

Jervois Mining Limited

ABN 52 007 626 575

Condensed Interim Report - 31 December 2015

Jervois Mining Limited
Corporate directory
31 December 2015

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
Principal place of business	Suite 12, Level 2, 4-10 Jamieson Street, Cheltenham, Victoria, 3192
Share register	Computershare Investor Services Pty Ltd, 452 Johnston Street Abbotsford, Victoria, 3067
Auditor	George Georgiou FCA Connect Audit Level 13, 636 St Kilda Road St Kilda 3182
Bankers	ANZ Banking Group Limited 388 Collins Street Melbourne, Victoria, 3000
Stock exchange listing	Jervois Mining Limited shares are listed on the Australian Securities Exchange (ASX code: JRV)
Website	www.jervoismining.com.au

Jervois Mining Limited
Directors' report
31 December 2015

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Jervois Mining Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the half-year ended 31 December 2015.

Directors

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

Duncan Pursell
Derek Foster
Roger Fairlam

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

Review of operations

The loss for the consolidated entity after providing for income tax amounted to \$446,166 (31 December 2014: \$1,032,350).

Refer to the detailed review of operations that directly follows this directors' report.

Significant changes in the state of affairs

During the period, the company issued 13,100,000 fully paid ordinary shares valued at \$710,500 as consideration for the acquisition of exploration tenements.

During the period, the company issued a further \$9,922,513 fully paid ordinary shares raising \$496,125 before associated costs.

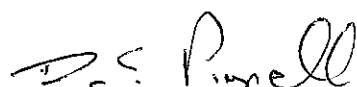
There were no other significant changes in the state of affairs of the consolidated entity during the financial half-year.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

This report is made in accordance with a resolution of directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the directors



D. C. Pursell
Managing Director

7 March 2016

- Jervois Mining Limited announced to the ASX on the 6th of November 2015 the acquisition of exploration assets from Explaurum Limited. The Company acquired, for shares, a number of northern Queensland mineral tenements formerly owned by Auzex Resources. Tin is one metal whose sale price has held up well in an extremely weak two year period for base metals and gold. Tin potential arises from known tin/tungsten occurrences in the 'complex' pegmatites in North Queensland. Tin has intermittently been mined in this area, on a small scale, for most of last century. This geological setting is also expected to have Lithium potential.
- Shareholders should be aware that the Company has continued to explore for resources, as and where it can, despite the severe financial constraints affecting the exploration industry.
- Several exploration programs are planned including:
 - a/ An exploration program in the northern section of EL 7805 Syerston to evaluate the viability of a known alluvial copper and gold show. EL 7805 Syerston has been successfully renewed for an extra two years.
 - b/ Surface exploration work and ground mapping on the Queensland tenements recently acquired from Explaurum Limited by Jervois will be undertaken mid-year. The aim is to assay for the metal lithium in the pegmatite-rich exposures.
- Jervois application for ELA 59/2121 Nalbarra in WA has been granted.

ROYALTIES

The Company owns an attractive spread of Royalty positions which encompass Gold at Bullbulling, WA and also at Forest Reefs, near Cadia in NSW. There is also the Royalty position over the Nyngan Scandium Resource, also in NSW.

In this investment climate it is difficult to judge which Royalty will ultimately be the first to yield 'cash flow' to the Company. At the time of writing, there are encouraging reports in the Nyngan local press on the future production of Scandium Oxide, by our former joint venture partner Scandium International Inc.

Jervois retains a production royalty over the Nyngan project, of 1.7 % of the sale price for Scandium and any other products produced from the site. This royalty extends for a period of 12 years from the first production date. The minimum royalty payable, annually, would be based on production of ten tonnes of Scandium Oxide (Scandia).

The Bullabulling gold royalty is set at \$ 30.00 per oz. for the first 400,000 oz. and \$20.00 per oz. thereafter, unlimited for gold produced. This is obviously potentially valuable given the steadily rising gold price due to World market instability. The steadily weakening Australian Dollar should help this project, also.

Forrest Reefs located in the shadow of Cadia Gold Copper mine near Orange in NSW, has some, albeit, distant, potential for gold/copper production. Resources of gold do exist in the oxide zone, identified by Jervois years ago.

UPDATE OF PROGRAMS NSW

SYERSTON SCANDIUM PROJECT (near Fifield NSW) **Exploration Licence 7805**

As outlined in Jervois September 2015 Quarterly Report a calculated Measured Resource for scandium was completed and released to the ASX on the 19th August 2015.

Calculated Measured Resource: 2,675,000 tonnes@435ppm Sc.

Calculated Indicated Resource: 468,000 tonnes @426ppm Sc.

Calculated Total Resource: 3,143,000 tonnes@434ppm Sc.

Total Contained Scandium Metal: 1,363 tonnes.

The next exploration on this tenement will be surface sampling program in the northern units to relocate and evaluate the viability of an alluvial copper and gold show.

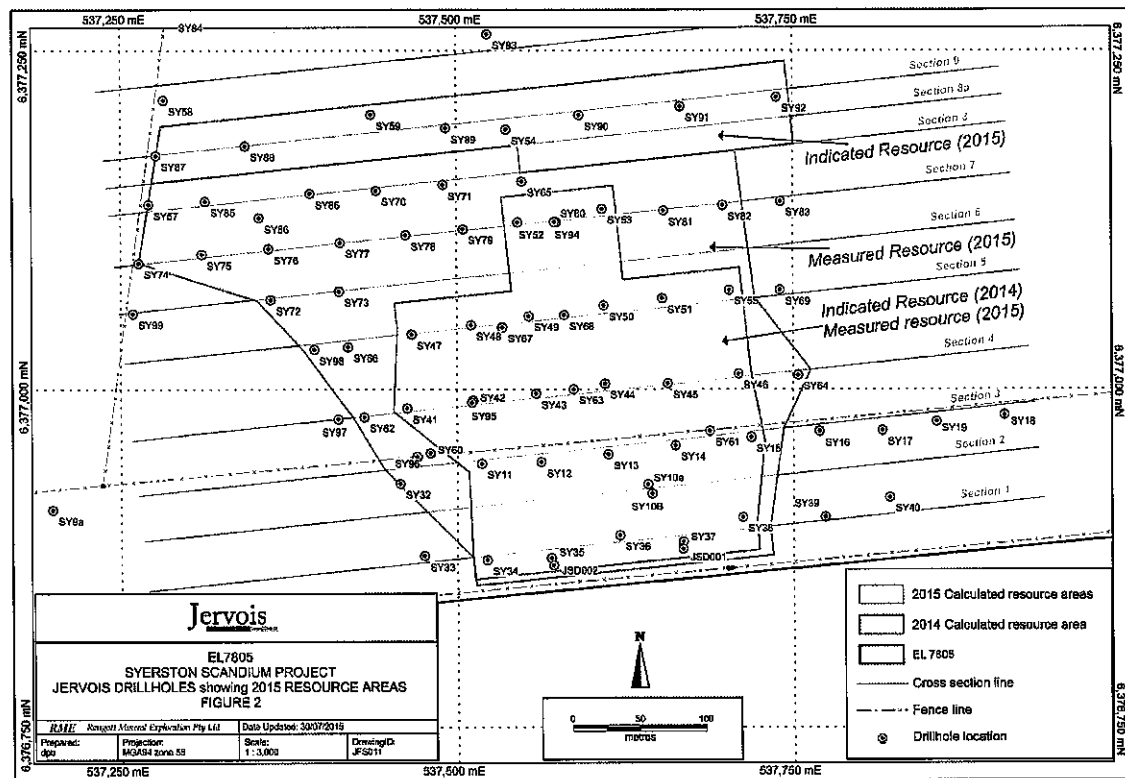
METALLURGY

The major metallurgical activities on the Syerston-Flemington Scandium Project for this quarter include:

- Collaborative research with an Australian research organisation is currently underway. A uniformly mixed bulk composite sample was prepared from recent drill cores to be used in the research work. This sample contained over 950g scandium oxide per tonne of ore – so far the highest ever known feedstock grade anywhere in the world. The collaborative work aims to explore all possible options to determine the best extraction conditions and develop

methods to minimise the transfer of impurities into the leach solution. Impurity minimisation is an important step to avoid 'downstream' complications, especially during production of high purity scandium oxide.

- Jervois Mining has partnered with an Australian University to investigate the performance of the ion exchange route of extracting scandium oxide and compare it with the performance of a solvent extraction route. These investigations are scheduled to start in March 2016.
- Jervois Mining is supporting an international PhD student to gain a further understanding of scandium's occurrence in primary peridotite and its alteration products. The PhD study is unique in the sense that it involves using 'state of the art' equipment, including synchrotron studies in Paris and Grenoble. The synchrotron studies will be carried out May-June 2016.



Map 1. Drilling locations – 2014 Resource Area, Syerston Scandium Project
Area shown in pink indicates 2014 indicated resource area.

ACQUISITION OF EASTERN STATE ASSETS FROM EXPLAURUM LIMITED

Jervois Mining Limited announced to the ASX on the 6th of November 2015 the acquisition of exploration assets from Explaurum Limited. The main Queensland tenements comprise the Khartoum, Khartoum North, Khartoum East, Three Mile, Carbonate Creek and Mt. Fairyland tin/tungsten project.

Surface sampling and ground mapping on these recently acquired tenements will be the focus of field work in this area in 2016. The field work, to be undertaken mid-year, will aim to assess the viability of each unit in these tenements, collect surface samples to assay for tin and tungsten and will also assay for the metal lithium, which is known to occur in the pegmatite-rich exposures in the area. Previous exploration in the area hadn't assayed for lithium and Jervois will determine if the lithium occurrences are in significant amounts in the pegmatites. Shareholders will be kept updated with exploration results as they become available.

Administratively, an application to place all the Khartoum tenements under a project-based permit is being prepared.

Jervois Mining Limited announced to the ASX on the 6th of November 2015 the acquisition from Explaurum Limited. A copy of the text of their announcement is shown on the next page.

SALE OF EASTERN STATE ASSETS

Explaurum Limited (EXU:ASX) (Explaurum) is pleased to announce that its wholly-owned subsidiary, Auzex Exploration Limited (Auzex), has today completed the sale of all of its Queensland and New South Wales assets to Jervois Mining Limited (JRV:ASX) (Jervois) for the issue to it of 11,100,000 fully paid ordinary shares in Jervois.

The Company has previously advised that its exploration focus would be its flagship Tampia Gold Project in the wheat belt of Western Australia where it will soon commence an approximately 2500m reverse circulation (RC) drilling and metallurgy test work programme.

The consideration shares were issued at an issue price of \$0.055 per share which implies a sale value of \$610,500. This valuation is consistent with the recent Independent Expert Report completed by BDO for the merger of Auzex with Explaurum.

The Company believes this transaction is positive for the development of the Khartoum tin/tungsten project in which it has been seeking outside investment. The Company also considers the Syerston scandium project, the flagship project for Jervois, ready for development and having potential to be a very attractive investment.

Yours sincerely
By Order of the Board
P. M. Frederiks
Company Secretary

UPDATE OF PROGRAMS WA

During the December Quarter the Company has been actively pursuing gold projects that have become available in Western Australia. This has been an ongoing process with a number of tenements being assessed. During the March 2015 quarter Exploration Licence E59/2121 was applied for by Jervois Mining, to explore for gold and other minerals at Nalbarra in WA. The application followed the geostatistical reassessment of vacant ground that was a compulsory surrender by Jervois Mining Limited as a condition of the Department of Mines and Petroleum legislation. This application has now been granted.

Jervois Mining Ltd has also negotiated the purchase of E80/4820 and has applied for ELA80/4987 and ELA80/4986.

The West Arunta Project (E80/4820) is located approximately 600 kilometres west-northwest of Alice Springs within the Gibson Desert of Western Australia, near the Western Australian/Northern Territory Border (see Figure 2).

The project consists of three Exploration Licences. The granites of the Mt Webb region display all the important characteristics of granites associated with copper-gold mineralisation elsewhere in the Australian Proterozoic, including widespread sodic-potassic alteration and brecciation, which is also consistent with other Iron Oxide Cu-Au deposits including Olympic Dam (2000 Mt @ 1.6% Cu, 0.6 g/t Au) in South Australia and Ernest Henry (267 Mt @ 1.1% Cu, 0.54 g/t Au) in Queensland (Pollard, 2000).

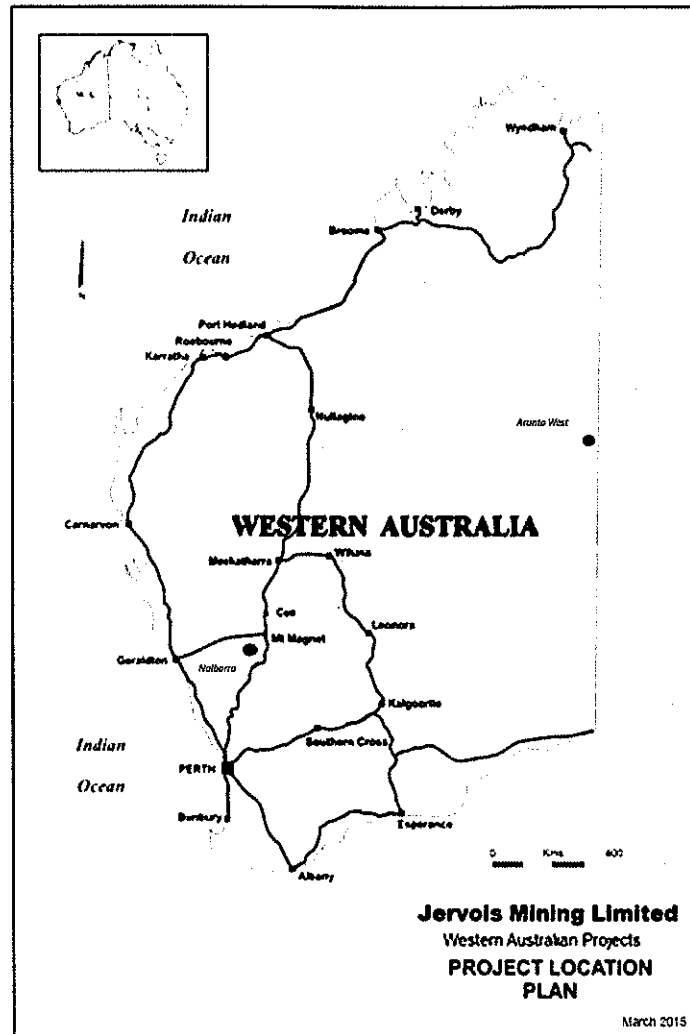


Figure 1: Project Location Plan

E80/4820 West Arunta project consists of 40 graticular blocks (approximately 125 square kilometres), adjoining ELA80/4987 which consists of 49 graticular blocks (approximately 154 square kilometres) and ELA80/4986 consisting of 20 graticular blocks (approximately 63 square kilometres): A total of 342 square kilometres.

The area provides the opportunity to explore for iron-oxide-copper-gold systems and also for diamonds in an area that has favourable geology and significant evidence of mineralisation; including 36m @ 0.42% Cu, with up to 0.55g/t Au including 6m @ 1.68% Cu and 0.29g/t Au at the nearby Pokali Prospect currently held by Platypus Minerals.

To date this area has seen limited exploration activity of any type. Previous preliminary exploration by other Companies has produced encouraging results which support the prospectivity of the area and the possibility of an extensive mineralised system with potential for Iron Oxide Cu-Au discoveries. Previous exploration by other companies, in relations to kimberlite occurrences in the area, have been positive with the discovery of micro-diamonds.

The project is totally contained within Land Reserves which have been set aside for the Use and Benefit of Aboriginal Inhabitants (Nos 24923, 40783) under the jurisdiction of the Ngaanyatjarra Land Council. An Access agreement needs finalisation for E80/4820 and agreements to be negotiated for ELA80/4987 and ELA80/4986.

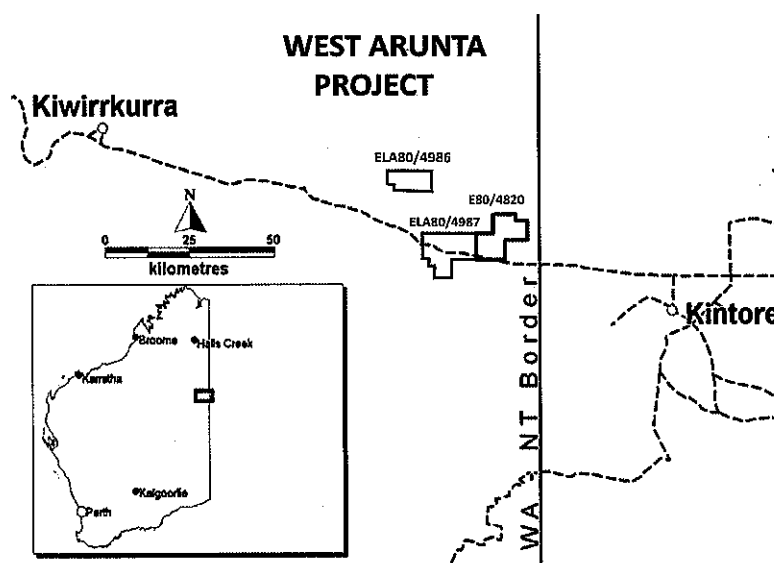


Figure 2: West Arunta location

ELA80/4987

The aero magnetics on the map shown in Figure 3 (below) indicates cross cutting faults. Broad spaced geochemical soil sampling by the Geological Survey of Western Australia has shown anomalous coincident Sb, Cu and Zn. Very little previous exploration has been done on this tenement.



Figure 3: Total Magnetic Map

E80/4820

This tenement has two targets; the first is a coincident magnetic and gravity high anomaly which indicates a rock type high in magnetic minerals with comparatively high density. The second is a gravity high coincident with a magnetic low. The latter could indicate mineralisation similar to the Olympic Dam Project (see Figure 4).

ELA80/4986

The aero magnetic map of the area has indicated a discrete circular low magnetic cluster which has potential to be a kimberlite cluster. A large cluster of kimberlite intrusions, 70 kms to the west north west of this tenement, was discovered by BHP in the late 1990's. Since then a number of companies are actively exploring for diamonds related to the kimberlite intrusions in the region. A number of micro diamonds have been reported from their work. Very little exploration has been done on this tenement to date.

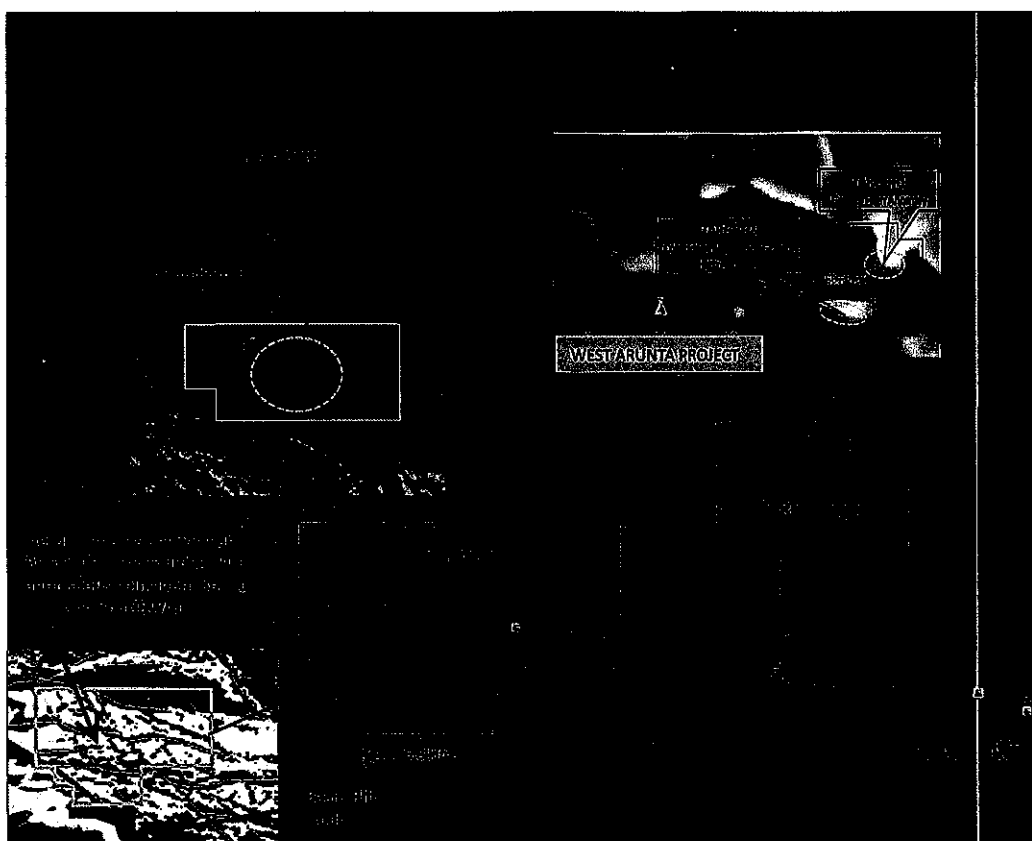


Figure 4: An aerial photograph of the project area with the Geophysics relating to the tenements.



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

As lead auditor for the review of Jervois Mining Ltd for the half-year ended 31 December 2015, 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 review; and
- (b) No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Jervois Mining Ltd.

A handwritten signature in black ink, appearing to read 'G. Georgiou'.

George Georgiou FCA
Registered Company Auditor
Auditor Registration: 10310
Melbourne, Victoria
7 March 2016

Jervois Mining Limited

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31 December 2015

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Jervois Mining Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2015

	Consolidated	
	Dec 15	Dec 14
	\$	\$
Revenue	12,563	24,061
Expenses		
Corporate and administration fees	(200,417)	(162,983)
Employee benefits expense	(52,473)	(68,489)
Exploration expense	(3,153)	(11,231)
Depreciation and amortisation expense	(5,789)	(6,664)
Impairment of exploration assets	-	(597,451)
Professional fees	(56,000)	(154,068)
Tenancy and property costs	(43,240)	(38,326)
Loss on revaluation of investments	(63,685)	-
Other expenses	(33,972)	(17,199)
Loss before income tax expense	(446,166)	(1,032,350)
Income tax expense	-	-
Loss after income tax expense for the half-year attributable to the owners of Jervois Mining Limited	(446,166)	(1,032,350)
Other comprehensive income for the half-year, net of tax	-	-
Total comprehensive income for the half-year attributable to the owners of Jervois Mining Limited	<u>(446,166)</u>	<u>(1,032,350)</u>
	Cents	Cents
Basic loss per share	(0.59)	(1.57)
Diluted loss per share	(0.59)	(1.57)

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

Jervois Mining Limited
Statement of financial position
As at 31 December 2015

	Note	Consolidated Dec 15 \$	Jun 15 \$
Assets			
Current assets			
Cash and cash equivalents		699,541	375,978
Trade and other receivables	4	51,897	786,509
Financial assets		821	821
Other		73,070	54,659
Total current assets		<u>825,329</u>	<u>1,217,967</u>
Non-current assets			
Other financial assets		212,048	165,733
Property, plant and equipment		212,748	218,539
Exploration and evaluation	5	4,978,116	4,034,019
Other		31,215	30,000
Total non-current assets		<u>5,434,127</u>	<u>4,448,291</u>
Total assets		<u>6,259,456</u>	<u>5,666,258</u>
Liabilities			
Current liabilities			
Trade and other payables		46,452	112,229
Employee benefits		28,039	74,335
Total current liabilities		<u>74,491</u>	<u>186,564</u>
Total liabilities		<u>74,491</u>	<u>186,564</u>
Net assets		<u>6,184,965</u>	<u>5,479,694</u>
Equity			
Issued capital	6	51,119,782	49,968,345
Accumulated losses		(44,934,817)	(44,488,651)
Total equity		<u>6,184,965</u>	<u>5,479,694</u>

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

Jervois Mining Limited
Statement of changes in equity
For the half-year ended 31 December 2015

Consolidated	Issued capital \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2014	49,968,345	(43,309,107)	6,659,238
Loss after income tax expense for the half-year	-	(1,032,350)	(1,032,350)
Other comprehensive income for the half-year, net of tax	-	-	-
Total comprehensive income for the half-year	-	(1,032,350)	(1,032,350)
Balance at 31 December 2014	<u>49,968,345</u>	<u>(44,341,457)</u>	<u>5,626,888</u>
Consolidated	Issued capital \$	Accumulated losses \$	Total equity \$
Balance at 1 July 2015	49,968,345	(44,488,651)	5,479,694
Loss after income tax expense for the half-year	-	(446,166)	(446,166)
Other comprehensive income for the half-year, net of tax	-	-	-
Total comprehensive income for the half-year	-	(446,166)	(446,166)
<i>Transactions with owners in their capacity as owners:</i>			
Contributions of equity, net of transaction costs (note 6)	<u>1,151,437</u>	<u>-</u>	<u>1,151,437</u>
Balance at 31 December 2015	<u>51,119,782</u>	<u>(44,934,817)</u>	<u>6,184,965</u>

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

Jervois Mining Limited
Statement of cash flows
For the half-year ended 31 December 2015

	Note	Consolidated Dec 15 \$	Dec 14 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		12,563	7,492
Payments to suppliers and employees (inclusive of GST)		(508,512)	(730,290)
		(495,949)	(722,798)
Interest received		-	15,848
Net cash used in operating activities		(495,949)	(706,950)
Cash flows from investing activities			
Payments for property, plant and equipment		-	(2,391)
Payments for exploration and evaluation	5	(233,597)	(267,446)
Payment for investments		(110,000)	(5,000)
R&D tax offset received		722,172	-
Net cash from/(used in) investing activities		378,575	(274,837)
Cash flows from financing activities			
Proceeds from issue of shares	6	496,125	-
Share issue transaction costs		(55,188)	-
Net cash from financing activities		440,937	-
Net increase/(decrease) in cash and cash equivalents		323,563	(981,787)
Cash and cash equivalents at the beginning of the financial half-year		375,978	1,631,083
Cash and cash equivalents at the end of the financial half-year		<u>699,541</u>	<u>649,296</u>

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

Jervois Mining Limited
Notes to the financial statements
31 December 2015

Note 1. General information

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

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

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

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 4 March 2016.

Note 2. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2015 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2015 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New, revised or amending Accounting Standards and Interpretations adopted

The consolidated entity has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. None of these standards had any material impact on reported financial position and performance.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Going concern

The consolidated entity 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:

Note 2. Significant accounting policies (continued)

- As at 31 December 2015 the consolidated entity had cash and cash equivalents (including other current financial assets) of \$825,329 (31 December 2014 \$1,217,967)
- The consolidated entity 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 has received \$722,122 in relation to its 2015 R&D claim in September 2015 (2014: \$511,126).
- The consolidated entity'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 consolidated entity 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.
- The consolidated entity currently holds three production royalties in relation to exploration licenses which it owned. 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.
- 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. On the 6th August 2015 the Company announced a non-renounceable pro rata rights issue to offer 1 new share for every 2 shares held on 12th August 2015 at price of \$0.05(5 cents) per share. The offer closed on 26th August 2015 and raised a total \$440,179.60 for the issue of 8,803,592 shares.

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 consolidated entity 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 consolidated entity not be able to continue as a going concern.

Note 3. Operating segments

Identification of reportable operating segments

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

Jervois Mining Limited
Notes to the financial statements
31 December 2015

Note 4. Current assets - trade and other receivables

	Consolidated	
	Dec 15	Jun 15
	\$	\$
R&D tax offset receivable	-	722,172
Other receivables	20,000	20,000
GST receivable	31,897	44,337
	<u>51,897</u>	<u>786,509</u>

The R&D tax offset in relation to the 30 June 2015 financial year was accrued at 30 June 2015 and was received in full in September 2015.

Note 5. Non-current assets - exploration and evaluation

	Consolidated	
	Dec 15	Jun 15
	\$	\$
Exploration and evaluation - at cost	<u>4,978,116</u>	<u>4,034,019</u>

Reconciliations

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

Consolidated	Exploration & evaluation	Total
	\$	\$
Balance at 1 July 2015	4,034,019	4,034,019
Tenements acquired with equity for consideration	710,500	710,500
Expenditure during the half-year	233,597	233,597
Balance at 31 December 2015	<u>4,978,116</u>	<u>4,978,116</u>

Note 6. Equity - issued capital

	Dec 15	Jun 15	Dec 15	Jun 15
	Shares	Shares	\$	\$
Ordinary shares - fully paid	<u>88,747,893</u>	<u>65,725,381</u>	<u>51,119,782</u>	<u>49,968,345</u>

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$
Balance	1 July 2015	65,725,381		49,968,345
Capital raising	26 August 2015	8,912,512	\$0.050	445,625
Acquisition of exploration assets from Explaurum Ltd	6 November 2015	11,100,000	\$0.055	610,500
Acquisition of exploration license E80/4820	6 November 2015	2,000,000	\$0.050	100,000
Allotment of shortfall	23 November 2015	1,010,000	\$0.050	50,500
Cost of capital raising		-	\$0.000	(55,188)
Balance	31 December 2015	<u>88,747,893</u>		<u>51,119,782</u>

Note 6. Equity - issued capital (continued)

Ordinary shares

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

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

Share buy-back

There is no current on-market share buy-back.

Note 7. Equity - dividends

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

Note 8. Events after the reporting period

No matter or circumstance has arisen since 31 December 2015 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.


Jervois Mining Limited
Directors' declaration
31 December 2015

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the directors



D. C. Pursell
Managing Director

7 March 2016



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INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF JERVOIS MINING LTD

Report on the Condensed Half-Year Financial Report

We have reviewed the accompanying condensed half-year financial report of Jervois Mining Ltd, which comprises the consolidated statement of financial position as at 31 December 2015, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows 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 Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of Jervois Mining Ltd's financial position as at 31 December 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Jervois Mining Ltd, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Acts 2001*, which has been given to the directors of Jervois Mining Ltd, would be in the same terms if given to the directors as at the time of this auditor's report.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Jervois Mining Ltd is not in accordance with the *Corporations Act 2001* including:

- a) Giving a true and fair view of the company's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and
- b) Complying with Accounting Standard AASB 134 *Interim Financial Reporting and Corporations Regulations 2001*.

Emphasis of Matter

Without modifying our conclusion, we draw attention to note 2 in the half year financial report which indicates the existence of material uncertainty which may cast a significant doubt on the consolidated entity's ability to continue as a going concern. Therefore the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business at the amounts stated in the half year financial report.

A handwritten signature in black ink, appearing to read 'George'.

George Georgiou FCA
Registered Company Auditor
ASIC Registration: 10310
Melbourne, Victoria
7 March 2016