Jervois

MINING LIMITED

ABN 52 007 626 575

Annual Report

For the Year Ended
30 June 2014

CORPORATE DIRECTORY
FOR THE YEAR ENDED 30 JUNE 2014

Directors

Duncan Pursell	Executive Chairman
Derek Foster	Executive Director
Roger Fairlam	Executive Director

Company Secretary
Roger Fairlam

Registered Office
Suite 12, Level 2,
4-10 Jamieson Street,
Cheltenham, Victoria, 3192
Australia

Telephone:	+61 3 9583-0498
Facsimile:	+61 3 9583-0698
Email:	admin@jervoismining.com.au

Website Address
www.jervoismining.com.au

Stock Exchange Home Branch
Australian Securities Exchange Limited (ASX)
Level 4, Rialto North Tower,
525 Collins Street,
Melbourne, Victoria, 3000
Australia

ASX Securities Code

Fully paid ordinary shares	JRV

Auditors
George Georgiou FCA
38a St. Andrews Street
Brighton, Victoria, 3186
Australia

Bankers
ANZ Banking Group Limited,
Level 1,
420 St Kilda Road,
Melbourne, Victoria, 3004
Australia

Share Registry
Computershare Investor Services Pty Ltd,
452 Johnston Street,
Abbotsford, Victoria, 3067
Australia

Telephone:	+61 3 9415-4000 or 1300 850 505
Facsimile:	+61 3 9473-2500

TABLE OF CONTENTS

FOR THE YEAR ENDED 30 JUNE 2014

The directors of Jervois Mining Limited (the Parent entity) submit this report, together with the financial statements of the consolidated Group (consisting of the Parent entity and its controlled entities) for the financial year ended 30 June 2013, made in accordance with a resolution of the directors.

DIRECTORS

The names and particulars of the qualifications, experience, special responsibilities and equity interests of the directors in office during the financial year ended 30 June 2014 and up until the date of this report are set out below.

Mr Duncan Pursell	**Executive chairman and chief executive officer**
Appointment date	16 March 1987
Qualifications	BSc, MAusIMM
Experience	Mr Pursell is a mining engineer with more than fifty two years' experience. After graduating from Glasgow University he worked in West Africa before moving to Australia in the 1960's.
Special responsibilities	Executive chairman of the board of directors.
Directorships in listed entities in the last 3 years	Nil
Interests in shares	4,059,711 Fully paid ordinary shares.
Interests in options	Nil

Mr Derek Foster	**Executive director**
Appointment date	12 December 2008
Qualifications	B.Appl.Sc (Applied Geology), MAusIMM
Experience	Mr Foster is a geologist with vast experience as a "hands on" geologist in Victoria, Western Australia, Northern Territory and Queensland. He has worked in gold, uranium, nickel / cobalt sulphides, laterites, lithium and rare earths and mineral sands.
Special responsibilities	Mr Foster is the Group's chief geologist and resident director for WA.
Directorships in listed entities in the last 3 years	Nil
Interests in shares	1,243,916 Fully paid ordinary shares.
Interests in options	Nil

Mr Roger Fairlam	**Executive director and company secretary**
Appointment date	06 May 2013
Qualifications	Chartered accountant
Experience	Over forty years accounting experience. Previously a Director and Company Secretary of the Parent entity from 1995 to 2006 and Company secretary/ Chief Financial Officer 2009 to 2011.
Special responsibilities	Chief financial officer.
Directorships in listed entities in the last 3 years	Nil
Interests in shares	26,076 Fully Paid Ordinary Shares
Interests in options	Nil

FORMER PARTNERS OF THE GROUP'S AUDITORS

No officer of the Parent entity is or was a partner or director of an audit firm at a time when that audit firm undertook an audit of the Group.

MEETINGS OF DIRECTORS

The number of meetings of the Parent entity's board of directors held during the financial year ended 30 June 2014, and the numbers of meetings attended by each director, during the time that each director held office during the year and was therefore eligible to attend is set out below. The Parent entity does not presently have any audit, nomination or remuneration committees.

Director	Number of directors meetings held during the year	Number of directors meetings held whilst in office	Number of directors meetings actually attended
Mr Duncan Pursell	6	6	6
Mr Derek Foster	6	6	5
Mr Roger Fairlam	6	6	6

PRINCIPAL ACTIVITIES

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

FINANCIAL RESULT FOR THE YEAR

The net (loss) after income tax for the Group for the financial year ended 30 June 2014 attributable to equity holders of the Parent entity was ($404,983) (2013: ($1,659,533).

DIVIDENDS

No dividends or distributions were declared, recommended or paid to members during the financial year (2013: Nil).

REVIEW OF OPERATIONS

The Company operates solely within Australia, with current activities in New South Wales (NSW) and Western Australia (WA). A summary of the Group's activities in each of those states, together with its corporate activities during the financial year follows.

MANAGING DIRECTORS LETTER TO SHAREHOLDERS

Our 50th year as a Public Company is a significant achievement for us all. In that time the Company has progressed from successfully mining copper cement derived from the acid leaching of oxide copper ores in the Jervois Ranges in NT through to an oil exploration and discovery phase under the Chairmanship of Mr Ian Sykes. This lasted until 1987; yet another challenging year in the market. Since 1987 the Company has in succession explored for base metals and silver in Victoria, laterite nickel/cobalt in NSW with considerable success. Then followed the acquisition of the Bullabulling Gold prospect in WA, which produced and sold gold from heap leach for a number of years. This property was ultimately sold to Auzex Resources limited. This latter group and its partners expanded the gold resource by brilliant exploration to a multimillion ounce position – something that Jervois could never have funded in those difficult times.

The Company maintains, for Bullabulling, an attractive Royalty Production at $30.00 per oz for the first 400,000 oz and $20.00 per oz thereafter, unlimited. (400,000 oz was the resource the time of sale to Auzex).

Very recently Bullabulling Gold Limited was taken over by Norton Gold Mines Limited and this latter company has now proceeded to compulsory acquisition of the last 10% of the Auzex listed shares. This can only be regarded as positive for the ultimate gold production from Bullabulling although the timing of such a development is of course uncertain. The Jervois Royalty attracts our interest in this regard.

The Company had other success in the discovery of enriched scandium laterite at Nyngan in NSW. After a disappointing joint venture with TSX listed EMC Metals, the property was transferred to the latter for a total of $2.9 million dollars and an ongoing Royalty as described in the various releases to Shareholders through ASX.

We saved the best for last. In late 2013, following the acquisition of EL 7805 on vacant ground near the old 'Black Range' nickel/cobalt laterite, a stunning intersection of high grade scandium was made. This was followed up, when the land was not under crop, by a drilling program designed to yield a JORC resource at whatever category deemed appropriate. In the end the Indicated Mineral Resource was selected by an independent geologist but with the added comment that the 'resource could be upgraded to the Measured Resource category by carrying out a modest program of infill drilling'.

The Company was further advised that a similar follow up drill program should results in a substantial increase in the overall size of the resource. Any Shareholders in doubt over the ultimate expansion of the resource should glance at the assay result from drill holes Sy 54 and Sy 56 to Sy 59. These are not included in the present resource calculations.

Part of our resource was stated at 981,640 tonnes of limonitic laterite at a grade of 513ppm scandium – some 30% higher than anything reported from the area thus far. In an amusing corollary, Jervois drilling quite close to the Black Range/IvanPlats boundary, undoubtedly improved the exploration potential for that property. Serendipity deluxe changed everyone's geological ideas/ concepts. However one never knows – it still has to be drilled. Jervois would be truly delighted if our work benefits our neighbor. The ground was vacant when Jervois applied.

Platinum
As evidenced from the old Black Range work and to a limited extent by the Jervois work, platinum is quite pervasive at; for Black Range about 0.26g/t Pt and for Jervios about 0.24g/t Pt. Had the platinum been 'free' and recoverable it would have been a valuable by product. Alas it is quite refractory and recovery nearly hopeless; a nuisance value only in that it has to be removed from potential Sc2O3 concentrates.

The Future
The Company is keen to finalise a process for the pilot operation as reported elsewhere in this report, and has been commissioned and partly paid for at a well known resource testing facility. Other processes are constantly being examined eg. The DNi Nitric Acid route. This latter, we think has great potential for Ni/Co laterites in general.

In conclusion the 2013-14 Financial Year has been very successful for Jervois and its Shareholders.

I would like to thank Jervois Mining Limited's Research and Development Manager; Dr Hal Aral, our Company Secretary (and Director); Mr Roger Fairlam, our NSW Exploration Manager; Dr Sanja Van Huet and our WA Exploration Manager (and Director); Mr Derek Foster for their work for the Company this year.
DUNCAN C. PURSELL

DUNCAN C PURSELL

25TH SEPTEMBER 2014

REVIEW OF OPERATIONS

SYERSTON SCANDIUM PROJECT RESOURCE CALCULATION

A Mineral Resource Calculation for Jervois Mining Limited Syerston/Flemington Scandium Project (EL 7805) was recently undertaken by Rangott Mineral Exploration Pty. Ltd. of Orange, NSW.

The calculation was based on data from 24 vertical air core drill holes and two diamond drill holes, which were part of a larger group of exploration holes drilled during the 2013 and 2014 drilling campaigns. The locations of these holes are shown on Figure 1.

The drilling intersected four broad lithotypes - (top to bottom) hematitic laterite, limonitic laterite, transitional laterite and saprolite. Only the hematitic (part), limonitic and transitional materials were included in the resource calculations.

The 1m samples were analysed for scandium by ALS in Brisbane, using a fusion ICPAES method (technique Sc-ICP06).

Two vertical PQ (diamond) core holes, JSD-001 and JSD-002, were drilled 5m away from the collars of aircore holes SY-37 and SY-35 respectively, reaching several metres in to saprolitic bedrock. The objective of drilling these holes was to obtain solid samples to determine the bulk densities (SGs) and moisture content of the various laterite types, and to use them in metallurgical test work.

The resource was calculated by a sectional method involving calculation of areas and weighted mean grades on 5 east-west oriented sections (see example section, Figures 2-6), with tight constraints on projection distances beyond those sections. A lower cutoff grade of 200ppm Sc was adopted. The volumes of the lithotypes and weighted mean grades between pairs of sections were calculated and average SG values were applied for each lithotype to calculate tonnes and weighted mean grades.

The resulting calculations gave the following resource figures:

1. **Hematitic Laterite**

313,775 tonnes @ 316 ppm Sc (for 99.2 tonnes of contained Sc)

2. **Limonitic Laterite**

981,640 tonnes @ 513 ppm Sc (for 503.6 tonnes of contained Sc)

1. Transitional Laterite

321,373 tonnes @ 335 ppm Sc (for 107.7 tonnes of contained Sc).

The overall resource comprises 1,617,000 tonnes at a weighted mean grade of 439 ppm Sc, containing approximately 710.5 tonnes of Scandium metal, which equates to 1089 tonnes of scandium oxide (Sc_2O_3).

This confirms that the resource can sustain a mining operation that would last +40 years, assuming a production rate of 20 tonnes of Sc_2O_3 per year, the present estimated world consumption.

The present market value of scandium oxide varies from US$2 million/tonne to US$4+ million/tonne AUD depending on the purity.

Due to undulations in the lithotype boundaries and the present uncertainty regarding the boundaries of the palaetopography, the resource is classified as an Indicated Mineral Resource. Shareholders are advised that the known Indicated Resource should be upgraded to a Measured Mineral Resource by carrying out a program of infill drilling. This will result in better definition of the boundaries of the palaeotopographic features.

3. **INAA Assay Results**

Re-analysis of 10% of the samples from the 2013-2014 EL 7805 Syerston drilling programs was undertaken in Canada using split sample pulps retrieved from ALS Brisbane. The method used was Instrumental Neutron Activation Analysis (INAA). A selection of samples from both high and low grade intervals and all three laterite types were submitted for analysis. Forty four one gram samples were assayed.

The re-analysis was done to verify the assay grades and compare them to the grades obtained from the ME-ICP61 and Sc-ICP06 (fusion) results previously reported.

Comparison of the INAA and Fusion methods showed an average difference of only 4.0%. The Board is satisfied that any discrepancies are not material as they are considered to be within the range of sampling and analytical errors.

In brief, the INAA results confirmed the unusually high grades of JRV's Syerston resource and also verified the validity of the use of the fusion method (which gave the highest value of 968ppm Sc from drill hole Sy 53, 14-15m (INAA 980ppm) as a practical method for assaying for scandium.

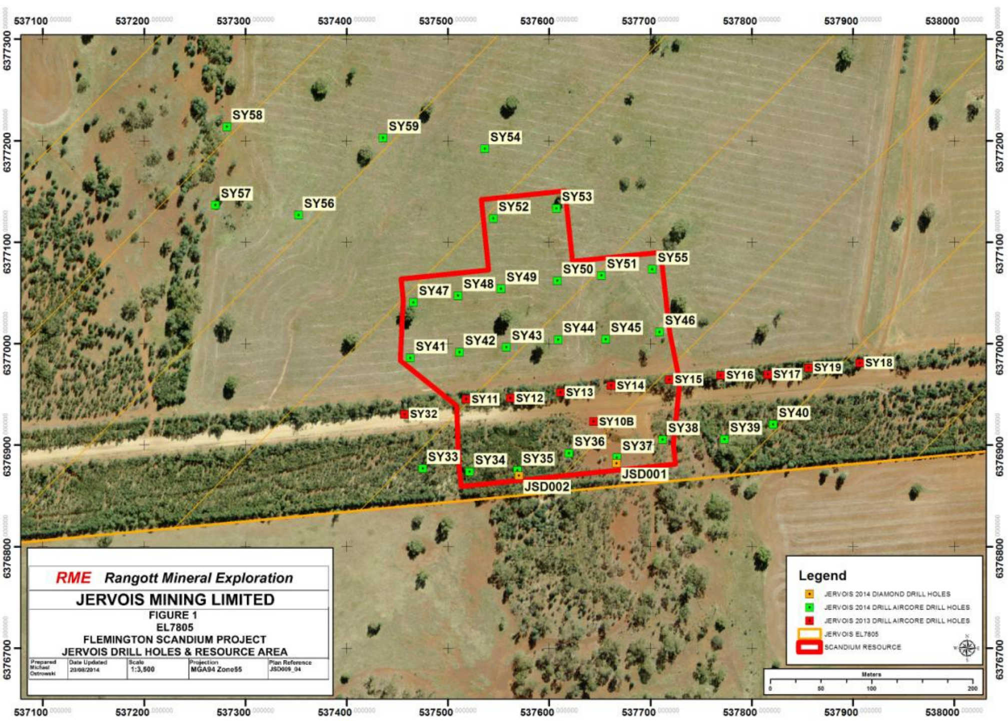


Figure 1. Location of the 24 drill holes that constitute the area of the Mineral Resource Calculation, 2013 and 2014 Drilling Programs

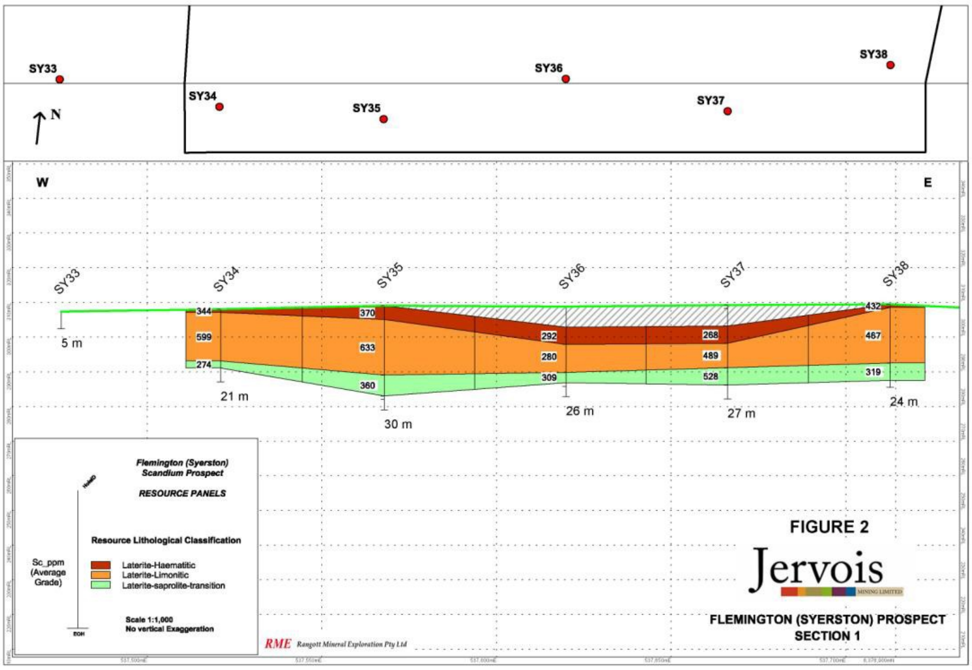


Figure 2. Cross Section of drill holes Sy33 to 38

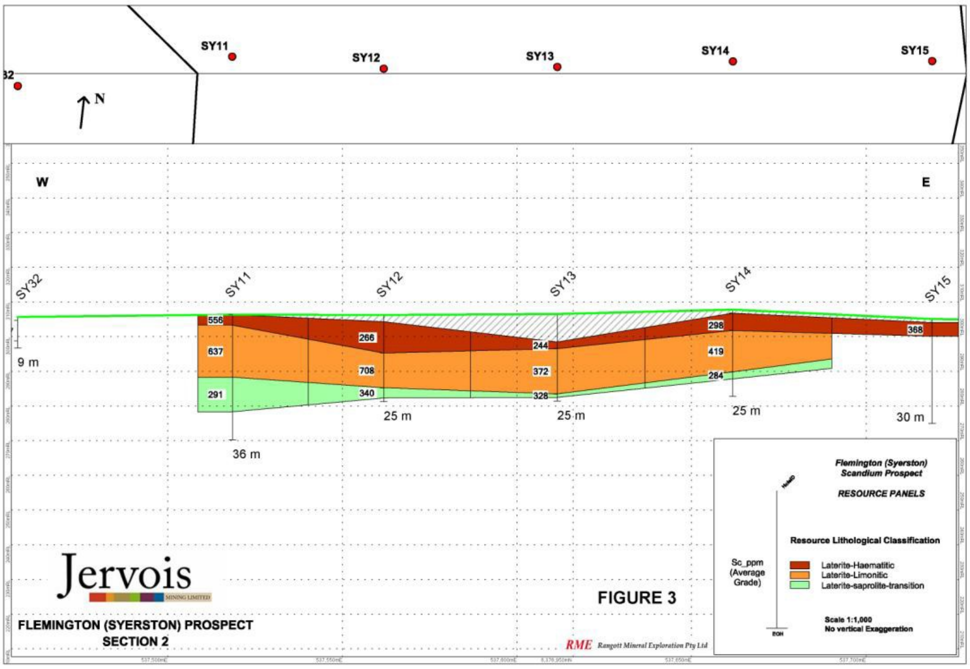


Figure 3. Cross Section of drill holes Sy32 and Sy11 to 15

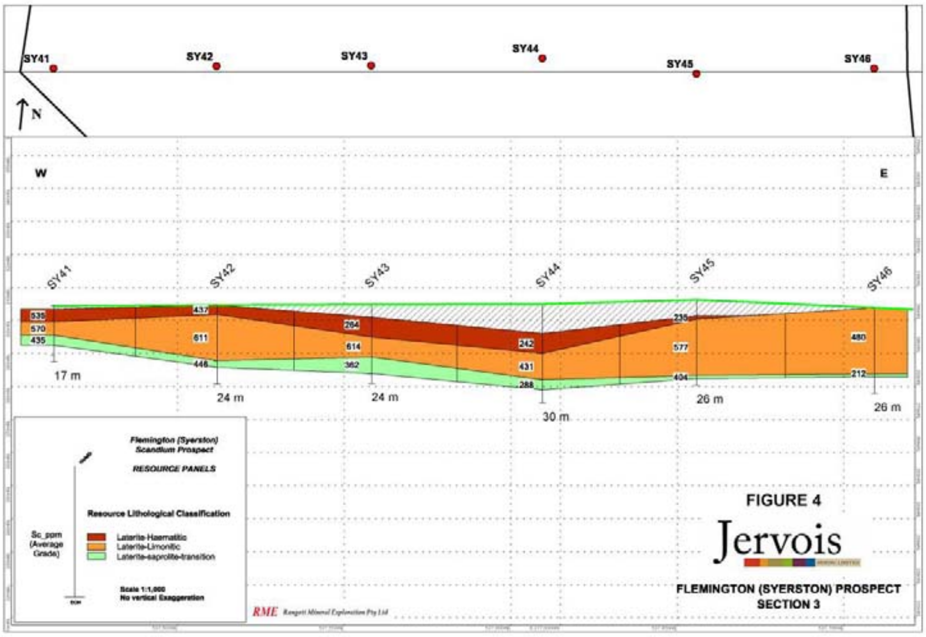


Figure 4. Cross Section of drill holes Sy41 to 46 showing that the east and west flanks of the scandium resource are exposed at the surface. The laterite layer (white) above the hematitic (red) laterite layer contains on average about 140-150 g/t scandium

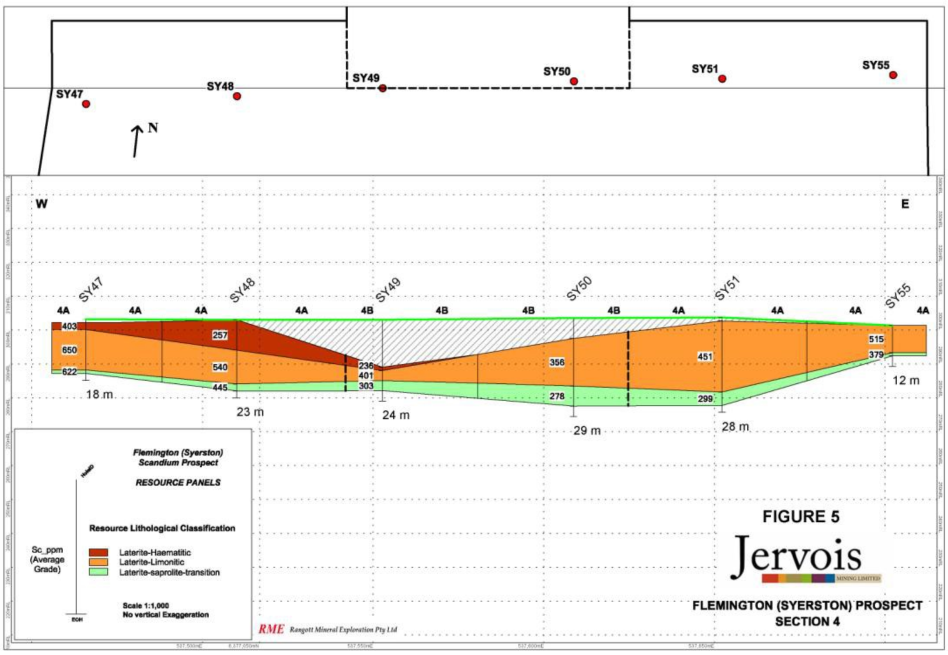


Figure 5. Cross Section of drill holes Sy47 to 51 and Sy55

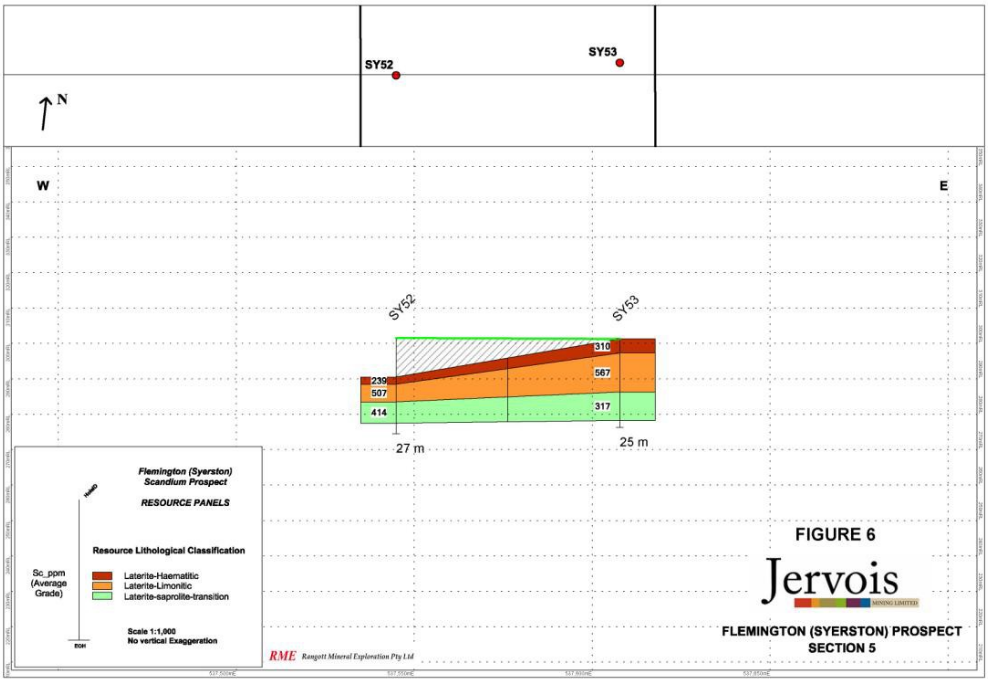


Figure 6. Cross Section of drill holes Sy52 and 53

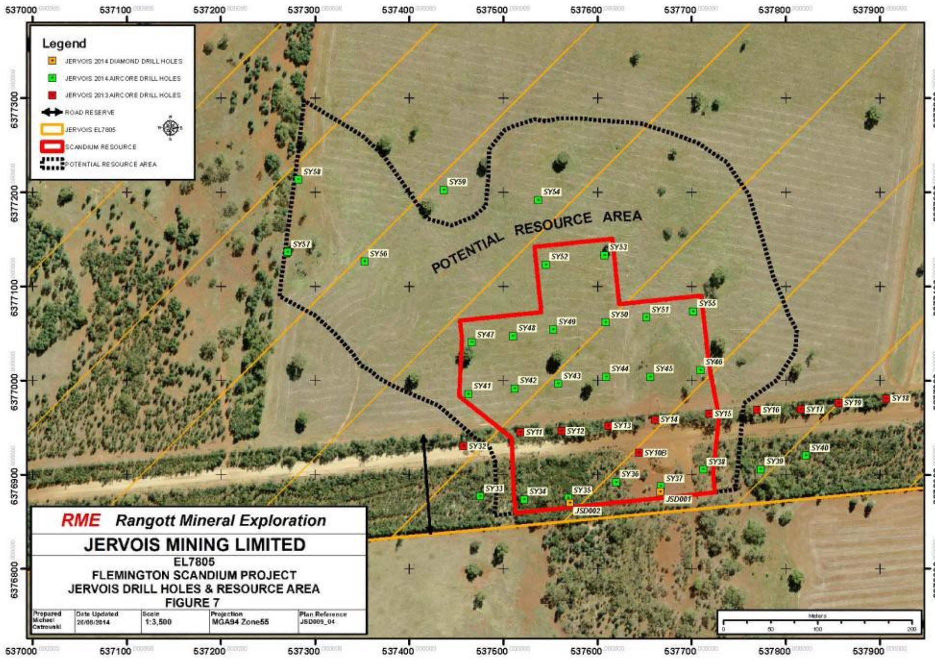
Future Exploration

Further exploration drilling to the immediate northwest, north and northeast of the known resource boundary will be undertaken this year. There are strong indications from soil sampling and 2013 scout drilling in this area that well mineralized laterite exists beneath the soil cover. Follow up drilling could result in a substantial increase in the size of the total resource. Refer to Table 1 and the Potential Resource Area shown in Figure 7 below. As well as infill drilling across the existing resource area, consideration will be given to carrying out the drilling across the potential resource area at a 25m hole spacing.

Table 1. Scandium assay grades and thickness for 'scout drilling' holes not included in the 2014 Resource Calculation.

Hole Number	MGA_E	MGA_N	From (m)	To (m)	Total (m)	Sc Grade (Sc-ICP06)
Sy 54	537 536	6 377 192	6	29	23	319
Sy 56	537 353	6 377 127	0	19	19	433
Sy 57	537 271	6 377 136	0	12	12	570
Sy 58	537 282	6 377 214	4	17	13	368

200ppm lower cutoff used



4. **Figure 7. Approximate boundaries for future exploration EL 7805 Syerston**

Anomalous Sc mineralisation is believed to extend further to the west, on an adjoining property, and that area may be drilled at a later date.

METALLURGY

In the wake of low nickel prices but sustained high scandium prices, the focus of the metallurgical work has been JRV's Syerston Scandium Resource. The metallurgical work included:

- Mineralogical determinations
- Metallurgical process assessments
- Bench-scale preliminary acid leaching tests
- Preparation of homogeneous composite samples from various drill cores, for detailed acid leaching and scandium oxide precipitation tests
- Identification of native plants that grow on acidic process plant tailings

Mineralogical Determinations

The mineralogy of two samples was undertaken by P.M Ashley of the Paul Ashley Petrographic and Geological Services (Armidale, NSW). The sample 10019 is from diamond drill holes JSD002 (30th meter) and 10020 is from JSD001 (29th meter).
Certain sections of diamond drill hole JSD002 are currently being investigated using XRD and Infrared spectrometry methods at RMIT University; as well as nine petrographic determinations by a laboratory in New South Wales. The mineralogical determinations are important as they provide guidance in the selection of a metallurgical treatment process.

X-Ray Diffraction (XRD)

Six XRD scans (see table below) showed that five of the samples lacked the crystallinity which is typical for limonite-natrolite (clay) type lateritic ores. The non-crystalline (amorphous) minerals were identified as clay minerals by employing

Infrared Spectrometry. These findings were verified by optical microscopy studies. These studies, however, did not identify any specific scandium, cobalt or nickel minerals, as these elements were dispersed as solid solutions in the goethite/hematite and clay mineral crystal lattices.

The XRD findings on 6 Syerston samples.

Sample No	Sample Identification	XRD Determination		
		Dominant	**Subordinate**	**Trace**
5	JSD002/1-2 m	Gibbsite, hematite, goethite	Magnetite/Maghemite, quartz/tridymite	Anatase and some unidentified
6	JSD002/11-12 m	Kaolinite, hematite	Goethite, anatase	Magnetite, some unidentified
7	JSD002/21-22 m	Kaolinite, hematite	Nontronite, goethite, anatase	Magnetite, some unidentified
8	JSD002/25-26 m	Hematite	Nontronite, goethite	Magnetite, some unidentified
9	JSD002/26-27 m	Nontronite	Hematite	Magnetite, crystobalite and some unidentified
10	JSD002/33-34 m	Pyroxene (diopside?) possibly 97.5%	Vermiculite, talc, montmorillonite, mica	Lizardite, hematite

Petrographic Determinations on Various Sections of the Two Drill Core Samples

JSD002/25-26 m: This sample is a strongly supergene-altered ultramafic igneous rock, composed of approximately 85% smectite, a clay mineral (mainly nontronite), approximately 15% Fe oxides (goethite>hematite), and traces of magnetite (Fig. 1). In places, relict texture is preserved from the protolith, suggesting that it was originally dominated by a ferromagnesian material, e.g. pyroxene, olivine that contained small amounts of magnetite. It probably experienced an initial alteration such as replacement by serpentine minerals and/or chlorite and some magnetite, but the major alteration is due to imposed weathering which degraded the rock to form abundant fine grained smectite (possibly Sc-Ni-Cr-bearing), with patchy distribution of impregnating goethite and minor hematite. Much of the original minor magnetite was replaced by hematite and maghemite.

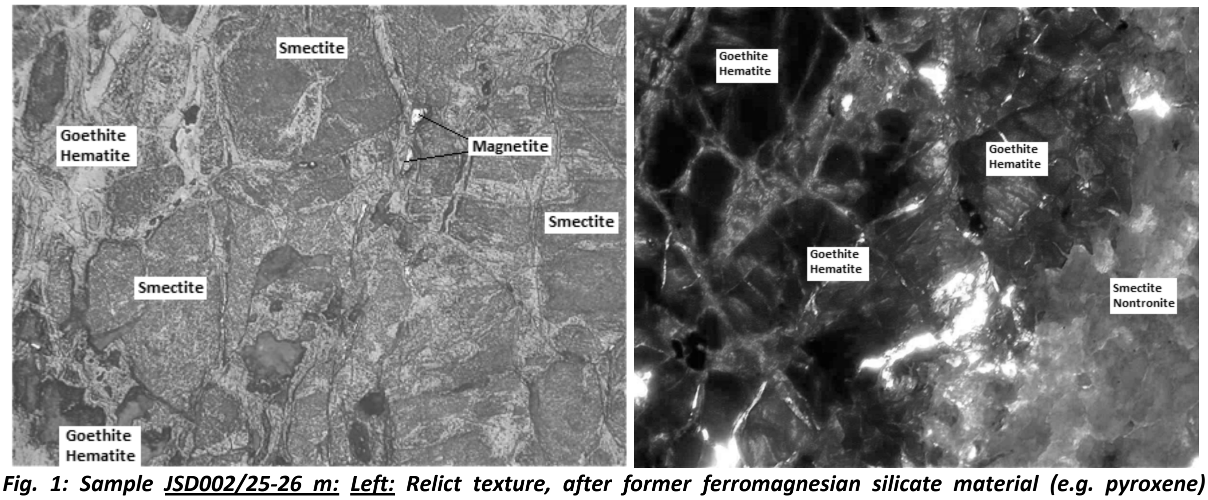


Fig. 1: Sample JSD002/25-26 m: Left: Relict texture, after former ferromagnesian silicate material (e.g. pyroxene) replaced by smectite (brown) and Fe oxide phases - including goethite and hematite (silvery grey). The bright grains at the upper right are hematite after former magnetite. Plane polarised reflected light, field of view 1 mm across. Right:

Weathered ultramafic rock, showing fine grained smectite (e.g. Ni- and Cr-bearing nontronite) and Fe oxides (goethite, hematite) which have impregnated the smectite. Plane polarised transmitted light, field of view 2 mm across.

Sample JSD002/26-27 m: This sample is somewhat similar to Sample JSD002/25-26 m, although it contained 90% smectite, a clay mineral (mainly nontronite), 7% Fe oxides (goethite > hematite), as well as 3% Mn-oxide and traces of magnetite (Fig. 2).

Sample JSD002/30-31 m - Host Rock (Protolith): This sample is a massive, medium to coarse grained clinopyroxenite, originally containing minor olivine and retaining a little disseminated fine grained magnetite. The rock is dominated by interlocking grains of clinopyroxene (e.g. diopside) that formerly contained minor olivine - all of which was subsequently replaced by serpentine (e.g. lizardite) and traces of magnetite. Mild weathering effects were imposed, causing partial degradation of serpentine to smectite, with patchy goethite impregnation and traces of hematite and Mn oxide. The rock is cut by a single thin vein of smectite. Many of the magnetite veins appear to be enclosed within wider veins of cross-fibre and local slip-fibre serpentine. There is no evidence that the sample ever contained any sulphide minerals.

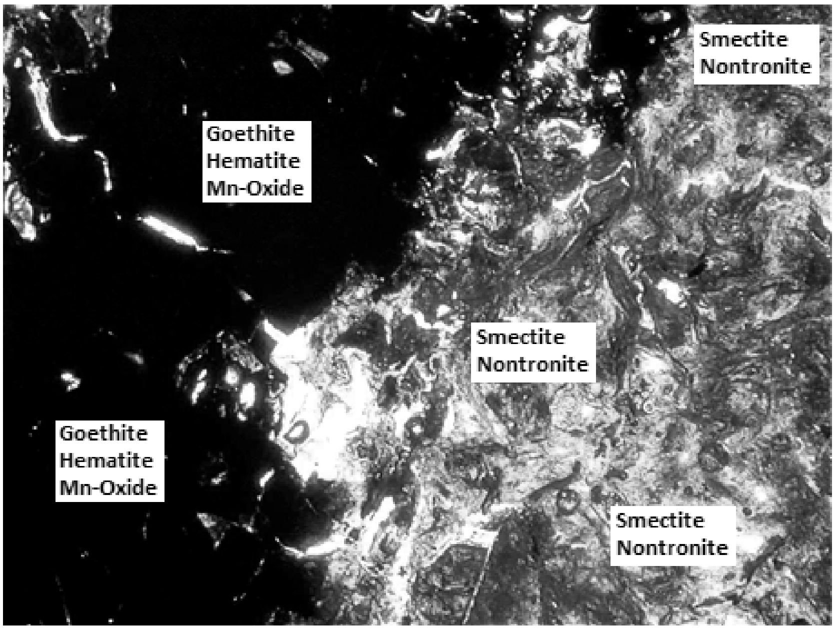


***Fig. 2: Sample JSD002/26-27 m:* Relict texture after former ferromagnesian silicate material (e.g. pyroxene), replaced by smectite (pale khaki) and very fine grained Fe oxide material (e.g. goethite) and Mn oxide. The bright grains are hematite after former magnetite. Plane polarised reflected light, field of view 1 mm across.**

Metallurgical Process Assessments

The metallurgical processing of scandium laterite ores is somewhat similar to the processing of nickel laterites - except that scandium laterites would require smelting above 2000^{o}C to make metallic scandium, and 3000^{o}C to obtain gaseous scandium, as shown in the theoretical modeling diagram below (Fig. 3). It is further expected that, due to the complex mineralogical constitution of laterites, the products of smelting (Sc^{o} and Sc(g)) will not be pure and would require further (and costly), refining treatment.

$Sc_2O_3 + 2C = 2Sc(g) + 3CO(g)$ at 3000 ^{o}C

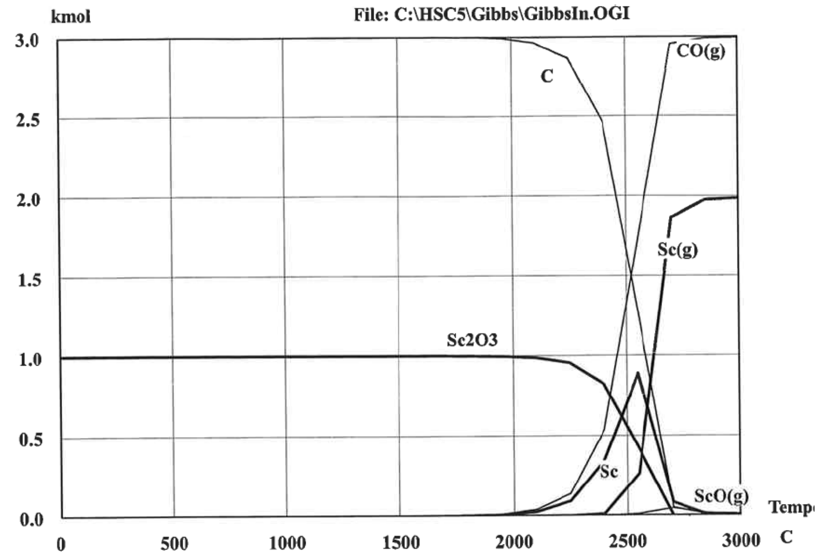


Fig. 3. Thermodynamic equilibrium model indicating that carbothermic reduction of scandium oxide would generate gaseous scandium at around 3000 ^{o}C.

At temperatures below 2000 ^{o}C, scandium is expected to dissolve into the aluminum silicate slag, and its extraction would require harsh acid leaching conditions. The absence of any significant scandium in the metallic fraction of a microwave smelting test can be seen in the table below. The test was done at Wollongong University in NSW.

Chemical analysis of metal made by microwave smelting at about 1650 ^{o}C for 30 min. Note the absence of scandium in the smelted sample.

Analysis (wt %)	**Fe**	**Al**	**C**	**Cr**	**S**	**P**	**Mn**	**Ni**	**Co**	**Sc**
HEAD SY10A/18-19m	36.6	5.27	na	0.26	0.01	0.012	0.39	0.01	0.015	0.04
Metallic Fraction	96.9	<0.01	2.44	0.05	0.07	0.030	0.01	0.39	0.070	nil

nil = not detected; Sc, Al, Ti, Si, V and Mo are all below detection limit, <0.01%; na = not available (not measured)

The scandium extraction methods are mostly hydrometallurgical and in the form of acid leaching, either alone, or in combination with heating or baking with an acid.

Among the hydrometallurgical processing methods for the scandium limonite ores, the **High Pressure Acid Leach (HPAL)** in autoclaves at about 250 ^{o}C is often the process of choice. The HPAL process has the advantages of high scandium recoveries with less acid or alkali consumption. The use of the HPAL process has already been suggested for the treatment of Metallica Minerals' scandium laterites (see: http://www.kaiserbottomfish.com/s/Excerpt.asp?ReportID=649280).

A simpler and less costly scandium laterite processing option is the use of **Atmospheric Leaching (AL).** This process does not rely on autoclave technology, and is therefore perceived to be less capital intensive and easier to operate. However, the scandium recoveries are lower than those of the HPAL process and more acid and alkalis are consumed. For both the HPAL and AL processes the preferred acid is sulphuric acid, as it is the least expensive among other mineral acids.

The other atmospheric leaching method is Direct Nickel's **Nitric Acid Leaching**, which was originally proposed for extracting nickel from nickel laterite ores. The applicability of this method for scandium laterites is under investigation in collaboration with Direct Nickel in Western Australia. The method is attractive as acid can be made on site from natural gas, and reformed from the waste liquor by membrane distillation and 400^{o}C pyrolysis. In order to be competitive, all the Atmospheric Leach process requires is that the acid usage should be kept to a minimum. However, in the AL, aggressive leach conditions with a high acid consumption are still required to give good metal recoveries.

The other processing routes such as heating and leaching and baking the ore with sulphuric acid and leaching are not considered as they are energy intensive and require heating to approximately 700°C – and, in the case of acid baking, generate poisonous SO_x gases.

There are many parameters that impinge on the choice of technology, and at this moment the performance of the AL and HPAL methods are under investigation in collaboration with a research organization.

Bench-Scale Preliminary Acid Leaching Tests

A number of preliminary bench-scale atmospheric acid leach tests were performed on a composite sample prepared from a 10 m section from drill holes Sy10a and Sy10b. These tests aimed to investigate whether or not scandium could be extracted effectively from the sample.

The composite test sample had an average scandium content of 330 ppm or 0.506 kg Sc_2O_3 per tonne of ore. The average chemical analyses values of this sample are shown in table below. The sample is also known to contain 0.2-0.3 g/t Pt+Pd, and trace amounts of gold.

The chemical analysis of head sample used during test work.

Analysis	**Al**	**Co**	**Cr**	**Fe**	**Mg**	**Mn**	**Ni**	**Sc**
	%	ppm	ppm	%	%	ppm	ppm	ppm
Average	2.41	481	2185	33.9	0.43	3338	1268	330

Six leach tests were performed on a 100 g (approximately) sample mixed with 400 mL of varying strengths of dilute sulphuric acid. The mixture was heated in a round-bottom flask at 95°C while being stirred from above with a motor at a rate of 900 RPM. The analytical results are illustrated in in **Fig. 4**. The numbers along the x-axis show the tests, and those along the y-axis show the concentrations in the leach residue in parts per million (ppm). Five of the tests were carried out over a duration of 22 hours, except for test No. 6 (where the duration was 54 hours). On the x-axis, Test No. 1 represents the untreated head (starting) sample. Sample No. 2 was leached only with water.

In Fig. 4, the graph on the left shows the trend of scandium in the residue when the composite sample was leached with various concentrations of acid. The right graph shows the trends of nickel and cobalt for the same residue samples.

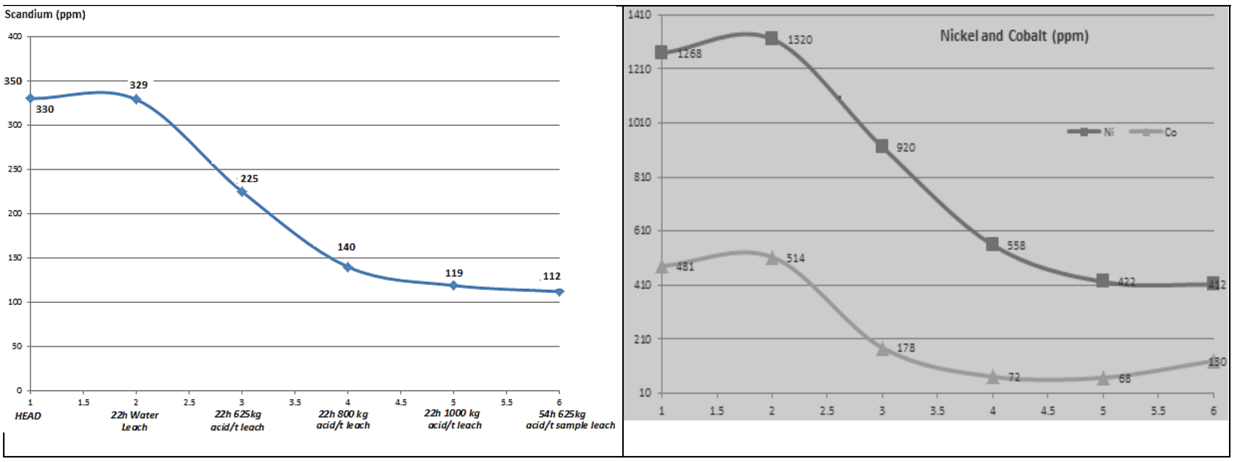


Fig. 4. Residue analyses for Sc, Ni and Co. Note that on the x-axis: 1: HEAD 2: 22h Water Leach 3: 22h 625kg acid/t leach; 4: 22h 800 kg acid/t leach 5: 22h 1000 kg acid/t leach 6: 54h 625kg acid/t sample leach.

The mass balances show that the scandium extraction improves with time and acid strength as shown in the table below. For example, the scandium extraction is 83.3% when leaching was carried out for 54 hours at 95°C using 625 g acid for every kilogram of sample. This means that the discarded solids will contain only 16.7% of the scandium. A similar test performed for only 22 hours extracted only 60.7% of the scandium, leaving 39.3% of it in the discarded residue.

Extraction improves significantly when stronger acid is used. The extraction rate improved to 81% and 85% when the leaching was done for 22 hours, using 800 and 1000 g acid per kilogram of sample respectively. The data also show that Sc, Ni and Co respond to leaching in a similar manner.

Percent Sc, Ni and Co dissolution for each sample.

Sample No	Weight (g) IN	Weight (g) OUT	Sc (ppm)	UNITS IN	UNITS OUT	DIFF	Sc Leached
1: HEAD			330				
2: 22h Water Leach	100	95.0	329	33000	31255	1745	5.3
3: 22h 625kg/t leach	118	68.0	225	38940	15300	23640	60.7
4: 22h 800 kg/t leach	100	45.0	140	33000	6300	26700	80.9
22h 1000 kg/t leach	118	47.7	119	38940	5676	33264	85.4
54h 625kg/t leach	90	44.2	112	29700	4950	24750	83.3

Preparation of homogeneous composite samples from various drill cores for detailed acid leaching and scandium oxide precipitation tests

In September 2014, JRV signed an R&D agreement with a research provider in Perth-WA and dispatched approximately 200 kg of samples. The sample was made of a mixture of air core and diamond drill hole samples, and the research work aimed at developing a metallurgical treatment flow sheet by leaching with acid under a variety of conditions to obtain 99.0+% Sc_2O_3, a saleable product. The results of metallurgical test work will be released to shareholders as soon as they are available.

Identification of native plants that grow on acidic process plant tailing

JRV is committed to keeping the mining and processing sites in their pristine condition and has decided to take precautionary measures as soon as the mining and processing activities start on site. One of the problems associated with the processing of laterite ores is the low pH process tailings that contain heavy metals like aluminium, nickel, cobalt and

scandium. To contain the heavy metals within the perimeters of the process site, JRV is collaborating with one of the universities to identify native plants that can grow in hostile environments and preferentially accumulate the heavy metals. A canopy of these plants covering the tailing dumps will stop dust from being airborne and contaminate neighbouring farmland.

The work so far is encouraging, and will help to identify a native plant that may selectively absorb such heavy metals. The findings of this work will be announced when results are available.

Pictures of plants that survive and absorb heavy metals from strongly acidic process tails are shown in Fig. 5:

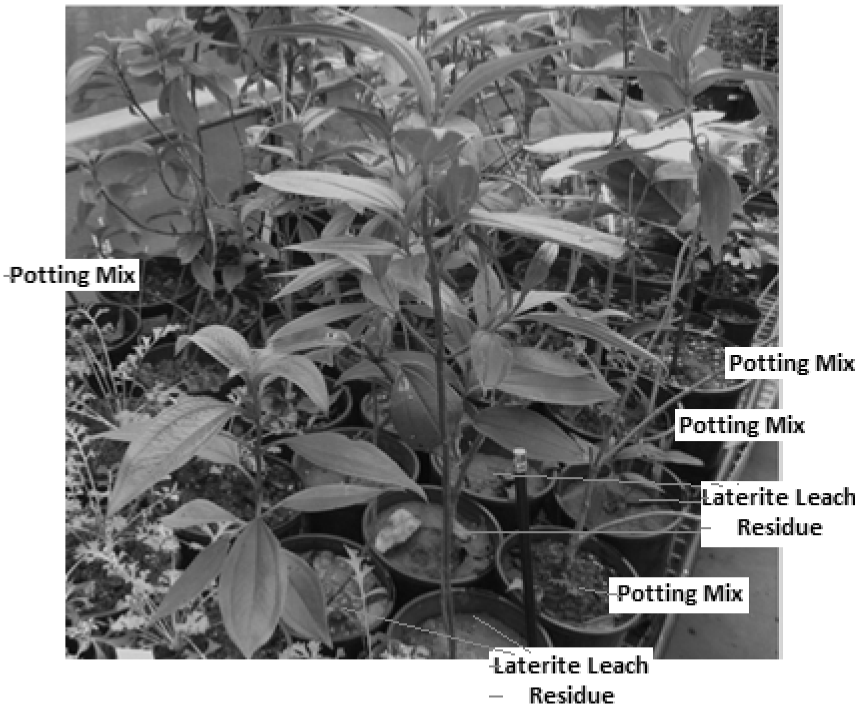


Fig. 5. Broad-leave native plants to remediate process tails. The pots containing brown soils are typical laterite residues from bench-scale acid leach tests. The pots filled with black soils are typical potting mix, as control tests. Plants growing in the brown lateritic tails are just as healthy as those growing in black potting mix.

GILGAI SCANDIUM PROJECT - NYNGAN, NSW
Exploration Licences 6009 and 6096

Settlement with EMC Metals Inc

Further to previous announcements regarding settlement of the old dispute with EMC metals Inc we can now confirm that consistent with the terms of settlement deed date the 6th February 2013 Jervois Mining Limited has received AUD 1.4 million in Final Settlement. However there was a delay in the necessary formal documents of transfer for land and Mining Tenements. As a consequence both land and tenements are still recorded in the name of Jervois Mining Limited.

BULLABULLING GOLD TENEMENTS – WA

Ongoing Royalty Position

The takeover of Bullabulling Gold Limited by Norton Gold Fields Ltd (NGF) with Chinese major shareholders Zijin Mining Group Co. Ltd and Jinyu (H.K) international Mining Company Ltd has reportedly gained 74.8% of the stock and therefore is of great significance to the Jervois Mining Ltd royalty. In recent weeks NGF reached 90% equity and is proceeding with compulsory acquisition.

EXPLORATION IN WESTERN AUSTRALIA

During the June Quarter Exploration Licence 29/861 at the Mt Ida Gold Project was surrendered. Work completed in the December Quarter indicated that the previous gold anomalies were less coherent and weak and therefore did not warrant further work.

The company has been engaged in pursuing more advanced gold projects that have become available in the goldfields of Western Australia due to the lack of funding in the gold mining industry. The Company plans to drill Uranium prospects at Nalbarra prior to 31 December, 2014.

The Nalbarra Uranium Project, E59/1257, is the only Western Australian Project currently held by Jervois Mining Ltd.

The information in this report that relates to Exploration Results or Mineral Resources is based on information compiled by D.C. Pursell (MAusIMM) and Mr D. Foster, (MAusIMM). D.C. Pursell and D. Foster have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as Competent Persons as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. D.C. Pursell and D. Foster consent to the inclusion.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR On 20th August 2014 the Company announced an indicated resource of scandium consisisting of 981,640 tonnes @ 513g/t of scandium. The Company intends moving to production as soon as possible.

ENVIRONMENTAL REGULATION

The Group holds participating interests in the exploration licenses disclosed in note 17 to the attached financial statements. The various State mining authorities responsible for the granting of these licenses require the tenement holder to comply with the terms and conditions of the license and all directions given to it by those authorities. The terms and conditions of any mining license typically include certain environmental management conditions, covering such matters as: Aboriginal cultural heritage, threatened species, habitat, heritage items, trees and vegetation, roads and tracks, groundwater, streams and watercourses, erosion and sediment controls, preventing and monitoring pollution, refuse, chemicals, fuels and waste materials, transmission lines and pipelines, drilling, rehabilitation of the land, environmental reporting, and site security.

To the best of the directors' knowledge, there have been no known breaches of the Group's various license conditions or any other environmental legislation or authority during the financial year or up until the date of this report.

The Group's audited Remuneration Report for the financial year 30 June 2014 starts on the next page.

REMUNERATION REPORT (AUDITED)

This Remuneration Report for the financial year ended 30 June 2014, which forms part of the Directors' Report, sets out remuneration information for the Parent entity's executive and non-executive directors and the Group's other key management personnel. The information provided within this report has been audited, as required by section 308(3C) of the Corporations Act 2001. This remuneration report is set out under the following main headings.

(A) Directors and key management personnel disclosed in this report,
(B) Principles used to determine the nature and amount of remuneration,
(C) Details of remuneration,
(D) Service agreements,
(E) Share-based compensation.

(A) Directors and key management personnel disclosed in this report

The key management personnel of the Group are the directors of the Parent entity and the following executives of the Group, who report directly to the chief executive officer.

Name	Position held
Executive directors	
Mr Duncan Pursell	Chairman and chief executive officer
Mr Derek Foster	Director
Mr Roger Fairlam	Director, Company Secretary and Chief Financial Officer
Other key management personnel executives	
Dr Sanja Van Huet	Exploration Manager

There have been no changes to the Group's key management personnel since the end of the reporting period and prior to the date when the attached financial statements were authorised for issue.

(B) Principles used to determine the nature and amount of remuneration

(i) Board objectives for determining the nature and amount of key management personnel remuneration

After taking into account the Group'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 of its staff, including its key management personnel, fairly and reasonably to attract and retain appropriately qualified and experienced individuals capable of achieving the Group's business objectives for the benefit of the Parent entity's shareholders.

To achieve this remuneration objective, the Group 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 Group will obtain independent professional advice from remuneration consultants to help it achieve its remuneration objective.

The Group'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 Group'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 Group.

None of the remuneration paid by the Group 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 remuneration structure of non-executive directors' and executives (including executive directors) is separate and distinct, as detailed below.

(ii) Remuneration governance

The board as a whole acts as the remuneration committee and determines the following:
(i) the over-arching executive remuneration framework
(ii) operation of incentive plans which apply to the executive team, including key performance indicators and performance hurdles
(iii) remuneration levels of executive directors and other key personnel, and
(iv) 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.
The Corporate Governance Statement provides further information on the role of this committee.

REMUNERATION REPORT (continued)

(iii) Non-executive director remuneration policy and framework

The Group had no non-executive directors during the financial year. If it did, non-executive directors' fees would be paid within the aggregate limit of fees paid to all directors, which is periodically recommended for approval by the Parent entity's shareholders. Any such fees or payments would be structured to reflect the demands and responsibilities which the Group places on them. It is unlikely that they would be paid any performance-based incentives or any other type of retirement benefits, other than superannuation. Superannuation contributions required under Australian superannuation guarantee legislation would also be paid in addition to the fees and payments received by non-executive directors when applicable. Any salary sacrificed superannuation may also be paid.

(B) Principles used to determine the nature and amount of remuneration

(iii) Non-executive director remuneration policy and framework

If necessary, advice from independent remuneration consultants may be sought to ensure that non-executive directors' fees and payments are appropriate and aligned with the Group's remuneration objective.

(iv) Executive remuneration policy and framework

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 Group's executive remuneration is competitive and reasonable, aligned with the Group's business objectives and acceptable to shareholders. The Group's executive remuneration framework may therefore include a mixture of the following components.

1. Base pay and benefits, including superannuation.
2. Short-term incentives.
3. Long-term incentives through participation in the Parent entity's management option plan, which was approved by shareholders on 24 November 2011.

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

Executive remuneration mix during the financial year

During the financial year, all of the Group's executive remuneration was comprised of base pay and benefits, including superannuation. None of the remuneration paid to executives during the financial year consisted of short or long term incentives, irrespective of whether or not such incentives are dependent on the satisfaction of a performance condition. The approval of the Group's management option plan may see the mix of remuneration components shift towards longer-term incentives in the future, although participation in the plan is at the discretion of the directors of the Parent entity and is not dependent on the satisfaction of any performance conditions. There were no new options issued under this plan during the year.

Details about each component of remuneration which the Group either has offered its executives during the financial year or may offer to them in the future is set out below.

Base pay and benefits

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 include fringe benefits such as the private use of motor vehicles and expense payment benefits. None of this type of remuneration is dependent on the satisfaction of any performance conditions. Base pay and benefits were paid to the Group's executives during the financial year.

Superannuation contributions

The Group makes superannuation contributions on each component of an executives total remuneration package that is subject to Australian superannuation guarantee legislation. The Group 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 Group's executives during the financial year.

Short-term incentives

Short-term incentives would typically involve the payment of a cash bonus to an executive in those circumstances where either the chief executive officer or the board considered it to be warranted to reward an executive for their performance or contribution to the attainment of the Group's business objectives. The Group does not currently set any performance conditions or pre-defined targets which would need to be achieved before an executive became eligible for the payment of any short-term incentives, as the Group does not currently rely on this type of incentive to motivate or reward its executives. Also given the current size of the Group, performance conditions or targets are not considered necessary as each individual executive's relative performance and contribution to the Group would be taken into account by the board or the chief executive officer when deciding to pay any short-term incentives. In addition, the Group is only likely to pay short-term incentives in limited circumstances. No short-term incentives were paid during the financial year.

REMUNERATION REPORT (continued)

Long-term incentives

The Groups long-term incentives are provided under the Parent entity's management option plan, which was approved by shareholders at the 2011 annual general meeting. The plan is designed to provide long-term incentives for all of the Group's staff, including its executives (with the exception of the chairman of the board of the Parent entity). No specific performance conditions are attached to the vesting conditions for any options granted under the plan. The directors of the Parent entity have discretion to determine all of the terms and conditions for any options granted under the plan, including such matters as who participates in the plan, the vesting conditions, exercise price and expiry date etc. There are no specific performance-related vesting conditions under the plan. Options are granted under the plan for no consideration and carry no dividend or voting rights. No individual has a contractual right to participate in the plan or to receive any guaranteed benefits. Note 28 to the attached financial statements provides further details about the term and conditions of the Group's management option plan.

(B) Principles used to determine the nature and amount of remuneration

(iv) Executive remuneration policy and framework

Long-term incentives

The Group does not currently attach any performance conditions or pre-defined targets to the vesting conditions of any options granted under the management option plan, which would need to be achieved before the options vested. Given the current size of the Group, performance conditions or targets are not considered necessary as each individual executive's relative performance and contribution to the Group will be taken into account by the board when its determines the vesting conditions applicable to any options granted under the plan. No long-term incentives were paid by the Group during the financial year. Nor were any management options granted during the financial year.

(v) Use of remuneration consultants

The Group did not engage any independent remuneration consultants during the financial year in relation to any aspects of the Group's remuneration, including that paid to its key management personnel. As a result no remuneration recommendations were made by any remuneration consultants, in relation to any of the Group's key management personnel during the financial year.

(vi) Voting and comments made at the Parent entity's 2012 annual general meeting

No comments were made at the Parent entity's most recent annual general meeting on the remuneration report that was considered for the last financial year. Shareholders also voted in favour of last year's remuneration report on a show of hands at that same meeting.

(vii) Performance of the Parent entity and the Group

The Parent entity's and Group's remuneration objective seeks to reward its executives for their contribution to its business objectives, but there is no direct link between their remuneration and the Group's financial performance or the Parent entity's share price performance. Notwithstanding this, the following table provides a five-year summary of the Group's total earnings (prior to adjustments for any minority interests) and movements in Parent entity shareholder wealth and the remuneration of key management personnel. The information presented is for each financial year.

Performance measures	2014 $	2013 $	2012 $	2011 $	2010 $
Group profit / (loss) measures					
Revenue	5,744	1,217,564	124,409	77,796	1,251,969
Profit / (loss) before income tax	(1,516,545)	(1,337,481)	(1,681,500)	350,922	(2,657,713)
Profit / (loss) after income tax	(970,438)	(1,659,533)	(1,681,500)	350,922	(2,657,713)
Key management remuneration	335,036	606,594	653,095	579,261	611,391
Per share measures					
Share price at the:					
Start of the financial year	.020	.002	0.003	0.010	0.01
End of the financial year	.030	.020	0.002	0.003	0.01
Dividends paid per share		-	-	-	-
Earnings / (loss) per share					
Basic	(1.94)	(3.5)	(0.013)	0.0001	(0.0009)
Diluted	(1.94)	(3.5)	(0.013)	0.0001	(0.0009)

There was a 1:100 share consolidation on the 10th December 2012.

REMUNERATION REPORT (continued)

(C) Details of remuneration

The following tables set out the remuneration received by the directors of the Parent entity and the other key management personnel of the Group for the current and previous financial year. These tables also contain details of the relative proportions of remuneration that are linked to performance and those that are fixed. As none of the Group's short or long-term incentives (if any) are dependent upon the satisfaction of any performance conditions, none of the Group's key management personnel remuneration is performance-based. In addition, since the Group's long-term incentives (if any) in the following table would be provided solely by way of options, the relative percentages disclosed for performance-based remuneration would also reflect the percentage of the value of each person's remuneration for the financial year that consists of options, based on the value of options expensed during the period (if any). Refer to Section A of this Remuneration Report for details of the roles and relevant effective dates for each key management personnel member listed below.

	Short-term employee benefits	Short-term employee benefits	Short-term employee benefits	Post employment benefits		
Name	**Cash salary and fees $**	**Non-monetary benefits 1 $**	**Termination Payments $**	**Super-annuation contributions $**	**Total remuneration $**	**Relative proportion of Fixed remuneration %**
2014						
Executive directors						
Mr D Pursell	160,000	-	-	14,800	174,800	100
Mr D Foster 2	50,000	-	-	-	50,000	100
Mr R Fairlam 3	50,000	-	-	-	50,000	100
Other key management Personnel						
Dr S Van Huet	55,136	-	-	5,100	60,236	100
Total Remuneration	**315,136**	**-**	**-**	**19,900**	**335,036**	**100**
2013						
Executive directors						
Mr D Pursell	200,000	754	-	-	200,754	100
Mr D Foster 2	48,000	-	-	-	48,000	100
Dr Van Huet	141,744	352	-	12,762	154,858	100
Mr R Fairlam 3	7,692	-	-	-	7,692	100
Other key management Personnel						
Mr R Watson	168,649	-	-	14,982	183,631	100
Dr H Aral	10,670	-	-	989	11,659	100
Total Remuneration	**576,755**	**1,106**	**-**	**28,733**	**606,594**	**100**

Notes:

1 The taxable value of non-monetary benefits provided prior to grossing them up for Fringe Benefits Tax calculation purposes.

2 In addition to directors fees disclosed above Derek Foster and Associates Pty Ltd (DFA) a related party of Mr Foster, billed the Group $110,816 during the year ended 30th June 2014 (2013: $133,705) excluding GST for geological consulting services on terms and conditions that are no more favourable than those that it is reasonable to expect the Group would have adopted if dealing at arm's length with an unrelated entity. Refer to note 27 for further details. Some or all, of the cash salary and fees component noted above was also paid to DFA.

3 In addition to directors fees disclosed above Arbitrans Pty Ltd a related party of Mr Fairlam billed the Group $140,000 during the year ended 30th June 2014 (2013:$16,154) excluding GST for accounting and secretarial services on terms and conditions that are no more favourable than those that it is reasonable to expect the Group would have adopted if dealing at arm's length with an unrelated entity. Refer to note 27 for further details.

REMUNERATION REPORT (continued)

(D) Service agreements

Remuneration and other terms of employment for the chief financial officer and certain other key management personnel are formalised in a letter of offer. None of these letters of offer have an agreed term or stipulate any termination benefits. Each letter of offer sets out the components of each person's total remuneration package. Typically these components may include a base salary, salary sacrificed superannuation, provision of a motor vehicle or possible eligibility for long-term incentives consisting of options. None of these components depend on the satisfaction of any performance conditions. In addition, none of the letters of offer stipulate the mechanism or length of notice required in relation to the termination of executives. The major provisions of the letters of offer relating to the remuneration of executives for the financial year are set out below.

Name	Duration of the contract	Contract start date	Contract end date	2014 YTD Base salary including Super-annuation $	Notice period required to terminate the contract	Basis of termination benefits payable	Termination payments provided for under the contract $
Executive directors							
Mr D Pursell	n/c	n/c	n/c	174,800	n/c	n/c	n/c
Mr D Foster	n/c	n/c	n/c	50,000	n/c	n/c	n/c
Mr R Fairlam	n/c	n/c	n/c	50,000	n/c	n/c	n/c
Other key management Personnel Executives							
Dr S Van Huet	n/c	n/a	n/a	60,236	n/s	a/l	a/l

Notes:

a/l Accrued leave entitlements, which cannot be determined until the termination date is known.
n/a Not applicable as the relevant contract or letter of offer does not specify a fixed term of employment.
n/c No contract or letter of offer.
n/s Not specified in the relevant letter of offer.

(E) Share-based compensation

Issue of shares

There were no shares issued to directors and other key management personnel as part of compensation during the year ended 30th June 2014.

Options

There were no options over ordinary shares issued to directors and other key management personnel as part of compensation that were outstanding as at 30th June 2014.

There were no options granted to or vested by directors and other key management personnel as part of compensation during the year ended 30th June 2014.

This is the end of the Remuneration Report, which was audited.

JERVOIS MINING LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2014

OPTIONS GRANTED

No options over unissued shares or interests of the Parent entity were granted to anyone (including the directors or any of the five most highly remunerated officers, other than the directors, of the Parent entity) either during the financial year or since the end of that year. No options were granted as part of the remuneration of the directors or the five most highly remunerated officers, other than the directors of the Parent entity during or since the end of the financial year.

UNISSUED SHARES UNDER OPTION

There were no unissued fully paid ordinary shares or interest in the capital of the Parent entity under option at the date of this report.

SHARES ISSUED ON THE EXERCISE OF OPTIONS

No fully paid ordinary shares or interests in the capital of the Parent entity were issued during or since the end of the financial year ended 30 June 2013 as a result of the exercise of any options over unissued shares or interests granted by the Parent entity.

INSURANCE AND INDEMNIFICATION OF OFFICERS

During the financial year, the Parent entity paid a premium in respect of a contract insuring the past, present or future directors, company secretary, and all employees participating in a management function of the Parent entity and of any related body corporate. The contract of insurance prohibits disclosure of the nature of the liability covered or the amount of the premium paid. The Parent entity has not otherwise, during or since the end of the financial year, except to the extent permitted by law, indemnified or agreed to indemnify the directors or company secretary of the Parent entity or of any related body corporate against liability.

INDEMNIFICATION OF AUDITORS

The Parent entity has not, either during or since the end of the financial year provided any indemnities to its auditors in relation to any liabilities incurred by them in relation to the Parent entity or Group.

PROCEEDINGS ON BEHALF OF THE PARENT ENTITY

No person has applied to the Court under Section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Parent entity, or to intervene in any proceedings to which the Parent entity is a party, for the purpose of taking responsibility on behalf of the Parent entity for those proceedings, or for a particular step in those proceedings. No proceedings have been brought or intervened in on behalf of the Parent entity with leave of the Court under section 237 of the Corporations Act 2001.

AUDITOR

George Georgiou continues in office in accordance with section 327B of the Corporations Act 2001.

NON-AUDIT SERVICES

Details of the amounts paid or payable to the current and former auditor for non-audit services provided during the financial year by the auditor are set out below.

	2014 $	2013 $
Non-audit services		
George Georgiou FCA	-	-
BDO East Coast Partnership	2,040	
Total non-audit services paid or payable	**2,040**	**-**

AUDITORS INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 follows this report.

RESOLUTION OF THE DIRECTORS

This report is made and signed in accordance with a resolution of the directors of the Parent entity.

D.C. Pursell

Mr Duncan Pursell
Director

3 October 2014
Melbourne

Linxcorp Australia Pty Ltd ABN 21 101 610 623
38 A St Andrews Street, Brighton ,Victoria 3186, Australia
Phone: +61 3 95922357 Fax: + 61 3 90779233
Mobile: 0418 362 058

AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

As auditor of Jervois Mining Limited for the year ended 30 June 2014, I declare that, to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Jervois Mining Limited.

GEORGE GEORGIOU
Registered Company Auditor
Registration: 10310

Dated: 3 October 2014

The Directors of Jervois Mining Limited are committed to achieving the highest standards of corporate governance. The Board is responsible for the corporate governance of the Parent entity and the Group, and continues to review the Group's corporate governance framework and practices to ensure that they meet the interests of shareholders.

COMPLIANCE WITH THE ASX CORPORATE GOVERANCE COUNCIL'S PRINCIPLES AND RECOMMENDATIONS

A description of the Group's main corporate governance practices for the financial year ended 30 June 2014 and their compliance with principals and recommendations set out in the Second Edition of the ASX "Corporate Governance Principals and Recommendations with 2010 Amendments" is set out below.

	Principles and Recommendations	Current Practice and Compliance	Reason for Non-compliance
Principle 1 – Lay solid foundations for management and oversight			
1.1	Companies should establish the functions reserved to the Board and those delegated to senior executives and disclose those functions.	The Board has adopted a Corporate Governance Charter which sets out the responsibilities of the Board. Any functions not reserved for the Board and not expressly reserved for members by the Corporations Act and ASX Listing Rules are reserved for senior executives.	Not applicable.
1.2	Companies should disclose the process for evaluating the performance of senior executives.	The Board meets periodically to review the performance of executives. The senior executives' performance is assessed against the performance of the Company as a whole.	Not applicable.
1.3	Companies should provide the information indicated in the Guide to reporting on Principal 1.	A performance evaluation of senior executives has not been completed during the reporting period.	Due to the Company's size the board did not consider it necessary to formally review the performance of its senior executives.
Principle 2 - Structure the Board to add value			
2.1	A majority of the Board should be independent of directors.	Currently the Board has no independent Directors.	Due to the Company's size it is difficult to meet this requirement.
2.2	The chair should be an independent director.	Mr Duncan Pursell, the Managing Director acts as the Company's Chairman. Whilst the Board recognises that it is desirable for the Chairman to be an Independent Director, the Company's current size dictates that this is the most efficient mode of operation at the current time. The Board will review the appointment of an independent Chairperson should the Company's size and growth warrant this.	Not applicable.
2.3	The roles of chair and chief executive officer should not be exercised by the same individual.	As noted in recommendation 2.2, Mr Duncan Pursell the Managing Director acts as the Company's Chairman. For similar reasons expressed in relation to recommendation 2.2, the existing arrangement is the most efficient mode of operation at the current time for the Company's size. The Board will review the appointment of a separate Chairperson should the Company's size and growth warrant this.	Not applicable.

COMPLIANCE WITH THE ASX CORPORATE GOVERANCE COUNCIL'S PRINCIPLES AND RECOMMENDATIONS (continued)

Principles and Recommendations		Current Practice and Compliance	Reason for Non-compliance
Principle 2 - Structure the Board to add value			
2.4	The Board should establish a nomination committee.	The Board does not have a nomination committee.	The Board considers that the Company is not currently of a size to justify the formation of a nomination committee.
2.5	Companies should disclose the process for evaluating the performance of the Board, its committees and individual directors.	The performance evaluation of Board members occurs by way of an informal review by the full Board (in the absence of the relevant Board member).	Not applicable.
2.6	Companies should provide the information indicated in the Guide to reporting on Principle 2.	The skills, experience and expertise relevant to the position held by each director is disclosed in the Directors' Report which forms part of the Annual Report. Currently the Board has no independent directors. The directors are entitled to take independent professional advice at the expense of the Company. The Board aims for a balanced mix of technical (geological, mining engineering and metallurgical) and financial skills. An equal number of men and women Board members is considered desirable. Given the Company's size, the current skill set and diversity of the Board is considered appropriate. The period of office held by each director is disclosed in the Directors' Report which forms part of this Annual Report. As noted in recommendation 2.4, the Company does not have a nomination committee. An informal performance evaluation of the Board was conducted during the reporting period in accordance with the process described in recommendation 2.5.	Not applicable.
Principal 3 – Promote ethical and responsible decision-making			
3.1	Companies should establish a code of conduct and disclose the code or a summary of the code as to: • the practices necessary to maintain confidence in the Company's integrity;	The Company has adopted a Code of Conduct which forms part of its Corporate Governance Charter which can be accessed at www.jervoismining.com.au.	Not applicable.

COMPLIANCE WITH THE ASX CORPORATE GOVERANCE COUNCIL'S PRINCIPLES AND RECOMMENDATIONS (continued)

Principles and Recommendations		Current Practice and Compliance	Reason for Non-compliance
Principal 3 – Promote ethical and responsible decision-making			
3.1	Companies should establish a code of conduct and disclose the code or a summary of the code as to: • the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders; • the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.	The Company has adopted a Code of Conduct which forms part of its Corporate Governance Charter which can be accessed at www.jervoismining.com.au.	Not applicable.
3.2	Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the Board to establish measurable objectives for achieving gender diversity for the Board to assess annually both the objectives and progress in achieving them.	The Company does not currently have a diversity policy in relation to gender, age, ethnicity and cultural background. Given the Company's size, it has to date informally maintained a balanced mix in relation to the diversity of its employees and officers, without the need for a formal policy.	The Board considers that the Company is not currently of a size to justify the establishment of a diversity policy
3.3	Companies should disclose in each annual report the measurable objectives for achieving gender diversity set by the Board in accordance with the diversity policy and progress towards achieving them.	As noted in recommendation 3.2, the Company does not have a diversity policy due to its size. The Board does, however, try to balance its gender diversity.	Not applicable.
3.4	Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the Board.	As at 30 June 2014, the proportion of women employees in the whole organisation was zero. The proportion of women in senior executive positions was 50%. There were no women Board members.	Not applicable.
3.5	Companies should provide the information indicated in the Guide to reporting on Principle 3.	As noted in recommendation 3.1, the Company's code of conduct is available on its website. As noted in recommendation 3.2, the Company does not have a diversity policy.	Not applicable.
Principle 4 - Safeguard integrity in financial reporting			
4.1	The Board should establish an audit committee.	The Board has not established an Audit Committee.	Given the size of the Company and the size of the Board, no efficiencies would be gained from having a formal audit committee. Ultimate responsibility for the integrity of the Company's formal reporting rests with the full Board.

COMPLIANCE WITH THE ASX CORPORATE GOVERANCE COUNCIL'S PRINCIPLES AND RECOMMENDATIONS (continued)

	Principles and Recommendations	Current Practice and Compliance	Reason for Non-compliance
	Principle 4 - Safeguard integrity in financial reporting		
4.2	The audit committee should be structured so that it: • consists only of non-executive directors; • consists of a majority of independent directors; • is chaired by an independent chair, who is not chair of the Board; • has at least three members.	The Board has not established an Audit Committee.	Refer 4.1 above.
4.3	The audit committee should have a formal charter.	The Board has not established an Audit Committee.	Not applicable.
4.4	Companies should provide the information indicated in the Guide to reporting on Principle 4.	The Board has not established an audit committee. The Board will meet twice in each year, before sign off of the annual and half year financial statements to review and approve those statements. The full Board will meet to discuss the selection and appointment of the external auditor, and for the rotation of external audit engagement partners.	Not applicable.
	Principle 5 – Make timely and balanced disclosure		
5.1	Companies should establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies.	The Company has adopted a Disclosure Policy as part of its Corporate Governance Charter which can be accessed at www.jervoismining.com.au.	Not applicable.
5.2	Companies should provide the information indicated in the Guide to reporting on Principle 5.	As noted in recommendation 5.1, the Company's disclosure policy is available on its website.	Not applicable.
	Principal 6 – Respect the rights of shareholders		
6.1	Companies should design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy.	The Company has not adopted a Shareholder Communications Policy but communicates by way of The Annual Report, Quarterly Reports, The Annual General Meeting, other General Meetings and the Company's website where all ASX announcements are posted as soon as they are placed on the ASX website.	Not applicable

COMPLIANCE WITH THE ASX CORPORATE GOVERANCE COUNCIL'S PRINCIPLES AND RECOMMENDATIONS (continued)

Principles and Recommendations		Current Practice and Compliance	Reason for Non-compliance
Principal 6 – Respect the rights of shareholders			
6.2	Companies should provide the information indicated in the Guide to reporting on Principle 6.	The Company communicates with shareholders publicly in the manner outlined in recommendation 6.1.	Not applicable.
Principal 7 – Recognise and manage risk			
7.1	Companies should establish policies for the oversight and management of material business risks and disclose a summary of those policies.	The Company has adopted a Risk Management Policy which forms part of its Corporate Governance Charter which can be accessed at www.jervoismining.com.au. This policy outlines the material risks faced by the Company as identified by the Board. Given the size and scale of the Company, it does not have a Risk Management sub-committee or Internal Audit function.	Not applicable.
7.2	The Board should require management to design and implement the risk management and internal control system to manage the Company's material business risks and report to it on whether those risks are being managed effectively. The Board should disclose that management has reported to it as to the effectiveness of the Company's management of its material business risks.	The Board believes the risk management and internal control systems designed and implemented by the Directors are adequate given the size and nature of the Company's activities. The Board informally reviews and requests management to report on risk management and internal controls.	Management has not formally reported to the Board as to the effectiveness of the company's management of its material business risks. Given the nature and size of the Company and the Board's ultimate responsibility to manage the risks of the Company this is not considered critical. The Company intends to develop the risk reporting framework into a detailed policy as and when its operations warrant it.
7.3	The Board should disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act 2001 is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks.	The Board receives assurance from the Company's chief executive officer, Mr Duncan Pursell, and its chief financial officer in the form of a declaration, prior to approving the Company's annual financial statements.	Not applicable.
7.4	Companies should provide the information indicated in the Guide to reporting on Principle 7.	As noted in recommendation 7.1, the Company's risk management policy is available on its website.	Not applicable.
Principal 8 – Remunerate fairly and responsibly			
8.1	The Board should establish a remuneration committee.	The Board has not established a remuneration committee.	The Board considers that the Company is not currently of a size to justify the formation of a remuneration committee.

COMPLIANCE WITH THE ASX CORPORATE GOVERANCE COUNCIL'S PRINCIPLES AND RECOMMENDATIONS (continued)

	Principles and Recommendations	Current Practice and Compliance	Reason for Non-compliance
	Principal 8 – Remunerate fairly and responsibly		
8.2	The remuneration committee should be structured so that it: • consists of a majority of independent directors; • is chaired by an independent chair; • has at least three members.	As noted in recommendation 8.1, the Company does not have a remuneration committee.	Not applicable.
8.3	Companies should clearly distinguish the structure of non-executive directors' remuneration from that of executive directors and senior executives.	The structure of non-executive directors' remuneration is clearly distinguished from that of executive directors and senior executives, as described in the Remuneration Report contained within the Directors' Report which forms part of this Annual Report.	Not applicable.
8.4	Companies should provide the information indicated in the Guide to reporting on Principle 8.	The Board has not established a remuneration committee. Given the Company's size, the Company's chief executive officer informally considers remuneration rates for the entire Company, at least once a year, with any adjustments to remuneration levels usually taking effect from the start of each financial year. The Company does not have any schemes for retirement benefits, other than superannuation, for non-executive directors. The Board informally prohibits the Company's employees and officers from entering into transactions in associated products which limit the economic risk of participating in unvested entitlements under any equity-based remuneration schemes.	Not applicable.

JERVOIS MINING LIMITED
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2014

	Notes	2014 $	2013 $
REVENUE			
Gain on sale of Nyngan Project		-	1,201,488
Rendering of services			-
Other revenue	5	5,744	16,076
Total revenue from continuing operations		**5,744**	**1,217,564**
Other Income	6	216,429	13,673
		222,173	**1,231,237**
EXPENSES			
Administrative costs		34,654	21,142
Communication costs		24,842	37,497
Exploration expenses		78,272	16,592
Foreign exchange (gains)/losses	7	-	(7,698)
Impairment losses	7	807,792	795,478
Insurance premiums		79,000	91,227
Losses on revaluation of financial assets at fair value through profit or loss	7	5,841	45,453
Loss on sale of listed investments		7,460	-
Unrealised loss on revaluation of financial asset		2,749	-
Motor vehicle expenses		1,245	931
Payroll costs		286,947	645,379
Professional fees		209,146	705,236
Repairs and maintenance		(231)	6,730
Securities quotation fees		69,146	104,851
Tenancy and property costs		101,240	83,474
Travel costs		4,736	5,327
Interest paid	7	39	5,394
Depreciation	7	25,840	11,705
Total expenses		**1,738,718**	**2,568,718**
(LOSS) BEFORE INCOME TAX FROM CONTINUING OPERATIONS		**(1,516,545)**	**(1,337,481)**
Income tax income/(expense)		-	(322,052)
NET (LOSS) AFTER INCOME TAX FROM CONTINUING OPERATIONS AND FOR THE YEAR		**(1,516,545)**	**(1,659,533)**
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX			-
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE YEAR		**(1,516,545)**	**(1,659,533)**

The net profit / (loss) after income tax from continuing operations and for the year, together with the total comprehensive income / (loss) for the year is fully attributable to the owners of Jervois Mining Limited.

	Notes	2014 Basic	2014 Diluted	2013 Basic	2013 Diluted
EARNINGS / (LOSS) PER SHARE ATTRIBUTABLE TO THE ORDINARY EQUITY HOLDERS OF THE PARENT ENTITY FOR:	24	**(cents)**	**(cents)**	**(cents)**	**(cents)**
		(1.94)	(1.94)	(3.5)	(3.5)

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

JERVOIS MINING LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2014

	Notes	2014 $	2013 $
ASSETS			
Current Assets			
Cash and cash equivalents	9	1,631,081	1,076,731
Trade and other receivables	10	27,967	1,508,500
Financial assets at fair value through profit or loss	11	3,698	6,447
Total current assets		**1,662,746**	**2,591,678**
Non-current assets			
Available-for-sale financial assets	13	986	986
Other financial assets	14	30,000	40,000
Property, plant and equipment	16	220,960	246,799
Exploration and evaluation assets	17	5,767,123	6,050,496
			-
Total non-current assets		**6,019,069**	**6,338,281**
TOTAL ASSETS		**7,681,815**	**8,929,959**
LIABILITIES			
Current Liabilities			
Trade and other payables	18	151,090	595,510
Provisions	19	153,257	92,739
Total current liabilities		**304,347**	**688,249**
Non-current liabilities			
Provisions	20	-	6,069
Deferred tax liability	8	1,523,562	865,190
Total non-current liabilities		**1,523,562**	**871,259**
TOTAL LIABILITIES		**1,827,909**	**1,559,508**
NET ASSETS		**5,853,906**	**7,370,451**
EQUITY			
Contributed equity	21	49,968,345	49,968,345
Accumulated losses	23	(44,114,439)	(42,597,894)
TOTAL EQUITY		**5,853,906**	**7,370,451**

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

JERVOIS MINING LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2014

Transaction details:	Notes	Fully Paid Ordinary Shares $	General Reserve $	Capital Profits Reserve $	Accumulated Losses $	Total Equity $
Balances at 1 July 2013		**49,968,345**	**-**	**-**	**(42,597,894)**	**7,370,451**
Comprehensive income transactions:						
(Loss) after income tax for the period		-	-	-	(1,516,545)	(1,516,545)
Other comprehensive income after income tax for the period		-	-	-	-	-
Total comprehensive income		**-**	**-**	**-**	**(1,516,545)**	**(1,516,545)**
Transactions with owners in their capacity as owners:						
(a) Contributions by owners						
Issue of fully paid ordinary shares		-	-	-	-	-
Issue costs associated with share issues		-	-	-	-	-
Transfer of reserves to accumulated losses		-	-	-	-	-
Total transactions with owners in their capacity as owners		**-**	**-**	**-**	**-**	**-**
Balances at 30 June 2014		**49,968,345**	**-**	**-**	**(44,114,439)**	**5,853,906**

Total equity is fully attributable to the owners of Jervois Mining Limited. There are no non-controlling interests.

Transaction details:	Notes	Fully Paid Ordinary Shares $	General Reserve $	Capital Profits Reserve $	Accumulated Losses $	Total Equity $
Balances at 1 July 2012		**49,454,502**	**120,537**	**909,907**	**(41,968,805)**	**8,516,141**
Comprehensive income transactions:						
(Loss) after income tax for the period		-	-	-	(1,659,533)	(1,659,533)
Other comprehensive income after income tax for the period		-	-	-	-	-
Total comprehensive income		**-**	**-**	**-**	**(1,659,533)**	**(1,659,533)**
Transactions with owners in their capacity as owners:						
(a) Contributions by owners						
Issue of fully paid ordinary shares		798,669	-	-	-	798,669
Issue costs associated with share issues		(284,826)	-	-	-	(284,826)
Transfer of reserves to accumulated losses		-	(120,537)	(909,907)	1,030,444	-
Total transactions with owners in their capacity as owners		**513,843**	**(120,537)**	**(909,907)**	**1,030,444**	**513,843**
Balances at 30 June 2013		**49,968,345**	**-**	**-**	**(42,597,894)**	**7,370,451**

Total equity is fully attributable to the owners of Jervois Mining Limited. There are no non-controlling interests.

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

JERVOIS MINING LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2014

	Notes	2014 $	2013 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		5,743	1,143
Payments to suppliers and employees		(1,292,308)	(1,951,922)
Net payments to suppliers and employees		**(1,286,565)**	**(1,950,779)**
Proceeds from disposal of financial assets at fair value through profit or loss		-	316,800
Interest received		216,429	14,081
Interest paid		-	(5,394)
Income taxes (paid) / refunded		658,372	712,949
Net cash (outflow) from operating activities	25	**(411,764)**	**(912,342)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for exploration and evaluation assets		(524,419)	(266,146)
Payments for investments in joint venture exploration partnership entities		-	(4,996)
Payments for property, plant and equipment		-	(875)
Proceeds from sale of Nygan Scandium Project		1,480,533	1,420,000
Proceeds from redemption of security deposits		10,000	-
Net cash /(outflows) from investing activities		**966,114**	**1,147,983**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issues of shares and other equity securities		-	668,669
Payments for share issue transaction costs		-	(204,826)
Net cash inflow from financing activities		**-**	**463,843**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**554,350**	**699,483**
Cash and cash equivalents at the beginning of the financial year		1,076,731	377,248
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	9	**1,631,081**	**1,076,731**

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the consolidated entity consisting of Jervois Mining Limited ("Parent entity") and its controlled entities.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations, and the Corporations Act 2001. Jervois Mining Limited is a for profit entity for the purposes of preparing these financial statements.

(i) Compliance with IFRS

The consolidated financial statements of the Group also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

(ii) New and amended standards adopted by the Group

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

Any new, revised or amending Accounting Standards and interpretations are most relevant to the consolidated entity:

AASB 10 Consolidated Financial Statements

The Consolidated entity has applied AASB 10 from 1 July 2013, which has a new definition of 'control'. Control exists when a reporting entity is exposed, or has the rights to variable returns from its involvement with another entity and has the ability to affect those returns through its 'power' over that other entity. A reporting entity has the power when it has rights that give it the current ability to direct the activities that significantly affect the investee's returns. The consolidated entity not only has to consider its holdings and rights but also the holdings and rights of other shareholders in order to determine whether it has the necessary power for consolidation purposes.

AASB 11 Joint Arrangements

The consolidated entity has applied AASB 11 from 1 July 2013. The standard defines which entities qualify as joint arrangements and removes the option for joint ventures using proportional consolidation. Joint ventures, where the parties to the agreement have the rights to the net assets are accounted for using the equity method. Joint operations where the parties to the agreements have the rights to the assets and obligations for the liabilities, will account for its share of the assets, liabilities revenues and expenses separately under the appropriate classifications.

AASB 12 Disclosure of Interests in Other Entities

The consolidated entity has applied AASB 12 from 1 July 2013. The standard contains the entire disclosure requirement associated with other entities, being subsidiaries, joint arrangements (joint operations and joint ventures) and unconsolidated structured entities.. The disclosures requirements have been significantly enhanced when compared to the disclosures previously located in AASB 127 ' Consolidated and Separate Financial Statements' AASB 128 "Investment in Associates ", AASB 131 'Interests in Joint Ventures' and Interpretation 112 'Consolidation - Special Purpose Entities'.

AASB 2011–4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirement

The consolidated entity has applied 2011-4 from 1 July 2013, which amends AASB 124 'Related Party Disclosures' by removing the disclosure requirements for individual key management personnel ('KMP'). Corporations and Related Legislation Amendment Regulations 2013 and Corporations and Australian Securities and Investments Commission Amendment Regulation 2013 (No. 1) now specify the KMP disclosure requirements to be included within the directors' report.

(iii) Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets, financial assets and liabilities (including derivative instruments, if any) at fair value through profit or loss, and certain classes of trade and other receivables.

(iv) Critical accounting estimates

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Group and that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affect both current and future periods.

Those areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are discussed in detail in note 1(ab).

(b) Principles of consolidation

(i) Controlled subsidiary entities

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Parent entity as at 30 June 2014 and the results of all subsidiaries for the year then ended.

Subsidiaries are all the entities (including special purpose entities) over which the Parent entity has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one-half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases. The acquisition method of accounting is used to account for business combinations by the Group.

Intercompany transactions, balances and unrealised gains on transactions between Group entities 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 Group.

Non-controlling interests (if any) in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss and other comprehensive income, statement of financial position and statement of changes in equity.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Principles of consolidation

(ii) Associates

Associates are all entities over which the Group has significant influence but not control or joint control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost. The Group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition.

The Group's share of its associates' post-acquisition profits or losses is recognised in the statement of profit or loss and other comprehensive income and its share of post-acquisition other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends receivable from associates are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

(iii) Joint ventures

Jointly controlled assets

The proportionate interests in the assets, liabilities and expenses of a joint venture activity have been incorporated in the financial statements under the appropriate headings.

Jointly controlled entities

The interest in a joint venture partnership is accounted for using the equity method after initially being recognised at cost. Under the equity method, the share of the profits or losses of the partnership is recognised in the statement of profit or loss and other comprehensive income, and the share of post-acquisition movements in reserves is recognised in other comprehensive income.

Profits or losses on transactions establishing the joint venture partnership and transactions with the joint venture are eliminated to the extent of the Group's ownership interest until such time as they are realised by the joint venture partnership on consumption or sale. However, a loss on the transaction is recognised immediately if the loss provides evidence of a reduction in the net realisable value of current assets, or an impairment loss.

(iv) Changes in ownership interests

When the Group ceases to have control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in the statement of profit or loss and other comprehensive income. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, jointly controlled entity or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to the statement of profit or loss and comprehensive income.

If the ownership interest in a jointly-controlled entity or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income are reclassified to the statement of profit or loss and other comprehensive income where appropriate.

(c) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision makers. The chief operating decision makers, who are responsible for allocating resources and assessing performance of the operating segments, has been identified as the board of directors.

(d) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.
Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset’s net carrying amount.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Parent entity’s subsidiaries and associates operate and generate taxable income.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting, nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

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.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The Parent entity and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation, with effect from 1 July 2010. All of the Group’s entities are taxed as a single entity and the deferred tax assets and liabilities of these entities are set off in the consolidated financial statements.

Current and deferred tax is recognised in the statement of profit or loss and other comprehensive income, except to the extent that it relates to items recognised directly in equity. In this case, the tax is also recognised directly in equity.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Leases

Leases of property, plant and equipment (if any) where the Group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Group will obtain ownership at the end of the lease term.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the statement of profit or loss and other comprehensive income on a straight-line basis over the period of the lease.

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term. The respective leased assets are included in the statement of financial position based on their nature.

(g) Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(h) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes 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, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

(i) Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade and other receivables are generally due for settlement within 30 days. They are presented as current assets unless collection is not expected for more than 12 months after the reporting date.

Collectability of trade and other receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivables) is used when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade and other receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment loss is recognised in the statement of profit and loss and other comprehensive income. When a trade and other receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against impairment losses recognised in the statement of profit and loss and other comprehensive income.

(k) Investments and other financial assets

Classification

The Group classifies its financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and, in the case of assets classified as held-to-maturity, re-evaluates this designation at the end of each reporting date.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives, if any are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

(ii) 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 included in current assets, except for those with maturities greater than 12 months after the reporting period which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the statement of financial position.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Group's management has the positive intention and ability to hold to maturity. If the Group were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale. Held-to-maturity financial assets are included in non-current assets, except for those with maturities less than 12 months from the end of the reporting period, which are classified as current assets.

(k) Investments and other financial assets

(iv) Available-for-sale financial assets

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of the investment within 12 months of the end of the reporting period. Investments are designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term.

Measurement

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Loans and receivables and held-to-maturity investments are subsequently carried at amortised cost using the effective interest method.

Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the statement of profit and loss and other comprehensive income in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the statement of profit or loss and other comprehensive income when the Group's right to receive payments is established. Interest income from all of these financial assets is included in the statement of profit or loss and other comprehensive income.

Impairment

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. In the case of equity investments classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is considered an indicator that the assets are impaired.

(l) Assets carried at amortised cost

For loans and receivables, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in the statement of profit or loss and other comprehensive income. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in the statement of profit or loss and other comprehensive income.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Investments and other financial assets

Impairment

Assets classified as available-for-sale

If there is objective evidence of impairment for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in profit or loss.

Impairment losses on equity instruments that were recognised in profit or loss are not reversed through profit or loss in a subsequent period.

If the fair value of a debt instrument classified as available-for-sale increases in a subsequent period and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed through profit or loss.

(n) Property, plant and equipment

Each class of property, plant and equipment may be carried at either cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

At present, all property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

(n) Property, plant and equipment

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Increases in the carrying amounts arising on revaluation of land and buildings are recognised, net of tax, in other comprehensive income and accumulated in reserves in equity. To the extent that the increase reverses a decrease previously recognised in profit or loss, the increase is first recognised in profit or loss. Decreases that reverse previous increases of the same asset are first recognised in other comprehensive income to the extent of the remaining surplus attributable to the asset; all other decreases are charged to profit or loss. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to profit or loss and depreciation based on the asset's original cost, net of tax, is reclassified from the property, plant and equipment revaluation surplus to retained earnings.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements and certain leased plant and equipment, the shorter lease term as follows:

Asset classes	2014 Useful Lives Years
Buildings	5 - 30 Years
Motor vehicles	5 Years
Office equipment and furniture	4 – 20 Years
Plant and equipment	5 - 8 Years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss. When revalued assets are sold, it is Group policy to transfer any amounts included in other reserves in respect of those assets to retained earnings.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Exploration and evaluation assets

Exploration and evaluation expenditures in relation to each separate area of interest are recognised as an exploration and evaluation asset in the year in which they are incurred where the following conditions are satisfied:

(a) the rights to tenure of the area of interest are current; and

(b) at least one of the following conditions is also met:

(i) The exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; and

(ii) Exploration and evaluation activities in the area of interest have not at the end of the reporting period reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are initially measured at cost and include the acquisition of rights to explore, topographical, geological, geochemical and geophysical studies, exploratory drilling, trenching, sampling and activities in relation to evaluating the technical feasibility and commercial viability of extracting a mineral resource. It also includes an allocation of depreciation and amortisation of other assets used in exploration and evaluation activities. General and administrative costs are only included in the measurement of exploration and evaluation costs where they are relate directly to operational activities in a particular area of interest.

(o) Exploration and evaluation assets

Exploration and evaluation assets are assessed for impairment when facts and circumstances (as defined in AASB 6 "Exploration for and Evaluation of Mineral Resources") suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. The recoverable amount of the exploration and evaluation asset (or the cash-generating unit(s) to which it has been allocated, being no larger than the relevant area of interest) is estimated to determine the extent of the impairment loss (if any). Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in previous years.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are demonstrable, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to either mining property and development assets within property, plant and equipment or research and development assets within intangible assets.

(p) Intangible assets

Research and development

Research expenditure is recognised as an expense as incurred unless it otherwise qualifies for recognition as an exploration and evaluation asset. Costs incurred on development projects (relating to the design and testing of new or improved products) are recognised as intangible assets when it is probable that the project will, after considering its commercial and technical feasibility, be completed and generate future economic benefits and its costs can be measured reliably. The expenditure capitalised comprises all directly attributable costs, including costs of materials, services, direct labour and an appropriate proportion of overheads. Other development expenditures that do not meet these criteria are recognised as an expense as incurred, or exploration and evaluation assets when appropriate. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use on a straight-line basis over its useful life.

(q) Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(r) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Employee benefits

(i) short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave (if any) expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave and accumulating sick leave (if any) is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

(ii) Long-term obligations

The liability for long service leave and annual leave which is not expected to be settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period 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 end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(s) Employee benefits

(iii) Share-based payments

Refer to the separate heading below for these details.

(iv) Profit-sharing and bonus plans

The Group does not currently have any formalised profit-sharing or bonus plans in place.

(v) Employee share schemes

The Group does not currently have any formalised employee share schemes in place.

(vi) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or to providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

(t) Share-based payments

(i) Equity-settled share-based payment transactions

Transactions measured by direct reference to the fair value of the goods and services are received

The Group measures the goods or services received from contractors and suppliers as either an expense of the current period or an asset, and a corresponding increase in equity, measured directly at the fair value of the good or services received.

Transactions measured by indirect reference to the fair value of the equity instruments granted

In those circumstances when the Group cannot estimate reliability the fair value of goods or services received from contractors, suppliers or employees, the Group measures the fair value of the goods or services received as either an expense of the current period or an asset, and a corresponding increase in equity, indirectly, by reference to the fair value of the equity instruments granted.

In the case of options granted by the Group, fair value is measured by using either the Black-Scholes or some other type of binomial options pricing model. The expected life of the options used in the model is adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations. Further details on how the fair value of equity-settled share-based transactions has been determined can be found in the Remuneration Report.

The total amount to be expensed is determined by reference to the fair value of the options granted, which includes any market performance conditions and the impact of any non-vesting conditions but excludes the impact of any service and non-market performance vesting conditions.

Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognised over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each period, the Group revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognises the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(u) Contributed equity

Ordinary shares are classified as equity. Mandatorily redeemable preference shares (if any) are classified as liabilities.
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.

Where any Group entity purchases the Parent entity's equity instruments, for example as the result of a share buy-back or a share-based payment plan, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the owners of the Parent entity as treasury shares until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the owners of the Parent entity.

(v) Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

(i) Basic earnings / (loss) per share

Basic earnings per share is calculated by dividing:
(a) the profit / (loss) attributable to owners of the Parent entity, excluding any costs of servicing equity other than ordinary shares.
(b) by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

(ii) Diluted earnings / (loss) per share

Diluted earnings / (loss) per share adjusts the figures used in the determination of basic earnings / (loss) per share to take into account:
(a) the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
(b) the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(x) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of 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 individual amounts of GST recoverable from, or payable to, the taxation authority is included with other receivables or 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 taxation authority, are presented as operating cash flows.

(y)New accounting standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2014 reporting period and have not been adopted early for that reporting period. A summary of these new standards and interpretations follows.

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2014. The Group's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the Group, are set out below.

AASB 9 Financial Instruments and its consequential amendments

This standard and its consequential amendments are applicable to annual reporting periods beginning on or after 1 January 2017 and completes phase I of the IASB's project to replace IAS 39 (AASB 139) This standard introduces new classification and measurement models for financial assets, using a single approach to determine whether a financial asset is measured at amortised cost or fair value. The accounting for financial liabilities continues to be classified and measured in accordance with AASB 139, with one exception, being that the portion of a change of fair value relating to the entity's own credit risk is to be presented in other comprehensive income unless it would create an accounting mismatch. Chapter 6 "Hedge Accounting' supersedes the general hedge accounting requirements in AASB 139 and provides a new simpler approach to hedge accounting that is intended to more closely align with risk management activities undertaken by entitieswhen hedging financial and non-financial risks The consolidated entity will adopt this standard from 1 July 2017 but the impact of its adoption is yet to be assessed by the consolidated entity.

AASB 10 Consolidated Financial Statements

This standard is applicable to annual reporting periods beginning on or after 1 January 2013. The standard has a new definition of 'control'. Control exists when the reporting entity is exposed, or has the rights, to variable returns (e.g. dividends, remuneration, returns that are not available to other interest holders including losses) from its involvement with another entity and has the ability to

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

affect those returns through its 'power' over that other entity.

A reporting entity has power when it has rights (e.g. voting rights, potential voting rights, rights to appoint key management, decision making rights, kick out rights) that give it the current ability to direct the activities that significantly affect the investee's returns (e.g. operating policies, capital decisions, appointment of key management). The Group will not only have to consider its holdings and rights but also the holdings and rights of other shareholders in order to determine whether it has the necessary power for consolidation purposes. The adoption of this standard from 1 July 2013 may have an impact where the Group has a holding of less than 50% in an entity, has de facto control, and is not currently consolidating that entity. The adoption of this standard from 1 July 2013 will not have a material impact on the Group.

AASB 11 Joint Arrangements

This standard is applicable to annual reporting periods beginning on or after 1 January 2013. The standard defines which entities qualify as joint ventures and removes the option to account for joint ventures using proportional consolidation. Joint ventures, where the parties to the agreement have the rights to the net assets will use equity accounting. Joint operations, where the parties to the agreements have the rights to the assets and obligations for the liabilities will account for the assets, liabilities, revenues and expenses separately, using proportionate consolidation. The adoption of this standard from 1 July 2013 will not have a material impact on the Group.

AASB 12 Disclosure of Interests in Other Entities

This standard is applicable to annual reporting periods beginning on or after 1 January 2013. It contains the entire disclosure requirements associated with other entities, being subsidiaries, associates and joint ventures. The disclosure requirements have been significantly enhanced when compared to the disclosures previously located in AASB 127 'Consolidated and Separate Financial Statements', AASB 128 'Investments in Associates', AASB 131 'Interests in Joint Ventures' and Interpretation 112 'Consolidation - Special Purpose Entities'. The adoption of this standard from 1 July 2013 will significantly increase the amount of disclosures required to be given by the Group such as significant judgements and assumptions made in determining whether it has a controlling or non-controlling interest in another entity and the type of non-controlling interest and the nature and risks involved.

AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13

This standard and its consequential amendments are applicable to annual reporting periods beginning on or after 1 January 2013. The standard provides a single robust measurement framework, with clear measurement objectives, for measuring fair value using the 'exit price' and it provides guidance on measuring fair value when a market becomes less active. The 'highest and best use' approach would be used to measure assets whereas liabilities would be based on transfer value. As the standard does not introduce any new requirements for the use of fair value, its impact on adoption by the Group from 1 July 2013 should be minimal, although there will be increased disclosures where fair value is used.

AASB 127 Separate Financial Statements (Revised)
AASB 128 Investments in Associates and Joint Ventures (Reissued)

These standards are applicable to annual reporting periods beginning on or after 1 January 2013. They have been modified to remove specific guidance that is now contained in AASB 10, AASB 11 and AASB 12. The adoption of these revised standards from 1 July 2013 will not have a material impact on the Group.

AASB 119 Employee Benefits (September 2011) and AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011)

This revised standard and its consequential amendments are applicable to annual reporting periods beginning on or after 1 January 2013. The amendments make changes to the accounting for defined benefit plans and the definition of short-term employee benefits, from 'due to' to 'expected to' be settled within 12 months. The later will require annual leave that is not expected to be wholly settled within 12 months to be discounted allowing for expected salary levels in the future period when the leave is expected to be taken. The adoption of the revised standard from 1 July 2013 will not have a material impact on the Group.

AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirement

These amendments are applicable to annual reporting periods beginning on or after 1 July 2013, with early adoption not permitted. They amend AASB 124 'Related Party Disclosures' by removing the disclosure requirements for individual key management personnel ('KMP'). The adoption of these amendments from 1 July 2014 will remove the duplication of information relating to individual KMP in the notes to the financial statements and the directors report. As the aggregate disclosures are still required by AASB 124 and during

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

the transitional period the requirements may be included in the Corporations Act or other legislation, it is expected that the amendments will not have a material impact on the Group.

AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards

The amendments are applicable to annual reporting periods beginning on or after 1 January 2013. The amendments make numerous consequential changes to a range of Australian Accounting Standards and Interpretations, following the issuance of AASB 10, AASB 11, AASB 12 and revised AASB 127 and AASB 128. The adoption of these amendments from 1 July 2013 will not have a material impact on the Group.

AASB 2012-2 Amendments to Australian Accounting Standards - Disclosures - Offsetting Financial Assets and Financial Liabilities

The amendments are applicable to annual reporting periods beginning on or after 1 January 2013. The disclosure requirements of AASB 7 'Financial Instruments: Disclosures' (and consequential amendments to AASB 132 'Financial Instruments: Presentation') have been enhanced to provide users of financial statements with information about netting arrangements, including rights of set-off related to an entity's financial instruments and the effects of such rights on its statement of financial position. The adoption of the amendments from 1 July 2013 will increase the disclosures by the Group.

AASB 2012-3 Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities

The amendments are applicable to annual reporting periods beginning on or after 1 January 2014. The amendments add application guidance to address inconsistencies in the application of the offsetting criteria in AASB 132 'Financial Instruments: Presentation', by clarifying the meaning of "currently has a legally enforceable right of set-off"; and clarifies that some gross settlement systems may be considered to be equivalent to net settlement. The adoption of the amendments from 1 July 2014 will not have a material impact on the Group.

AASB 2012-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009-2011 Cycle

The amendments are applicable to annual reporting periods beginning on or after 1 January 2013. The amendments affect five Australian Accounting Standards as follows: Confirmation that repeat application of AASB 1 (IFRS 1) 'First-time Adoption of Australian Accounting Standards' is permitted; Clarification of borrowing cost exemption in AASB 1; Clarification of the comparative information requirements when an entity provides an optional third column or is required to present a third statement of financial position in accordance with AASB 101 'Presentation of Financial Statements'; Clarification that servicing of equipment is covered by AASB 116 'Property, Plant and Equipment', if such equipment is used for more than one period; clarification that the tax effect of distributions to holders of equity instruments and equity transaction costs in AASB 132 'Financial Instruments: Presentation' should be accounted for in accordance with AASB 112 ‘Income Taxes’; and clarification of the financial reporting requirements in AASB 134 'Interim Financial Reporting' and the disclosure requirements of segment assets and liabilities. The adoption of the amendments from 1 July 2013 will not have a material impact on the Group.

AASB 2012-9 Amendment to AASB 1048 arising from the Withdrawal of Australian Interpretation 1039
This amendment is applicable to annual reporting periods beginning on or after 1 January 2013. The amendment removes reference in AASB 1048 following the withdrawal of Interpretation 1039. The adoption of this amendment will not have a material impact on the Group.

AASB 2012-10 Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments

These amendments are applicable to annual reporting periods beginning on or after 1 January 2013. They amend AASB 10 and related standards for the transition guidance relevant to the initial application of those standards. The amendments clarify the circumstances in which adjustments to an entity’s previous accounting for its involvement with other entities are required and the timing of such adjustments. The adoption of these amendments will not have a material impact on the Group.

(z) Parent Entity Financial Information
The financial information for the parent entity, Jervois Mining Limited has been prepared on the same basis as the consolidated financial statements, except as set out below.

Investments in and loans to controlled entities are accounted for at cost in the financial statements of the Parent entity.

(aa) Comparative figures
Where necessary, comparative information has been reclassified and / or restated for consistency with current year disclosures.

(ab) Critical accounting estimates and judgments

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial statement preparation is in part based on assumptions, judgments and estimates. Estimates and judgments are evaluated based on historical experience and other factors such as expectations of future events which management believe to be reasonable under the circumstances. Assumptions and estimates about the future seldom equate to actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Financial assets at fair value through profit or loss

The fair value of the Group's listed equity investments are adjusted at each reporting date based upon quoted market prices. To the extent that there are significant investment purchases or sales within the next financial year or significant movements in quoted market prices, then the potential exists for material adjustments to the carrying value of this asset class to be made in those financial statements for any such movements.

(ii) Deferred tax assets and liabilities

As the Group is currently in a tax loss situation, the Group does not recognise any deferred tax assets or liabilities in relation to temporary differences or carried forward unused tax losses as it is not currently considered probable that future taxable income will be available against which the unused tax losses and unused tax credits can be utilised. In addition, the Group does not currently recognise its R&D tax refunds until they are either received in cash or there is certainty that any recognised receivable will be recovered.

Whilst it is not considered likely that any unused tax losses will be recouped within the next financial year, the Group does expect to receive a current tax asset of $653,926 in relation to its R&D refund for the financial year ended 30 June 2013. This refund was not recognised in these financial statements for the year ended 30 June 2014 for the reason stated above. This amount has however been disclosed in this annual report as a contingent asset. When the refund is received or its recovery is virtually certain it will be recognised in the financial statements for the year ended 30 June 2015.

(iii) Share-based payments reserve

The Group could potentially undertake in the next financial year equity-settled share-based payment transactions which would require the direct measurement of any goods or services received by the Group to be based on the fair value of the goods or services received. If this is the case, then potentially material adjustments may be made in those financial statements.

The Group could also potentially undertake in the next financial year equity-settled share-based payment transactions which would require the indirect measurement of any goods or services received by the Group to be based on the fair value of the equity instruments granted. In particular, the Group may issue share options either under the management option plan which was approved by the Parent entity's shareholders on 24 November 2011 or otherwise. No options have yet been issued under the plan.

If the Parent entity issues any share options during the next financial year either under the plan or otherwise, then potentially material adjustments may be made in those financial statements. The fair value of any share options issued would be determined using an appropriate option pricing model.

(iv) Impairment of exploration and evaluation assets and investments in associates (exploration partnerships)

Impairment losses have been recognised in these financial statements against all those exploration licenses which the Group has either surrendered or plans to surrender. To the extent that management decides to surrender further exploration licenses in the next financial year, then further potentially material adjustments will be made in those financial statements.

(v) Provision for restoration costs

As all of the Group's areas of interest are currently in the early stages of exploration and evaluation activities, the Group has not currently recognised any provisions for restoration costs. This situation is not expected to change in the next financial year, but if it did, a potentially material adjustment would be required to be made in those financial statements.

(vi) Useful lives of property, plant and equipment

These financial statements contain depreciation charges for the Group's property, plant and equipment, based on the assessed useful lives of either the individual assets concerned or the expected life of certain projects. If these estimates change in the next financial year, for whatever reason, then a potentially material adjustment to the rate of depreciation charged by the Group would be required to be made in those financial statements.

(ac) Going concern

For the financial year ended 30 June 2014, the Group incurred a loss after tax attributable to the owners of the Parent entity of $1,516,545 (2013 Loss: $1,659,533), which, was inclusive of impairment charges of $807,792 (2013: $795,478. The Group also had net cash outflow from operating activities of $411,764 (2013 Outflow: $912,342).

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The Group at present does not have a regular income from mining operations or production royalties. The Directors are aware of this situation and have determined that these financial statements should be prepared on a going concern basis which assumes the realisation of assets and the extinguishment of liabilities in the normal course of business at the amounts stated in these financial statements, for the following reasons:

(i) As at 30 June 2014 the Group had cash and cash equivalents (including other current financial assets) of $1,631,081 (30 June 2013 $1,019,731)

(ii) As previously detailed the Group has completed the sale of the Nyngan scandium project to EMC Metals Corporation for a cash settlement of $2,600,000 payable in two tranches. The total amount of $2,600,000 has now been received by the Group. In June 2014 the balance of $1,400,000 was received.

(ac) Going concern (continued)

(iii) The Group continues to undertake research and development activities associated with its metallurgical and exploration and evaluation activities, and provided that these activities continue to comply with the relevant income tax legislation, the Group will continue to receive cash refundable R&D tax offsets. These receipts will also assist with funding the Group's operations. The Group's final estimate of its R&D cash refund for the year is $511,126 (2013: $658,372).The amount and timing of the receipt of the 2014 cash refund for the financial year ended 30 June 2014 is uncertain.

(iv) The Group's indicative cash flow forecast for the next twelve months includes significant cash out flows in relation to exploration and evaluation expenditure, which if need be, can be deferred or eliminated by the relinquishment of exploration tenements. The Group has some discretion over the quantum and timing of this type of expenditure. Any such relinquishments may have a material impact on the Group's future R&D activities and its associated cash refunds.

(v) The Group currently holds three production royalties in relation to exploration licenses which it either owned or still owns but is in the process of selling. In particular, they relate to the Bullabulling gold project in WA and the Forest Reefs gold and copper and Nyngan scandium projects in NSW. The basis of calculating each royalty is different and the quantum and timing of any cash receipts (if any) from either the royalty payments themselves or the outright sale of the royalty entitlements remain uncertain and cannot be predicted reliably. However, to the extent that any of them are realised, then they may involve significant cash inflows for the Group. The royalties cover all mineral products, but primarily gold, copper and scandium oxide.

(vi) The Board is of the opinion that, subject to satisfactory market conditions, the Parent entity will be able to access equity capital markets to raise sufficient funds for its on-going operations, as and when required.

The Board remains optimistic that some, if not all, of the abovementioned potential sources of replacement financing will eventuate and that therefore, the going concern basis remains appropriate for the preparation and presentation of these financial statements.

Should the Group be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in this financial report. In such circumstances, a fundamental change in the basis of accounting would be required compared to the basis upon which these financial statements have been prepared. This financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities that might be necessarily incurred should the Group not be able to continue as a going concern.

NOTE 2 INVESTMENTS IN CONTROLLED ENTITIES

(a) Parent entity's investments in controlled entities

Jervois Mining Limited is the Parent entity of the following entities. These consolidated financial statements incorporate the assets, liabilities and results of those controlled entities in accordance with the accounting policy described in Note 1.

					Parent's Equity Holdings*	
Name of controlled entity	Date of Incorporation	Date of Acquisition	Country of Incorporation	Class of Equity held	2014 %	2013 %
Hardrock Exploration Pty Ltd	28-11-1969	01-10-1991	Australia	Ordinary shares	100%	100%
Goldpride Pty Ltd	10-08-1993	18-03-2009	Australia	Ordinary shares	100%	100%
Nico Young Pty Ltd	04-07-2008	04-07-2008	Australia	Ordinary shares	100%	100%

* = The proportion of Jervois Mining Limited's ownership interest is equal to the proportion of voting power held.

NOTE 2 INVESTMENTS IN CONTROLLED ENTITIES (continued)

(c) Transactions with non-controlling interests

There have been no entities over which control by Jervois Mining Limited has been gained or lost during the financial years ended 30 June 2013 or 2014.

(b) Contributions of controlled entities to the Group's profit / (loss) from ordinary activities during the year	Notes	2014 $	2013 $
Jervois Mining Limited		(405,903)	(657,008)
Hardrock Exploration Pty Ltd		0	(300)
Goldpride Pty Ltd		58	(210,864)
Nico Young Pty Ltd		862	73,829
Net profit / (loss) after tax for the year		**(404,983)**	**(794,343)**

	Notes	2014 $	2013 $

There have been no changes in Jervois Mining Limited's ownership interests in any of its subsidiary entities that resulted in a loss of control during the 2013 and 2014 financial years.

NOTE 3 REMUNERATION OF AUDITORS

During the year, the following fees were paid or payable for services provided by the Parent entity's auditors.

		2014 $	2013 $
(i) Audit and review of financial statements			
George Georgiou FCA		27,500	-
BDO East Coast Partnership (BDO)		-	38,160
Total audit and review fees		**27,500**	**38,160**
(ii) Other non-audit services			
BDO East Coast Partnership (BDO)		2,375	-
Total auditor's remuneration		**29,875**	**38,160**

NOTE 4 FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk, and price risk)

Foreign currency risk

Foreign currency risk involves the risk that the fair value or future cash flows of a financial instrument (asset or liability) will fluctuate because of changes in foreign exchange rates. The Group operates primarily within Australia, but does undertake international transactions from time to time, which does expose it to foreign exchange risk arising from various currency exposures, primary with respect to either the United States dollar (USD) or the Canadian dollar (CAD).

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.

Credit risk

The group has adopted a policy of only dealing with credit worthy counterparties and only transacts with financial institutions that are rated the equivalent of AA and above. The Company does not have any material credit risk exposure to any single debtor or company of debtors under financial instruments or collateral securities entered into by the Company.

Interest rate risk

The Group analyses its interest rate rate risk, by taking into consideration its existing positions and its alternative deposit strategies, using a combination of variable and short term fixed (no more than three months) interest rates.

NOTE 4 FINANCIAL RISK MANAGEMENT (continued)

Price Risk

The group is exposed to equity securities market price risk. This arises from investments held by the Group and classified on the Statement of financial position as either available for-sale or at fair value through profit & loss. The Group is not exposed to Commodity market price risk at this stage. Whilst the Group aims to diversify its portfolio of investments as much as possible to manage the price risk arising from its investments in equity securities, this is not always possible as the investments may have originated from deals undertaken by the Group with its joint venture partners, operating within the resources sector. The majority of the Group's equity investments are publicly traded. The Group's results can be affected by movements in equity prices.

	2014 $	2013 $
NOTE 5 REVENUE		
Other revenue		
Gain on sale of Nyngan Scandium Project	-	1,201,488
Interest received from financial assets not at fair value through profit or loss	-	14,082
Rent received	5,744	1,994
Total other revenue	**5,744**	**1,217,564**
Total revenue	**5,744**	**1,217,564**

NOTE 6 OTHER INCOME

	2014 $	2013 $
Interest received	216,429	-
Gains on loans forgiven	-	12,446
Gains on property, plant and equipment sold	-	1,227
Total other income	**216,429**	**13,673**

NOTE 7 EXPENSES

(a) Profit / (loss) before income tax includes the following specific expenses:

	2014 $	2013 $
Defined contribution superannuation expense	19,900	50,682
Total depreciation on property, plant and equipment charged for the year	25,840	33,109
Less depreciation capitalised as part of exploration and evaluation assets	-	(21,404)
Total depreciation on property, plant and equipment expensed for the period	25,840	11,705
Foreign exchange losses/(gains)	-	(7,698)
Interest paid on financial liabilities not at fair value through profit or loss	39	5,394
Losses on revaluation of financial assets at fair value through profit or loss	5,841	45,453
Minimum lease rental payments relating to operating leases	141,733	34,200
Impairment losses:		
Exploration and evaluation assets	807,792	758,243
Investments in associates – joint venture exploration partnerships	-	29,912
Trade and other receivables	-	7,323
Total impairment losses	807,792	795,478

(b) Material impairment losses recognised or reversed during the period

	2014 $	2013 $
Exploration leases written off	807,792	758,243
Total sole risk areas of interest impairment losses for the year	**807,792**	**758,243**

	2014 $	2013 $
NOTE 7 EXPENSES (continued)		
Jointly controlled areas of interest		
EL 59 / 1391 Bunnawarra (WA) – JRV 50% of 30% - surrendered	-	-
Total jointly controlled areas of interest impairment losses for the year	**-**	**-**
Total exploration and evaluation assets impairment losses for the year	**-**	**758,243**
(ii) Investments in associates – joint venture exploration partnerships		
EL 4620 Forest Reefs (NSW) – JRV 20% - written down to recoverable sale proceeds	-	29,911
Total investment in associates impairment losses for the year	**-**	**29,911**
(iii) Trade and other receivables		
Other receivables – Canadian metallurgical investment recovery	-	7,323
Total trade and other receivables impairment losses for the year	**-**	**7,323**
(c) Net foreign exchange gains and losses		
Foreign exchange losses on cash deposits and other receivables	-	7,698
Net foreign exchange gains / (losses) recognised in profit / (loss) before income tax for the year (as either other income or expense)	**-**	**7,698**
NOTE 8 INCOME TAX		
Loss before income tax	1,515,545	1,337,481
Primae facie tax payable at 30%	454,664	401,244
Adjust for tax effect of items below		
Add: Tax effect of non-deductible items	244,770	1,888,034
Less: Tax effect of deductible items	(153,327)	(2,611,330)
Income tax expense	546,107	322,052
Amount not recognised	546,107	-
Income tax expense	-	322,052
NOTE 9 CURRENT ASSETS - CASH AND CASH EQUIVALENTS		
Cash on hand	2,081	198
Cash at bank	358,086	870,315
Cash on deposit at call	-	45,502
Cash on term deposit with a maturity of less than three months, freely available	1,270,914	103,716
Total cash and cash equivalents	**1,631,081**	**1,019,731**
(a) Reconciliation to cash at the end of the financial year		
The above figures are reconciled to cash at the end of the financial year as shown in the statement of cash flows as follows:		
Cash and cash equivalents balances per above	1,631,081	1,019,731
Other financial assets – cash on short-term deposit securing bank guarantees	-	57,000
Balances per the consolidated statement of cash flows	**1,631,081**	**1,076,731**

	Notes	2014 $	2013 $

NOTE 9 CURRENT ASSETS - CASH AND CASH EQUIVALENTS (continued)

Unencumbered term deposits which are freely available to the Group, with a maturity of less than three months have been classified as cash and cash equivalents.

(b) Risk exposure

The Group's exposure to foreign exchange and interest rate risk is outlined in note 4. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of cash and cash equivalents disclosed above.

(c) Carrying amount and fair value comparison

Information about the methods and assumptions used in determining the fair value of the foreign currency denominated component of cash on deposit at call, as disclosed above, is contained in note 4. With the exception of the foreign currency denominated component of cash on deposit at call, the carrying amounts of all the other classes of cash and cash equivalents noted above are assumed to be a reasonable approximation of their fair values.

NOTE 10 CURRENT ASSETS - TRADE AND OTHER RECEIVABLES

	Notes	2014 $	2013 $
Trade receivables		-	4,695
Provision for impairment writedown on trade receivables		-	(4,344)
Other receivables		350	1,607,308
Provision for impairment writedown on other receivables		-	(104,129)
Interest receivable		-	-
Prepaid insurance and subscriptions		3,136	4,526
GST paid and receivable		24,481	444
Total trade and other receivables		**27,967**	**1,508,500**

(a) Impaired trade receivables

The individually impaired trade receivables balance relates to the uncertain recovery of an expense reimbursement sought by the Group from EMC Metals Corporation.

The movements in the provision for impairment write downs on trade receivables is set out below.

		2014 $	2013 $
Carrying amount at the beginning of the financial year		4,344	4,344
Provision for impairment losses no longer required		(4,344)	-
Carrying amount at the end of the financial year		**-**	**4,344**

The movement in the provision for impairment writedowns recognised for trade receivables forms part of the impairment losses disclosed in the statement of profit or loss and other comprehensive income.

		2014 $	2013 $
Carrying amount at the beginning of the financial year		104,129	96,806
Movement in the Canadian investment receivable impairment writedown		(104,129)	7,283
Movement in the EMC expense reimbursement impairment writedown		-	40
Carrying amount at the end of the financial year		**-**	**104,129**

The movement in the provision for impairment writedowns recognised for other receivables forms part of the impairment losses disclosed in the statement of profit or loss and other comprehensive income.

(b) Past due but not impaired trade and other receivables

With the exception of the impaired trade and other receivable noted above, trade and other receivables do not contain any other impaired assets and are not past due. Based on the credit history of these receivables, it is expected that these amounts will be received when due. The Group does not hold any collateral in relation to these receivables.

	Notes	2014 $	2013 $

NOTE 10 CURRENT ASSETS - TRADE AND OTHER RECEIVABLES (continued)

(c) Other receivables
These amounts generally arise from transactions outside the usual operating activities of the Group. Interest may be received at commercial rates where the terms of repayment exceed six months. Collateral is not normally obtained for these receivables.

(d) Risk exposure
The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of trade and other receivables disclosed above. Refer to note 4 for more information on the risk management policy of the Group and the credit quality of its trade and other receivables.

(e) Carrying amount and fair value comparison
With the exception of the impaired trade and other receivables, the carrying amounts of all the other classes of trade and other receivables noted above are assumed to be a reasonable approximation of their fair values, due to the relatively short-term nature of these receivables.

NOTE 11 CURRENT ASSETS – FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS
Financial assets at fair value through profit or loss are all held for trading and include the following assets:

	2014 $	2013 $
Australian listed equity securities	3,698	6,447
Total financial assets at fair value through profit or loss	**3,698**	**6,447**

(a) Changes in fair value
Changes in the fair values of financial assets at fair value through profit or loss are recorded in other income or losses on revaluation of financial assets at fair value through profit or loss in the statement of profit or loss and other comprehensive income.

(b) Risk exposure
Information about the Group's exposure to other market price risk is provided in note 4.

(c) Carrying amount and fair value measurements
Information about the methods and assumptions used in determining the fair value of financial assets at fair value through profit or loss is contained in note 4.

NOTE 12 CURRENT ASSETS – OTHER FINANCIAL ASSETS

	2014 $	2013 $
Cash on term deposit securing bank guarantees	47,000	57,000
Total current assets – other financial assets	**47,000**	**57,000**

(a) Risk exposure
The Group's exposure to interest rate risk is outlined in note 4. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of other current financial assets disclosed above.

(b) Carrying amount and fair value comparison
Due to the nature of each class of other current financial assets disclosed above, their carrying amounts are assumed to be a reasonable approximation of their fair values.

(c) Collateral pledged as security

The carrying amounts of other current financial assets disclosed above, also represents the amounts pledged as security, by letter of set-off, for bank guarantees issued by the Group, with a small and immaterial excess of security. Bank guarantees issued by the Group total $47,000 (2013: $57,000). .

	Notes	2014 $	2013 $
NOTE 13 NON – CURRENT ASSETS – AVAILABLE FOR SALE FINANCIAL ASSETS			
Available-for-sale financial assets include the following classes of financial assets:			
Australian unlisted equity securities		986	986
Total available-for-sale financial assets		**986**	**986**

(a) Unlisted securities

Unlisted securities do not have quoted market prices in active markets, and as a result their fair value cannot be measured reliably. These securities are therefore carried at cost. Refer to note 4 for further information about the methods used and assumptions applied in determining fair value.

(b) Impaired available-for-sale financial assets

None of the available-for-sale financial assets are considered to be impaired as the fair value of these assets exceeds their cost.

(c) Risk exposure

Information about the Group's exposure to other market price risk is provided in note 4. All available-for-sale financial assets are denominated in Australian currency. For an analysis of the sensitivity of available-for-sale financial assets to other market price risk refer to note 4.

(d) Carrying amount and fair value comparison

All unlisted available-for-sale securities are carried at cost, because their fair value cannot be measured reliably. Note 4 provides further details about fair value measurements.

	2014 $	2013 $
NOTE 14 NON-CURRENT ASSETS – OTHER FINANCIAL ASSETS		
Security deposits lodged to satisfy terms and conditions of exploration licenses	30,000	40,000
Total non-current assets – other financial assets	**30,000**	**40,000**

(a) Risk exposure

The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of other non-current financial assets disclosed above.

(b) Carrying amount and fair value comparison

Due to the nature of each class of other non-current financial assets disclosed above, their carrying amounts are assumed to be a reasonable approximation of their fair values.

	2014 $	2013 $
NOTE 15 NON-CURRENT ASSETS - INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD		
Investments in associates – unlisted unincorporated exploration partnerships	-	29,911
Provision for impairment write down on investments in associates	-	(29,911)
Total investments accounted for using the equity method	**-**	**-**

	Notes	2014 $	2013 $

NOTE 15 NON-CURRENT ASSETS - INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (continued)

(a) Movements in carrying amounts

	2014 $	2013 $
Carrying amount at the beginning of the financial year	-	252,809
Additional investments	-	27,314
Impairment losses recognised during the financial year	-	(5,359)
Sale of investment	-	(224,552)
Write off investment	-	(50,212)
Carrying amount at the end of the financial year	**-**	**-**

(b) Movements in the provision for impairment writedown

	2014 $	2013 $
Carrying amount at the beginning of the financial year	29,911	24,552
Additional provision for impairment losses recognised during the year	-	5,359
Carrying amount at the end of the financial year	**29,911**	**29,911**

The movement in the provision for impairment writedowns recognised for investments in associates forms part of the impairment losses disclosed in the statement of profit or loss and other comprehensive income.

(c) Summarised financial information of associates

The Group's share of the aggregated assets, liabilities, revenues and profit or loss of its associates is set out below.

Unlisted associates	Ownership Interest %	Assets $	Liabilities $	Revenues $	Profit / (loss) Before Tax $
2014 financial year					
Badja partnership	50%	29,911	29,911	-	-
Totals		**29,911**	**29,911**		
2013 financial year					
Badja partnership	50%	29,912	29,912	-	-
Totals		**29,912**	**29,912**	**-**	**-**

All of the above partnerships are unlisted unincorporated Australian entities. Jervois Mining Limited is the investor in the Badja partnership. Refer to Note 17(i) for details of the exploration tenements associated with each of these partnerships.

NOTE 16 NON-CURRENT ASSETS – PROPERTY, PLANT AND EQUIPMENT

	Land and Buildings $	Motor Vehicles $	Office Equipment and Furniture $	Plant and Equipment $	Total $
Balances at 30 June 2012					
Cost amount	567,354	53,441	65,067	89,493	775,355
Accumulated depreciation	(8,076)	(45,729)	(62,215)	(19,421)	(135,441)
Net carrying amount	**559,278**	**7,712**	**2,852**	**70,072**	**639,914**
Year ended 30 June 2013					
Opening net carrying amount	559,278	7,712	2,852	70,072	639,914
Additions	-	-	3,128	-	3,128
Depreciation charge	(6,278)	(7,712)	(1,281)	(17,838)	(33,109)
Disposals	(363,134)	-	-	-	(363,134)
Closing net carrying amount	**189,866**	**-**	**4,699**	**52,234**	**246,799**
Balances at 30 June 2013					
Cost amount	204,220	53,441	68,195	89,493	415,349
Accumulated depreciation	(14,354)	(53,441)	(63,496)	(37,259)	(168,550)
Net carrying amount	**189,866**	**-**	**4,699**	**52,234**	**246,799**
Year ended 30 June 2014					
Opening net carrying amount	189,866	-	4,699	52,234	246,799
Additions	-	-	-	-	-
Depreciation charge	(6,312)	-	(1,496)	(18,031)	(25,839)
Disposals					
Closing net carrying amount	**183,554**	**-**	**3,203**	**34,203**	**220,960**
Balances at 30 June 2014					
Cost amount	204,220	53,441	68,195	89,493	415,349
Accumulated depreciation	(20,666)	(53,441)	(64,992)	(55,290)	(194,389)
Net carrying amount	**183,554**	**-**	**3,203**	**34,203**	**220,960**

(a) Fair value of property, plant and equipment
All of the Group's property, plant and equipment is stated at historical cost. None of these assets have been revalued to their fair value.

(b) Restrictions on title and property, plant and equipment pledged as security
None of the Group's property, plant and equipment has been pledged as security. Subject to the following comments, there are currently no restrictions on the Group's title to these assets.

(c) Leased assets
None of the Group's property, plant and equipment is subject to contractual finance lease commitments.

(d) Impairment losses and compensation
None of the Group's property, plant and equipment is considered to be impaired and the Group has not received any compensation from third parties for items of property, plant and equipment that were impaired, lost or given up.

	Notes	2014 $	2013 $
NOTE 17 NON-CURRENT ASSETS – EXPLORATION AND EVALUATION ASSETS			
Intangible exploration and evaluation costs carried forward in relation to:			
Sole risk areas of interest		6,323,376	6,050,496
Total intangible exploration and evaluation assets		**6,323,376**	**6,050,496**
(a) Carrying amount reconciliation			
Carrying amount at the beginning of the financial year		6,050,496	7,030,092
Disposals		-	(830,676)
Expenditure allocated to areas of interest			
Goods and services acquired		620,340	552,569
Salaries and superannuation contributions		95,921	35,350
Depreciation charges – buildings, plant and equipment		-	21,404
Impairment loss write downs recognised in the statement of profit or loss and other comprehensive income		(1,006,283)	(758,243)
Carrying amount at the end of the financial year		**5,760,474**	**6,050,496**
(b) Movements in the provision for impairment writedown			
Carrying amount at the beginning of the financial year		-	-
Provision recognised in profit / loss during the year for sole risk assets		536,664	758,243
Provision recognised in profit / loss during the year for jointly controlled assets		-	1,046
Provision applied against the carrying value of sole risk assets		(536,664)	(758,243)
Provision applied against the carrying value of jointly controlled assets		-	(1,046)
Carrying amount at the end of the financial year		**-**	**-**

Apart from those instances noted above where the provision has been applied directly against the carrying value of assets, the movement in the provision for impairment writedowns recognised for exploration and evaluation assets forms part of the impairment losses disclosed in the statement of profit or loss and other comprehensive income.

(c) Recoverability of costs

Recoverability of the carrying amount of the exploration and evaluation assets disclosed above is dependent upon the successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

(d) Useful life and amortization

The Group's exploration and evaluation assets are considered to have an indefinite life due to the uncertainty involved in predicting how long an area of interest will be classified as an exploration and evaluation asset. Their carrying amounts are not therefore amortised.

(e) Material impairment losses recognised or reversed during the period

Refer to note 7(b)(i) for details of the material impairment losses recognised or reversed during the 2013 and 2014 financial years in relation to the Group's exploration and evaluation assets.

(f) Fair value of exploration and evaluation assets

All of the Group's exploration and evaluation assets are recognised at historical cost. None of these assets have been revalued to their fair value.

NOTE 17 NON-CURRENT ASSETS – EXPLORATION AND EVALUATION ASSETS (continued)

(h) Restrictions on title and exploration and evaluation assets pledged as security

None of the Group's exploration and evaluation assets have been pledged as security. Subject to the following comments, there are currently no restrictions on the Group's title to these assets.

(i) Exploration tenement summary

Set out below is a listing of the Group's current exploration tenements.

Equity Holder	License Number	Project Name	Location	Ref	Equity Interest 2014 %	Equity Interest 2013 %
Sole risk assets						
NYG	EL5152	Grenfell	Young, NSW		100	100
NYG	EL5527	Young	Young, NSW		100	100
NYG	EL5571	Thuddungra	Young, NSW		100	100
JRV	EL7664	Gilgai 3	Nyngan, NSW		100	100
JRV	EL6009	Westlynn	Nyngan, NSW		100	100
JRV	EL7281	Summervale	Nyngan, NSW		100	100
JRV	EL7805	Syerston	Nyngan, NSW		100	100
JRV	E59/1257	Nalbarra	Nalbarra, WA		100	100
Investments in Associates (Note 15)						
GPD	E21/0130	Lake Austin	Lake Austin, WA		50	50

Legend

NYG = Nico Young Pty Ltd
JRV = Jervois Mining Limited
GPD = Goldpride Pty Ltd

	Notes	2014 $	2013 $
NOTE 18 CURRENT LIABILITIES – TRADE AND OTHER PAYABLES			
Trade payables		92,049	175,894
Other payables		712	203,419
Accrued expenses		24,388	18,000
Payroll-related payables		33,941	198,197
Total trade and other payables		**151,090**	**595,510**

(a) Risk exposure

The Group's exposure to foreign exchange risk is outlined in note 4. Information about the Group's exposure to liquidity risk in relation to trade and other payables is also contained in note 4.

(b) Carrying amount and fair value comparison

Information about the methods and assumptions used in determining the fair value of the foreign currency denominated component of trade and other payables is contained in note 4. With the exception of the foreign currency denominated component of trade and other payables disclosed in note 4, the carrying amounts of all the other classes of trade and other payables noted above are assumed to be a reasonable approximation of their fair values.

NOTE 19 CURRENT LIABILITIES – PROVISIONS

Provision for employee benefits – annual leave entitlements	153,257	92,739
Total current provisions	**153,257**	**92,739**

Movement in provisions

The movement in each class of current provision during the financial year, including employee benefits, is presented below.

Carrying amount at the beginning of the financial year	92,739	120,974
Increase/(decrease) in existing provision charged to the statement of profit or loss and other comprehensive income during the period	60,518	(28,235)
Carrying amount at the end of the financial year	**153,257**	**92,739**

NOTE 20 NON-CURRENT LIABILITIES – PROVISIONS

Provision for employee benefits – long service leave entitlements	-	6,069
Total non-current provisions	**-**	**6,069**

(a) Movement in provisions

The movement in each class of non-current provision during the financial year, including employee benefits, is presented below.

Carrying amount at the beginning of the financial year	6,069	6,972
Increase/(decrease) in existing provision charged to profit or loss during the period	(6,069)	(903)
Carrying amount at the end of the financial year	**-**	**6,069**

NOTE 21 CONTRIBUTED EQUITY

(a) Share capital

Issued fully paid ordinary shares	49,968,345	49,968,345
Total contributed equity	**49,968,345**	**49,968,345**

(b) Movements in fully paid ordinary shares

Transaction details	**Issue Price $**	**2014 Number of Securities Issued**	**2014 $**	**2013 Number of Securities Issued**	**2013 $**
Balances at the start of the year		**65,725,381**	**49,968,345**	**3,594,585,998**	**49,454,502**
Proceeds received from:					
New shares issued	0.001	-	-	473,808,126	473,808
				-	-
Sub-Total		-	-	4,068,394,124	
1:100 Share consolidation		-	-	40,684,606	-
New shares issued	0.10	-	-	800,000	80,000
New shares issued	0.07	-	-	3,498,032	244,861
1:2 Bonus issue		-	-	20,742,743	-
Share issue transaction costs:					
Share issue costs		-	-	-	(284,826)
Balances at the end of the year		**65,725,381**	**49,968,345**	**65,725,381**	**49,968,345**

NOTE 21 CONTRIBUTED EQUITY (continued)

(b) Fully paid ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up the Parent entity in proportion to the number of and amounts paid up on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote. Ordinary shares have no par value and the Parent entity does not have a limited amount of authorised capital. All of the Parent entity's ordinary shares are fully paid.

(c) Dividends

The Parent entity did not propose, declare or pay any dividends during the 2013 or 2014 financial years. No dividends have been proposed or declared since the end of either financial year, before these financial statements were authorised for issue. No liability has been recognised at the end of each financial year in relation to any dividends proposed or declared after the end of each financial year. As the Group is currently in a tax loss position, it has no franking or imputation credits available for use in subsequent reporting periods.

(d) Capital risk management

(i) Objectives

The Group's capital management objective is to safeguard its ability to continue as a going concern, so that it can provide returns to shareholders and benefits for other stakeholders, whilst maintaining an optimal capital structure aimed at reducing the cost of capital.

The Group's capital structure may be maintained or adjusted by adjusting the amount of dividends paid to shareholders, returning capital to shareholders, issuing new shares or selling assets to reduce debt.

There has been no change in the capital management strategy adopted by the Group in each of the financial years presented. The Group is not subject to any externally imposed capital requirements, such as financial covenants associated with borrowings.

(ii) Gearing ratios

The Group's capital structure is monitored using gearing ratios, calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including "borrowings" and "trade and other payables" as shown in the statement of financial position, plus the value of bank guarantees issued but not recognised in these financial statements) less cash and cash equivalents and other current financial assets which represent the term deposit amounts used to secure the bank guarantees issued by the Group. Total capital is calculated as "total equity" as shown in the statement of financial position (including non-controlling interests, if any) plus net debt.

The gearing ratios for each financial year, together with the inputs used in their calculation are set out below.

	2014 $	2013 $
Total debt and capital calculations		
Trade and other payables	151,090	494,375
Total debt	151,090	494,375
Less cash and cash equivalents	1,631,081	1,019,731
Less other current financial assets	986	
Net debt	1,783,157	1,514,106
Add total equity	6,965,468	8,235,644
Total capital	**8,748,625**	**9,749,750**
Gearing ratios		
Net debt to total capital ratio (%)	20.38%	15.52%

Note 22 RESERVES

	2014	2013
(i) Capital profits reserve		
Balance at the start of the financial year	-	909,907
Transferred to retained earnings	-	(909,907)
Balance at the end of the financial year		**-**
(ii) General reserve		
Balance at the start of the financial year	-	120,537
Transferred to retained earnings	-	(120,537)
Balance at the end of the financial year	**-**	**-**

Note 22 RESERVES (continued)

(b) Nature and purpose of reserves

(i) Capital profits reserve

The capital profits reserve was previously used to record the capital profits earned by the Parent entity on certain historical investments in Commonwealth and municipal bonds and inscribed stock, plus profits on the sale of long-term assets. The last time an adjustment was made to this reserve was on 30 June 1987.

(ii) General reserve

The general reserve was previously used to set aside appropriations from the Parent entity's statement of comprehensive income. The last time an adjustment was made to this reserve was on 30 June 1981.

	2014 $	2013 $
NOTE 23 ACCUMULATED LOSSES		
Accumulated losses	43,568,877	42,597,894
Total accumulated losses	**43,568,877**	**42,597,894**
Movements in accumulated losses		
Balance at the start of the financial year	42,597,894	41,968,805
Transfer of reserves	-	(1,030,444)
Net (profit) / loss after income tax for the financial year	970,438	1,659,533
Balance at the end of the financial year	**43,568,332**	**42,597,894**

NOTE 24 OPERATING SEGMENTS

(a) Description of operating segments

Management has determined the operating segments based upon the information that it uses when making decisions on how to allocate financial resources and fund those allocations. As the Group operates solely within Australia, with exploration activities currently in New South Wales and Western Australia, it does not consider the business from a geographical perspective. Rather, management focuses solely upon the Group's total exploration and investment activities.

(b) Operating segment information

2014 Financial Year	**Exploration and Evaluation $**	**Investments $**	**Unallocated Items $**	**Total All Operations $**
Segment revenue for the financial year				
External revenue				
Rent received	1,994	-	-	1,994
Interest received	203,419	-	15,760	219,179
Total segment revenue	**205,413**	**-**	**15,760**	**221,173**
Segment profit / (loss) for the financial year prior to the following material items;	**(93,148)**	**-**	**(1,291,749)**	**(1,384,897)**
Fair value gains / (losses) on financial assets		(2,427)	(7,460)	(9,887)
Salaries and super allocated to areas of interest	(95,921)	-	-	(95,921)
Income tax (expense) / income	546,107	-	-	546,107
Depreciation	-	-	(25,840)	(25,840)
Net (loss) after tax for the financial year	**357,038**	**(2,427)**	**(1,325,049)**	**(970,438)**
Segment net assets as at 30 June 2012				
Total segment assets	5,760,474	4,686	1,916,655	7,681,815
Total segment liabilities	(87,861)	-	(1,193,941)	(1,281,802)
Net assets	**5,672,613**	**4,686**	**722,714**	**6,400,013**

NOTE 24 OPERATING SEGMENTS (continued)

(b) Operating segment information (continued)

2013 Financial Year	Exploration and Evaluation $	Investments $	Unallocated Items $	Total All Operations $
Segment revenue for the financial year				
Sales revenue				
Gain on sale of Nyngan scandium project	1,201,488	-	-	1,201,488
Total sales segment revenue	1,201,488	-	-	1,201,488
Other external revenue				
Interest received			14,082	14,082
Rent received			1,994	1,994
Total segment revenue	**1,201,488**	**-**	**16,076**	**1,217,564**
Segment profit / (loss) for the financial year prior to the following material items;	**1,173,507**	**(58,634)**	**(1,566,672)**	**(451,799)**
Fair value gains / (losses) on financial assets		(45,453)		(45,453)
Gain / (loss) on foreign currencies	7,698			7,698
Impairment losses	(795,478)			(795,478)
Salaries and super allocated to areas of interest	(35,350)			(35,350)
Interest paid			(5,394)	(5,394)
Income tax (expense) / income	(322,052)			(322,052)
Depreciation	(6,323)		(5,382)	(11,705)
Net profit/(loss) after tax for the financial year	**22,002**	**(104,087)**	**(1,577,448)**	**(1,659,533)**

2013 Financial Year	Exploration and Evaluation $	Investments $	Unallocated Items $	Total All Operations $
Segment net assets as at 30 June 2013				
Total segment assets	7,599,728	7,432	1,322,799	8,929,959
Total segment liabilities	1,559,508	-	-	1,559,508
Net assets	**6,040,220**	**7,432**	**1,322,799**	**7,370,451**

	Notes	2014 $	2013 $
NOTE 24 EARNINGS / (LOSS) PER SHARE			
Net profit / (loss) after tax from all operations attributable to the ordinary equity holders of the Parent entity		**(970,438)**	**(1,659,533)**
Weighted average number of ordinary shares and dilutive potential ordinary shares used as the denominator in calculating diluted earnings / (loss) per share		**49,968,345**	**47,645,107**
Loss per share in cents		(1.94)	(0.03)

There was a 1:100 share consolidation on 10th December 2012. The comparative figure as at 30th June 2012 for the number of shares on issue has been adjusted to reflect this and provide a more meaningful comparison.

	Notes	2014 $	2012 $
NOTE 25 RECONCILIATION OF PROFIT / (LOSS) AFTER INCOME TAX TO NET CASH (OUTFLOW) FROM OPERATING ACTIVITIES			
Profit / (loss) after income tax for the year		(1,516,545)	(1,659,533)
Add / (less) adjustments for non-operating activities included in the profit / (loss) after income tax for the year			
(i) Investing activities			
Exploration and evaluation assets included in trade payables		-	138,102
Impairment losses on:			
Exploration and evaluation assets		536,664	788,155
Realised and unrealised (gains) / losses on:			
Unrealised loss on revaluation of financial asset		2,749	-
Property, plant and equipment depreciation charge		25,840	11,705
Investment in Goldpride Pty Ltd written off		271,128	-
Overhead costs allocated to exploration and evaluation assets:			
Payroll costs – salaries and superannuation		-	(35,350)
Changes in operating assets and liabilities			
(i) (Increase) / decrease in operating assets			
Trade and other receivables		-	(1,276,661)
(ii) Increase / (decrease) in operating liabilities			
Trade and other payables		(444,421)	285,190
Deferred tax liability		658,372	865,190
Staff entitlements		54,449	(29,141)
Net cash (outflow) from operating activities		**(411,764)**	**(912,343)**

NOTE 26 KEY MANAGEMENT PERSONNEL DISCLOSURES

	2014 $	2013 $
(a) Key management personnel compensation		
Short-term employee benefits	153,257	577,861
Post-employment benefits	-	28,733
Long-term benefits	-	-
Termination benefits	-	-
Share-based payments	-	-
Total key management personnel compensation	**153,257**	**606,594**

Detailed remuneration disclosures are provided in the Remuneration Report, contained within the Directors' Report, which forms part of this Annual Report.

(b) Equity instrument disclosures relating to key management personnel

(i) Options provided as remuneration and shares issued upon the exercise of such options

No options were provided as remuneration to key management personnel during the 2013 and 2014 financial years, nor were any options previously issued to key management personnel exercised during either financial year.

(ii) Option holdings

There are no options on issue at the date of this report.

NOTE 26 KEY MANAGEMENT PERSONNEL DISCLOSURES (continued)

(iii) Fully paid ordinary share holdings

The number of the Parent entity's fully paid ordinary shares, held during the financial year by each director of the Parent entity and other key management personnel of the Group, including their personally related entities, is set out below. There were no shares granted during the financial year as remuneration.

Name of Personnel	Balance at the start of the year	Acquired during the year	Options exercised during the year	Received as compensation during the year	Sold during the year	Balance at the end of the year
2014						
Directors						
Mr D Pursell	3,489,711	570,000	-	-	-	4,059,711
Mr D Foster	1,243,916	-	-	-	-	1,243,916
Mr Roger Fairlam	26,706	-	-	-	-	26,706
Other Personnel						
Dr S Van Huet	27,441	-	-	-	-	27,441
Total number	**4,787,774**	**570,000**	**-**	**-**	**-**	**5,357,774**

(iii) Fully paid ordinary share holdings

Name of Personnel	Balance at the start of the year	Acquired during the year	Options exercised during the year	Received as compensation during the year	Sold during the year	Other changes during the Year (i)	Balance at the end of the year
2013							
Directors							
Mr D Pursell	145,832,965	35,337,528	-	-	9,196,789	(168,483,993)	3,489,711
Mr D Foster	39,326,667	25,158,449	-	-	-	(63,241,200)	1,243,916
Mr Roger Fairlam	-	-	-	-	-	26,706	26,706
Dr S Van Huet	1,829,328	9,147	-	-	-	(1,811,034)	27,441
Other Personnel							
Mr R Watson	-	-	-	-	-	-	-
Dr H Aral	833,334	283,334	-	-	-	(1,100,000)	16,668
Total number	**187,822,294**	**60,788,458**	**-**	**-**	**9,196,789**	**(234,612,521)**	**4,804,212**

(i) Refers to 1:100 share consolidation that occurred on 10 December 2012.

Mr Roger Fairlam was appointed as a Director effective 6th May 2013. He was appointed Company Secretary and Chief Financial Officer effective 13th May 2013.

Mr Rodney Watson resigned as Company Secretary and Chief Financial Officer effective 13th May 2013.

Dr Sanja Van Huet resigned as a Director effective 24th May 2013.

(iv) Other transactions with key management personnel

1 Mr Derek Foster, a director of the Parent entity is also a director and shareholder of Derek Foster & Associates Pty Ltd ("DFA"). Throughout the 2013 and 2014 financial years, the Group has regularly utilised the mining and geological consulting services provided by DFA for its various exploration and evaluation activities. During the 2014 financial year the Group was billed $110,816 (2013: $133,705) excluding GST by DFA. DFA provides its services to the Group on normal commercial terms and conditions. These terms and conditions are no more favourable than those that it is reasonable to expect the Group would have adopted if dealing at arm's length with an unrelated entity. These amounts are in addition to the director's fees and expense reimbursements received by Mr Foster during each financial year from the Parent entity. The majority of the director's fees and expense reimbursements paid to Mr Foster in each financial year were also paid to DFA.

NOTE 26 KEY MANAGEMENT PERSONNEL DISCLOSURES (continued)

2 Mr Roger Fairlam, a Director of the Parent entity is also a director and shareholder of Arbitrans Pty Ltd. The Group utilized Arbitrans Pty Ltd to provide accounting and company secretarial services to the Group on normal commercial terms and conditions. During the 2014 financial year the Group was billed $140,000(2013: $16,153) These terms and conditions are no more favourable than those that it is reasonable to expect the Group would have adopted if dealing at arm's length with an unrelated entity. These amounts are in addition to the director's fees and expense reimbursements received by Mr Fairlam during the financial year from the Parent entity.

3 Dr Hal Aral resigned as an employee on 31st July 2012. He is a director and shareholder of H & M Consulting Services Pty Ltd. The Group utilised H & M Consulting Services Pty Ltd to provide research and development services to the Group on normal terms and conditions. These terms and conditions are no more favourable than those that it is reasonable to expect the Group would have adopted if dealing at arm's length with an unrelated entity.

5 Apart from the transactions noted above and the reimbursement of expenses in the ordinary course of business on behalf of the Group, there were no other transactions with key management personnel during the 2013 and 2014 financial years.

NOTE 27 SHARE-BASED PAYMENTS

(a) Transactions measured directly by reference to the fair value of the goods or services received

No equity-settled share-based payment transactions were undertaken by the Group in either the 2013 or 2014 financial years requiring any goods or services received to be measured directly by reference to the fair value of the goods or services received.

(b) Transactions measured indirectly by reference to the fair value of the equity instruments granted Unlisted share options

(i) Unlisted management options

A management option plan was approved by the Parent entities shareholders on 24 November 2011, at its annual general meeting. The management option plan is designed to provide medium–term incentives for the directors of the Parent entity, other than the chairperson of the directors, and full and part-time employees of the Parent entity or any of its subsidiary entity's. Under the plan, eligible participants are granted free unlisted options with the exercise price, expiry date and vesting conditions determined by the Parent entities directors, in accordance with the plans terms and conditions. No amount is payable to the Parent entity in respect of the acquisition of any options. Participation in the plan is at the discretion of the Parent entities directors and no individual has a contractual right to participate in the plan or to receive any guaranteed benefits. Options granted under the plan carry no dividend or voting rights. When exercised, each option is convertible into one fully paid ordinary share in the capital of the Parent entity. If the Parent entity's shares are quoted on the ASX at the time when any options are exercised, the Parent entity will apply for quotation on the ASX of all those shares issued pursuant to the exercising of such options. The plan expires on 23 November 2014, unless extended.

During the 2013 and 2014 financial years, no management options were granted, exercised, or forfeited under the plan, and no options vested or expired.

	Notes	2014 $	2013 $
NOTE 28 COMMITMENTS			
(a) Capital expenditure commitments			
The various classes of the Group's capital expenditure commitments contracted for as at the reporting date, which have not been recognised as liabilities are set out below. All amounts exclude GST.			
Intangible exploration and evaluation expenditure- annual licence			
Exploration and evaluation assets – sole risk		356,000	373,000
Investments in associates – exploration partnerships		34,500	34,500
Total contracted capital commitments		390,500	407,500

(a) Capital expenditure commitments

The above commitments represent the Group'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 Group 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 Group on its tenements since the end of each reporting period.

NOTE 28 COMMITMENTS (continued)

If needed, the Group'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 Group's exploration tenements.

(b) Lease commitments with the Group as lessee
(i) Commitments for minimum lease payments for non-cancellable operating leases

	Notes	2014 $	2013 $
Payable:			
Within one year		55,794	34,200
Later than one year but not later than five years		74,091	-
Total operating lease commitments		**129,885**	**34,200**

The Group leases various offices and storage facilities in Melbourne and Young, NSW under non-cancellable operating leases expiring within two years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of each lease is renegotiated. The Group has not sub-let any of its leased premises.

NOTE 29 CONTINGENCIES
(a) CONTINGENT ASSETS
(i) Research and development tax offset

The estimate of the Group's research and development tax offset for the financial year ended 30 June 2014 indicates that the Group is potentially eligible to receive a cash refund of $511,126 (2013: $658,372). The 2014 potential receivable of $511,126 has not yet been recognised in these financial statements as there is still some uncertainty surrounding its receipt. In particular, receipt of this sum is still contingent upon the following factors:

1. Lodgment with, and acceptance by, AusIndustry of the Group's registration application for the 2014 research and development tax incentive in relation to the research and development activities it conducted during the financial year ended 30 June 2014; and

2. Lodgment with, and acceptance by, the Australian Taxation Office of the Group's consolidated income tax return for the financial year ended 30 June 2014.

(ii) EMC Metal scandium production royalty

In February 2013 a settlement deed was signed to cover the sale of the Nyngan scandium deposit. As part of this settlement Jervois Mining Limited is entitled to a royalty on all mineral products produced from the site.
The royalty is the average price per kilogram of product sold on commercial and arm's length terms in a quarter multiplied by the number of kilograms sold or disposed of in that quarter and multiplied by 1.7%. In each twelve month period a minimum royalty is payable on the basis of sales in that 12 month period of 10 tonnes of scandium oxide at the average price per kilogram of scandium oxide sold during that 12 month period.
The royalty terminates after 12 years.

(iii) Bullabulling gold production royalty

In April 2010, a sale and purchase agreement was executed by Jervois Mining Limited ("Jervois"), Goldpride Pty Ltd ("Goldpride"), Auzex Resources Limited ("Auzex") and Central China Goldfields Plc ("Goldfields"). Under the terms of this agreement, Jervois and Goldpride agreed to sell its Bullabulling gold mine assets to Auzex and Goldfields. The mines plant and equipment was sold for $800,000 paid in cash ($300,000) and Auzex shares ($500,000). The remaining mine assets were sold, amongst other things, for a gold production royalty, calculated on the basis of $30 per ounce for the first 400,000 ounces of gold produced and sold from the tenements Jervois and Goldpride sold to Auzex and Goldfields. Thereafter, the royalty will be $20 per ounce. Any royalty received by Jervois and Goldpride is therefore contingent upon Auzex and Goldfield producing and selling any gold from those tenements Jervois and Goldpride sold to Auzex and Goldfields. It is not possible at this stage to estimate how much, if anything, Jervois and Goldpride are likely to receive from this royalty. Following the merger of Auzex and Goldfields, whereby each entity became a wholly owned subsidiary of Bullabulling Gold Limited (ASX code: BAB), BAB has now assumed responsibility for the gold production royalty that is potentially payable to Jervois and Goldpride. No receivable has therefore been recognised in these financial statements, given the uncertain outcome of this royalty.

(b) CONTINGENT LIABILITIES

(i) Guarantees issued by the Group and Parent Entity

As at 30 June 2014, the Group had $37,000 (2013: $57,000) worth of bank guarantees on issue, secured by letters of set off over term deposits pledged as security. These guarantees form part of the terms and conditions of certain of the Group's exploration tenements and leased office premises. Provided the Group 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 of the Group'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.

There are currently no cross guarantees in place between the Parent entity and its controlled entities, or any other form of guarantees entered into by the Parent entity in relation to the debts of its controlled entities.

	Notes	2014 $	2013 $
NOTE 30 RELATED PART TRANSACTIONS			
(a) Parent Entity			
The Group's ultimate Parent entity is Jervois Mining Limited, a public company incorporated in South Australia on 25 October 1962.			
(c) Parent entity and Group key management personnel			
The disclosure of related party transactions in relation to key management personnel of the Parent entity and the Group are set out in note 27.			
		2014	2013
(d) Transactions with other related parties			
The following transactions with other related parties occurred during the period.			
Contributions to superannuation funds on behalf of all Groups personnel.		16,866	36,654
Total transactions with other related parties		16,866	36,654
(e)Current payables			
The following balances were outstanding at the end of the reporting period in relation to transactions with related parties. All of the transactions were made on normal commercial terms and conditions and at market rates, with the exception of the Parent entities loans to its controlled entities. All of the following outstanding balances are unsecured.			
Derek Foster & Associates Pty Ltd (Director related party of Derek Foster)		38,748	130,608
Balance outstanding at the end of the financial year		**38,748**	**130,608**

NOTE 31 PARENT ENTITY FINANCIAL INFORMATION

(a) Summary of financial information

The Parent entity's financial performance and position is presented below. The Parent entity was the same in each financial year.

Statement of financial position		
Total current assets	1,618,816	2,444,295
Total assets	8,236,668	8,566,548
Current liabilities	(150,772)	(587,570)
Total liabilities	(1,169,219)	(1,461,602)
Contributed equity		
Issued capital	49,968,346	49,454,502
Reserves		
Accumulated losses	(42,356,839)	(42,865,399)
Total equity	**7,611,507**	**7,104,946**
Statement of comprehensive income		
Total comprehensive loss for the year	**(709,672)**	**(1,909,650)**

(b) Guarantees entered into by the Parent entity

The Parent entity has provided a maximum unsecured guarantee in relation to the payment of one year's rental on storage facilities at Young NSW amounting to $7,200 excluding GST (2012: $7,200) on behalf of one of its controlled entities, Nico Young Pty Ltd. No liability has been recognised for this guarantee due to the unlikely event of a claim.

In addition, the Parent entity has also issued bank guarantees to various State mines departments and the landlord of its leased office premises amounting to $55,305 (2011: $55,305). These guarantees have been secured by a letter of set off over term deposits pledged as security by the Parent entity. No liability has been recognised for these guarantees. Refer to note 30(b)(i) for further details.

There are currently no cross guarantees in place between the Parent entity and its controlled entities, or any other form of guarantees entered into by the Parent entity in relation to the debts of its controlled entities.

(c) Contingent liabilities of the Parent entity

The Parent entity's contingent liabilities have been fully disclosed in note 30(b).

(d) Contractual commitments of the Parent entity for the acquisition of property, plant and equipment

(i) Capital expenditure commitments

Intangible exploration and evaluation expenditure - annual license expenditure requirements		
Exploration and evaluation assets – sole risk		407,500
Investments in associates – exploration partnerships		-
Total contracted capital commitments of the Parent entity		**407,500**

NOTE 32 PARENT ENTITY FINANCIAL INFORMATION (continued)

(ii) Lease commitments with the Parent entity as lessee

Commitments for minimum lease payments for non-cancellable operating leases

Payable:		
Within one year	55,794	34,200
Total operating lease commitments of the Parent entity	**55,794**	**34,200**

NOTE 33 EVENTS OCCURRING AFTER THE REPORTING PERIOD

On 20th August 2014 the Company announced an indicated resource of scandium consisisting of 981,640 tonnes @ 513g/t of scandium. The Company intends moving to production as soon as possible.

JERVOIS MINING LIMITED
DIRECTORS' DECLARATION
FOR THE YEAR ENDED 30 JUNE 2014

The Directors of Jervois Mining Limited declare that in their opinion:

(a) the financial statements and notes set out on pages 37 to 82, and the remuneration disclosures that are contained within the Remuneration Report within the Directors' Report, set out on pages 24 to 28, are in accordance with the Corporations Act 2001, including:

(i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements, and

(ii) giving a true and fair view of the Company's and Consolidated Entity's financial position as at 30 June 2013 and their performance for the financial year ended on that date, and

(b) the financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board, and

(c) 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 received the declarations required by section 295A of the Corporations Act 2001 from the chief executive officer and chief financial officer.

This declaration is made in accordance with a resolution of the directors.

Mr Duncan Pursell
Director

3 October 2014
Melbourne

Linxcorp Australia Pty Ltd ABN 21 101 610 623
38 A St Andrews Street, Brighton ,Victoria 3186, Australia
Phone: +61 3 95922357 Fax: + 61 3 90779233
Mobile: 0418 362 058

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF JERVOIS MINING LIMITED AND CONTROLLED ENTITIES

Report on the Financial Report

We have audited the accompanying financial report of Jervois Mining Limited, which comprises the statement of financial position as at 30 June 2014, the statement of comprehensive income, statement of changes in equity and statement of cash flow for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information , and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the Jervois Mining Limited are responsible for the preparation of the financial report that give a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001. We confirm that the independence declaration required by the Corporations Act 2001, provided to the directors of Jervois Mining Limited on 3 October 2014, would be in the same terms if provided to the directors as at the date of this auditor's report.

LINXCORP

Linxcorp Australia Pty Ltd ABN 21 101 610 623
38 A St Andrews Street, Brighton ,Victoria 3186, Australia
Phone: +61 3 95922357 Fax: + 61 3 90779233
Mobile: 0418 362 058

Auditor's Opinion

In our opinion the financial report of Jervois Mining Limited is in accordance with the Corporations Act 2001, including:

(a) giving a true and fair view of the company's financial position as at 30 June 2014 and of its performance for the year ended on that date; and

(b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 20 – 25 of the director's report for the period ended 30 June 2014. 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 of the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Jervois Mining Limited for the period ended 30 June 2014, complies with section 300A of the Corporation Act 2001.

GEORGE GEORGIOU
Registered Company Auditor
Registration: 10310

Dated: 3 October 2014

JERVOIS MINING LIMITED
SHAREHOLDER INFORMATION
AS AT 24 SEPTEMBER 2014

The additional shareholder information for the Parent entity that is presented below was applicable as at 24 September 2014.

(A) DISTRIBUTION OF EQUITY SECURITIES
An analysis of the numbers of each class of equity security holders by size of holdings follows.

Security holding range: From		To	Number of Security Holders Listed fully Paid ordinary shares
1	-	1,000	1,944
1,001	-	5,000	1,913
5,001	-	10,000	565
10,001	-	100,000	785
100,001		and over	99
Totals			**5,306**
Number of securities in a marketable parcel of $500 at $0.07 per unit			**7,143**
Number of security holders with less than a marketable parcel			**4,126**

(B) EQUITY SECURITY HOLDERS
(i) Twenty largest quoted equity security holders
The names of the twenty largest holders of quoted equity securities are set out below.

Rank	Name of equity holder	Listed fully paid ordinary shares Number of Securities held	Percentage of issued Securities
1	Mr Robert Henry Masterman	2,263,785	3.44
2	Wilmaka Pty Limited (1)	1,926,812	2.93
3	Mr Shane Christopher Fitch	1,875,000	2.85
4	Permgold Pty Ltd <The Seckold Family S/F a/c>	1,836,000	2.79
5	Mr Duncan Campbell Pursell	1,648,306	2.51
6	Mr John D Macgregor	1,500,000	2.28
7	327th P & C Nominees Pty Ltd <Masterman Super Fund a/c>	1,400,000	2.13
8	National Nominees Limited	1,267,922	1.93
9	Mrs Sonja Foster (2)	1,158,915	1.76
10	BNP Paribas Noms Pty Ltd <DRP>	950,004	1.45
11	Rookharp Investments Pty Ltd	620,173	0.94
12	Mr Clyde Stewart Mayberry	525,000	0.80
13	Ruckover Inc	525,000	0.80
14	Ms Lois Beverley Dolphin & Mr Peter Graham Dolphin <Warringa Mg Ser Staff SF a/c>	500,000	0.76
15	Mr Nigel Henry Parker	500,000	0.76
16	Mr Ianaki Semerdziev	454,305	0.69
17	Altinova Nominees Pty Ltd	450,000	0.68
18	Piazza Pines Pty Ltd <d & S Piazza Super Fund a/c>	443,334	0.67
19	Peninsula Goldfields	413,740	0.63
20	Mrs Liliana Teofilova	412,000	0.63
Totals		**20,670,296**	**31.45**

(1) Related party of Mr Duncan Pursell
(2) Related party of Mr Derek Foster

JERVOIS MINING LIMITED
SHAREHOLDER INFORMATION
AS AT 24 SEPTEMBER 2014

The additional shareholder information for the Parent entity that is presented below was applicable as at 24 September 2013.

(B) EQUITY SECURITY HOLDERS (continued)
(ii) Unquoted equity securities
The Parent entity had no unquoted equity securities on issue as at 24 September 2014.

(C) SUBSTANTIAL EQUITY HOLDERS
The Parent entity had one substantial holder of its issued equity securities as at 24 September 2014:-
Robert Henry Masterman and 327th P & C Nominees Pty Ltd CAN 007 180 645 ATF Masterman Superannuation Fund.
3,3663,785 shares representing 5.57% of issued securities
(D) VOTING RIGHTS
The voting rights attaching to each class of equity securities of the Parent entity is set out below.

Quoted equity securities
Listed fully paid 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.