Jervois Mining Limited

ABN 52 007 626 575

Annual Report - 30 June 2017

Jervois Mining Limited
Chairman's letter
30 June 2017

The past year has been a tumultuous period for Jervois culminating in a new board of directors with a clear focus on maximising value for all shareholders. This includes the appointment of Mr Bryce Crocker to the position of CEO, effective 1 October 2017. Mr Crocker is a seasoned mining and natural resources executive with significant experience in base metals including cobalt. Mr Crocker has broad experience from his time at Xstrata plc including nickel/cobalt roles at Xstrata plc's nickel division. Mr Crocker was a Director on the Xstrata Nickel Board, an Xstrata nominee Director to the Nickel Institute Board (global body representing the industry) and an Xstrata nominee to the Kabanga Shareholder Advisory Committee.

We have achieved much in a short period but recognise that this would not have been possible without the inherent value of the assets assembled in Jervois over many years by the former directors and the geological team.

Jervois was without any discernible business plan or basic systems essential for delivering value to shareholders. Your new board has rectified this.

Jervois is now in a strong financial position with ,at the time of writing ,over $5 million in cash and short term investments being shares in Explaurum (ASX:EXU) and Elementos (ASX:ELT).

To some extent value realisation on various assets below is outside of our control whereas delivering value on our nickel cobalt and tin projects are paramount. The Ni Co Young deposit in NSW is 100% owned by Jervois and contains an Inferred Resource of 82MT @ 0.79%NI and 0.06%Co (2012). This deposit has the potential to supply raw materials to the Electric Vehicle battery market which is forecast to expand significantly in the coming decade. A revised JORC Resource is being prepared and a further drilling programme is being planned.

The Company holds the Khartoum tin prospect in Queensland – the Carbonate Creek and Khartoum tenements, which provide an exploration play with a potential target of over 100 million tonnes of 0.25 % tin. A specialist geological consulting company has been appointed to determine prospective tin targets in these tenements. The proposed work program will include on-ground mapping, surface sampling, review of existing diamond cores and data, and design and targeting for a drilling program. This work is expected to be completed by end of September 2017, with a drilling program proposed for the second Quarter, 2018.

Of the other assets, the most advanced of these is the option agreement to sell the Flemington Scandium project to Australian Mines Limited (ASX:AUZ). Should Australian Mines exercise its option to purchase Flemington we will receive a further $4.5 million along with a 1.5% royalty. The exercise of the option is due in September 2018, unless exercised earlier, and has resulted in Jervois recording an income in the current year of $5,345,172 on the transaction.

Your company should also be in a position in the coming year to value its royalty over the Nyngan scandium deposit it sold to Scandium International (TSX:SCY). Under the terms of this sale SCY must pay a royalty of 1.7% for the first 12 years of production. SCY has received all necessary government approvals and is planning on a production start up of 2019. At the planned production rate of 38,000kg per year and assuming a scandium price of $2000 per kg the royalty will be worth approximately US$1.3 million to Jervois at full production.

The board will have an independent expert assess the value of this royalty once development of the mine is underway. The royalty has nil value in the books at present. The other royalties in the Jervois portfolio also have no carrying value and include the Bullabulling and Forest Reef gold royalties.

The Bullabulling royalty is by far the most significant and is $30 an ounce on the first 400,000 ounces of production and $20 an ounce thereafter for the life of the mine. We have reviewed this royalty agreement and are exploring a number of options including sale to realise the inherent value.
The board is pleased with the progress the team has made in the last 6 months of the financial year and will continue to work on achieving value from the asset portfolio held by the Company for its stakeholders.

We look forward to a busy yet successful year and thank you for your ongoing support of the Company.

John Byrne
Chairman

Jervois Mining Limited
Corporate directory
30 June 2017

Directors	Stephen van der Sluys (Chief Executive Officer) John Newton (Non Executive Director) John Byrne (Non Executive Chairman)
Company secretary	Alwyn Davey
Registered office	585 Burwood Road Hawthorn, Victoria, 3122
Principal place of business	585 Burwood Road Hawthorn, Victoria, 3122
Share register	Computershare Investor Services Pty Ltd, 452 Johnston Street Abbotsford, Victoria, 3067
Auditor	George Georgiou FCA Connect Audit Level 6, 488 Bourke Street Melbourne, Victoria, 3000
Bankers	ANZ Banking Group Limited Level 1 420 St Kilda Road, Melbourne, Victoria, 3004
Stock exchange listing	Jervois Mining Limited shares are listed on the Australian Securities Exchange (ASX code: JRV) Jervois Mining Limited options are listed on the Australian Securities Exchange (ASX code : JRVOC)
Website	www.jervoismining.com.au
Corporate Governance Statement	Refer to www.jervoismining.com.au
Email	admin@jervoismining.com.au

UPDATE OF EXPLORATION PROGRAMS

VICTORIA

EL 006303 EILDON JRV ANTIMONY-GOLD PROJECT

During the January Quarter Jervois withdrew its application for EL006303. This was due to rationalisation of Jervois' exploration programs.

NEW SOUTH WALES

EL 5527 AND 5571 NICO YOUNG COBALT NICKEL PROJECT, NEAR YOUNG, NSW

The Young Nickle Cobalt Project consists of two exploration licences; EL's 5571 'Thuddungra' and 5527 Young (Ardnaree). The tenements are approximately 25km north east of Young, NSW.

Jervois Mining is the sole holder of the licenses over the Nico Young deposit in NSW.

In July 2017 an 8 hole, air core, infill drilling program (for 424m) was undertaken to the south and west of the main Ardnaree resource. Assays from one hole in particular, Ya 441, confirmed the continuation of the linear trend of the cobalt and nickel resource in the area.

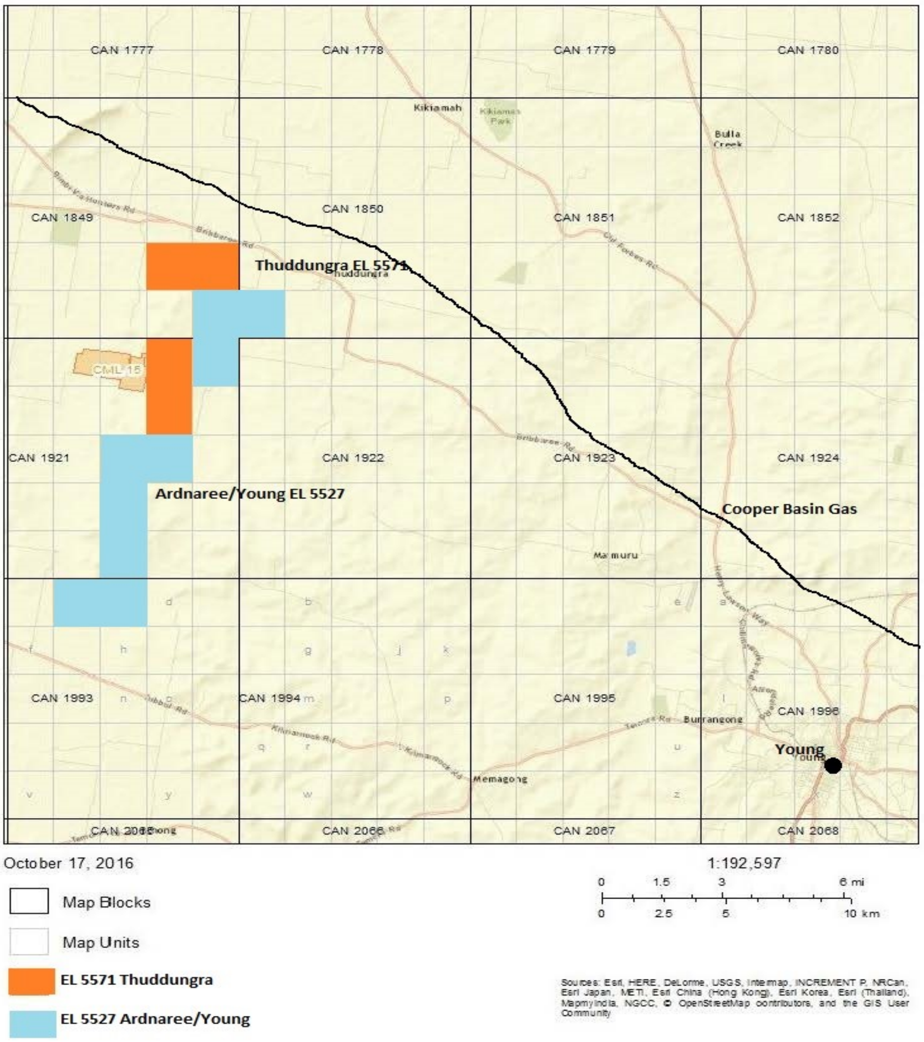
Young is ideally located geographically due to its proximity to the Cooper Basin gas line, rail and major highways.
The combined licenses contain inferred resources of 82 million tonnes at 0.79 per cent nickel (0.6% cut off) and 0.06 per cent cobalt (based on the 2012 Resource Calculation). Geo Stat Services has been retained to update the resource estimate to include the recent drilling results. The new calculation will be announced to Shareholders when it becomes available.

The mineralized ore-body contain areas of cobalt and nickel grades which are significantly higher than the inferred average. Metallurgical work has commenced to establish if these can be beneficiated using a two-step process.

The Young deposit is a typically in-laterite lithology and extends along a 15km NNE-SSW strike. It consists of two major sectors of ore-bodies and contains horizons of high grade cobalt. Cobalt is one of major ingredients of lithium-ion batteries which are extensively used to power smartphones (5 to 10 g), laptops (approximately 500 g) and electrical cars (5 to 10 kg). Smaller quantities of cobalt are used in making nickel-cadmium and nickel metal hydride batteries.

Depending on the cut-off applied, >75% of the contained Cobalt is hosted in the northern ore-body. However, the southern section of the resource is exposed at or near surface and is therefore the focus of our current metallurgical investigations. The mining and metallurgical assessment of this resource is part of a long-term capitalisation plan. The aim of current metallurgy is working towards the development of smaller sections of the southern ore-body to maximise near-term, low-risk value creation. This will include selecting an acid leach process to enable better overall cobalt and nickel recovery.

Jervois Mining anticipates reporting metallurgical progress on the Nico Young prior to year end.



Young Nickel Cobalt Project tenement location

EL 7805 FLEMINGTON/SYERSTON SCANDIUM PROJECT, NEAR FIFIELD, NSW

In 2016 an option was granted over all of EL 7805 to a wholly owned subsidiary of Australian Mines Limited (ASX: AUZ) – Flemington Mining Operations Pty Ltd.

The option agreement was for a series of rolling options, for a total maximum period of two years subject to payment of option fees of up to $2 million in total.

To date the options have been exercised for a total payment of $1,500,000. The total purchase price will be $6.0M, less the total amount paid to the date of the exercise as option fees. There will also be a royalty applicable on sales of all mine product, fixed at 1.5% of gross revenues.

A calculated Measured Resource for scandium on EL7805 was completed and released to the ASX on the 19th August 2015.

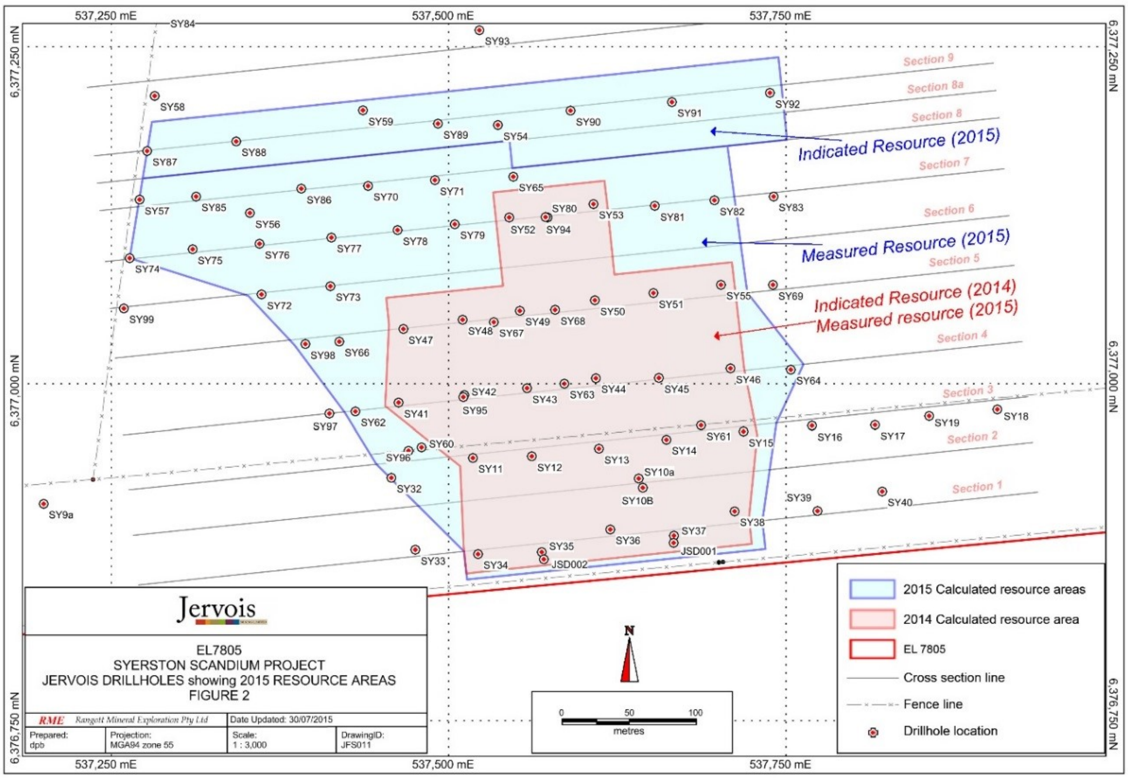
> **Calculated Measured Resource:** 2,675,000 tonnes@435ppm Sc.
> **Calculated Indicated Resource:** 468,000 tonnes @426ppm Sc.
> **Calculated Total Resource:** 3,143,000 tonnes@434ppm Sc.
> **Total Contained Scandium Metal:** 1,363 tonnes.

During November 2016 Jervois' geologists undertook surface exploration over several of the northern and southern units in the tenement.

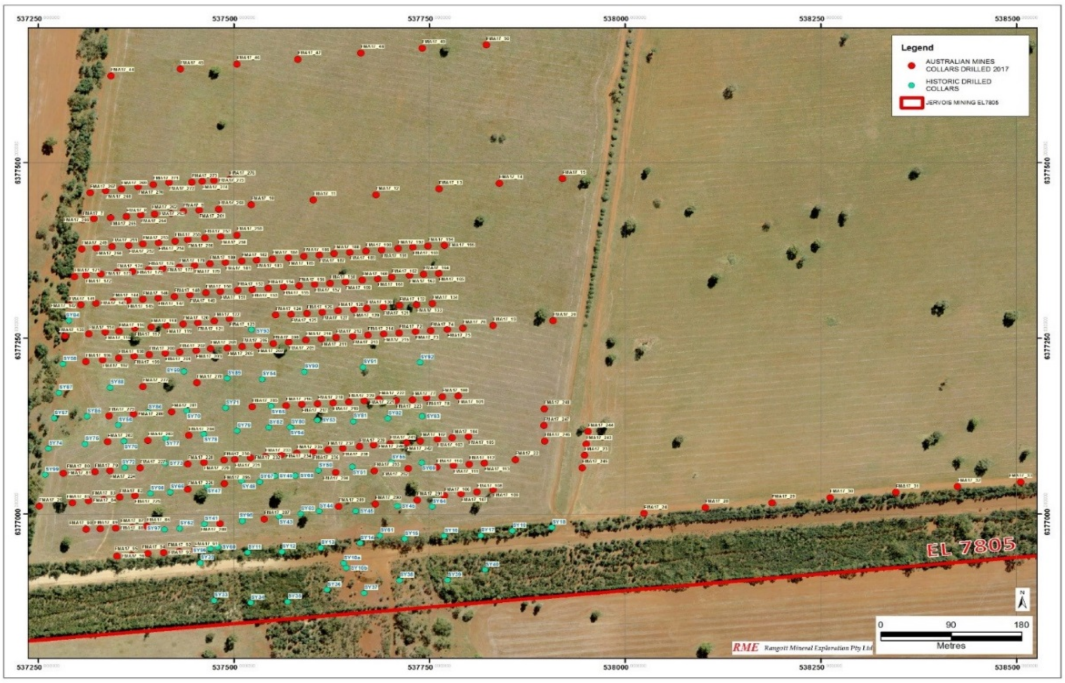
In June 2017 Flemington Mining Operations completed a 239-hole resource extension drilling program at Flemington, which was designed to facilitate:

i. a maiden cobalt resource estimation for the project,
ii. an increase in tonnage of the existing high-grade scandium Mineral Resource, and
iii. an understanding of the nickel potential of the western half of the Tout Complex (the Tout Complex being the geology unit that hosts Australian Mines' Flemington deposit).

AUZ announced (via the ASX on the 11 August 2017) that the June 2017 drilling results showed consistent cobalt grade with scandium at shallow intersections. This formed a maiden cobalt mineral resource and a pre-feasibility study is planned for October this year.



Outline of known extent of Scandium resources, EL 7805 Flemington, 2016

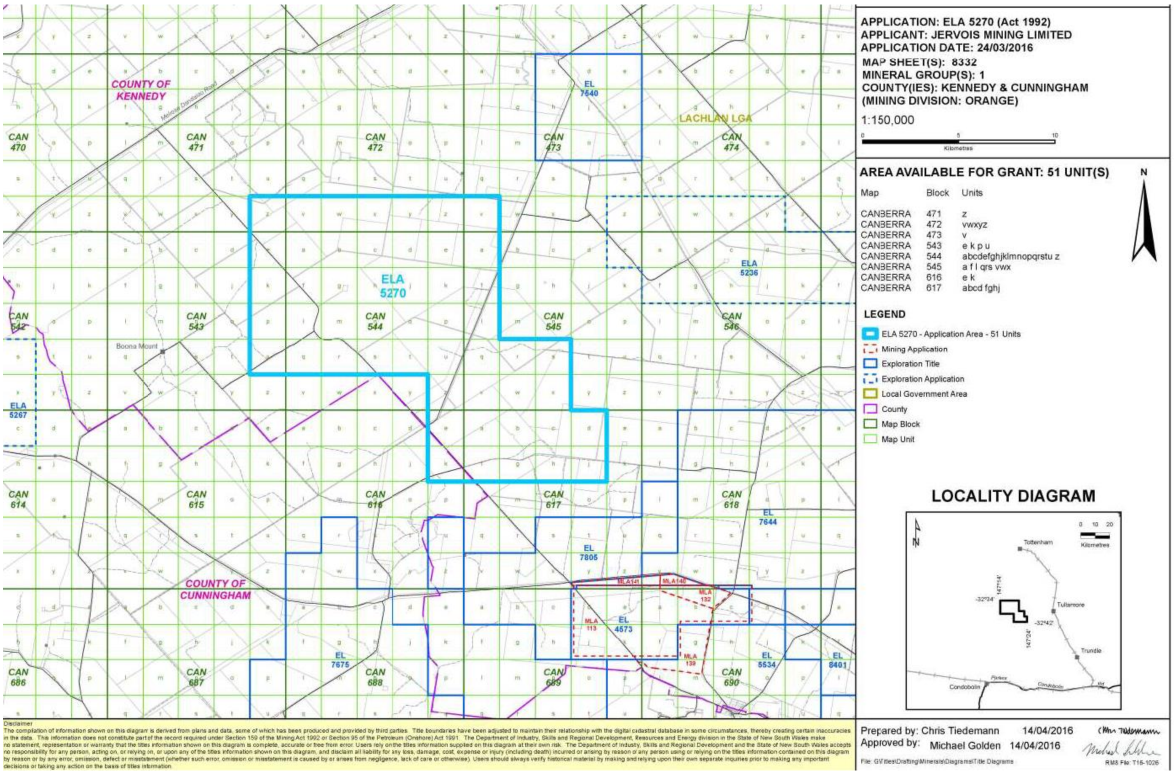


Past and recent drill collars on EL 7805 Flemington

EL 8747 'AREA 1' GROUP 1 METALS PROJECT, NEAR FIFIELD, NSW.

In 2016 Jervois Mining applied for a new Exploration Licence, north of EL 7805 Flemington. The license, EL 8747 'Area 1', was granted in November 2016. An initial on ground exploration program took place immediately. The exploration included surface sampling, ground reconnaissance and also sampled previous historical workings and mining tails on the tenement. Preliminary findings were positive for anomalously high gold and cobalt from a mine tailing sample.

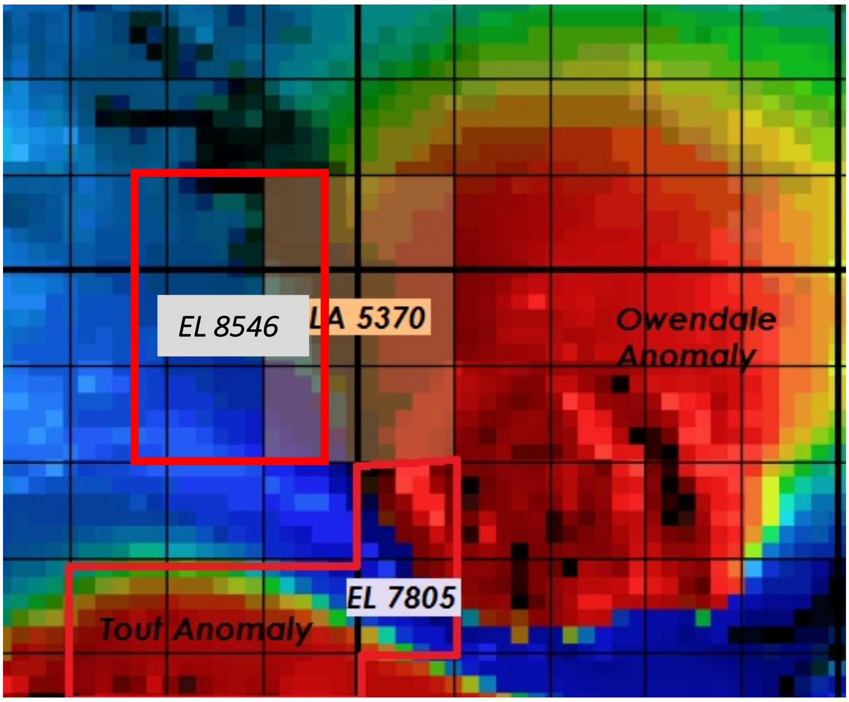
A comprehensive desk top study, to be followed by an on-ground geological mapping and sampling program is planned for 2018.



EL 8546 SYERSTON NORTH '6 BLOCK', GROUP 1 METALS PROJECT, NEAR FIFIELD, NSW

EL 8546, '6 Block', comprising 6 units adjoining Jervois EL 7805 Flemington tenement, was granted in March 2017. This tenement is an annexure to the option and sale agreement with Australian Mines Limited (ASX: AUZ). The units adjoins EL 7805 to the north east and encompasses the western flank of the Owendale anomaly. This section of the Owendale is considered prospective for scandium, as it shares similar geological and structural characteristics to the Tout anomaly to the immediate south.

A comprehensive desk top will be undertaken prior to an on ground work program, scheduled for 2018.



Map of EL 8546, showing the location relative to the Owendale and Tout anomalies and to EL 7805 Flemington.

EL 7281 SUMMERVALE NICKLE IRON PROJECT, NEAR NYNGAN NSW

EL 7281 Summervale has been relinquished. This was due to rationalisation of Jervois' exploration programs.

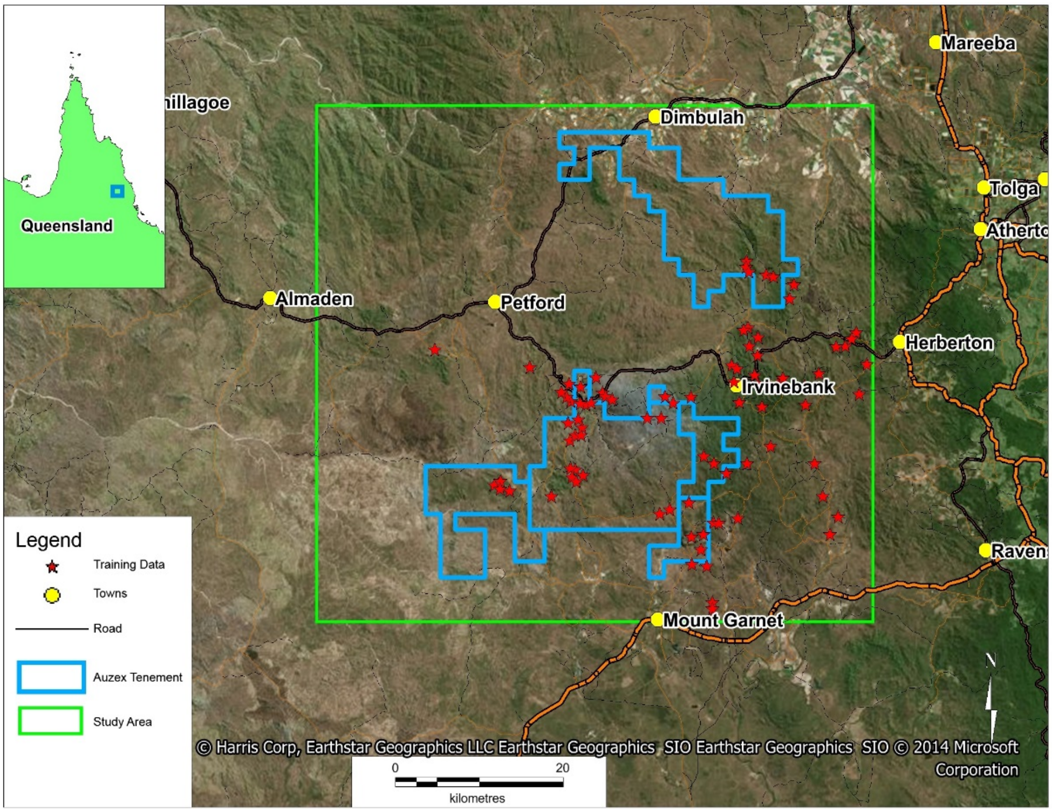
NORTH QUEENSLAND

EPMS 14797, 15570, 19112, 19113, 19114, 19203
KHARTOUM TIN PROJECT, NEAR HERBERTON, NORTH QUEENSLAND

The Khartoum Tin Project comprises 6 tenements for 180 sub units in the Mt Garnet/ Herberton area of the Atherton Table Lands. It is an area that has been historically mined for tin. Avira Energy (previously MGT Resources) currently hold mining licence ML20547 in the area; which is contiguous with Jervois tenement EPM 19203, Mt Fairyland.

A specialist geological consulting company has been appointed to determine prospective tin targets in Jervois Khartoum tin tenements. The proposed work program will include on-ground mapping, surface sampling, review of existing diamond cores and data, and design and targeting for a drilling program.

This work is expected to be completed by end of September 2017, with a drilling program proposed for the second Quarter, 2018. The area is inaccessible during wet season. It is topographically rough and tracks are not graded.



Location map of Khartoum Tin Project, North Queensland.

(Stars indicate sites of historical mining)

WESTERN AUSTRALIA

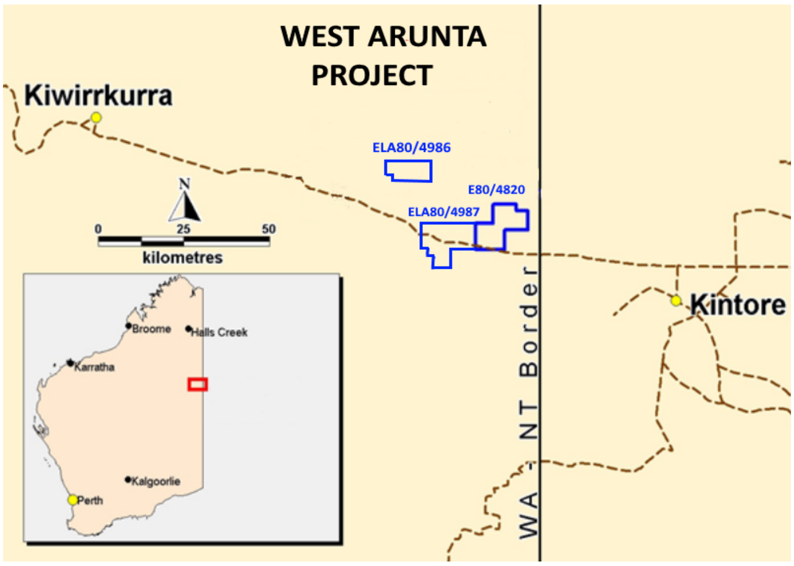
E80 4820, ELA80 4986 AND ELA80 4987
WEST ARUNTA PROJECT (NORTHWEST OF ALICE SPRINGS, WESTERN AUSTRALIA)

The West Arunta project consists of three Exploration Licences; E80/4820 (granted) and applications ELA80/4986 and ELA80/4987, which cover a total area of approximately 345 square km. The project is located approximately 600 km west-northwest of Alice Springs within the Gibson Desert of Western Australia, near the Western Australian/Northern Territory Border.

In June 2016 it was announced to the ASX that a Joint Venture Agreement had been entered into with Australian Mines Ltd (ASX: AUZ) in relation to the Arunta West Project. Key terms of the agreement with Australian Mines Ltd include expenditure of a minimum of $350,000 on exploration within 24 months to acquire a 51% interest in the project, at which point AUZ may elect to acquire a further 29% interest in the project by spending $3.15 million on exploration at the project within a further 24 month period to bring the total AUZ interest to 80%. AUZ will be the operator and manager of the project.

The regional setting is highly prospective for large scale, iron-oxide copper gold mineralisation, with a large magnetic anomaly and walk-up copper-gold drill target in North Dovers (E80/4820), previously identified within the tenement holding by BHP Minerals.

AUZ has contracted a ground gravity survey company to test the North Dovers prospect (E80/4820). This survey will commence in the September Quarter.



West Arunta location

ELEMENTOS LTD

During the period the Board resolved to become a cornerstone investor in a $2 million capital raising in Elementos Ltd. Jervois invested $600,000 in Elementos and in return was issued 100 million shares and 100 million options. The options entitle the holder to take up a further 100 million shares at 0.6 cents within 12 months. If exercised Jervois would emerge with 10.3 per cent of the fully diluted capital.

The investment in Elementos reflects the policy of the new board of Jervois to drive growth by taking strategic holdings in promising resource projects with proven management capability

Elementos has an exceptional management team headed by the major shareholder and Chairman Mr. Andy Grieg who ran the global mining unit of Bechtel for over 20 years.

These funds are considered sufficient to confirm the geological model and process flow sheet on reopening the Cleveland tin mine in Tasmania.

The tin price has risen strongly in recent years as a result of global undersupply. This position is expected to continue with Macquarie recently predicting an average tin price in 2019 of US$23,000/t. One of the factors driving the tin market is the use of tin in the energy related technologies, particularly its application in electric vehicles, lithium ion batteries and lead free electronics.

EXLPORUM LTD

The Company holds 11 million shares in Explorum Limited which is an Australian-based gold exploration company focused on the exploration and development of the Tampia Gold Project, located 240km east of Perth in the wheatbelt of Western Australia near the township of Narembeen.

The new Mineral Resource estimate for the Tampia Gold Project, reported and classified in accordance with the JORC Code (2012), is 11.3 million tonnes at 1.91 g/t Au for 695,500 ounces of gold (0.5 g/t Au cut off), an increase of 125% over the previous 310,000oz estimate.

Ninety per cent of the new Mineral Resource is in the Indicated category which, subject to the completion of a Feasibility Study, may be converted to Ore Reserves. Most of the new Resource is less than 100m below surface, and comes to surface in three locations. Simple resource geometry indicates future mining potential may enjoy an unusually high conversion of Indicated Resources to Reserves (+90%), and a low strip ratio.

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'consolidated entity') consisting of Jervois Mining Limited (referred to hereafter as the 'company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2017.

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

Stephen van der Sluys (appointed 24 November 2016)
John Newton (appointed 25 November 2016)
John Byrne (appointed 25 November 2016)
Duncan Pursell (resigned 24 November 2016)
Derek Foster (resigned 24 November 2016)
Roger Fairlam (resigned 24 November 2016)
Richard Karn (appointed 24 November 2016 resigned 13 April 2017)
Mr Ken Koldenhoven (resigned 13 April 2017)
Norman Seckold (appointed 25 November 2016 and resigned 30 January 2017)

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

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

Review of operations
The profit for the consolidated entity after providing for income tax amounted to $3,944,192 (30 June 2016: loss of $941,508).

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

Significant changes in the state of affairs
During the year the company issued 35,211,79 fully paid ordinary shares raising $1,710,551 before costs, as well as settling liabilities totalling $20,000.

On 17 June 2017, the company issued 27,311,079 listed options with an exercise price of 5 cents that expire on 19 June 2018.

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

Matters subsequent to the end of the financial year
On 4 July 2017, the company announced that it will raise $1 million via the placement of 16.7 million fully paid shares at six cents per share. At the time of signing all of these shares had been issued.

On 5 August 2017 and 14 September 2017, the company issued 179,897 and 211,325 fully paid shares upon the exercise of listed options respectively.

No other matter or circumstance has arisen since 30 June 2017 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

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

Environmental regulation

The consolidated entity holds participating interests in a number of mining and exploration tenements. The various authorities granting such tenements require the tenement holder to comply with the terms of the grant of the tenement and all directions given to it under those terms of the tenement. There have been no known breaches of the tenement conditions, and no such breaches have been notified by any government agencies during the year ended 30 June 2017.

Information on directors

Name:	Stephen van der Sluys
Title:	Chief Executive Officer
Experience and expertise:	Steve van der Sluys is both Fellow of the Australasian Institute of Mining and Metallurgy and the Australian Institute of Company Directors. His career spans over 40 years as banker to and as a director of mining and metals businesses. Steve commenced his career after completing studies in geology and a Degree in Building and University Blue from UNSW. Specific to our Company's current interests, Steve was previously an executive director of Queensland Nickel Limited leading to the AUD 375 Million IPO in the early 90's, subsequently brokered the sale of the Ravensthorpe Project to BHP and was also principal financial advisor to Anaconda Nickel Limited in its AUD 1.4 billion Murrin Murrin Nickel/Cobalt Project Financing. Steve's background in banking commenced with roles at Citibank and JP Morgan Chase (then Chase Manhattan Bank) in Sydney and New York. His career evolved to include roles in the reconstruction and sale of the Bank of New Zealand and as Managing Director of CIBC Wood Gundy Australia. His extensive finance industry experience encompasses a wide variety of roles including in project and infrastructure financing, commodity finance and challenging workouts.
Other current directorships:	Nil
Former directorships (last 3 years):	Nil
Interests in shares:	1,074,813 fully paid ordinary shares.
Interests in options:	1,074,813 listed options

Name:	John Newton
Title:	Non Executive Director
Experience and expertise:	John Newton is an accountant with 40 years' experience in international stockbroking, accounting, corporate finance and property development. He has been a director of a number of public companies including M.E.O. Australia Ltd, Rum Jungle Resources Ltd, EastCoal Ltd, listed on TSX Ventures Exchange Canada, Xtract Energy PLC, listed on the AIM of the London Stock Exchange. He has maintained a continued involvement in the Australian and International financial sector as investment advisor, consultant and financier. In 2005 Mr. Newton developed, in conjunction with Coles Ltd, the first 'Green Supermarket' in Gisborne, a regional area of Melbourne, Australia. The raft of energy reducing measures in the design initiatives resulted in a 40 per cent reduction in energy use across the 3,700m2 supermarket. The development received the award for 'Sustainable Architecture' from the Royal Australian Institute of Architects. The project demonstrated the tremendous gains in energy efficiency provided a design platform for future sustainable property development.
Other current directorships:	
Former directorships (last 3 years):	Nil
Special responsibilities:	Nil
Interests in shares:	16,563,559 fully paid ordinary shares
Interests in options:	9,618,229 listed options

Name:	John Byrne
Title:	Non Executive Chairman
Experience and expertise:	John Byrne has over 40 years' experience in the natural resources industry as an investor and resource business developer and has been since July 2009 the Chairman of Kalina Power Limited. During the past 40 years Mr. Byrne has founded and built a number of companies from the ground up, including from development through to production. In this period he has been instrumental as either CEO or Executive Chairman in overseeing the building of six coal mines (in Canada, the US and the UK) along with three wash plants, totalling in excess of $500 million of expenditure. From March 2001 to May 2010, Mr. Byrne was Chairman of Western Coal Corporation, a global coal producer. Mr. Byrne formed Cambrian Mining PLC in 2002 with assets of GBP1.4 million and was CEO until it was acquired in 2008 for GBP148 million. During this time he was the founding Chairman of Mandalay Resources Corporation which developed and operated the Costerfield Gold and Antimony Mine in Victoria. He has been an Executive Director of numerous gold mining companies in South Africa, Canada and Australia. Since retiring from Western Coal Corporation, Mr. Byrne is now concentrated on identifying projects in and solutions to a number of sustainability issues that exist in the world today.
Other current directorships:	Kalina Power Limited (ASX : KPO)
Former directorships (last 3 years):	Nil
Special responsibilities:	Nil
Interests in shares:	6,806,670 fully paid ordinary shares
Interests in options:	2,861,334 listed options

Name:	Duncan Pursell
Title:	Executive Chairman and Chief Executive Officer (resigned 24 November 2016)
Qualifications:	BSc, MAusIMM
Experience and expertise:	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
Other current directorships:	N/A
Former directorships (last 3 years):	N/A
Interests in shares:	N/A
Interests in options:	N/A

Name:	Derek Foster
Title:	Executive Director (resigned 24 November 2016)
Qualifications:	B.Appl.Sc (Applied Geology), MAusIMM
Experience and expertise:	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.
Other current directorships:	N/A
Former directorships (last 3 years):	N/A
Interests in shares:	N/A
Interests in options:	N/A

Name:	Roger Fairlam
Title:	Executive Director and Company Secretary (resigned 24 November 2016)
Qualifications:	Chartered Accountant
Experience and expertise:	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.
Other current directorships:	N/A
Former directorships (last 3 years):	N/A
Interests in shares:	N/A

'Other current directorships' quoted above are current directorships for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

'Former directorships (last 3 years)' quoted above are directorships held in the last 3 years for listed entities only and excludes directorships of all other types of entities, unless otherwise stated.

Company secretary

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

Meetings of directors

The number of meetings of the company's Board of Directors ('the Board') held during the year ended 30 June 2017, and the number of meetings attended by each director were:

	Full Board	
	Attended	Held
Duncan Pursell	5	5
Derek Foster	5	5
Roger Fairlam	5	5
Steven van der Sluys	5	5
John Byrne	4	4
John Newton	4	4
Richard Karn	3	3
Ken Koldenhoven	2	2
Norman Seckold	2	2

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

Remuneration report (audited)

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

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

The remuneration report is set out under the following main headings:
- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration
After taking into account the consolidated entity’s financial position and ability to pay market rates, both the full board or the chief executive officer acting with delegated responsibilities, aims to remunerate all of its staff, including its key management personnel, fairly and reasonably to attract and retain appropriately qualified and experienced individuals capable of achieving the consolidated entity’s business objectives for the benefit of the Parent entity’s shareholders.

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

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

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

The board as a whole acts as the remuneration committee and determines the following:
- the over-arching executive remuneration framework;
- operation of incentive plans which apply to the executive team, including key performance indicators and performance hurdle;
- remuneration levels of executive directors and other key personnel; and
- non-executive director fees.

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

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

The executive remuneration and reward framework has three components:
- Base pay and benefits, including superannuation
- Short-term incentives
- 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 consolidated entity's business objectives and the creation of shareholder value.

During the financial year, all of the consolidated entity'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. The approval of the consolidated entity'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.

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 consolidated entity's executives during the financial year.

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

The consolidated entity's long-term incentives are provided 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 consolidated entity'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.

The consolidated entity 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 consolidated entity, performance conditions or targets are not considered necessary as each individual executive's relative performance and contribution to the consolidated entity will be taken into account by the board when its determines the vesting conditions applicable to any options granted under the plan. No long-term incentives were paid by the consolidated entity during the financial year. Nor were any management options granted during the financial year.

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

Voting and comments made at the company's 29 November 2016 Annual General Meeting ('AGM')
At the 29 November 2016 AGM, 65.41% of the votes received supported the adoption of the remuneration report for the year ended 30 June 2015. The company did not receive any specific feedback at the AGM regarding its remuneration practices.

This represented the second strike for remuneration purposes.

However, an EGM had already been held on 24 November 2016, were the shareholders elected to remove all existing directors.

Details of remuneration

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

2017	Short-term benefits: Salary and directors fees $	Short-term benefits: Consultancy fees $	Post-employment benefits: Super-annuation $	Total $
Non-Executive Directors:				
Mr J Newton	10,000	-	-	10,000
Mr J Byrne	10,000	3,750	-	13,750
Mr R Karn	4,000	64,500	-	68,500
Mr K Koldenhaven	9,000	-	-	9,000
Executive Directors:				
Mr D Pursell	20,833	53,333	-	74,166
Mr D Foster	20,883	33,000	-	53,883
Mr R Fairlam	20,833	104,090	-	124,923
Mr S van der Sluys	9,000	112,500	-	121,500
Other Key Management Personnel:				
Dr S Van Huet	62,269	-	5,237	67,506
	166,818	371,173	5,237	543,228

2016	Short-term benefits: Cash salary and fees $	Short-term benefits: Consultancy fees $	Post-employment benefits: Super-annuation $	Total $
Executive Directors:				
Mr D Pursell	177,500	-	-	177,500
Mr D Foster	50,000	77,876	-	127,876
Mr R Fairlam	50,000	167,561	-	217,561
Other Key Management Personnel:				
Dr S Van Huet	57,055	-	5,277	62,332
	334,555	245,437	5,277	585,269

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 30 June 2017.

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 30 June 2017.

There were no options over ordinary shares granted to or vested by directors and other key management personnel as part of compensation during the year ended 30 June 2017.

Additional information
The earnings of the consolidated entity for the five years to 30 June 2017 are summarised below:

	2017 $	2016 $	2015 $	2014 $	2013 $
Sales revenue	5,376,129	20,580	34,870	222,158	1,226,252
Profit / (loss) before income tax	3,944,192	(941,508)	(1,179,545)	(1,078,228)	(1,292,519)
Profit/(loss) after income tax	3,944,192	(941,508)	(1,179,545)	(1,078,228)	(1,292,519)

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

	2017	2016	2015	2014	2013
Share price at financial year end ($)	0.06	0.05	0.05	0.03	0.02
Basic profit / (loss) per share (cents per share)	3.64	(1.12)	(1.79)	(1.64)	(2.71)

Additional disclosures relating to key management personnel

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

	Balance at the start of the year	Held at time of appointment	Additions	Disposals / held at time of resignation	Balance at the end of the year
Ordinary shares					
Mr D Pursell *	9,507,879	-	-	(9,507,879)	-
Mr D Foster *	2,340,875	-	-	(2,340,875)	-
Mr R Fairlam *	39,114	-	-	(39,114)	-
Mr S Van Huet	27,441	-	-	-	27,441
Stephen van der Sluys	-	-	1,074,813	-	1,074,813
John Newton	-	5,445,330	11,118,229	-	16,563,559
John Byrne	-	5,445,336	1,361,334	-	6,806,670
Richard Karn *	-	22,104	-	(22,104)	-
Norman Seckold *	-	4,575,525	-	(4,575,525)	-
	11,915,309	15,488,295	13,554,376	(16,485,497)	24,472,483

* has resigned during the financial year.

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

	Balance at the start of the year	Granted	Exercised	Acquired	Balance at the end of the year
Options over ordinary shares					
Stephen van der Sluys	-	-	-	1,074,813	1,074,813
John Byrne	-	-	-	2,861,334	2,861,334
John Newton	-	-	-	9,618,229	9,618,229
	-	-	-	13,554,376	13,554,376

This concludes the remuneration report, which has been audited.

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

Grant date	Expiry date	Exercise price	Number under option
19 June 2017	19 June 2018	$0.0500	26,919,797

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

Shares issued on the exercise of options
The following ordinary shares of Jervois Mining Limited were issued during the year ended 30 June 2017 and up to the date of this report on the exercise of options granted:

Date options exercised	Exercise price	Number of shares issued
15 August 2017	$0.0500	179,897
14 September 2017	$0.0500	24,325
		204,222

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

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

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

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

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

Officers of the company who are former partners of George Georgiou of Connect Audit
There are no officers of the company who are former partners of George Georgiou of Connect Audit.

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

Auditor
George Georgiou of Connect Audit continues in office in accordance with section 327 of the Corporations Act 2001.

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

On behalf of the directors

John Byrne

26 September 2017

Level 6,
488 Bourke Street,
Melbourne.
VIC 3000

Tel: +613 8080 1525
Web: www.connectaudit.com.a

AUDITOR'S INDEPENDENCE DECLARATION

UNDER SECTION 307C OF THE CORPORATIONS ACT 2001

As lead auditor for the audit of Jervois Mining Limited for the year ended 30 June 2017, 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 and controlled entities.

George Georgiou FCA
Registered Company Auditor
ASIC Registration: 10310
Melbourne, Victoria
Date: 26 September 2017

Jervois Mining Limited
Contents
30 June 2017

Jervois Mining Limited
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2017

	Note	Consolidated 2017 $	Consolidated 2016 $
Revenue	5	30,957	20,580
Other income	6	5,889,245	352,309
Expenses			
Administrative expense		(46,099)	(35,647)
Communication expenses		(21,518)	(26,330)
Employee benefits expense		(138,560)	(151,546)
Exploration expense		(47,405)	(29,113)
Depreciation and amortisation expense		2,209	(11,808)
Impairment of other assets	7	-	(27,272)
Impairment of exploration assets	7	(413,978)	(483,239)
Insurance premiums		(84,268)	(73,841)
Professional fees		(960,337)	(277,097)
Securities quotation fees		(97,251)	(81,849)
Tenancy and property costs		(90,764)	(97,672)
Other expenses		(78,039)	(18,983)
Profit/(loss) before income tax expense		3,944,192	(941,508)
Income tax expense	8	-	-
Profit/(loss) after income tax expense for the year attributable to the owners of Jervois Mining Limited		3,944,192	(941,508)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the owners of Jervois Mining Limited		3,944,192	(941,508)
		Cents	**Cents**
Basic earnings / (loss) per share	30	3.64	(1.12)
Diluted earnings / (loss) per share	30	3.61	(1.12)

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

Jervois Mining Limited
Statement of financial position
As at 30 June 2017

	Note	Consolidated 2017 $	2016 $
Assets			
Current assets			
Cash and cash equivalents		1,385,782	652,247
Trade and other receivables	9	1,000,523	426,949
Financial assets at fair value through profit or loss		1,849	2,054
Other		14,491	56,305
Total current assets		2,402,645	1,137,555
Non-current assets			
Receivables	10	3,905,667	-
Financial assets at fair value through profit or loss	11	1,740,000	647,642
Property, plant and equipment	12	109,276	179,459
Exploration and evaluation	13	3,841,726	4,425,425
Other	14	157,659	40,000
Total non-current assets		9,754,328	5,292,526
Total assets		12,156,973	6,430,081
Liabilities			
Current liabilities			
Trade and other payables	15	204,663	103,403
Employee benefits		8,054	15,217
Total current liabilities		212,717	118,620
Non-current liabilities			
Employee benefits		19,326	14,776
Total non-current liabilities		19,326	14,776
Total liabilities		232,043	133,396
Net assets		11,924,930	6,296,685
Equity			
Issued capital	16	53,410,897	51,726,844
Accumulated losses		(41,485,967)	(45,430,159)
Total equity		11,924,930	6,296,685

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

Jervois Mining Limited
Statement of changes in equity
For the year ended 30 June 2017

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 year	-	(941,508)	(941,508)
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive loss for the year	-	(941,508)	(941,508)
Transactions with owners in their capacity as owners:			
Contributions of equity, net of transaction costs (note 16)	1,758,499	-	1,758,499
Balance at 30 June 2016	51,726,844	(45,430,159)	6,296,685

Consolidated	**Issued capital $**	**Accumulated losses $**	**Total equity $**
Balance at 1 July 2016	51,726,844	(45,430,159)	6,296,685
Profit after income tax expense for the year	-	3,944,192	3,944,192
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	3,944,192	3,944,192
Transactions with owners in their capacity as owners:			
Contributions of equity, net of transaction costs (note 16)	1,684,053	-	1,684,053
Balance at 30 June 2017	53,410,897	(41,485,967)	11,924,930

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

Jervois Mining Limited
Statement of cash flows
For the year ended 30 June 2017

	Note	Consolidated 2017 $	2016 $
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		6,407	8,896
Payments to suppliers and employees (inclusive of GST)		(1,352,046)	(840,463)
		(1,345,639)	(831,567)
Interest received		3,849	11,684
Net cash used in operating activities	29	(1,341,790)	(819,883)
Cash flows from investing activities			
Payments for investments		(548,080)	(130,833)
Payments for property, plant and equipment		(22,892)	-
Payments for exploration and evaluation		(390,774)	(543,186)
R&D tax offset received in relation to exploration assets		379,041	722,172
Insurance proceeds from plant and equipment		111,636	-
Proceeds from sale of tenements		1,000,000	-
Payments for security deposits		(117,659)	-
Net cash from investing activities		411,272	48,153
Cash flows from financing activities			
Proceeds from issue of shares	16	1,710,551	1,145,845
Share issue transaction costs		(46,498)	(97,846)
Net cash from financing activities		1,664,053	1,047,999
Net increase in cash and cash equivalents		733,535	276,269
Cash and cash equivalents at the beginning of the financial year		652,247	375,978
Cash and cash equivalents at the end of the financial year		1,385,782	652,247

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

Note 1. General information

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

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

585 Burwood Road
Hawthorn, Victoria, 3122

The financial statements were authorised for issue, in accordance with a resolution of directors, on 27 September 2017. The directors have the power to amend and reissue the financial statements.

Note 2. Significant accounting policies

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

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

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

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

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

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

Principles of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Jervois Mining Limited ('company' or 'parent entity') as at 30 June 2017 and the results of all subsidiaries for the year then ended. Jervois Mining Limited and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

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

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

Note 2. Significant accounting policies (continued)

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

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

Other revenue
Other revenue is recognised when it is received or when the right to receive payment is established.

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

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

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

Cash and cash equivalents
Cash and cash equivalents 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.

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

Investments and other financial assets
Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. They are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on the purpose of the acquisition and subsequent reclassification to other categories is restricted.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the consolidated entity has transferred substantially all the risks and rewards of ownership.

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

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

Note 2. Significant accounting policies (continued)

Impairment of financial assets
The consolidated entity assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes significant financial difficulty of the issuer or obligor; a breach of contract such as default or delinquency in payments; the lender granting to a borrower concessions due to economic or legal reasons that the lender would not otherwise do; it becomes probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for the financial asset; or observable data indicating that there is a measurable decrease in estimated future cash flows.

The amount of the impairment allowance for loans and receivables carried at amortised cost 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. If there is a reversal of impairment, the reversal cannot exceed the amortised cost that would have been recognised had the impairment not been made and is reversed to profit or loss.

The amount of the impairment allowance for financial assets carried at cost is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the current market rate of return for similar financial assets.

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

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

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

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

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

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

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

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

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

Note 2. Significant accounting policies (continued)

Employee benefits

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

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

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

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

Issued capital
Ordinary shares are classified as equity.

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

Earnings / (Loss) per share

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

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

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

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

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

Note 2. Significant accounting policies (continued)

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

New Accounting Standards and Interpretations not yet mandatory or early adopted
Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the consolidated entity for the annual reporting period ended 30 June 2017. The consolidated entity's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the consolidated entity, are set out below.

AASB 9 Financial Instruments
This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard replaces all previous versions of AASB 9 and completes the project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. AASB 9 introduces new classification and measurement models for financial assets. A financial asset shall be measured at amortised cost, if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, which arise on specified dates and solely principal and interest. All other financial instrument assets are to be classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in other comprehensive income ('OCI'). For financial liabilities, the standard requires the portion of the change in fair value that relates to the entity's own credit risk to be presented in OCI (unless it would create an accounting mismatch). New simpler hedge accounting requirements are intended to more closely align the accounting treatment with the risk management activities of the entity. New impairment requirements will use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment will be measured under a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted. The standard introduces additional new disclosures. The consolidated entity will adopt this standard from 1 January 2018 but given that nature of the consolidated entity's financial instruments and the fact that all investments are already classified and measured at fair value through profit or loss the impact of its adoption is not expected to be material.

AASB 15 Revenue from Contracts with Customers
This standard is applicable to annual reporting periods beginning on or after 1 January 2018. The standard provides a single standard for revenue recognition. The core principle of the standard is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard will require: contracts (either written, verbal or implied) to be identified, together with the separate performance obligations within the contract; determine the transaction price, adjusted for the time value of money excluding credit risk; allocation of the transaction price to the separate performance obligations on a basis of relative stand-alone selling price of each distinct good or service, or estimation approach if no distinct observable prices exist; and recognition of revenue when each performance obligation is satisfied. Credit risk will be presented separately as an expense rather than adjusted to revenue. For goods, the performance obligation would be satisfied when the customer obtains control of the goods. For services, the performance obligation is satisfied when the service has been provided, typically for promises to transfer services to customers. For performance obligations satisfied over time, an entity would select an appropriate measure of progress to determine how much revenue should be recognised as the performance obligation is satisfied. Contracts with customers will be presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Sufficient quantitative and qualitative disclosure is required to enable users to understand the contracts with customers; the significant judgements made in applying the guidance to those contracts; and any assets recognised from the costs to obtain or fulfil a contract with a customer. The consolidated entity will adopt this standard from 1 January 2018 but has yet to assess its impact.

Note 2. Significant accounting policies (continued)

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

Note 3. Critical accounting judgements, estimates and assumptions

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

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

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

Note 4. Operating segments

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

Note 5. Revenue

	Consolidated 2017 $	Consolidated 2016 $
Interest	3,849	11,684
Rent	6,407	8,896
Other revenue	20,701	-
Revenue	30,957	20,580

Note 6. Other income

	Consolidated 2017 $	Consolidated 2016 $
Net fair value gain on financial assets at fair value through profit and loss	544,073	352,309
Gain on sale of tenement	5,345,172	-
Other income	5,889,245	352,309

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

Note 7. Expenses

	Consolidated 2017 $	Consolidated 2016 $
Profit/(loss) before income tax includes the following specific expenses:		
Depreciation		
Plant and equipment	2,140	11,808
Impairment		
Plant and equipment	-	27,272
Exploration and evaluation	413,978	483,239
Total impairment	413,978	510,511
Rental expense relating to operating leases		
Minimum lease payments	71,730	78,028

Note 8. Income tax expense

	Consolidated	
	2017	**2016**
	$	**$**
Numerical reconciliation of income tax expense and tax at the statutory rate		
Profit/(loss) before income tax expense	3,944,192	(941,508)
Tax at the statutory tax rate of 27.5% (2016: 30%)	1,084,653	(282,452)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Non deductible items	95,436	209,304
	1,180,089	(73,148)
Current year tax losses not recognised	-	73,148
Utilisation of tax losses	(1,180,089)	-
Income tax expense	-	-

	Consolidated	
	2017	**2016**
	$	**$**
Tax losses not recognised		
Unused tax losses for which no deferred tax asset has been recognised	29,167,108	33,457,461
Potential tax benefit @ 27.5% (2016 : 30%)	8,020,955	10,037,238

The above potential tax benefit for tax losses has not been recognised in the statement of financial position. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed.

Note 9. Current assets - trade and other receivables

	Consolidated	
	2017	**2016**
	$	**$**
R&D tax offset receivable	-	379,041
Other receivables	523	-
Consideration accrued in relation to disposal of tenements	1,000,000	-
GST receivable	-	47,908
	1,000,523	426,949

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

Note 10. Non-current assets - receivables

	Consolidated	
	2017	2016
	$	$
Consideration accrued in relation to disposal of tenements	3,905,667	-

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

Note 11. Non-current assets - financial assets at fair value through profit or loss

	Consolidated	
	2017	2016
	$	$
Shares in Australian listed entities	1,740,000	647,642

Note 12. Non-current assets - property, plant and equipment

	Consolidated	
	2017	2016
	$	$
Land and buildings - at cost	83,890	204,220
Less: Accumulated depreciation	-	(29,395)
	83,890	174,825
Plant and equipment - at cost	14,397	89,493
Less: Accumulated depreciation	(1,274)	(89,493)
	13,123	-
Motor vehicles - at cost	53,441	53,441
Less: Accumulated depreciation	(53,441)	(53,441)
	-	-
Office equipment - at cost	28,873	71,455
Less: Accumulated depreciation	(16,610)	(66,821)
	12,263	4,634
	109,276	179,459

Note 12. Non-current assets - property, plant and equipment (continued)

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

Consolidated	Land & buildings $	Plant & equipment $	Office equipment $	Total $
Balance at 1 July 2015	179,191	27,457	11,891	218,539
Impairment of assets	-	(25,436)	(1,836)	(27,272)
Depreciation expense	(4,366)	(2,021)	(5,421)	(11,808)
Balance at 30 June 2016	174,825	-	4,634	179,459
Additions	-	13,696	9,196	22,892
Write of damaged assets covered by insurance claim	(90,935)	-	-	(90,935)
Depreciation expense	-	(573)	(1,567)	(2,140)
Balance at 30 June 2017	83,890	13,123	12,263	109,276

Note 13. Non-current assets - exploration and evaluation

	Consolidated	
	2017 **$**	**2016** **$**
Exploration and evaluation - at cost	3,841,726	4,425,425

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

Consolidated	Exploration & evaluation $
Balance at 1 July 2015	4,034,019
Additions	1,253,686
Impairment of assets	(483,239)
R&D tax offset recognised	(379,041)
Balance at 30 June 2016	4,425,425
Additions	390,774
Disposals	(560,495)
Impairment of assets	(413,978)
Balance at 30 June 2017	3,841,726

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

Note 14. Non-current assets - other

	Consolidated	
	2017	2016
	$	$
Security deposits	157,659	40,000

Note 15. Current liabilities - trade and other payables

	Consolidated	
	2017	2016
	$	$
Trade payables	104,752	74,601
Payroll related liabilities	4,632	13,802
Accrued expenses	38,500	15,000
GST payable	24,594	-
Other payables	32,185	-
	204,663	103,403

Refer to note 18 for further information on financial instruments.

Note 16. Equity - issued capital

	Consolidated			
	2017 Shares	2016 Shares	2017 $	2016 $
Ordinary shares - fully paid	136,953,972	101,742,893	53,410,897	51,726,844

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	$0.0500	445,625
Acquisition of exploration assets from Explaurum Ltd	6 November 2015	11,100,000	$0.0550	610,500
Acquisition of exploration license E80/4820	6 November 2015	2,000,000	$0.0500	100,000
Allotment of shortfall	23 November 20115	1,010,000	$0.0500	50,500
Capital raising	19 May 2016	12,995,000	$0.0500	649,720
Cost of capital raising		-	$0.0000	(97,846)
Balance	30 June 2016	101,742,893		51,726,844
Issue of shares	9 November 2016	6,000,000	$0.0450	270,000
Shares issued for acquisition of tenement	9 November 2016	4,000,000	$0.0450	90,000
Shares issued for acquisition of tenement	9 November 2016	2,000,000	$0.0450	180,000
Cancellation of shares issued for acquisition of tenement	24 February 2017	(6,000,000)	$0.0450	(270,000)
Conversion of options	2 May 2017	1,500,000	$0.0500	75,000
Rights issue	19 June 2017	27,311,079	$0.0500	1,365,551
Shares issued to settle liabilities	19 June 2017	400,000	$0.0500	20,000
Capital raising costs		-	$0.0000	(46,498)
Balance	30 June 2017	136,953,972		53,410,897

Note 16. 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.

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

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

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

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

The consolidated entity is subject to certain financing arrangements covenants and meeting these is given priority in all capital risk management decisions. There have been no events of default on the financing arrangements during the financial year.

The capital risk management policy remains unchanged from the 2016 annual report.

Note 17. Equity - dividends

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

Note 18. Financial instruments

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

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

Market risk

Foreign currency risk
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 consolidated entity operates primarily within Australia, and the consolidated entity is not exposed to material foreign exchange risk.

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

Note 18. Financial instruments (continued)

	Average price increase			Average price decrease		
Consolidated - 2017	**% change**	**Effect on profit before tax**	**Effect on equity**	**% change**	**Effect on profit before tax**	**Effect on equity**
Shares in Australian listed entities	100%	1,740,000	1,740,000	50%	(870,000)	(870,000)

	Average price increase			Average price decrease		
Consolidated - 2016	**% change**	**Effect on profit before tax**	**Effect on equity**	**% change**	**Effect on profit before tax**	**Effect on equity**
Shares in Australian listed entities	250%	1,619,105	1,619,105	66%	(427,443)	(427,433)

There has been significant volatility in relation to the shares held with a gain of $544,073 recognised during the current financial year. This is however a reduction in the level of volatility in the prior year.

Interest rate risk
The consolidated entity is exposed to material interest rate risk.

Credit risk
The consolidated entity's receivables are made up of GST and R&D tax offset receivable from the Australian government, and for this reason the consolidated entity is not exposed to significant credit risk. There is also a significant receivable balance in relation to the the disposal of the tenements. To date the purchaser has made every payment on the date due, and there is no reason to expect this this will not continue.

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

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

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

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

Note 18. Financial instruments (continued)

Consolidated - 2016	Weighted average interest rate %	1 year or less $	Between 1 and 2 years $	Between 2 and 5 years $	Over 5 years $	Remaining contractual maturities $
Non-derivatives						
Non-interest bearing						
Trade and other payables	-	103,403	-	-	-	103,403
Total non-derivatives		103,403	-	-	-	103,403

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

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

Note 19. Fair value measurement

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

Consolidated - 2017	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Shares in Australian listed entities	1,740,000	-	-	1,740,000
Total assets	1,740,000	-	-	1,740,000

Consolidated - 2016	Level 1 $	Level 2 $	Level 3 $	Total $
Assets				
Shares in Australian listed entities	647,642	-	-	647,642
Total assets	647,642	-	-	647,642

There were no transfers between levels during the financial year.

Note 20. Key management personnel disclosures

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

	Consolidated	
	2017	**2016**
	$	**$**
Short-term employee benefits	537,991	579,992
Post-employment benefits	5,237	5,277
	543,228	585,269

Note 21. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by George Georgiou of Connect Audit, the auditor of the company:

	Consolidated	
	2017	**2016**
	$	**$**
Audit services - George Georgiou of Connect Audit		
Audit or review of the financial statements	29,450	30,000

Note 22. Contingent assets

(i) 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 mine site is yet to go into production, and it is not at deemed probable at this point in time.

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 12 years after the date on the first sale on which the royalty is payable.

(ii) 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"). As part of this agreement, Jervois received 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. This royalty has no expiry, and at this point in time the mine has not gone into production and it not deemed probable that it will.

Note 23. Contingent liabilities

	Consolidated	
	2017	**2016**
	$	**$**
Bank guarantees	67,000	107,000

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

Note 24. Commitments

	Consolidated	
	2017	**2016**
	$	**$**
Lease commitments - operating		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	-	38,028
Exploration commitments		
Committed at the reporting date but not recognised as liabilities, payable:		
Within one year	10,435	10,435
One to five years	-	10,435
	10,435	20,870

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

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

Note 25. Related party transactions

Parent entity
Jervois Mining Limited is the parent entity.

Subsidiaries
Interests in subsidiaries are set out in note 27.

Key management personnel
Disclosures relating to key management personnel are set out in note 20 and the remuneration report included in the directors' report.

Note 25. Related party transactions (continued)

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

	Consolidated 2017 $	Consolidated 2016 $
Payment for goods and services:		
Purchases of mining and geological consulting services from Derek Foster & Associates Pty Ltd (Director related party of Derek Foster). These amounts in addition to the director's fees and expense reimbursements received.	33,300	77,876
Purchase of accounting and company secretarial services from Arbitrans Pty Ltd (Director related party to Roger Fairlam). These amounts in addition to the director's fees and expense reimbursements received.	104,090	167,561
Purchase of accounting and company secretarial services from Kalina Power Ltd (Director related party to John Byrne). These amounts in addition to the director's fees and expense reimbursements received.	16,000	-

Receivable from and payable to related parties
The following balances are outstanding at the reporting date in relation to transactions with related parties:

	Consolidated 2017 $	Consolidated 2016 $
Current payables:		
Derek Foster & Associates Pty Ltd (Director related party of Derek Foster)	-	43,890
Kalina Power Ltd (Director related party of John Byrne)	6,000	-

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

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

Note 26. Parent entity information

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

Statement of profit or loss and other comprehensive income

	Parent 2017 $	Parent 2016 $
Profit/(loss) after income tax	3,943,221	(942,637)
Total comprehensive income	3,943,221	(942,637)

Note 26. Parent entity information (continued)

Statement of financial position

	Parent 2017 $	Parent 2016 $
Total current assets	2,355,196	1,091,078
Total assets	13,203,849	7,477,929
Total current liabilities	212,717	118,620
Total liabilities	232,043	133,396
Equity		
Issued capital	53,410,897	51,726,844
Accumulated losses	(40,439,091)	(44,382,311)
Total equity	12,971,806	7,344,533

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2017 and 30 June 2016.

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2017 and 30 June 2016.

Commitments

	Parent 2017 $	Parent 2016 $
Committed at the reporting date but not recognised as liabilities, payable:		
Lease commitments	-	38,208
Exploration	10,435	20,870

Significant accounting policies
The accounting policies of the parent entity are consistent with those of the consolidated entity, as disclosed in note 2, except for the following:
- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.

Note 27. Interests in subsidiaries

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

Name	Principal place of business / Country of incorporation	Ownership interest 2017 %	Ownership interest 2016 %
Hardrock Exploration Pty Ltd	Australia	100.00%	100.00%
Goldpride Pty Ltd	Australia	100.00%	100.00%
Nico Young Pty Ltd	Australia	100.00%	100.00%

Note 28. Events after the reporting period

On 4 July 2017, the company announced that it will raise $1 million via the placement of 16.7 million fully paid shares at six cents per share. At the time of signing all of these shares had been issued.

On 5 August 2017 and 14 September 2017, the company issued 179,897 and 211,325 fully paid shares upon the exercise of listed options respectively.

No other matter or circumstance has arisen since 30 June 2017 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Note 29. Reconciliation of profit/(loss) after income tax to net cash used in operating activities

	Consolidated	
	2017 $	2016 $
Profit/(loss) after income tax expense for the year	3,944,192	(941,508)
Adjustments for:		
Depreciation and amortisation	2,140	11,808
Write off of property, plant and equipment	-	27,272
Share-based payments	20,000	-
Impairment of exploration assets	413,978	483,239
Net fair value (gain) / loss on financial assets	(544,073)	(352,309)
Gain on sale of tenements	(5,345,172)	-
Other income	(20,701)	-
Change in operating assets and liabilities:		
Decrease in trade and other receivables	47,385	6,429
Decrease/(increase) in prepayments	41,814	(1,646)
Increase/(decrease) in trade and other payables	101,260	(8,826)
Decrease in employee benefits	(2,613)	(44,342)
Net cash used in operating activities	(1,341,790)	(819,883)

Note 30. Earnings per share

	Consolidated	
	2017 $	2016 $
Profit/(loss) after income tax attributable to the owners of Jervois Mining Limited	3,944,192	(941,508)
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	108,409,972	83,890,999
Adjustments for calculation of diluted earnings per share:		
Options over ordinary shares	835,128	-
Weighted average number of ordinary shares used in calculating diluted earnings per share	109,245,100	83,890,999
	Cents	Cents
Basic earnings / (loss) per share	3.64	(1.12)
Diluted earnings / (loss) per share	3.61	(1.12)

Jervois Mining Limited
Directors' declaration
30 June 2017

In the directors' opinion:

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

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

- the attached financial statements and notes give a true and fair view of the consolidated entity's financial position as at 30 June 2017 and of its performance for the financial year ended on that date; and

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

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

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

On behalf of the directors

John Byrne

26 September 2017

Level 6,
488 Bourke Street,
Melbourne.
VIC 3000

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Independent Auditor's Report

To the Members of Jervois Mining Limited

Opinion

We have audited the accompanying financial report of Jervois Mining Limited and its controlled entities (the "Group"), which comprises the consolidated statement of financial position as at 30 June 2017, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the financial year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the company as set out on page 45.

In our opinion:

(a) the financial report of Jervois Mining Limited and its controlled entities is in accordance with the *Corporations Act 2001*, including:

(i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2017 and of its performance for the financial year ended on that date; and

(ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the consolidated financial statements also comply with International Financial Reporting Standards as disclosed in the basis of preparation.

Basis for opinion

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

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

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

Key Audit Matters

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

Key Audit Matter	How our audit addressed the key audit matter
Capitalisation of Exploration and Evaluation Assets	
We focus on the capitalisation of exploration and evaluation asset as this represents a significant asset of the company and that the capitalisation of this amount is significantly affected by management's judgement The company has incurred significant exploration and evaluation expenditures. The accounting treatment of these expenditures (whether as capital or expense) can have a significant impact on the financial report. This is particularly relevant as this company is in an exploration stage with no production activities. As such it is necessary to assess whether the facts and circumstances existed to suggest that these expenditures were properly capitalised in accordance with accounting standard	We carried out the following work in accordance with the guidance set out in AASB 6 Exploration for and Evaluation of Mineral Resources: We reviewed the company's accounting policy specifying which expenditures are recognised as exploration and evaluation assets and its consistent application of the policy. We tested a sample of capitalised expenditures to ensure that these expenditures are associated with finding specific mineral resources We obtained evidence that the rights to tenure of the area of interest are current and that the company has valid rights to explore in the areas represented by the capitalised exploration and evaluation expenditures by reviewing supporting documents of a sample of the company's tenement holdings We evaluated whether the exploration and evaluation expenditures are expected to be recouped, either through successful development and exploitation or through sale We enquired with management and evaluated whether 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. We enquired with those charged with governance whether they monitor that these expenses are capitalised as per AASB6 We have obtained sufficient appropriate audit evidence with regards to the capitalised

	amount as disclosed in the note to financial statements. We also considered the appropriateness of the related disclosure in Notes 2, 3 and 13 to the financial statements.
Assessment of Carrying Value of Exploration and Evaluation Assets	
We focus on the assessment of the carrying value of the exploration and evaluation asset as this represents a significant asset of the company. We need to assess whether the facts and circumstances existed to suggest that the carrying value of this asset may exceed its recoverable amount. Significant judgement is involved in considering if there was impairment indicator and estimating the value of the asset and the potential material impact on the financial report. As part of their annual impairment review management prepared a list of all its exploration and evaluation assets and reviewed these against their list of impairment indicators. Where impairment indicators existed, management performed an impairment review in accordance with AASB 136 Impairment of Assets. As a result, $413,978 was written off during this year in respect of two areas of exploration in the exploration and evaluation assets	We ensured the company has tested at the level of area of interest where the following indicators are present: (a) the period for which the entity has the right to explore in the specific area has expired during the period or will expire in the near future, and is not expected to be renewed; (b) substantive expenditure on further exploration for and evaluation of mineral resources in the specific area is neither budgeted nor planned (c) exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the entity has decided to discontinue such activities in the specific area; (d) sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale We enquired with management and reviewed budgets to ensure that substantive expenditure on further exploration for and evaluation of the mineral resources in the company's areas of interest were planned We enquired with management, reviewed announcements made and reviewed minutes of the directors' meetings to ensure that the company had not decided to discontinue activities in any of its areas of interest. We noted the company had decided to discontinue activities in respect of two areas of exploration We evaluated management's assessment of

	impairment indicators including the conclusion reached We have obtained sufficient appropriate audit evidence with regards to the impaired amount of $413,978 written off as disclosed in the note to financial statements. We also considered the appropriateness of the related disclosure in Note 2, 3 and 13 to the financial statements.

Responsibilities of the directors for the financial report

The directors of the group are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the *Corporations Act 2001* and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In the basis of preparation, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements*, that the consolidated financial statements comply with International Financial Reporting Standards.

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

Auditor's Responsibilities for the audit of the financial report

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

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/Home.aspx. This description forms part of our auditor's report.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 13 to 17 of the directors' report for the financial year ended 30 June 2017.

In our opinion the Remuneration Report of Boadicea Resources Ltd for the financial year ended 30 June 2017, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

George Georgiou FCA
Registered Company Auditor
ASIC Registration: 10310
Melbourne, Victoria
Date: 26 September 2017

Jervois Mining Limited
Shareholder information
30 June 2017

The shareholder information set out below was applicable as at 31 August 2017.

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

	Number of holders of ordinary shares
1 to 1,000	154
1,001 to 5,000	229
5,001 to 10,000	136
10,001 to 100,000	768
100,001 and over	157
	1,444
Holding less than a marketable parcel	315

Equity security holders

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

	Ordinary shares	
	Number held	% of total shares issued
327th P&C Nominees Pty Ltd	12,300,000	8.40
Mr John Newton and Mrs Wanda Newton	8,681,663	5.93
Drawone Pty Ltd	7,881,896	5.38
Mr John Byrne and Mrs Maritza Byrne	6,806,670	4.65
Ocean View WA Pty Ltd	4,900,000	3.35
HSBC Custody Nominees (Australia) Ltd - Acc No 2	4,772,174	3.26
JP Morgan Nominees Australia Ltd	3,239,862	2.21
Citicorp Nominees Pty Ltd	3,140,083	2.14
Permgold Pty Ltd (Seckold Family S/F A/C)	2,754,000	1.88
Mr Duncan Campbell Pursell	2,472,459	1.69
Mr Helen Ballantine Pursell	2,410,194	1.65
Brispot Nominees Pty Ltd	2,263,386	1.55
Keo Projects Pty Ltd	2,000,000	1.37
Sisu International Pty Ltd	2,000,000	1.37
North Gate Capital Pty Ltd	1,945,334	1.33
BNP Paribas Noms Pty Ltd	1,750,000	1.20
Mr Shane Fitch	1,482,000	1.01
Gasmere Pty Ltd	1,319,640	0.90
Mr Kenneth Alfred Fawcett and Mrs Victoria Louise Mary Fawcett	1,300,000	0.89
Ms Lois Beverley Dolphin & Mr Peter Graham Dolphin (Warringa Mg Ser Staff SF a/c)	1,250,000	0.85
	74,669,361	51.01

Jervois Mining Limited
Shareholder information
30 June 2017

	Options over ordinary shares Number held	ordinary shares % of total options issued
Mr John Newton and Mrs Wanda Newton	7,881,896	29.05
327th P&C Nominees Pty Ltd	3,000,000	11.06
Konkera Pty Ltd	2,200,000	8.11
Mr John Newton and Mrs Wanda Newton	1,736,333	6.40
Jetosea Pty Ltd	1,650,000	6.08
Mr John Byrne and Mrs Maritza Byrne	1,361,334	5.02
Mr Stephen van der Sluys and Mrs Susan van der Sluys	1,074,813	3.96
Mr Stuart Lloyd Phillips and Mrs Fiona Lloyd Phillips	1,030,000	3.80
Mr Kenneth Alfred Fawcett and Mrs Victoria Louise Mary Fawcett	500,000	1.84
JP Morgan Nominees Australia Ltd	493,902	1.82
Konkera Pty Ltd	480,000	1.77
Mr Brent Graeme Palmer	454,189	1.67
Mr Steven Lyle Hadjifotis	400,587	1.48
JP Rose Super Pty Ltd	375,000	1.38
Mr Carlo Chiodo	296,804	1.09
Ms Lois Beverley Dolphin & Mr Peter Graham Dolphin (Warringa Mg Ser Staff SF a/c)	250,000	0.92
Ms Frances Elizabeth Phillips and Mr Stuart Lloyd Phillips	250,000	0.92
Warrina Management Services Pty Ltd	250,000	0.92
Mrs Liliana Teofilova	238,000	0.88
Mr Adam Leonard Goulding and Mrs Renee Louise Goulding	217,044	0.80
	24,139,902	88.97

Unquoted equity securities
There are no unquoted equity securities.

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

	Ordinary shares Number held	% of total shares issued
327th P&C Nominees Pty Ltd	12,300,000	8.40
Mr John Newton and Mrs Wanda Newton	8,681,663	5.93
Drawone Pty Ltd	7,881,896	5.38

	Options Number held	% of total Options issued
Mr John Newton and Mrs Wanda Newton	9,618,229	35.45
327th P&C Nominees Pty Ltd	3,000,000	11.06
Mr John Byrne and Mrs Maritza Byrne	2,861,334	10.55
Konkera Pty Ltd	2,200,000	8.11
Jetosea Pty Ltd	1,650,000	6.08

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

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

There are no other classes of equity securities.

Tenements

Description	Tenement number	Interest owned %
Young (NSW)	EL 5527	100.00
Thuddungra (NSW)	EL 5571	100.00
Syerston (NSW)	EL 7805	100.00
Kingsgate (NSW)	EL 8203	100.00
West Arunta (WA)	E80 4820	100.00
Old Kharthoum (QLD)	EPM 14797	100.00
North Khartoum (QLD)	EPM 15570	100.00
Khartoum (QLD)	EPM 19112	100.00
Three Mile Creek (QLD)	EPM 19113	100.00
Carbonate Creek (QLD)	EPM 19114	100.00
Mt Fairyland (QLD)	EPM 19203	100.00