noted, the named key management personnel held their current position during or since the end of the financial year.
B Crocker (Chief Executive Officer) (appointed: 1 October 2017)
D Selfe (Group Manager - Geology) (appointed: 13 June 2018)

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

After taking into account the consolidated entity’s financial position and ability to pay market rates, both the full Board or the Chief Executive Officer acting with delegated responsibilities, aims to remunerate all its staff, including its key management personnel, fairly and reasonably to attract and retain appropriately qualified and experienced individuals capable of achieving the consolidated entity’s business objectives for the benefit of shareholders.

To achieve this remuneration objective, the consolidated entity may offer its staff, including its key management personnel, total remuneration packages which include the various components detailed elsewhere in this remuneration report. If necessary, the consolidated entity will obtain independent professional advice from remuneration consultants to help it achieve its remuneration objective.

The consolidated entity's remuneration objective has been designed to align director and executive objectives with shareholder and business objectives by providing both a base or fixed component and possibly short or long-term incentives. The consolidated entity's remuneration objective is considered to be appropriate for its current size and financial position and effective in its ability to attract and retain talented executives and directors to run and manage the consolidated entity.

None of the remuneration paid by the consolidated entity to its key management personnel during the reporting period was dependent on the satisfaction of a performance condition, as no short or long-term incentives were paid during this period.

The Board as a whole acts as the remuneration committee and determines the following:

- the over-arching executive remuneration framework;
- operation of incentive plans which apply to the executive team, including key performance indicators and performance hurdles;
- remuneration levels of executive directors and other key personnel; and
- non-executive director fees.

Their objective is to ensure that remuneration policies and structures are fair and competitive and aligned with the long-term interests of the company. They may enlist the help of outside consultants to achieve this objective.

Executive remuneration

In determining executive remuneration (including executive directors), the board or chief executive officer applies the remuneration objective articulated above, by aiming to ensure that the consolidated entity's executive remuneration is competitive and reasonable, aligned with the consolidated entity's business objectives and acceptable to shareholders.

The executive remuneration and reward framework has three components:

- Base pay and benefits, including superannuation
- Short-term incentives (entirely discretionary), which if required are approved by shareholders
- Long-term incentives (entirely discretionary), which if required are approved by shareholders

The above framework provides for a mixture of different types of remuneration to provide flexibility in aligning executive reward with the consolidated entity's business objectives and the creation of shareholder value.

During the financial year, all the consolidated entity's executive remuneration was comprised of base pay and benefits, including superannuation, short and long-term incentives comprising the issue of shares and granting of options.

Executives receive their base pay in cash and any non-financial fringe benefits in kind. Executives are offered base pay that comprises the fixed component of their pay and rewards. There are no guaranteed pay increases in any of the executive's employment contracts. Non-financial benefits such as expense payments benefits. None of this type of remuneration is dependent on the satisfaction of any performance conditions. Base pay and benefits were paid to the consolidated entity's executives during the financial year.

The consolidated entity makes superannuation contributions on each component of an executive's total remuneration package that is subject to Australian superannuation guarantee legislation. The consolidated entity also contributes on behalf of each executive any salary sacrificed superannuation contributions, should they elect to do so. All superannuation contributions are made to the superannuation fund elected by each executive. Superannuation contributions were paid to the superannuation funds elected by the consolidated entity's executives during the financial year.

The consolidated entity's long-term incentives are provided as approved by shareholders at the 2017 annual general meeting. At the 2017 annual general meeting 95.2% approved the remuneration report for 2017. The company did not receive any specific feedback at the annual general meeting regarding its remuneration practices. The long-term incentives are designed to provide long-term incentives for all the consolidated entity's staff, including its executives. No specific performance conditions are attached to the vesting conditions for any options granted. The directors of the parent entity have discretion to determine all the terms and conditions for any options granted, including such matters as who participates, the vesting conditions, exercise price and expiry date etc. There are no specific performance-related vesting conditions currently included in any options. Options are granted for no consideration and carry no dividend or voting rights. Bryce Crocker has a contractual right to be granted further options pursuant to shareholder approval at the 2017 annual general meeting.

The consolidated entity does not currently attach any performance conditions or pre-defined targets to the vesting conditions of any options granted plan, which would need to be achieved before the options vested. Given the current size of the consolidated entity, performance conditions or targets are not considered necessary as each individual executive's relative performance and contribution to the consolidated entity will be taken into account by the board when its determines the vesting conditions applicable to any options granted. Long-term incentives were paid by the consolidated entity during the financial year to directors. There were management options granted during the financial year.

Use of remuneration consultants
The consolidated entity did not engage any independent remuneration consultants during the financial year in relation to any aspects of the consolidated entity's remuneration, including that paid to its key management personnel.

Remuneration report – audited (cont'd)

Amounts of remuneration

Details of the remuneration of key management personnel of the consolidated entity are set out in the following tables.

2018	Short-term benefits Salary and directors' fees $	Short-term benefits Consultancy fees $	Post-employment benefits Super-annuation $	Share based payments Equity $	Value of options as proportion of total remuneration %	Total $
Non-Executive Directors:						
Mr P Johnston (appointed 1 July 2018)	-	-	-	-	-	-
Mr J Byrne *(resigned 31 March 2018)*	18,000	4,500	-	260,636	92	283,136
Mr J Newton *(resigned 22 January 2018)*	13,500	11,800	-	260,636	91	285,936
Mr S van der Sluys	84,000	-	7,980	260,636	74	352,616
Mr B Kennedy *(appointed 1 October 2017)*	18,000	-	-	961,025	98	979,025
Mr M Rodriguez	18,000	16,800	-	961,025	97	995,825
Executive Directors:						
Mr B Crocker *(appointed 1 October 2017)*	197,695	-	19,517	2,353,490	92	2,570,702
Other Key Management Personnel:						
Mr D Selfe *(appointed 13 June 2018)*	8,058	-	765	9,843	53	18,666
Dr S Van Huet (ceased being classified as a KMP on 1 July 2017)	-	-	-	-	-	-
	357,253	33,100	28,262	5,067,291	94	5,485,906

Share based payments represent non-cash value of options issued during the year to directors and officers. Valuation of these options is based on the Black Scholes method and calculated on the date of issue following shareholder approval at the 2017 Annual General Meeting.

Remuneration report – audited (cont'd)

2017	Short-term benefits Cash salary and fees $	Short-term benefits Consultancy fees $	Post-employment benefits Super-annuation $	Share based payments Equity $	Value of options as proportion of total remuneration %	Total $
Non-Executive Directors:						
Mr J Newton (appointed 25 November 2016)	10,000	-	-	-	-	10,000
Mr J Byrne (appointed 25 November 2016)	10,000	3,750	-	-	-	13,750
Mr K Koldenhaven (resigned 13 April 2017)	9,000	-	-	-	-	9,000
Mr R Karn (resigned 13 April 2017)	4,000	64,500	-	-	-	68,500
Executive Directors:						
Mr D Pursell (resigned 24 November 2016)	20,833	53,333	-	-	-	74,166
Mr D Foster (resigned 24 November 2016)	20,833	33,000	-	-	-	53,833
Mr R Fairlam (resigned 24 November 2016)	20,833	104,090	-	-	-	124,923
Mr S van der Sluys (appointed 24 November 2016)	9,000	112,500	-	-	-	121,500
Other Key Management Personnel						
Dr S Van Huet	62,269	-	5,237	-	-	67,506
	166,768	371,173	5,237	-	-	543,178

Share-based compensation

Issue of shares and options

- B Crocker was issued with 1 million fully paid ordinary shares as part of remuneration.
- During the 2018 financial year 25,000,000 options were issued to directors and key management personnel.

None of the key management personnel remuneration in the current year or in the previous year was linked to performance. No key management personnel were provided with any loans during the year.

Options

There were 20,000,000 options over ordinary shares issued to directors and other key management personnel as part of compensation that were outstanding as at 30 June 2018.

Remuneration report – audited (cont'd)

Additional information

The earnings of the consolidated entity for the five years to 30 June 2018 are summarised below:

	2018 $	2017 $	2016 $	2015 $	2014 $
Sales revenue	446,333	5,376,129	20,580	34,870	222,158
Profit / (loss) before income tax	(6,951,170)	3,944,192	(941,508)	(1,179,545)	(1,078,228)
Profit/(loss) after income tax	(6,951,170)	3,944,192	(941,508)	(1,179,545)	(1,078,228)

The factors that are considered to affect total shareholders return ('TSR') are summarised below:

	2018	2017	2016	2015	2014
Share price at financial year end ($)	0.41	0.06	0.05	0.05	0.03
Basic (loss) / profit per share (cents per share)	(3.84)	3.64	(1.12)	(1.79)	(1.64)

Additional disclosures relating to key management personnel

Shareholding

The number of shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Held at time of appointment	Additions	Disposals / held at time of resignation	Balance at the end of the year
Ordinary shares					
P Johnston	-	-	-	-	-
B Crocker *	-	-	1,000,000	-	1,000,000
M Rodriguez	-	-	-	-	-
B Kennedy	-	-	46,000	-	46,000
S van der Sluys	1,074,813	-	1,074,813	-	2,149,626
J Byrne (resigned 31 March 2018)	6,806,670	-	-	(6,806,670)	-
J Newton (resigned 22 January 2018)	16,563,559	-	-	(16,563,559)	-
S Van Huet	27,441			(27,441)	-
D Selfe	-	-	-	-	-
	24,472,483	-	2,120,813	(23,397,670)	3,195,626

* Granted as remuneration

Option holding

The number of options over ordinary shares in the company held during the financial year by each director and other members of key management personnel of the consolidated entity, including their personally related parties, is set out below:

	Balance at the start of the year	Granted as remuneration	Exercised	Disposals / held at time of resignation	Balance at the end of the year
Options over ordinary shares					
P Johnston	-	-	-	-	-
B Crocker	-	10,000,000	-	-	10,000,000
M Rodriguez	-	2,500,000	-	-	2,500,000
B Kennedy	-	2,500,000	-	-	2,500,000
S van der Sluys	1,074,813	2,500,000	(1,074,813)	-	2,500,000
J Byrne (resigned 31 March 2018)	2,861,334	2,500,000	-	(5,361,334)	-
J Newton (resigned 22 January 2018	9,618,229	2,500,000	-	(12,118,229)	-
D Selfe	-	2,500,000	-	-	2,500,000
	13,554,376	25,000,000	(1,074,813)	(17,479,563)	20,000,000

This concludes the remuneration report, which has been audited

Shares under option
Unissued ordinary shares of Jervois Mining Limited under option at the date of this report are as follows:

Grant date	Expiry date	Exercise price	Number under option
21 September 2017	20 September 2020	$0.08	2,500,000
13 December 2017	30 November 2022	$0.15	15,000,000
30 May 2018	30 May 2024	$0.345	500,000
16 June 2018	16 June 2024	$0.305	2,500,000

No person entitled to exercise the options had, or has any right by virtue of the option, to participate in any share issue of the company or of any other body corporate.

Indemnity and insurance of officers
The company has indemnified the directors and executives of the company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the company paid a premium in respect of a contract to insure the directors and executives of the company against a liability to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnity and insurance of auditor
The company has not, during or since the end of the financial year, indemnified or agreed to indemnify the auditor of the company or any related entity against a liability incurred by the auditor.

Proceedings on behalf of the company
No person has applied to the Court under section 237 of the *Corporations Act 2001* for leave to bring proceedings on behalf of the company, or to intervene in any proceedings to which the company is a party, for the purpose of taking responsibility on behalf of the company for all or part of those proceedings.

Non-audit services
There were no non-audit services provided during the financial year by the auditor.

There are no officers of the company who are former partners of BDO East Coast Partnership.

Auditor's independence declaration
A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out immediately after this directors' report.

Auditor
BDO East Coast Partnership was appointed as auditors of the company on 5 December 2017.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the *Corporations Act 2001.*

On behalf of the directors

P. B. Johnston.

Peter Johnston

17 September 2018

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Australia

DECLARATION OF INDEPENDENCE BY JAMES MOONEY TO THE DIRECTORS OF JERVOIS MINING LIMITED

As lead auditor of Jervois Mining Limited for the year ended 30 June 2018, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Jervois Mining Limited and the entities it controlled during the period.

James Mooney
Partner

BDO East Coast Partnership

Melbourne, 17 September 2018

Jervois Mining Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2018

	Note	Consolidated 2018 $	Consolidated 2017 $
Revenue	5	177,162	10,256
Other income	6	269,171	5,365,873
Expenses			
Administrative expense		(67,889)	(58,135)
Communication expenses		(19,042)	(9,483)
Employee benefits expense	7	(5,775,823)	(507,352)
Exploration expense		(681)	(47,405)
Depreciation and amortisation expense		(15,280)	2,209
Loss from sale of investments		(101,524)	-
Impairment of exploration assets	7	(55,089)	(413,978)
Fair value adjustment for investments held for trading		(260,616)	544,073
Insurance premiums		(44,600)	(74,828)
Professional fees		(625,297)	(625,985)
Securities quotation fees		(122,583)	(97,251)
Tenancy and property costs		(16,173)	(90,764)
Other expenses		(292,906)	(53,038)
Profit/(loss) before income tax expense		(6,951,170)	3,944,192
Income tax expense	9	-	-
Profit/(loss) after income tax expense for the year attributable to the owners of Jervois Mining Limited		(6,951,170)	3,944,192
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Change in fair value of equity instrument at FVOCI		(2,313,566)	-
Total comprehensive income for the year attributable to the owners of Jervois Mining Limited		(9,264,736)	3,944,192
		Cents	**Cents**
Basic earnings / (loss) per share	32	(3.84)	3.64
Diluted earnings / (loss) per share	32	(3.84)	3.61

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Jervois Mining Limited
Statement of financial position
As at 30 June 2018

	Note	Consolidated 2018 $	2017 $
Assets			
Current assets			
Cash and cash equivalents	31	4,715,432	1,385,782
Trade and other receivables	10	4,416,860	1,015,014
Financial assets at fair value through profit or loss	12	501,233	1,849
Total current assets		9,633,525	2,402,645
Non-current assets			
Receivables	11	-	3,905,667
Financial assets at fair value through profit or loss	12	-	1,740,000
Financial assets at fair value through other comprehensive income	13	7,907,496	-
Property, plant and equipment	14	609,745	109,276
Exploration and evaluation	15	5,922,780	3,841,726
Security deposits	16	177,500	157,659
Total non-current assets		14,617,521	9,754,328
Total assets		24,251,046	12,156,973
Liabilities			
Current liabilities			
Trade and other payables	17	584,668	204,663
Employee benefits		18,141	8,054
Total current liabilities		602,809	212,717
Non-current liabilities			
Employee benefits		12,856	19,326
Total non-current liabilities		12,856	19,326
Total liabilities		615,665	232,043
Net assets		23,635,381	11,924,930
Equity			
Issued capital	18	70,473,999	53,410,897
Reserves		1,598,519	-
Accumulated losses		(48,437,137)	(41,485,967)
Total equity		23,635,381	11,924,930

The above statement of financial position should be read in conjunction with the accompanying notes

Jervois Mining Limited
Statement of changes in equity
For the year ended 30 June 2018

Consolidated	Issued capital	Reserve	Shares based payments reserve	Accumulated losses	Total equity
	$	$	$	$	$
Balance at 1 July 2016	51,726,844	-	-	(45,430,159)	6,296,685
Profit after income tax expense for the year	-	-	-	3,944,192	3,944,192
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive income for the year	-	-	-	3,944,192	3,944,192
Transactions with owners in their capacity as owners:					
Issue of new shares (note 18)	1,655,551	-	-	-	1,655,551
Options exercised	75,000	-	-	-	75,000
Share issue costs	(46,498)	-	-	-	(46,498)
Balance at 30 June 2017	53,410,897	-	-	(41,485,967)	11,924,930

Consolidated	Issued capital	Reserve	Shares based payments reserve	Accumulated losses	Total equity
	$	$	$	$	$
Balance at 1 July 2017	53,410,897	-	-	(41,485,967)	11,924,930
Loss after income tax expense for the year	-	-	-	(6,951,170)	(6,951,170)
Change in fair value of equity instrument at FVOCI	-	(2,313,566)	-	-	(2,313,566)
Total comprehensive income for the year	-	(2,313,566)	-	(6,951,170)	(9,264,736)
Transactions with owners in their capacity as owners					
Issue of new shares	14,361,628	-	-	-	14,361,628
Options exercised	2,584,386	-	-	-	2,584,386
Value of options issued	-	-	5,477,145	-	5,477,145
Value of options exercised	1,565,060	-	(1,565,060)	-	-
Share issue costs (note 18)	(1,447,972)	-	-	-	(1,447,972)
Balance at 30 June 2018	70,473,999	(2,313,566)	3,912,085	(48,437,137)	23,635,381

The above statement of changes in equity should be read in conjunction with the accompanying notes

Jervois Mining Limited
Statement of cash flows
For the year ended 30 June 2018

	Note	Consolidated 2018 $	2017 $
Cash flows from operating activities			
Receipts from customers		1,000,000	6,407
Payments to suppliers and employees		(1,795,899)	(1,352,046)
Sundry income		29,675	-
Net cash used in operating activities	31(i)	(766,224)	(1,345,639)
Cash flows from investing activities			
Interest received		103,555	3,849
Payments for investments		(10,491,061)	(548,080)
Payments for property, plant and equipment		(558,868)	(22,892)
Payments for exploration and evaluation		(1,845,715)	(390,774)
R&D tax offset received in relation to exploration assets		143,707	379,041
Insurance proceeds from plant and equipment		-	111,636
Proceeds from sale of investments		1,148,476	-
Proceeds from sale of tenements		-	1,000,000
Payments for security deposits and advances		(66,555)	(117,659)
Net cash (used in)/from investing activities		(11,566,461)	415,121
Cash flows from financing activities			
Proceeds from issue of shares		16,271,014	1,710,551
Payment of unclaimed funds to State Revenue Office		(29,494)	-
Share issue transaction costs		(579,185)	(46,498)
Net cash from financing activities		15,662,335	1,664,053
Net increase in cash and cash equivalents		3,329,650	733,535
Cash and cash equivalents at the beginning of the financial year		1,385,782	652,247
Cash and cash equivalents at the end of the financial year		4,715,432	1,385,782

The above statement of cash flows should be read in conjunction with the accompanying notes

Note 1. General information

The financial statements cover Jervois Mining Limited as a consolidated entity consisting of Jervois Mining Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Jervois Mining Limited's functional and presentation currency.

Jervois Mining Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

585 Burwood Road
Hawthorn, Victoria, 3122

The financial statements were authorised for issue, in accordance with a resolution of directors, on 17 September 2018. The directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted
The consolidated entity has adopted all the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Comparative information
When required, comparative figures have been adjusted to conform to changes in presentation for the current financial year (note 8).

Basis of preparation
These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the *Corporations Act 2001*, as appropriate for for-profit oriented entities. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

Historical cost convention
The financial statements have been prepared under the historical cost convention, except for financial assets and liabilities at fair value through profit or loss and financial assets and liabilities at fair value through other comprehensive income.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Jervois Mining Limited ('company' or 'parent entity') as at 30 June 2018 and the results of all subsidiaries for the year then ended. Jervois Mining Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

Note 2. Significant accounting policies (continued)

Revenue recognition
Revenue is recognised when it is probable that the economic benefit will flow to the consolidated entity and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable.

Interest
Interest revenue is recognised as interest accrues using the effective interest method.

Income tax
The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered, or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:
- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled, and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Cash and cash equivalents
Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables
Other receivables are recognised at amortised cost, less any provision for impairment.

Investments and other financial assets

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the asset is derecognised or impaired.

Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss are either: i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit; or ii) designated as such upon initial recognition, where they are managed on a fair value basis or to eliminate or significantly reduce an accounting mismatch. Fair value movements are recognised in profit or loss.

Accounting policy for financial assets at fair value through other comprehensive income
Investments and other financial assets
Investments and other financial assets are initially measured at fair value. Transaction cost are included as part of the initial measurement, except for financial assets at fair value through profit or loss. They are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on the purpose of the acquisition and subsequent classification to other categories is restricted. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership.

Note 2. Significant accounting policies (continued)

Equity instruments
The group subsequently measures all equity investments at fair value. Where the group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the de-recognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the group's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/(losses) in the statement of profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Impairment
The group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 20 details how the group determines whether there has been a significant increase in credit risk.

For trade receivables, the company applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition receivables.

Property, plant and equipment
All classes of property, plant and equipment are stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Buildings	5-30 years
Motor vehicles	5 years
Office equipment	4-20 years
Plant and equipment	4-20 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Exploration and evaluation assets
Exploration and evaluation expenditure in relation to separate areas of interest for which rights of tenure are current is carried forward as an asset in the statement of financial position where it is expected that the expenditure will be recovered through the successful development and exploitation of an area of interest, or by its sale; or exploration activities are continuing in an area and activities have not reached a stage which permits a reasonable estimate of the existence or otherwise of economically recoverable reserves. Where a project or an area of interest has been abandoned, the expenditure incurred thereon is written off in the year in which the decision is made.

The carrying value relating to an area of interest is derecognised upon disposal or when there is no future economic benefit to the consolidated entity. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

The value of research and development tax incentives received in relation to exploration assets is recognised by deducting the grant when arriving at the carrying value of the asset.

Trade and other payables
These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Note 2. Significant accounting policies (continued)

Employee benefits

Short-term employee benefits
Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits
The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Fair value measurement
Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Issued capital
Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Earnings / (Loss) per share
Basic earnings / (loss) per share
Basic earnings / (loss) per share is calculated by dividing the loss attributable to the owners of Jervois Mining Limited, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings / (loss) per share
Diluted earnings / (loss) per share adjusts the figures used in the determination of basic loss per share to take into account the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

Goods and Services Tax ('GST') and other similar taxes
Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Note 2. Significant accounting policies (continued)

Changes in accounting standards

AASB 9 Financial Instruments
The standard replaces all previous versions of AASB 9 and completes the project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. AASB 9 introduces new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost, if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, which arise on specified dates and solely principal and interest. All other financial instrument assets are to be classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income ('OCI'). For financial liabilities, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements will use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment will be measured under a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. Gains and losses arising from changes in fair value are already recognised in other comprehensive income and accumulated in the investment revaluation reserve, impact of its adoption is not expected to be material.

Impact on application

The Group has applied AASB 9 retrospectively with the cumulative effect of initially applying the standards as an adjustment to the opening balance of equity and comparative figures are therefore not restated. The adoption of AASB 9 had no material impact on the comparative figures and only applied to the 30 June 2018 financial year.

		30 June 2018 Application of AASB 139	AASB 9 Transition Adjustments	30 June 2018 Application of AASB 9
Financial assets at fair value through other comprehensive income	*(i)*	7,907,496	-	7,907,496
Total assets impact		**-**	**-**	**-**
Investment revaluation reserve		-	(2,313,566)	(2,313,566)
Total equity impact		**-**	**(2,313,566)**	**(2,313,566)**
Profit/(loss) after income tax expense for the year attributable to the owners of Jervois Mining Limited		(2,313,566)	2,313,566	-
Total profit/(loss) impact		-	**2,313,566**	**2,313,566**

(i) Recognition of sustained losses arising from changes in fair value of investments in an equity instruments (not designated as 'held-for-trading') previously recorded in profit or loss under the requirements of AASB139 Financial Instruments: Recognition and Measurement are now recognised in Other Comprehensive Income

There has been no material impact on cash flow or to the financial statement items on transition.
The impact of the transition to AASB 9 as a result of applying expected credit risk model was immaterial.

Note 2. Significant accounting policies (continued)

New Accounting Standards and Interpretations not yet mandatory or early adopted

AASB 15 Revenue from Contracts with Customers
This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue. For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied. Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgements made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer. The consolidated entity will adopt this standard from 1 July 2018 but does not believe this standard will have any impact on revenue recognised.

AASB 16 Leases
This standard is applicable to annual reporting periods beginning on or after 1 January 2019. The standard replaces AASB 117 'Leases' and for lessees will eliminate the classifications of operating leases and finance leases. Subject to exceptions, a 'right-of-use' asset will be capitalised in the statement of financial position, measured as the present value of the unavoidable future lease payments to be made over the lease term. The exceptions relate to short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office furniture) where an accounting policy choice exists whereby either a 'right-of-use' asset is recognised or lease payments are expensed to profit or loss as incurred. A liability corresponding to the capitalised lease will also be recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. Straight-line operating lease expense recognition will be replaced with a depreciation charge for the leased asset (included in operating costs) and an interest expense on the recognised lease liability (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results will be improved as the operating expense is replaced by interest expense and depreciation in profit or loss under AASB 16. For classification within the statement of cash flows, the lease payments will be separated into both a principal (financing activities) and interest (either operating or financing activities) component. For lessor accounting, the standard does not substantially change how a lessor accounts for leases. The consolidated entity will adopt this standard from 1 July 2019 but does not believe will have any impact due to nil lease agreements.

Note 3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Note 3. Critical accounting judgements, estimates and assumptions (continued)

Exploration and evaluation costs
Exploration and evaluation costs have been capitalised on the basis that the consolidated entity will commence commercial production in the future, from which time the costs will be amortised in proportion to the depletion of the mineral resources. Key judgements are applied in considering costs to be capitalised which includes determining expenditures directly related to these activities and allocating overheads between those that are expensed and capitalised. In addition, costs are only capitalised that are expected to be recovered either through successful development or sale of the relevant mining interest. Factors that could impact the future commercial production at the mine include the level of reserves and resources, future technology changes, which could impact the cost of mining, future legal changes and changes in commodity prices. To the extent that capitalised costs are determined not to be recoverable in the future, they will be written off in the period in which this determination is made. All exploration assets are reviewed for impairment at each reporting period.

Sale of Flemington tenement
The company has entered into an option and sale agreement in relation to its Flemington tenement. Under the agreement there are five options periods with amounts of $2 million payable and a final purchase amount of $4 million. To date $2 million has been received and the final amount of $4 million is expected to be paid before the end of this year. Based on this remaining $4 million is recognised as receivable.

Share based payments
Share options issued by the Company have been valued using a Black-Scholes pricing model (Note 26).

Taxation
Judgement is required in assessing whether deferred tax assets and certain deferred tax liabilities are recognised in the Consolidate Statement of Financial Position. Deferred tax assets, including those arising from un-recouped tax losses, capital losses and temporary differences, are recognised only where it is considered more likely than not that they will be recovered, which is dependent on the generation of sufficient future taxable profits.

Assumptions about the generation of future taxable profits and repatriation of retained earnings depend on management's estimates of future cash flows. These depend on estimates of future production and sales volumes, operating costs, restoration costs, capital expenditure, and other capital management transactions. Judgements are also required about the application of income tax legislation. These judgements and assumptions are subject to risk and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets and deferred tax liabilities recognised on the Consolidated Statement of Financial Position and the amount of other tax losses and temporary differences not yet recognised. In such circumstances, some or all the carrying amounts of recognised deferred tax assets and liabilities may require adjustment, resulting in a corresponding credit or charge to Profit or Loss.

Note 4. Operating segments

Identification of reportable operating segments
The consolidated entity is organised into one reportable operating segment: mineral exploration and evaluation in Australia. This operating segment is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM')) in assessing performance and in determining the allocation of resources.

Note 5. Revenue

	Consolidated	
	2018	**2017**
	$	**$**
Interest	177,162	3,849
Rent	-	6,407
Revenue	177,162	10,256

Note 6. Other income

	Consolidated 2018 $	Consolidated 2017 $
Insurance claim-net	177,028	20,700
R&D tax offset income (i)	76,969	-
Others	15,174	-
Gain on sale of tenement	-	5,345,173
Other income	269,171	5,365,873

(i) Additional funds of $66,738 received during the year (2017: $413,978) as part of the R&D tax offset has been applied against exploration and evaluation asset disclosed in note 15.

Note 7. Expenses

	Consolidated 2018 $	Consolidated 2017 $
Profit/(loss) before income tax includes the following specific expenses:		
Depreciation		
Plant and equipment	15,280	2,140
Impairment		
Exploration and evaluation	55,089	413,978
Rental expense relating to operating leases		
Minimum lease payments	10,347	71,730
Research and development expense	330,360	951,673
Salaries and wages	616,604	507,352
Share based payment expenses	5,159,219	-
	5,775,823	507,352

Note 8. Reclassification of comparatives

Jervois Mining Limited has elected to change the allocation of some expenses to categories which they deem to be more appropriate. This is a reallocation only and had an overall nil impact on the final results for the 12 months ended 30 June 2017.

	12 months ended 30 June 2017 (Reported) $	Adjustment $	12 months ended 30 June 2017 (Restated) $
Income			
Revenue	30,957	(20,703)	10,256
Other income	5,889,245	(523,372)	5,365,873
Expenses			
Corporate and administration fee	(46,099)	(12,035)	(58,134)
Communications	(21,518)	12,035	(9,483)
Insurance	(84,268)	9,440	(74,828)
Employee benefits expenses	(138,560)	(368,792)	(507,352)
Professional fees	(960,337)	334,353	(625,985)
FV adjustment for investments held for trading	-	544,073	544,073
Other expenses	(78,039)	25,001	(53,038)
Total expenses	**4,591,381**	**-**	**4,591,381**

Note 9. Income tax expense

	Consolidated 2018 $	Consolidated 2017 $
Numerical reconciliation of income tax expense and tax at the statutory rate		
Profit/(loss) before income tax expense	(6,951,170)	3,944,192
Tax at the statutory tax rate of 27.5% (2017: 27.5%)	(1,911,572)	1,084,653
Effect of expenses that are not deductible in determining taxable income	994,597	(95,436)
Effect of temporary differences	44,968	(22,462)
Effect of deferred tax losses not brought to accounts	872,007	-
Utilisation of tax losses	-	966,755
Income tax expense recognised in profit and loss	-	-

	Consolidated 2018 $	Consolidated 2017 $
Tax losses not recognised		
Unused tax losses for which no deferred tax asset has been recognised	37,302,856	33,959,666
Potential tax benefit @ 27.5% (2017: 27.5%)	10,258,285	9,338,908

Note 9. Income tax expense (continued)

The above potential tax benefit for tax losses has not been recognised in the statement of financial position. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed. There was nil (2017: nil) franking credit at year end.

Note 10. Current assets - trade and other receivables

	Consolidated	
	2018	**2017**
	$	**$**
Prepayments	1,188	14,491
Other receivables	49,907	523
Consideration accrued in relation to disposal of tenements	3,976,548	1,000,000
Insurance claim receivable	201,418	-
GST receivable	187,799	-
	4,416,860	1,015,014

The company has entered into an option and sale agreement in relation to its Flemington tenement. Under the agreement there are five option periods, with total option amounts of $2 million payable and a final purchase amount of $4 million. The purchaser can opt to complete the transaction at any time by paying a total of $6 million. The directors believe that there is a strong probability that option payments will be made, and the sale exercised (note 30). The full consideration of $6 million has been recognised at the net present value of expected cash flows.

Note 11. Non-current assets - receivables

	Consolidated	
	2018	**2017**
	$	**$**
Consideration accrued in relation to disposal of tenements	-	3,905,667

Note 12. Financial assets at fair value through profit or loss

	Consolidated	
	2018	**2017**
	$	**$**
Shares in Australian listed entities	501,233	1,741,849
Disclosed in the financial statements as:		
Current	501,233	1,849
Non-Current	-	1,740,000
	501,233	1,741,849

Note 13. Non-current assets - financial assets at fair value through other comprehensive income

	Consolidated	
	2018	**2017**
	$	**$**
Shares in Canadian listed entities	10,231,062	-
Revaluation of investments at fair value	(2,323,566)	-
	7,907,496	-

Note 14. Non-current assets - property, plant and equipment

	Consolidated 2018 $	Consolidated 2017 $
Land and buildings - at valuation	45,000	83,890
Less: Accumulated depreciation	-	-
	45,000	83,890
Plant and equipment - at cost	570,900	14,397
Less: Accumulated depreciation	(12,959)	(1,274)
	557,941	13,123
Motor vehicles - at cost	53,441	53,441
Less: Accumulated depreciation	(53,441)	(53,441)
	-	-
Office equipment - at cost	27,009	28,873
Less: Accumulated depreciation	(20,205)	(16,610)
	6,804	12,263
	609,745	109,276

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Land & buildings $	Plant & equipment $	Office equipment $	Total $
Balance at 30 June 2017	174,825	-	4,634	179,459
Additions	-	13,696	9,196	22,892
Write of damaged assets covered by insurance claim	(90,935)	-	-	(90,935)
Depreciation expense	-	(573)	(1,567)	(2,140)
Balance at 30 June 2017	83,890	13,123	12,263	109,276
Additions	-	557,868	2,754	560,622
Adjustment for revaluation of land	(38,890)	-	-	(38,890)
Write off	-	(1,366)	(4,617)	(5,983)
Depreciation expense	-	(11,684)	(3,596)	(15,280)
Balance at 30 June 2018	45,000	557,941	6,804	609,745

Note 15. Non-current assets - exploration and evaluation

	Consolidated 2018 $	Consolidated 2017 $
Exploration and evaluation - at cost	5,922,780	3,841,726

Note 15. Non-current assets - exploration and evaluation (continued)

Reconciliations
Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Exploration & evaluation $
Balance at 1 July 2016	4,425,425
Additions	390,774
Impairment of assets	(560,495)
R&D tax offset recognised	(413,978)
Balance at 30 June 2017	3,841,726
Additions	2,202,881
Impairment of assets	(55,089)
R&D tax offset recognised	(66,738)
Balance at 30 June 2018	5,922,780

During the year the Board reviewed the carrying value of the exploration expenditure and impairment expense has been recognised to the extent that capitalised costs are determined not to be recoverable in the future

Note 16. Non-current assets - other

	Consolidated	
	2018 $	2017 $
Security deposits	177,500	157,659

Note 17. Current liabilities - trade and other payables

	Consolidated	
	2018 $	2017 $
Trade payables	501,875	104,752
Payroll related liabilities	49,102	4,632
Accrued expenses	31,000	38,500
GST payable	-	24,594
Unclaimed money	2,691	32,185
	584,668	204,663

Refer to note 20 for further information on financial instruments.

Note 18. Equity - issued capital

	Consolidated			
	2018 Shares	2017 Shares	2018 $	2017 $
Ordinary shares - fully paid	220,762,994	136,953,972	70,473,999	53,410,897

Note 18. Equity - issued capital (continued)

Movements in ordinary share capital

Details	Date	Shares	$
Balance	30 June 2016	101,742,833	51,726,844
Issue of shares	9 November 2016	6,000,000	270,000
Shares issued for acquisition of tenement	9 November 2016	4,000,000	90,000
Shares issued for acquisition of tenement	9 November 2016	2,000,000	180,000
Cancellation of shares issued for acquisition of tenement	24 February 2017	(6,000,000)	(270,000)
Conversion of options	2 May 2017	1,500,000	75,000
Rights issue	19 June 2017	27,311,079	1,365,551
Shares issued to settle liabilities	19 June 2017	400,000	20,000
Capital raising costs		-	(46,498)
Balance	30 June 2017	136,953,912	53,410,897
Balance	30 June 2017	136,953,972	53,410,897
New Issue	12 July 2017	9,283,095	556,986
Options exercised	15 August 2017	179,897	8,995
Options exercised	14 September 2017	211,325	10,566
New Issue	14 September 2017	7,383,572	443,014
New Issue	14 September 2017	400,000	30,000
Options Exercised	10 October 2017	2,128,026	106,401
Options Exercised	18 October 2017	2,190,439	109,522
Options Exercised	8 November 2017	1,087,853	54,393
Options Exercised	16 November 2017	8,333,333	1,535,454
Options Exercised	27 November 2017	2,493,095	124,655
New Issue	12 December 2017	22,654,692	12,686,628
Options Exercised	13 December 2017	104,399	5,220
Options Exercised	13 December 2017	375,000	95,625
New Issue	13 December 2017	1,000,000	645,000
Options Exercised	5 January 2018	1,124,389	56,219
Options Exercised	22 January 2018	525,438	26,272
Options Exercised	22 January 2018	125,000	31,875
Options Exercised	3 March 2018	2,500,000	460,636
Options Exercised	29 March 2018	9,618,229	480,912
Options Exercised	15 May 2018	1,074,813	53,741
Options Exercised	15 May 2018	500,000	127,500
Options Exercised	31 May 2018	2,711,627	135,581
Options Exercised	26 June 2018	5,304,860	265,243
Options Exercised	26 June 2018	2,500,000	460,636
Capital raising costs		-	(1,447,972)
Balance	30 June 2018	220,762,994	70,473,999

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Capital risk management
The consolidated entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital.

Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents.

In order to maintain or adjust the capital structure, the consolidated entity may adjust the number of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current company's share price at the time of the investment. The consolidated entity is not actively pursuing additional investments in the short term as it continues to integrate and grow its existing businesses in order to maximise synergies.

The capital risk management policy remains unchanged from the 2017 annual report.

Note 19. Equity - dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Note 20. Financial instruments

Financial risk management objectives
The consolidated entity's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk.

Risk management is carried out by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the consolidated entity and appropriate procedures, controls and risk limits.

Market risk

Foreign currency risk
The consolidated entity is exposed to foreign currency risk on its investments overseas. At year end $7,907,496 (2017: nil) was invested in Canadian listed securities. A sensitivity of 10% has been selected as this is considered reasonable given the current market conditions. An increase in value of A$ by 10% will result in decrease in value of investment by $790,749 and a decrease in value of A$ by 10% will result in increase in value by $790,749.

Price risk
The consolidated entity is exposed to price risk on its investments in other listed entities. The potential impact of which is summarised below: -

	Average price increase			Average price decrease		
Consolidated - 2018	**% change**	**Effect on profit before tax**	**Effect on equity**	**% change**	**Effect on profit before tax**	**Effect on equity**
Shares in ASX listed entities	10%	50,123	-	10%	(50,123)	-
Share in TSX listed entities	10%	-	790,749	10%	-	(790,749)

Note 20. Financial instruments (continued)

Consolidated - 2017	Average price increase % change	Average price increase Effect on profit before tax	Average price increase Effect on equity	Average price decrease % change	Average price decrease Effect on profit before tax	Average price decrease Effect on equity
Shares in Australian listed entities	10%	174,185	-	10%	(174,185)	-

During the year to $260,616 was debited to profit and loss (2017 credit: $544,073) and $2,313,566 was debited to reserve (2017: nil) on account of change in share price.
Interest rate risk
The consolidated entity is exposed to immaterial interest rate risk.

Credit risk
The consolidated entity's receivables are made up of GST and receivable from the sale of Flemington asset amounting to $3.9m and for this reason the consolidated entity is not exposed to any significant credit risk. There is also a significant receivable balance in relation to the disposal of the tenements. To date the purchaser has made every payment on the date due, and there is no reason to expect this this will not continue (note 30).

Liquidity risk
The group manages liquidity risk by maintaining adequate reserves and banking facilities by monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities

The consolidated entity manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Remaining contractual maturities
The following tables detail the consolidated entity's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position.

Consolidated - 2018	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade and other payables	-	584,668	-	-	-	584,668
Total non-derivatives		584,668	-	-	-	584,668

Consolidated - 2017	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade and other payables	-	204,663	-	-	-	204,663
Total non-derivatives		204,663	-	-	-	204,663

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Fair value of financial instruments
Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Note 21. Fair value measurement

Fair value hierarchy
The following tables detail the consolidated entity's assets and liabilities, measured or disclosed at fair value, using a three-level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being:
Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3: Unobservable inputs for the asset or liability

Consolidated - 2018	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Shares in Australian listed entities	501,233	-	-	501,233
Shares in Canadian listed entities	7,907,496	-	-	7,907,496
Total assets	8,408,729	-	-	8,408,729

Consolidated - 2017	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Shares in Australian listed entities	1,741,849	-	-	1,741,849
Total assets	1,741,849	-	-	1,741,849

There were no transfers between levels during the financial year.

Note 22. Key management personnel disclosures

Compensation
The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	Consolidated **2018** **$**	 **2017** **$**
Short-term employee benefits	390,353	537,941
Share based payment benefits	5,067,291	-
Post-employment benefits	28,262	5,237
	5,485,906	543,178

Note 23. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by BDO East Coast Partnership, the auditor of the company:

	Consolidated **2018** **$**	 **2017** **$**
Audit services – BDO East Coast Partnership (2017: George Georgiou of Connect Audit)		
Audit and review of the financial statements	39,000	29,450

Note 24. Contingent liabilities

	Consolidated	
	2018	2017
	$	$
Bank guarantees	67,000	67,000

These guarantees form part of the terms and conditions of certain of the consolidated entity's exploration tenements and leased office premises. Provided the consolidated entity continues to comply with the relevant terms and conditions of its respective licenses and agreements, it is not envisaged that any of the parties who have been granted bank guarantees will seek to redeem them. All the consolidated entity's bank guarantees are for indefinite terms, with no fixed expiry dates. No payable in relation to these bank guarantees has therefore, been recognised in these financial statements, due to the unlikely event of a claim.

Note 25. Commitments

	Consolidated	
	2018	2017
	$	$
Lease commitments - operating		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	-	-
Exploration commitments		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	380,200	10,435
One to five years	-	-
	380,200	10,435

The above commitments represent the consolidated entity's annual licence expenditure requirements, which will continue each year for the term of each licence. The annual commitments associated with any particular licence will continue until such time as the consolidated entity makes a decision to farm-out, relinquish or sell all or part of a licence. The above amounts do not take into account any expenditure by the consolidated entity on its tenements since the end of each reporting period.

If needed, the consolidated entity's exploration and evaluation expenditure may be subject to renegotiation with the respective State mines departments, or with their approval may otherwise be avoided by either the sale, farm out or relinquishment of the consolidated entity's exploration tenements.

Note 26. Share based payments

Grant date	Expiry date	Exercise price	Balance at start of the year	Granted	Exercised	Expired/ Forfeited/ other	Balance at 30 June 18
21/9/2017	21/9/2020	8 cents	Nil	15,833,333	13,333,333	Nil	2,500,000
29/9/2017	20/9/2020	8 cents	Nil	1,000,000	1,000,000	Nil	Nil
13/12/2017	20/9/2022	15 cents	Nil	15,000,000	Nil	Nil	15,000,000
31/05/2018	30/05/2024	34.5 cents	Nil	500,000	Nil	Nil	500,000
19/06/2018	18/06/2024	30.5 cents	Nil	2,500,000	Nil	Nil	2,500,000

The fair value of the options is estimated at the date of grant using the Black-Scholes model, taking into account the terms and conditions upon which the options were granted.

For the options granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date $
21/9/2017	21/9/2018	17.5 cents	8 cents	81.60%	Nil	1.84%	1,650,696
29/9/2017	20/9/2018	25.5 cents	8 cents	86.85%	Nil	1.81%	175,000
13/12/2017	20/9/2022	64.5 cents	15 cents	88.77%	Nil	2.62%	8,418,582
31/05/2018	30/05/3024	34.5 cents	34.5 cents	91.84%	Nil	2.06%	130,285
19/06/2018	18/06/2024	31.5 cents	30.5 cents	92.06%	Nil	2.41%	598,789

Accounting policy for share-based payments

Equity-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions is measured at fair value on grant date. Fair value is independently determined using the Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

The cost of equity-settled transactions is recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Note 26. Share based payments (continued)

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met provided all other conditions are satisfied.

If the non-vesting condition is within the control of the Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Note 27. Related party transactions

Parent entity
Jervois Mining Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 29.

Key management personnel
Disclosures relating to key management personnel are set out in note 22 and the remuneration report included in the directors' report.

Transactions with related parties
The following transactions occurred with related parties:

	Consolidated	
	2018	**2017**
	$	**$**
Purchase of accounting and company secretarial services from Kalina Power Ltd (Director related party to John Byrne resigned 31st March 2018). These amounts in addition to the director's fees and expense reimbursements received.	72,000	16,000

Loans to/from related parties
There were no loans to or from related parties at the current and previous reporting date.

Terms and conditions
All transactions were made on normal commercial terms and conditions and at market rates.

Note 28. Parent entity information

Set out below is the supplementary information about the parent entity.

Statement of profit or loss and other comprehensive income

	Parent 2018 $	Parent 2017 $
(Loss)/Profit after income tax	(7,998,046)	3,943,221
Total comprehensive income	(7,998,046)	3,943,221

Statement of financial position

	Parent 2018 $	Parent 2017 $
Total current assets	9,532,131	2,355,196
Total assets	24,251,046	13,203,849
Total current liabilities	602,809	212,717
Total liabilities	615,665	232,043
Equity		
Issued capital	70,473,999	53,410,897
Reserves	1,598,519	-
Accumulated losses	(48,437,137)	(40,439,091)
Total equity	23,635,381	12,971,806

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2018 and 30 June 2017.

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2018 and 30 June 2017.

Commitments

	Parent 2018 $	Parent 2017 $
Committed at the reporting date but not recognised as liabilities, payable:		
Lease commitments	-	-
Exploration	380,200	10,435

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 2, except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.

Note 29. Interests in subsidiaries

The consolidated financial statements incorporate the assets, liabilities and results of the following subsidiaries in accordance with the accounting policy described in note 2:

Name	Principal place of business / Country of incorporation	Ownership interest 2018 %	Ownership interest 2017 %
Hardrock Exploration Pty Ltd	Australia	100.00%	100.00%
Goldpride Pty Ltd	Australia	100.00%	100.00%
Nico Young Pty Ltd	Australia	100.00%	100.00%
TZ Nico (1) Pty Ltd	Australia	100.00%	-
TZ Nico (2) Pty Ltd	Australia	100.00%	-
And wholly owned subsidiary of TZ Nico (1) Pty Ltd and TZ Nico (2) Pty Ltd being:			
Tanzania Nickel Cobalt Ltd	Tanzania	100.00%	-

Note 30. Events after the reporting period

On 20 August 2018, the company announced that it had applied for a Prospecting License over the Kabanga nickel-cobalt deposit in the Kagera region of Tanzania.

Until January 2018, Kabanga was subject to a retention license (“RL”), held jointly and equally by Glencore plc and Barrick Gold. On 10 January 2018, the Government of Tanzania published the Mining (Mineral Rights) Regulations, 2018. Section 21 of those Regulations cancelled all existing RLs and stipulated that rights over all areas which were the subject of such RLs reverted to the Government.

Jervois applied to the Mining Commission in May 2018 for a PL covering the ground held under the previous RL. Jervois believes the Kabanga sulphide deposit to be the highest quality undeveloped nickel-cobalt deposit in the world, unmatched in scale and grade. Its existing JORC Resource represents 57Mt of easily floatable sulphide ore at 2.62% nickel, 0.20% cobalt and 0.35% copper, with significant regional exploration potential. Approximately two-thirds of the current JORC Resource is in Measured and Indicated categories. The quality of the mineralisation is exceptional, with low-risk sulphide metallurgy expected to produce a high-grade low impurity nickel-cobalt product. Prior owners invested significantly in drilling and studies that culminated in a DFS envisaging annual production in excess of 50ktpa nickel with significant cobalt and copper co-products. Kabanga’s scale of mineral resource, exploration upside and production potential place the province squarely among the great nickel-cobalt basins in the world, comparable to Thompson Manitoba, Jinchuan and Voisey’s Bay.

While Jervois is not certain of securing tenure over the deposit, it has a team of experienced mining executives and advisers who understand the nickel-cobalt business, have an established track record in financing, constructing and operating sophisticated nickel-cobalt mining and processing operations, and have extensive experience in Tanzania’s mining sector.

Jervois believes it can significantly improve on the DFS prepared by the previous owners of Kabanga, and the Company is looking forward to working with the Government of Tanzania to establish a viable pathway to develop it if it is granted the licence.

On 27 August 2018, the company announced that Australian Mines Ltd exercised its option to acquire 100% interest in the Flemington project near Fifield, New South Wales, Australia for A$6.0 million. A$2.0 million had already been received in rolling option payments by Jervois, with the notification triggering the final Option Exercise Fee of A$0.6 million plus GST, with the remainder of the purchase price (A$3.4 million in cash) payable upon completion, anticipated prior to calendar year end

Apart from the above no other matter or circumstance has arisen since 30 June 2018 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 31. Cash and cash equivalents

	Consolidated 2018 $	2017 $
Cash and bank balance	4,715,432	1,385,782

(i). Reconciliation of profit/(loss) after income tax to net cash used in operating activities

	Consolidated 2018 $	2017 $
(Loss)/Profit after income tax expense for the year	(6,951,170)	3,944,192
Adjustments for:		
Gain on sale of investments	101,524	-
R&D tax offset received	(76,969)	-
Depreciation and amortisation	15,280	2,140
Write-off of property, plant and equipment	5,983	-
Share-based payments	5,283,358	20,000
Exchange variation	(104)	-
Impairment of exploration assets	55,770	413,978
Net fair value (gain) / loss on financial assets	260,616	(544,073)
Gain on sale of tenements	-	(5,345,172)
Interest income received and receivable	(177,162)	(20,701)
Change in operating assets and liabilities:		
Decrease in trade and other receivables	660,328	47,385
Decrease in prepayments	13,303	41,814
Increase in trade and other payables	39,402	97,411
Increase/(decrease) in employee benefits	3,617	(2,613)
Net cash used in operating activities	(766,224)	(1,345,639)

Note 32. Earnings per share

	Consolidated 2018 $	2017 $
Profit/(loss) after income tax attributable to the owners of Jervois Mining Limited	(6,951,170)	3,944,192
	Number	**Number**
Weighted average number of ordinary shares used in calculating basic earnings per share	180,856,572	108,409,972
Adjustments for calculation of diluted earnings per share:		
Options over ordinary shares	-	835,128
Weighted average number of ordinary shares used in calculating diluted earnings per share	180,856,572	109,245,100
	Cents	**Cents**
Basic (loss)/earnings per share	(3.84)	3.64
Diluted (loss)/earnings per share	(3.84)	3.61

Jervois Mining Limited
Directors' declaration
30 June 2018

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;

- the attached financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 2 to the financial statements;

- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2018 and of its performance for the financial year ended on that date; and

- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

The directors have been given the declarations required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

P. B. Johnston .

Peter Johnston

17 September 2018

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INDEPENDENT AUDITOR'S REPORT

To the members of Jervois Mining Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Jervois Mining Limited (the Company) and its subsidiaries (the Group), which comprises the statement of financial position as at 30 June 2018, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial report, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the *Corporations Act 2001*, including:

(i) Giving a true and fair view of the Group's financial position as at 30 June 2018 and of its financial performance for the year ended on that date; and

(ii) Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Recoverability of exploration and evaluation assets

Key audit matter	*How the matter was addressed in our audit*
The company has incurred significant exploration and evaluation expenditures which have been capitalised. As the carrying value of exploration and evaluation expenditures represents a significant asset of the company, we considered it necessary to assess whether facts and circumstances existed to suggest that the carrying amount of this asset may exceed its recoverable amount. AASB 6 *Exploration for and Evaluation of Mineral Resources* contains detailed requirements with respect to both the initial recognition of such assets and ongoing requirements to continue to carry forward the assets. Note 2 to the financial statements contains the accounting policy and note 15 disclosures in relation to exploration and evaluation expenditures.	Our audit procedures included: • Obtaining independent searches that the company has valid rights to explore in the areas represented by the capitalised exploration and evaluation expenditure; • Confirming whether the rights to tenure of the areas of interest remained current at the reporting date as well as confirming that rights to tenure are expected to be renewed; • Reviewing the directors' assessment of the carrying value of the exploration and evaluation costs, ensuring that management have considered the effect of impairment indicators, commodity prices and the stage of the Group's project; • Reviewing ASX announcements and minutes of directors' meetings to ensure that the company had not decided to discontinue activities in any of its areas of interest.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group's annual report for the year ended 30 June 2018, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (http://www.auasb.gov.au/Home.aspx) at:

http://www.auasb.gov.au/auditors_responsibilities/ar1.pdf

This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 15 to 20 of the directors' report for the year ended 30 June 2018.

In our opinion, the Remuneration Report of Jervois Mining Limited, for the year ended 30 June 2018, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO East Coast Partnership

James Mooney
Partner

Melbourne, 17 September 2018

Jervois Mining Limited
Shareholder information
30 June 2018

The shareholder information set out below was applicable as at 9 September 2018.

Distribution of equitable securities
Analysis of number of equitable security holders by size of holding:

	Number of holders of ordinary shares
1 to 1,000	206
1,001 to 5,000	354
5,001 to 10,000	238
10,001 to 100,000	829
100,001 and over	201
	1,828
Holding less than a marketable parcel	290

Equity security holders

Twenty largest quoted equity security holders
The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares Number held	% of total shares issued
327th P & C Nominees Pty Ltd <Masterman Super Fund A/C>	14,950,000	6.70
Mr John Allan Newton + Mrs Wanda Gaye Newton <Drawone Super Fund A/C>	13,951,900	6.25
TR Nominees Pty Ltd	10,400,000	4.66
Brispot Nominees Pty Ltd <House Head Nominee A/C>	7,283,534	3.26
UBS Nominees Pty Ltd	7,164,350	3.21
Citicorp Nominees Pty Limited	5,981,752	2.68
Pan Andean Capital Pty Ltd	4,945,336	2.22
HSBC Custody Nominees (Australia) Limited - A/C 2	4,925,698	2.21
Mr Stephen Van Der Sluys + Mrs Susan Van Der Sluys <Ssvds S/F A/C>	4,649,626	2.08
Drawone Pty Ltd <The Newton Investment A/C>	4,581,896	2.05
J P Morgan Nominees Australia Limited	4,510,247	2.02
Chiodo Trading Pty Ltd	3,885,894	1.74
Sisu International Pty Ltd	3,269,279	1.46
Merrill Lynch (Australia) Nominees Pty Limited	2,653,159	1.19
Gasmere Pty Ltd	2,633,830	1.18
Mr John Joseph Byrne + Mrs Maritza Ivonne Byrne <John Byrne Prvte Pen Fnd A/C>	2,511,334	1.12
Mr John Allan Newton + Mrs Wanda Gaye Newton <Drawone Super Fund A/C>	2,500,000	1.12
Drawone Pty Ltd <The Newton Investment A/C>	2,418,104	1.08
National Nominees Limited	2,348,609	1.05
Mr Carlo Chiodo	2,280,001	1.02
	107,844,549	48.30

Unquoted equity securities
There are no unquoted equity securities.

Substantial holders
Substantial holders in the company are set out below:

	Ordinary shares	
	Number held	% of total shares issued
327th P&C Nominees Pty Ltd	14,950,000	6.70
Mr John Newton and Mrs Wanda Newton <Drawone Super Fund A/C>	13,951,900	6.25

Voting rights
The voting rights attached to ordinary shares are set out below:

Ordinary shares
On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

There are no other classes of equity securities.

Tenements

Description	Tenement number	Interest owned %
Ardnaree (NSW)	EL 5527	100.0
Thuddungra (NSW)	EL 5571	100.0
Syerston (NSW)	EL 7805	100.0
Kingsgate (NSW)	EL 8203	100.0
Area 1 (NSW)	EL 8474	100.0
6 Block (NSW)	EL 8546	100.0
West Arunta (WA)	E80 4820	49.0
West Arunta (WA)	E80 4986	49.0
West Arunta (WA)	E80 4987	49.0
Old Khartoum (QLD)	EPM 14797	100.0
North Khartoum (QLD)	EPM 15570	100.0
Khartoum (QLD)	EPM 19112	100.0
Three Mile Creek (QLD)	EPM 19113	100.0
Carbonate Creek (QLD)	EPM 19114	100.0
Mt Fairyland (QLD)	EPM 19203	100.0