

ASX Market Announcements  
ASX Limited  
4<sup>th</sup> Floor  
20 Bridge Street  
SYDNEY NSW 2000

30 April 2019

## **APPENDIX 4E – PRELIMINARY FINAL REPORT**

Jupiter Mines Limited (ASX: JMS) (“Jupiter”, or the “Company”, and together with its subsidiaries, the “Group”) is pleased to provide the Group’s Appendix 4E Preliminary Final Report for the year ended 28 February 2019. This report is based on a draft financial report for the year ended 28 February 2019 which is in the process of being audited.

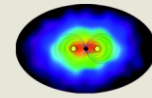
<b>GROUP HIGHLIGHTS</b>	<b>FY2019 (\$'000)</b>	<b>FY2018 (\$'000)</b>
Share of net profit from Jupiter’s 49.9% stake in Tshipi é Ntle Manganese Mining (Proprietary) Limited (“Tshipi”)	188,505	94,041
Consolidated profit before tax and impairment adjustments	192,026	101,909
Consolidated net profit after tax	142,187	92,206
Consolidated cash position	72,849	76,544
Distributions declared and/or paid to Jupiter shareholders	198,045	102,397
Basic earnings (\$ per share)	0.0727	0.0434
Basic earnings before tax and impairment adjustments (\$ per share)	0.0982	0.0479

<b>TSHIPI HIGHLIGHTS (100% BASIS)</b>	<b>FY2019</b>	<b>FY2018</b>
Sales (mt)	3.51	3.34
Production (mt)	3.45	3.64
Average cost/tonne (US\$ / dmtu)	2.27	2.09
Revenue net of realisation costs (ZAR m)	8,629	5,951
Earnings before interest, tax, depreciation and amortisation (“EBITDA”) (ZAR m)	5,758	3,104
Net profit after tax (ZAR m)	3,749	1,901
Net cash from operating activities (ZAR m)	3,485	1,961
Cash returned to Tshipi shareholders (ZAR m)	3,215	1,586

<b>JUPITER SOUTH AFRICA (MARKETING BRANCH)</b>	<b>FY2019</b>	<b>FY2018</b>
Revenue (ZAR m)	130.2	97.2
Gross profit (ZAR m)	130.2	101.1
EBITDA (ZAR m)	117.9	88.6
Net profit after tax (ZAR m)	94.1	62.3

Yours sincerely

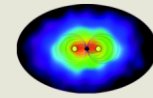
**Priyank Thapliyal**  
Director & Chief Executive Officer



**JUPITER MINES LIMITED  
PRELIMINARY FINAL REPORT  
APPENDIX 4E**

**RESULTS FOR ANNOUNCEMENT TO THE MARKET  
FOR THE YEAR ENDED 28 FEBRUARY 2019  
(PREVIOUS CORRESPONDING PERIOD YEAR ENDED 28 FEBRUARY 2018)**

Name of Entity ABN	Jupiter Mines Limited 51 105 991 740		
<b>1. Details of current and prior reporting period</b> Current Period Prior Period	1 March 2018 to 28 February 2019 1 March 2017 to 28 February 2018		
<b>2. Results for announcement to the market</b>	<b>% Movement</b>	<b>FY 2019\$</b>	<b>FY 2018\$</b>
2.1 Revenue from ordinary activities	N/A	-	(413,595)
2.2 Profit for the year	Up 54.2% to	142,187,206	92,205,663
2.3 Net profit for the year attributable to owners of the Company	Up 54.2% to	142,187,206	92,205,663
2.4 Dividend distributions	<b>Total amount per security \$</b>	<b>Franked amount per security \$</b>	
▪ Interim dividend	\$0.050	Nil	
▪ Final dividend	\$0.025	Nil	
2.5 Record date for determining entitlements to the dividend	The Board resolved to pay a final dividend of \$0.025 per security (unfranked) for the financial year ended 28 February 2019 (payment date 21 May 2019).  7 May 2019		
<b>3. Consolidated statement of profit or loss and other comprehensive income</b>	Refer Appendix 1		
<b>4. Consolidated statement of financial position</b>	Refer Appendix 2		
<b>5. Consolidated statement of changes in equity</b>	Refer Appendix 3		
<b>6. Consolidated statement of cash flows</b>	Refer Appendix 4		
<b>7. Details of dividends or distributions</b>	Refer Note 11		



	Current Period \$	Prior Period \$
8. Net asset backing per security	0.21	0.23
9. Control gained over entities during the period	N/A	
10. Details of associate and joint venture entities	Refer Note 8	
11. Other significant information	See below and Notes	
12. Accounting Standards used by foreign entities	International Financial Reporting Standards	
13. Commentary on the result for the period	See below	
14. Status of audit or review	This report is based on accounts that are in the process of being audited	
15. Dispute or qualification – accounts not yet audited	N/A	
16. Qualifications of audit/review	N/A	

### Commentary on Results

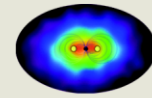
Jupiter recorded a net profit after tax of \$142 million, largely attributable to its share of profit in Tshipi increasing two-fold for the 2019 financial year.

Tshipi achieved a new record sales target of 3.5 million tonnes for the year. Whilst the manganese price softened slightly during the financial year, at an average of \$6.00 per dmtu (37% FOB Port Elizabeth), it remained robust. Cost control remained a focus of the Tshipi team with cost of production averaging R30.66 (per dmtu, FOB) during FY2019. Tshipi continues to operate as one of the lowest cost manganese producers globally.

Tshipi's strong performance resulted in the distribution of dividends to its shareholders totalling R3.2 billion. Jupiter in turn has declared dividends yielding 22%, with a payout ratio of almost 93% of Tshipi dividends and marketing profits received.

Jupiter again commissioned an independent valuation of its Central Yilgarn Iron Ore assets, which has resulted in a reversal of prior year impairments of \$1.2 million. The Board remains committed to the inherent value in these projects which are not present in such quantitative valuations, especially in light of recent positive changes in iron ore market conditions. Subsequent to year end, Jupiter announced it launched a process to review its strategic options with regards to these projects.

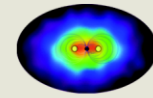
As a result of the migration to Australia of Jupiter Kalahari, the controlled entity which holds the investment in Tshipi, a future gain arising on disposal of the investment will now be prima facie be subject to tax, resulting in a **non-cash deferred tax** included in income tax expense in the Statement of Profit or Loss and a deferred tax liability in the Statement of Financial Position. Please refer to Note 13 for further details.



**APPENDIX 1**  
**UNAUDITED PRELIMINARY CONSOLIDATED STATEMENT OF PROFIT OR LOSS**  
**AND OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 28 FEBRUARY 2019**

	NOTE	FY2019 \$	FY2018 \$
Revenue	2	-	(413,595)
Cost of sales	2	-	328,655
<b>Gross profit</b>		-	<b>(84,940)</b>
Other income	2	13,762,167	10,287,421
Employee benefits expense		(3,308,766)	(1,498,751)
Depreciation of property, plant and equipment		(763)	(287)
Amortisation of intangibles		2,740	(12,244)
Administration expenses		(87,404)	(51,795)
Other expenses		(3,920,195)	(2,264,161)
<b>Profit from operations</b>		<b>6,447,779</b>	<b>6,375,243</b>
Share of profit from joint venture entities using the equity method	8	188,505,385	94,040,638
Reversal of impairment/(impairment) of exploration and evaluation assets	7	1,177,243	(4,119,418)
Gain on sale of assets held for sale		-	345,447
Finance income		980,907	282,538
Finance costs		(578,223)	(139,845)
Foreign exchange gain/(loss)		(3,329,515)	1,005,202
<b>Profit before income tax</b>		<b>193,203,576</b>	<b>97,789,805</b>
Income tax expense	13	(51,016,370)	(5,584,142)
<b>Net profit attributable to members of parent entity</b>		<b>142,187,206</b>	<b>92,205,663</b>
<b>Other comprehensive income</b>			
<i>Items that may be subsequently transferred to profit or loss:</i>			
Translation of foreign currency financial statements		(310,412)	268,608
Fair value movements on available-for-sale financial assets		-	656,408
<i>Items not to be reclassified to profit or loss in subsequent periods:</i>			
Change in the fair value of equity instruments carried at fair value through other comprehensive income ("FVOCI")		(496,638)	-
<b>Other comprehensive income/(loss) for the period, net of tax</b>		<b>(807,050)</b>	<b>925,016</b>
<b>Total comprehensive income for the period</b>		<b>141,380,156</b>	<b>93,130,679</b>
<b>Overall operations</b>			
Basic earnings per share		0.0727	0.0434
Diluted earnings per share		0.0727	0.0434

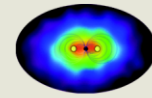
The Consolidated Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the notes to the consolidated financial statements.



**APPENDIX 2**  
**UNAUDITED PRELIMINARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**FOR THE YEAR ENDED 28 FEBRUARY 2019**

	NOTE	FY2019 \$	FY2018 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	72,848,680	76,544,487
Trade and other receivables	4	85,093,486	45,863,083
Other current assets	6	57,884	70,381
<b>Total current assets</b>		<b>158,000,050</b>	<b>122,477,951</b>
<b>NON-CURRENT ASSETS</b>			
Available for sale financial assets		-	1,043,702
Equity instruments at fair value through other comprehensive income		547,064	-
Property, plant and equipment		4,965	6,366
Intangible assets		7,217	1,985
Investments using the equity method	8	422,841,742	385,267,255
Exploration and evaluation assets	7	10,800,000	8,700,000
Deferred tax asset	13	1,355,163	302,484
<b>Total non-current assets</b>		<b>435,556,151</b>	<b>395,321,792</b>
<b>TOTAL ASSETS</b>		<b>593,556,201</b>	<b>517,799,743</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	9	132,781,053	49,007,737
Short-term provisions		125,078	52,447
<b>Total current liabilities</b>		<b>132,906,131</b>	<b>49,060,184</b>
<b>NON-CURRENT LIABILITIES</b>			
Deferred tax liability	13	51,156,721	2,581,865
<b>Total non-current liabilities</b>		<b>51,156,721</b>	<b>2,581,865</b>
<b>TOTAL LIABILITIES</b>		<b>184,062,852</b>	<b>51,642,049</b>
<b>NET ASSETS</b>		<b>409,493,349</b>	<b>466,157,694</b>
<b>EQUITY</b>			
Issued capital	10	406,281,693	433,003,602
Reserves		298,453	1,105,503
Accumulated profits		2,913,203	32,048,589
<b>TOTAL EQUITY</b>		<b>409,493,349</b>	<b>466,157,694</b>

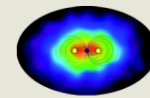
The Consolidated Statement of Financial Position is to be read in conjunction with the notes to the consolidated financial statements.



**APPENDIX 3  
UNAUDITED PRELIMINARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 28 FEBRUARY 2019**

NOTE	ISSUED CAPITAL \$	FOREIGN CURRENCY TRANSLATION RESERVE \$	EQUITY INSTRUMENTS AT FVOCI RESERVE \$	FINANCIAL ASSETS RESERVE \$	ACCUMULATED PROFIT/(LOSS) \$	TOTAL \$
<b>Balance at 1 March 2017</b>	<b>526,639,293</b>	-	-	<b>180,488</b>	<b>(51,395,961)</b>	<b>475,423,820</b>
Profit attributable to members of parent entity	-	-	-	-	92,205,663	92,205,663
Total other comprehensive income for the period	-	268,608	-	656,408	-	925,016
<b>Total comprehensive income for the period</b>	-	<b>268,608</b>	-	<b>656,408</b>	<b>92,205,663</b>	<b>93,130,679</b>
Shares bought back	10 (93,635,691)	-	-	-	(8,761,112)	(102,396,803)
<b>Balance at 28 February 2018</b>	<b>433,003,602</b>	<b>268,608</b>	-	<b>836,896</b>	<b>32,048,590</b>	<b>466,157,696</b>
Profit attributable to members of parent entity	-	-	-	-	142,187,206	142,187,206
Change in accounting policy arising from AASB 9	-	-	836,896	(836,896)	-	-
Total other comprehensive income for the period	-	(310,412)	(496,638)	-	-	(807,050)
<b>Total comprehensive income/(loss) for the period</b>	-	<b>(310,412)</b>	<b>(496,638)</b>	-	<b>142,187,206</b>	<b>141,380,156</b>
Shares bought back	10 (26,721,909)	-	-	-	(24,398,266)	(51,120,175)
Dividends paid/declared	11 -	-	-	-	(146,924,327)	(146,924,327)
<b>Balance at 28 February 2019</b>	<b>406,281,693</b>	<b>(41,804)</b>	<b>340,258</b>	-	<b>2,913,203</b>	<b>409,493,349</b>

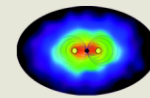
The Consolidated Statement of Changes in Equity is to be read in conjunction with the notes to the consolidated financial statements.



**APPENDIX 4**  
**UNAUDITED PRELIMINARY CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 28 FEBRUARY 2019**

	NOTE	FY2019 \$	FY2018 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Payments to suppliers and employees		(8,264,623)	(1,500,317)
Other income		15,790,578	17,293,092
Income taxes paid		(8,207,440)	(5,391,702)
<b>Net cash from/(used in) operating activities</b>		<b>(681,485)</b>	<b>10,401,073</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(4,518)	(1,500)
Purchase of intangibles		(2,492)	(6,900)
Payments for exploration and evaluation of mining reserves		(919,011)	(874,927)
Sale of held for sale assets		-	3,071,641
Dividend received	8	150,918,449	27,744,378
Interest received		318,997	306,254
Taxes paid		(4,187,458)	-
<b>Net cash from investing activities</b>		<b>146,123,967</b>	<b>30,238,946</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Share buy-backs	10	(51,120,175)	(102,396,803)
Proceeds from loan repayments		-	52,452,358
Dividend paid	11	(97,949,552)	-
<b>Net cash used in financing activities</b>		<b>(149,069,727)</b>	<b>(49,944,445)</b>
<b>Net decrease in cash and cash equivalents held</b>		<b>(3,627,245)</b>	<b>(9,304,452)</b>
<b>Cash and cash equivalents at beginning of financial period</b>		<b>76,544,487</b>	<b>84,709,260</b>
Effect of exchange rates on cash holdings in foreign currencies		(68,562)	1,139,679
<b>Cash and cash equivalents at the end of the financial period</b>		<b>72,848,680</b>	<b>76,544,487</b>

The Consolidated Statement of Cash Flows should be read in conjunction with the notes to the consolidated financial statements.



## NOTES TO THE UNAUDITED PRELIMINARY CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2019

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements and notes represent those of Jupiter Mines Limited (“Jupiter”) and its Controlled Entities (the “Consolidated Group” or “Group”).

#### Basis of preparation

The financial information included in this document for the financial year ended 28 February 2019 is unaudited. The financial information does not constitute the Jupiter Group’s (the Group) full financial statements for the year ended 28 February 2019, which will be approved by the Board, reported on by the auditors and filed with the Australian Securities Exchange. The Group’s full financial statements will be prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board.

The unaudited financial information set out on pages 4 to 7 for the year ended 28 February 2019 has been prepared on the basis of accounting policies and methods of computation consistent with those applied in the 28 February 2018 financial statements contained within the Annual Report of the Group.

As required, and unless otherwise stated, comparative statutory financial information for the Group has been presented for the 2018 financial year.

All amounts are expressed in Australian dollars unless otherwise stated. The Group’s presentation currency is Australian dollars. The functional currency of the majority of its operations is South African rand.

Comparative figures have been prepared on the same basis as the current period figures.

### NOTE 2: REVENUE

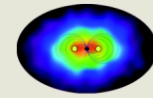
	FY2019 \$	FY2018 \$
Sales revenue	-	(413,595)
Cost of sales	-	328,655
<b>Gross margin</b>	<b>-</b>	<b>(84,490)</b>
Marketing fee income	13,116,608	10,048,724
Other income	645,559	238,697
<b>Other income</b>	<b>13,762,167</b>	<b>10,287,421</b>

Jupiter’s marketing branch in South Africa carries out the sale of manganese ore of Jupiter’s share of Tshipi’s manganese ore as the agent only and earns a 3% marketing fee commission on ore sales.

### NOTE 3: CASH AND CASH EQUIVALENTS

	FY2019 \$	FY2018 \$
Cash at bank and in hand	11,283,723	9,375,739
Short-term bank deposits	61,564,957	10,237,361
Cash in transit	-	4,165,349
Restricted cash	-	52,766,038
	<b>72,848,680</b>	<b>76,544,487</b>





**NOTES TO THE UNAUDITED PRELIMINARY CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 28 FEBRUARY 2019 (continued)**

**NOTE 4: TRADE AND OTHER RECEIVABLES**

	FY2019 \$	FY2018 \$
Trade debtors	83,765,330	45,679,877
GST and VAT receivables	167,417	93,363
Sundry debtors	1,160,739	89,843
	<b>85,093,486</b>	<b>45,863,083</b>

**NOTE 5: CONTROLLED ENTITIES**

Controlled entities consolidated	Country of Incorporation	% owned FY2019	% owned FY2018
Parent Entity:			
Jupiter Mines Limited	Australia		
Subsidiaries:			
Future Resources Australia Pty Limited	Australia	100	100
Central Yilgarn Iron Pty Limited	Australia	100	100
Broadgold Corporation Pty Limited	Australia	100	100
Jupiter Kalahari Pty Ltd *	Australia	100	100
Jupiter Mines Limited (Incorporated in Australia) External Profit Company	South Africa	100	100

During the year all Controlled Entities, with the exception of Jupiter Kalahari Pty Ltd and Jupiter Mines (Incorporated in Australia) External Profit Company, were dormant.

\* During the year, Jupiter Kalahari S.A. was migrated from Luxembourg to Australia and registered as Jupiter Kalahari Pty Ltd ("JKPL").

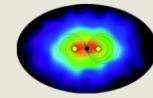
**NOTE 6: OTHER ASSETS**

	FY2019 \$	FY2018 \$
Deposits	57,884	70,381
	<b>57,884</b>	<b>70,381</b>

**NOTE 7: EXPLORATION AND EVALUATION ASSETS**

Opening balance	8,700,000	11,632,006
Additions	922,757	1,187,412
Reversal of impairment/(impairment)	1,177,243	(4,119,418)
<b>Closing balance</b>	<b>10,800,000</b>	<b>8,700,000</b>
Costs carried forward in respect of the following areas of interest:		
- Mount Mason	800,000	600,000
- Mount Ida	10,000,000	8,100,000
<b>Closing balance</b>	<b>10,800,000</b>	<b>8,700,000</b>

At 28 February 2019, the future recoverability of capitalised exploration expenditure was assessed, and the Board received an independent external valuation of the Mount Ida Magnetite and Mount Mason Hematite projects, which provided value ranges of \$4 million to \$16 million and \$0.3 million and \$1.2 million respectively. The valuation was based on the comparative transaction method. Given the positive movements in the iron ore market, it was resolved to reverse prior year impairments of \$1,177,243. The Board believes there to be inherent option value over and above the quantitative valuation and the Group is currently assessing its strategic options to realise this value.



**NOTES TO THE UNAUDITED PRELIMINARY CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 28 FEBRUARY 2019 (continued)**

**NOTE 8: INVESTMENTS USING THE EQUITY METHOD**

Set out below is the Joint Venture held by the Group as at 28 February 2019, in which in the opinion of the Directors, are material to the Group. The entity listed below has share capital consisting solely of ordinary shares, which are held directly by the Group. The country of incorporation or registration is also their principal place of business, and the proportion of the Group's ownership interest is the same as the proportion of voting rights held. Interest in this entity is held through a fully controlled entity, Jupiter Kalahari Pty Ltd.

<b>Name of Entity</b>	<b>Country of Incorporation</b>	<b>% held FY2019</b>	<b>% held FY2018</b>	<b>Nature of Relationship</b>	<b>Measurement Method</b>
Tshipi é Ntle Manganese Mining (Proprietary) Limited	South Africa	49.9	49.9	Joint Venture	Joint Venture

**Summarised Financial Information**

**Tshipi é Ntle Manganese Mining (Proprietary) Limited**

	<b>FY2019 \$</b>	<b>FY2018 \$</b>
Opening carrying value of joint venture	385,267,255	345,556,557
Decrease of shareholder loan	-	(26,585,562)
Dividend paid	(150,918,449)	(27,744,378)
Other intercompany movements	(12,449)	-
Share of profit using the equity method	188,505,385	94,040,638
	<b>422,841,742</b>	<b>385,267,255</b>

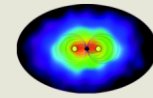
**NOTE 9: TRADE AND OTHER PAYABLES**

Trade payables	82,217,567	43,432,749
Dividend payable	48,974,776	-
Income tax payable/(refundable)	(276,340)	4,331,957
Sundry payables and accrued expenses	1,865,050	1,243,031
	<b>132,781,053</b>	<b>49,007,737</b>

**NOTE 10: SHARE CAPITAL**

Ordinary shares at the beginning of the reporting period	433,003,602	526,639,293
▪ 13 March 2017: share buy-back (\$0.5264 per share)	-	(70,635,693)
▪ 5 December 2017: share buy-back (\$0.2767 per share)	-	(22,999,998)
▪ 19 March 2018: share buy-back (\$0.023 per share)	(26,721,909)	-
<b>At reporting date</b>	<b>406,281,693</b>	<b>433,003,602</b>

	<b>FY2019 Number of Shares</b>	<b>FY2018 Number of Shares</b>
Ordinary shares at the beginning of the reporting period	2,064,522,718	2,281,835,383
▪ 13 March 2017: share buy-back	-	(134,190,158)
▪ 5 December 2017: share buy-back	-	(83,122,507)
▪ 19 March 2018: share buy-back	(116,182,215)	-
▪ 18 July 2018: share issue to Chief Executive Officer	10,650,530	-
<b>At reporting date</b>	<b>1,958,991,033</b>	<b>2,064,522,718</b>



**NOTES TO THE UNAUDITED PRELIMINARY CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 28 FEBRUARY 2019 (continued)**

**NOTE 10: SHARE CAPITAL (continued)**

The share buy-back completed on 19 March 2018 comprised a capital portion shown above of \$26,721,909 and a dividend portion of \$24,398,266, which is shown in the Consolidated Statement of Changes in Equity.

On 18 July 2018, 10,650,530 shares were issued to CEO Priyank Thapliyal in compensation for his bonus relating to the April 2018 IPO, which was approved by shareholders at the Company's 2018 Annual General Meeting.

**NOTE 11: DIVIDENDS**

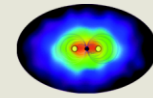
	FY2019 \$	FY2018 \$
Dividends declared during the year:		
▪ Unfranked interim dividend (\$0.05 per share, wholly conduit foreign income; declared 17 September 2018, paid 10 October 2018)	97,949,552	-
▪ Unfranked final dividend (\$0.025 per share, wholly conduit foreign income; declared 19 February 2019, payable 21 May 2019)	48,974,775	-
	<b>146,924,327</b>	-

**NOTE 12: SEGMENT REPORTING**

The Group operates in the mining industry. The Group has identified its operating segments based on internal reports that are reviewed and used by the chief operating decision makers (the Board of Directors and key management) in assessing performance and determining the allocation of resources.

The Group's segments are structured primarily on the basis of its exploration and production interests. These are considered to be the Central Yilgarn Iron Ore Project (Iron Ore), which is located in Australia, the producing Tshipi mine (Manganese) which is located in South Africa, and Jupiter's South African branch which carries the sale of Jupiter's share of manganese ore. Information is not readily available for allocating the remaining items of revenue, expenses, assets and liabilities, or these items are not considered part of the core operations of any segment. Any transactions between reportable segments have been offset for these purposes.

28 February 2019	CYIP – Iron Ore (Australia) \$	Jupiter Mines – Manganese (South Africa) \$	Tshipi – Manganese (South Africa) \$	Total \$
Sales	-	-	-	-
Cost of sales	-	-	-	-
Other income	-	13,116,608	-	13,116,608
Employee benefits	-	(417,509)	-	(417,509)
Other expenses	-	(427,282)	-	(427,282)
<b>Segment operating profit</b>	-	<b>12,271,817</b>	-	<b>12,271,817</b>
Share of profit from joint venture entities using the equity method	-	-	188,505,385	188,505,385
Reversal of impairment of exploration and evaluation assets	1,177,243	-	-	1,177,243
Finance costs	-	(470,871)	-	(470,871)
Foreign exchange gain	-	829,704	-	829,704
<b>Total</b>	<b>1,177,243</b>	<b>12,630,650</b>	<b>188,505,385</b>	<b>202,313,278</b>
Corporate				(9,109,702)
<b>Net profit before tax from continuing operations</b>				<b>193,203,576</b>

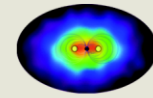


**NOTES TO THE UNAUDITED PRELIMINARY CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 28 FEBRUARY 2019 (continued)**

**NOTE 12: SEGMENT REPORTING (continued)**

<b>28 February 2019 (continued)</b>	<b>CYIP – Iron Ore (Australia) \$</b>	<b>Jupiter Mines – Manganese (South Africa) \$</b>	<b>Tshipi – Manganese (South Africa) \$</b>	<b>Total \$</b>
Segment assets	10,800,000	90,164,207	422,841,742	523,805,949
Corporate assets				69,750,252
<b>Total assets</b>				<b>593,556,201</b>
Segment liabilities	-	(82,276,954)	-	(82,276,954)
Corporate liabilities				(101,785,899)
<b>Total liabilities</b>				<b>(184,062,853)</b>

<b>28 February 2018</b>	<b>CYIP – Iron Ore (Australia) \$</b>	<b>Jupiter Mines – Manganese (South Africa) \$</b>	<b>Tshipi – Manganese (South Africa) \$</b>	<b>Total \$</b>
Sales	-	(413,595)	-	(413,595)
Cost of sales	-	328,655	-	328,655
Other income	-	10,048,724	-	10,048,724
Employee benefits	-	(378,143)	-	(378,143)
Other expenses	-	(327,381)	-	(327,381)
<b>Segment operating profit</b>	<b>-</b>	<b>9,258,260</b>	<b>-</b>	<b>9,258,260</b>
Share of profit from joint venture entities using the equity method	-	-	94,040,638	94,040,638
Impairment of exploration and evaluation assets	(4,119,418)	-	-	(4,119,418)
Finance costs	-	(158,204)	-	(158,204)
Foreign exchange loss	-	(478,321)	-	(478,321)
<b>Total</b>	<b>(4,119,418)</b>	<b>8,621,736</b>	<b>94,040,638</b>	<b>98,542,956</b>
Corporate				(753,151)
<b>Net profit before tax from continuing operations</b>				<b>97,789,805</b>
Segment assets	8,705,157	49,892,882	385,267,255	443,865,294
Corporate assets				73,934,449
<b>Total assets</b>				<b>517,799,743</b>
Segment liabilities	-	(44,752,145)	-	(44,752,145)
Corporate liabilities				(6,889,904)
<b>Total liabilities</b>				<b>(51,642,049)</b>



**NOTES TO THE UNAUDITED PRELIMINARY CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 28 FEBRUARY 2019 (continued)**

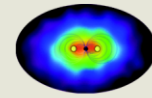
**NOTE 13: INCOME TAX EXPENSE AND DEFERRED TAXES**

The major components of tax expense and the reconciliation of the expected tax expense based on the domestic effective tax rate of Jupiter Mines at 30% (2018: 30%) and the reported tax expense in the profit and loss are as follows:

	FY2019 \$	FY2018 \$
Tax expense comprises:		
<b>(a) Current tax</b>	3,448,222	6,354,708
Deferred income tax relating to origination and reversal of temporary differences		
▪ Origination and reversal of timing differences	48,684,161	(1,137,146)
▪ Recognition of deferred tax assets tax losses	(1,269,180)	
▪ Utilisation of unused tax losses	-	398,033
Under/(over) provision in respect of prior years	153,167	(31,453)
<b>Tax expense</b>	<b>51,016,370</b>	<b>5,584,142</b>
<b>(b) Accounting profit before tax</b>	193,203,576	97,789,805
Domestic tax rate for Jupiter Mines Limited (30%)	57,961,073	29,336,942
Tax rate differential	(258,569)	(1,614,911)
Other expenditure not allowed or allowable for income tax purposes	1,862,153	438,261
Under provision in respect of prior years	153,167	-
Deferred tax assets losses not brought to account	-	3,786,681
Share of profit in equity accounted investments	(46,572,620)	(26,331,379)
Deferred tax adjustment on Tshipi investment	37,871,167	-
<b>Income tax expense</b>	<b>51,016,370</b>	<b>5,582,142</b>

Deferred taxes arising from temporary differences and unused tax losses can be summarised as follows:

	Opening Balance 1 March 2018	Recognised in Profit and Loss During the Year	Closing Balance 28 February 2019
<b>Deferred Tax Assets (Liabilities)</b>			
<b>Liabilities</b>			
Property, plant and equipment	11,087	(236)	10,851
Exploration	(2,592,900)	(630,000)	(3,222,900)
Other	(52)	(94,458)	(94,510)
Investments using the equity method	-	(47,850,162)	(47,850,162)
<b>Balance as at 28 February 2019</b>	<b>(2,581,865)</b>	<b>(48,574,856)</b>	<b>(51,156,721)</b>
<b>Assets</b>			
Trade and other receivables	107,782	(107,782)	-
Pension and other employee obligations	5,950	21,878	27,828
Provisions	15,450	2,760	18,210
Other	173,301	(133,356)	39,945
Tax losses	-	1,269,180	1,269,180
<b>Balance as at 28 February 2019</b>	<b>302,484</b>	<b>1,052,680</b>	<b>1,355,163</b>
<b>Net Deferred Tax Liabilities</b>	<b>(2,279,381)</b>	<b>(47,522,176)</b>	<b>(49,801,558)</b>



**NOTES TO THE UNAUDITED PRELIMINARY CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 28 FEBRUARY 2019 (continued)**

**NOTE 13: INCOME TAX EXPENSE AND DEFERRED TAXES (continued)**

The equity method of accounting under AASB 128 and AASB 112 for income taxes requires the recording of an income tax expense and a deferred tax liability for changes in the equity of an investment where a gain on the sale of the investment could be subject to tax.

As a result of the migration to Australia during the year of Jupiter Kalahari SA (now Jupiter Kalahari Pty Ltd), the controlled entity which holds the investment in Tshipi e Ntle Manganese Mining (Proprietary) Limited, a future gain arising on disposal of the investment will now be prima facie be subject to tax.

Accordingly, whilst the Group is not intending to realise its investment, it is required to record a current year income tax expense and an increase in the deferred tax liability of \$47,850,162, which is the amount of tax referable to the cumulative net prior years' and current years' increase in the equity value of the investment.

Notwithstanding the recognition of the above non-cash charge, the Group has determined that that migration of Jupiter Kalahari to Australia will result in an improved Group corporate structure for shareholders.