



Appendix 4D

Half Year Report

31 December 2012

APPENDIX 4D
HALF YEAR ENDED 31 DECEMBER 2012

The following information is given under ASX listing rule 4.2A.3.

1. DETAILS OF THE REPORTING PERIODS COVERED

	Period Covered	From	To
Current reporting period	6 months	01-07-2012	31-12-2012
Previous corresponding reporting period	6 months	01-07-2011	31-12-2011

2. RESULTS FOR ANNOUNCEMENT TO THE MARKET (KEY INFORMATION)

	Half Year Ended		Amount	Percentage	Change
	31-12-2012	31-12-2011	Changed	Change	Up /
	\$	\$	\$	%	Down
2.1 Revenue from ordinary activities	7,740	115,588	(107,848)	-93.30%	Down
2.2 Profit / (Loss) from ordinary activities after income tax attributable to equity holders of the parent	(966,984)	(1,049,500)	82,516	7.86%	Up
2.3 Net profit / (loss) after income tax for the period attributable to the members of the parent entity	(966,984)	(1,049,500)	82,516	7.86%	Up

2.4 Dividends and 2.5 Record date for entitlements	Half Year Ended 31-12-2012			Half Year Ended 31-12-2011		
	2.4 Amount Paid per Share \$	2.4 Franked Amount per Share \$	2.5 Record Date for Determining Entitlements	2.4 Amount Paid per Share \$	2.4 Franked Amount per Share \$	2.5 Record Date for Determining Entitlements
Interim dividends paid	-	-	-	-	-	-
Final dividends paid	-	-	-	-	-	-

2.6 Brief explanation of any of the figures in 2.1 to 2.4 above that is necessary to enable the figures to be understood.	The Group's continued focus during the half year ended 31 December 2012 was on the development of its current exploration and evaluation projects within Australia, which can give rise to material fluctuations between reporting periods in its revenues and net profit after tax from continuing operations and for the period. These fluctuations are related to the level of exploration activity being undertaken in each reporting period, together with the stage of evaluation reached on each project during any particular reporting period. The Group's revenues and results can also be materially affected by revaluations of its equities portfolio or any purchases or sales of its equity investments. Any asset sales during the reporting period are also likely to have a material effect on reported results.
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3. NET TANGIBLE ASSETS PER SHARE

3.0 Net tangible assets per security with the comparative figure for the previous corresponding period.	As at 31-Dec-2012 \$	As at 31-Dec-2011 \$
Net tangible assets per share	\$0.0185	\$0.0619 *

* = Adjusted for the 1:100 share consolidation which occurred on 10 December 2012.

APPENDIX 4D
HALF YEAR ENDED 31 DECEMBER 2012

The following information is given under ASX listing rule 4.2A.3.

4. CHANGES IN CONTROL OVER GROUP ENTITIES

4.0	Details of entities over which control has been gained or lost during the period, including the following.	There has been no change in control over group entities during the half year ended 31 December 2012. Refer to note 2 of the accompanying financial statements for full details of all controlled entities.
4.1	Name of the entity.	Not applicable.
4.2	The date of the gain or loss of control.	Not applicable.
4.3	Where material to an understanding of the report – the contribution of such entities to the reporting entity's profit from ordinary activities during the period and the profit or loss of such entities during the whole of the previous corresponding period.	Not applicable.

5. DIVIDEND DETAILS

5.0	Details of individual and total dividends or distributions and dividend or distribution payments. The details must include the date on which each dividend or distribution is payable, and (if known) the amount per security of foreign sourced dividend or distribution.	Not applicable. The Parent entity has not declared or paid any dividends or distributions during the half year ended 31 December 2012.
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6. DIVIDEND REINVESTMENT PLANS

6.0	Details of any dividend or distribution reinvestment plans in operation and the last date for the receipt of an election notice for participation in any dividend or distribution reinvestment plan.	Not applicable. The Parent entity did not have any dividend or distribution reinvestment plans in operation during the half year ended 31 December 2012.
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7. ASSOCIATE AND JOINT VENTURE ENTITIES

7.0	Details of associates and joint venture entities including the following:	Refer to note 5 of the accompanying financial statements for full details of the Group's associate and joint venture entities.
7.1	The name of the associate or joint venture entity, and	Refer to note 5 of the accompanying financial statements.
7.2	Details of the reporting entity's percentage holding in each of these entities, and	Refer to note 5 of the accompanying financial statements.
7.3	Where material to an understanding of the report - aggregate share of profits (losses) of these entities, details of contributions to net profit for each of these entities, and with comparative figures for each of these disclosures for the previous corresponding period.	Refer to note 5 of the accompanying financial statements.

APPENDIX 4D

HALF YEAR ENDED 31 DECEMBER 2012

The following information is given under ASX listing rule 4.2A.3.

8. ACCOUNTING STANDARDS USED BY FOREIGN ENTITIES

8.0	For foreign entities, which set of accounting standards is used in compiling the report (e.g. International Financial Reporting Standards).	Not applicable.
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9. AUDIT REPORT OR REVIEW WITH MODIFIED OPINION, EMPHASIS OF MATTER OR OTHER MATTER PARAGRAPH

9.0	For all entities, if the accounts contain an independent audit report or review that is subject to a modified opinion, emphasis of matter or other matter paragraph, a description of the modified opinion, emphasis of matter or other matter paragraph.	The Group's independent audit review for the half year ended 31 December 2012 contains an emphasis of matter paragraph drawing member's attention to the contents of Note 1(d) of the accompanying financial statements which deals with the Group's going concern assumptions and the basis upon which those financial statements have been prepared. A copy of the independent audit review is included with the accompanying financial statements for the half year ended 31 December 2012.
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Interim
Financial Statements
forming part of the

Appendix 4D
Half Year Report

For the Half Year Ended
31 December 2012

This interim financial report does not include all of the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the financial year ended 30 June 2012 and any public announcements made by Jervois Mining Limited during the interim financial reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001 Cth.

JERVOIS MINING LIMITED

ABN 52 007 626 575

**CORPORATE DIRECTORY
FOR THE HALF YEAR ENDED 31 DECEMBER 2012**

Directors

Duncan Pursell	Executive Chairman
Sanja Van Huet	Executive Director
Derek Foster	Executive Director

Auditor's

BDO East Coast Partnership,
Level 14, 140 William Street,
Melbourne, Victoria, 3000
Australia

Company Secretary

Rodney Watson

Bankers

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

Registered Office

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

Lawyers

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Website Address

www.jervoismining.com.au

Securities Exchange Home Branch

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

Share Registry

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

Telephone:	+61 3 9415-4000 or 1300 850 505
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ASX Securities Code

Fully paid ordinary shares	JRV
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Facsimile:	+61 3 9473-2500
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JERVOIS MINING LIMITED
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JERVOIS MINING LIMITED
DIRECTORS' REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2012

The directors of Jervois Mining Limited (the Parent entity or the Company) present this report, together with the financial statements of the consolidated Group (consisting of the Parent entity and its controlled entities) for the half-year ended 31 December 2012, made in accordance with a resolution of the directors.

DIRECTORS

The following persons were directors of the Company during the whole of the half-year ended 31 December 2012 and up until the date of this report.

Mr Duncan Pursell	Executive chairman and chief executive officer
Mr Derek Foster	Executive director
Dr Sanja Van Huet	Executive director

RESULTS OF OPERATIONS

The Group's net loss after tax attributable to the members of the parent entity for the half-year ended 31 December 2012 was \$966,984 (2011 loss: \$1,049,500). The contributions to the Group's consolidated revenues and results after tax for the half-year ended 31 December 2012 from its main operating segments were as follows:

Segments	Segment Revenues		Segment Profit / (Loss)	
	31 December 2012 \$	31 December 2011 \$	31 December 2012 \$	31 December 2011 \$
Exploration and evaluation	2,145	1,600	(179,552)	(498,298)
Investments	-	-	(48,344)	(67,588)
Unallocated corporate overhead	20,186	113,988	(739,088)	(483,614)
Total revenue and net profit / (loss) after tax from continuing operations and for the half-year	22,331	115,588	(966,984)	(1,049,500)

Further information in relation to the Group's operating segments is contained in Note 7 to the attached financial statements.

REVIEW OF OPERATIONS

Comments on the operations of the Group for the half-year ended 31 December 2012 follow.

(a) Exploration and evaluation

(i) New South Wales (NSW) tenements

During the half year ended 31 December 2012 the Group continued to make steady progress on its NSW tenements. Under the direction of Dr Hal Aral, the Group's in-house metallurgical expert, the Group has continued to investigate different metallurgical processes for the economic extraction of Nickel / Cobalt from the Group's Young and Summervale lateritic ores. As part of this process, the Parent entity has applied for an Australian patent over a process devised by Dr Aral, which continues the work of the late Dr Mal Jansen.

Following the encouraging drill results during the half year from the Group's Syerston project, Dr Aral also commenced investigating metallurgical processes for the economic extraction of scandium from its lateritic ore. In a short space of time, Dr Aral has made some very encouraging progress in relation to a potentially patentable extraction process. Work in this area will continue for the remainder of this calendar year.

Also during the half year ended 31 December 2012, the legal dispute with EMC Metals Corporation (EMC), involving the proposed litigation initiated by Jervois seeking a declaration that the Exploration Joint Venture Agreement with EMC terminated without EMC having earned an interest in the Nyngan project progressed through a series of legal procedures in the lead up to a Victorian Supreme Court trial which was scheduled for early February 2013.

However, on 4 February 2013 an out of court settlement was reached with EMC on the first day of the trial, whereby EMC has agreed to acquire Jervois' 100% interest in the Nyngan project which comprises freehold farm land, exploration tenement and project related data for a \$2.6 million cash payment (payable in two tranches) and a 12 year 1.7% royalty based on the average sales value of all mineral products from the Nyngan site. Refer to note 11(b)(i) for further details about the settlement terms, which remain subject to a number of pre-conditions.

The above comments in relation to the Company's NSW tenements should be read in conjunction with the Company's 2012 annual report and its ASX announcements since the announcement of that report.

**JERVOIS MINING LIMITED
DIRECTORS' REPORT
FOR THE HALF YEAR ENDED 31 DECEMBER 2012**

REVIEW OF OPERATIONS (continued)

(a) Exploration and evaluation

(ii) Western Australia (WA) tenements

Exploration activity on the WA tenements focused primarily on the Lake Austin project during the half-year ended 31 December 2012 as a result of lack of access to the Lake Barlee tenements due to wet weather conditions. The Group is currently awaiting the granting, from the WA Department of Mines and Petroleum, of exploration license E29/0861 for the Mt Ida gold project. During the half-year, Goldpride Pty Ltd, a wholly owned subsidiary of Jervois Mining Limited surrendered four of its Lake Barlee exploration licenses. Refer to note 6 of the attached financial statements for further details concerning the surrendered tenements.

The above comments in relation to the Company's WA tenements should be read in conjunction with the Company's 2012 annual report and its ASX announcements since the announcement of that report.

(b) Investments

All of the Group's listed equity investments are classified as financial assets at fair value through profit or loss, which means that their carrying amount is regularly adjusted for movements in their share prices. All such adjustments in value are recorded in the statement of profit or loss and other comprehensive income. As a result of equity sales during the half-year at a loss and market conditions prevailing on 31 December 2012, the Group recognised an overall fair value loss of \$48,344 (2011 loss: \$67,588) in relation to its listed equity investments. The overall loss for the half-year ended 31 December 2012 includes a loss of \$325,435 (2011: nil) on the sale of listed equities. As at 31 December 2012, the fair value of the Group's listed equities portfolio was \$16,055 (30 June 2012: \$381,519).

All of the Group's unlisted equity investments are classified as financial assets available-for-sale. As these investments are unlisted no fair value adjustment has been made to their historical cost. These financial assets were not considered to be impaired at 31 December 2012. The Group did not hold any unlisted equity investments at 31 December 2011. As at 31 December 2012, the carrying value of the Group's unlisted equities portfolio was \$986 (30 June 2012: \$986).

(c) Share capital transactions


On 19 October 2012, Jervois Mining Limited completed a one-for-three non-renounceable rights issue at an issue price of \$0.001 per new share before a share consolidation. The offer raised \$456,807 before issue costs. On 10 December 2012, Jervois Mining Limited carried out a one-for-one hundred share consolidation, after seeking shareholder approval at its 2012 Annual General Meeting held on 29 November 2012. On 12 December 2012, Jervois Mining Limited entered into a \$3 million Continuous Investment Agreement with Baycrest Capital, LLC. The terms of this agreement are further explained in note 1(d) (v) to the attached financial statements.

AUDITOR'S INDEPENDENCE DECLARATION

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

RESOLUTION OF THE DIRECTORS

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



**Mr Duncan Pursell
Director**

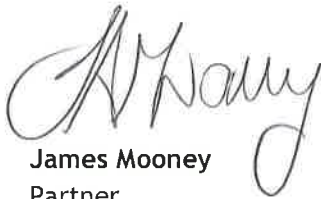
28 February 2013
Melbourne

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

As lead auditor for the review of Jervois Mining Limited for the half-year ended 31 December 2012, I declare that to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.

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



James Mooney
Partner

BDO East Coast Partnership
Melbourne, 28 February 2013

JERVOIS MINING LIMITED
CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED 31 DECEMBER 2012

	Notes	Half Year Ended 31 December 2012 \$	Half Year Ended 31 December 2011 \$
REVENUE			
Revenue - sales		-	1,600
Other revenue		7,740	113,988
Total revenue		7,740	115,588
OTHER INCOME	3	14,591	228
EXPENSES			
Administrative costs		(9,374)	(9,399)
Communication costs		(30,040)	(33,144)
Exploration expenses – no legal rights		(2,281)	(6,499)
Fair value adjustments on financial assets at fair value through profit or loss		(48,344)	(67,588)
Foreign currency losses		(580)	-
Impairment losses – recoverable value adjustments		(446,741)	(486,486)
Insurance premiums		(43,273)	(37,637)
Motor vehicle expenses		(182)	(3,313)
Payroll costs		(351,077)	(274,040)
Professional fees		(464,196)	(140,015)
Repairs and maintenance		(5,699)	(535)
Securities quotation fees		(75,088)	(45,067)
Tenancy and property costs		(40,617)	(44,161)
Travel costs		(2,221)	(7,218)
Interest paid		(5,394)	(2,013)
Depreciation		(7,346)	(8,201)
Total expenses		(1,532,453)	(1,165,316)
LOSS BEFORE INCOME TAX		(1,510,122)	(1,049,500)
Income tax income	4	543,138	-
NET LOSS AFTER INCOME TAX FOR THE HALF YEAR		(966,984)	(1,049,500)
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified subsequently to profit or loss		-	-
Items that may be reclassified subsequently to profit or loss		-	-
TOTAL OTHER COMPREHENSIVE INCOME FOR THE HALF YEAR, NET OF TAX		-	-
TOTAL COMPREHENSIVE LOSS FOR THE HALF YEAR		(966,984)	(1,049,500)

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

	Notes	2012 Basic (cents)	2012 Diluted (cents)	2011 Basic (cents)	2011 Diluted (cents)
LOSS PER SHARE ATTRIBUTABLE TO THE ORDINARY EQUITY HOLDERS OF THE PARENT ENTITY FOR:					
Net profit / (loss) after tax from continuing operations		(2.55)	(2.55)	(3.00)*	(3.00)*
NET PROFIT / (LOSS) AFTER TAX FROM ALL OPERATIONS FOR THE HALF YEAR		(2.55)	(2.55)	(3.00)*	(3.00)*

* = Adjusted for the 1:100 share consolidation which occurred on 10 December 2012.

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

JERVOIS MINING LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2012

	Notes	As At 31 December 2012 \$	As At 30 June 2012 \$
ASSETS			
Current Assets			
Cash and cash equivalents		554,329	278,012
Trade and other receivables		134,784	64,177
Financial assets at fair value through profit or loss		16,055	381,519
Current tax assets		-	167,662
Other financial assets		99,592	99,236
Total current assets		804,760	990,606
Non-current assets			
Available-for-sale financial assets		986	986
Other financial assets		40,000	40,000
Investments accounted for using the equity method	5	47,711	252,809
Property, plant and equipment		624,061	639,914
Exploration and evaluation assets	6	6,955,140	7,030,092
Total non-current assets		7,667,898	7,963,801
TOTAL ASSETS		8,472,658	8,954,407
LIABILITIES			
Current Liabilities			
Trade and other payables		624,514	310,320
Provisions		123,225	120,974
Total current liabilities		747,739	431,294
Non-current liabilities			
Provisions		7,665	6,972
Total non-current liabilities		7,665	6,972
TOTAL LIABILITIES		755,404	438,266
NET ASSETS		7,717,254	8,516,141
EQUITY			
Contributed equity	8	49,622,599	49,454,502
Reserves		-	1,030,444
Accumulated losses		(41,905,345)	(41,968,805)
TOTAL EQUITY		7,717,254	8,516,141

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

JERVOIS MINING LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2012

Transaction details:	Notes	Fully Paid Ordinary Shares \$	General Reserve \$	Capital Profits Reserve \$	Accumulated Losses \$	Total Equity \$
Balances at 01 July 2012		49,454,502	120,537	909,907	(41,968,805)	8,516,141
<u>Comprehensive income transactions:</u>						
Loss after income tax for the period		-	-	-	(966,984)	(966,984)
Other comprehensive income after income tax for the period		-	-	-	-	-
Total comprehensive loss		-	-	-	(966,984)	(966,984)
<u>Transactions with owners in their capacity as owners:</u>						
(a) Contributions by owners						
Issue of fully paid ordinary shares		518,807	-	-	-	518,807
Share issue transaction costs	8	(350,710)	-	-	-	(350,710)
Total transactions with owners in their capacity as owners		168,097	-	-	-	168,097
<u>Transfers between equity components</u>		-	(120,537)	(909,907)	1,030,444	-
Balances at 31 December 2012		49,622,599	-	-	(41,905,345)	7,717,254
<hr/>						
Balances at 01 July 2011		49,249,073	120,537	909,907	(40,287,305)	9,992,212
<u>Comprehensive income transactions:</u>						
Loss after income tax for the period		-	-	-	(1,049,500)	(1,049,500)
Other comprehensive income after income tax for the period		-	-	-	-	-
Total comprehensive loss		-	-	-	(1,049,500)	(1,049,500)
Balances at 31 December 2011		49,249,073	120,537	909,907	(41,336,805)	8,942,712

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

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

JERVOIS MINING LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE HALF YEAR ENDED 31 DECEMBER 2012

Notes	Half Year Ended 31 December 2012 \$	Half Year Ended 31 December 2011 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	902	80,346
Payments to suppliers and employees	(970,793)	(790,732)
Net payments to suppliers and employees	(969,891)	(710,386)
Payments for financial assets at fair value through profit or loss	-	(1,845)
Proceeds from the disposal of financial assets at fair value through profit or loss	317,120	-
Interest received	8,509	26,493
Interest paid	(3,411)	(1,690)
Income taxes refunded / (paid) (including R&D tax offsets refunded)	711,391	(506)
Net cash inflow / (outflow) from operating activities	63,718	(687,934)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for exploration and evaluation assets	(273,400)	(231,129)
Payments for investments in associates - joint venture exploration partnerships	(27,530)	(2,435)
Proceeds from the disposal of investments in associates – exploration partnerships	200,000	-
Payments for property, plant and equipment	(2,254)	(84,990)
Payments for loans to non-group entities	(793)	(250)
Net cash outflows from investing activities	(103,977)	(318,804)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issues of shares and other equity securities	473,807	-
Payments for share issue transaction costs	(156,875)	-
Net cash inflow from financing activities	316,932	-
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	276,673	(1,006,738)
Cash and cash equivalents at the beginning of the financial year	377,248	1,785,572
CASH AND CASH EQUIVALENTS AT THE END OF THE HALF YEAR	653,921	778,834

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

JERVOIS MINING LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2012

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

The half-year financial report is a general purpose financial report prepared in accordance with AASB 134 'Interim Financial Reporting' and the Corporations Act 2001 Cth.

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity. The half-year financial report should be read in conjunction with the annual financial report of Jervois Mining Limited as at 30 June 2012 which was prepared in accordance with the requirements of the Corporations Act 2001 Cth and applicable Australian Accounting Standards. It is also recommended that the half-year financial report be considered together with any public announcements made by the parent entity during the period from 1 July 2012 to the date of this report, in accordance with the continuous disclosure obligations of the ASX listing rules.

(a) Basis of Accounting

The half-year financial report has been prepared on the basis of historical cost, except where stated. For the purpose of preparing the half-year financial report, the half-year has been treated as a discrete reporting period.

The half-year financial report has been prepared on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the ordinary course of business.

(b) Accounting Policies

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the Company's 2012 annual financial report for the financial year ended 30 June 2012, except for the impact of the Standards and Interpretations described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

The Group has adopted all of the new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to their operations and effective for the current half-year.

New and revised Standards and amendments thereof and Interpretations effective for the current half-year that are relevant to the Group include:

- (i) Amendments to AASB 1, 5, 7, 101, 112, 120, 121, 132, 133 and 134 as a consequence of AASB 2011-9 'Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income'.

The adoption of all the new and revised Standards and Interpretations has not resulted in any changes to the Group's accounting policies and has no effect on the amounts reported for the current or prior half-years. However, the application of AASB 2011-9 has resulted in changes to the Group's presentation of, or disclosure in, its half-year financial statements.

AASB 2011-9 introduces new terminology for the statement of comprehensive income and income statement. Under the amendments to AASB 101, the statement of comprehensive income is renamed as a "statement of profit or loss and other comprehensive income" and the income statement is renamed as a "statement of profit or loss". The amendments to AASB 101 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements.

However, the amendments to AASB 101 require items of other comprehensive income to be grouped into two categories in the other comprehensive income section of either statement:

- (a) items that will not be reclassified subsequently to profit or loss; and
- (b) items that may be reclassified subsequently to profit or loss when specific conditions are met.

Income tax on items of other comprehensive income is required to be allocated on the same basis – the amendments do not change the option to present items of other comprehensive income either before tax or net of tax.

The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes.

Other than the above mentioned presentation changes, the application of the amendments to AASB 101 does not result in any impact on profit or loss, other comprehensive income or total comprehensive income.

(c) Comparative Figures

Where necessary, comparative figures have been reclassified and repositioned for consistency with the current period's disclosures.

JERVOIS MINING LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2012

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Going Concern

For the half year ended 31 December 2012, the Group incurred a loss after tax of \$966,984 (2011 loss: \$1,049,500), which was inclusive of impairment charges of \$446,741 (2011: \$486,486). The Group had net cash inflows from operating activities of \$63,718 (2011 Outflow: \$687,934).

Until such time as the Group earns sufficient recurring income and cash inflows from mining operations and / or production royalties from tenements sold, asset sales or any other source, it remains primarily reliant upon its continued ability to raise capital to fund its working capital and exploration and evaluation activities. With the present volatility in financial markets, any capital raisings initiated by the Parent entity will involve significantly more uncertainty in relation to their success than was previously the case. Such material uncertainty casts significant doubt upon the Group's ability to continue as a going concern. Without the proceeds from regular capital raisings, the Group may not be able to continue as a going concern.

The Directors have considered the material uncertainties disclosed above and have determined that these financial statements should be prepared on a going concern basis, which assumes the realisation of assets and extinguishment of liabilities in the normal course of business at the amounts stated in these financial statements, for the following reasons:

- (i) As at 31 December 2012, the Group had cash and cash equivalents (including other current financial assets) of \$653,921 (30 June 2012: \$377,248).
- (ii) As fully detailed in note 11(i), Jervois Mining Limited has reached an out of court settlement with EMC Metals Corporation (EMC), whereby EMC will acquire Jervois' interests in the Nyngan scandium project for \$2.6 million in cash and a 12 year 1.7% average sales value royalty on all mineral products produced from the site. The cash component is payable in two tranches of \$1.2 million on or before 30 June 2013 and \$1.4 million on or before 30 June 2014. Jervois' title to the Nyngan freehold land, exploration licenses and project data does not transfer to EMC until 30 June 2014 or such prior date nominated by EMC, provided EMC has paid the \$2.6 million cash component. The settlement is subject to a number of pre-conditions on both parties. At this stage, there are material uncertainties surrounding the eventual quantum and timing of the \$2.6 million cash component.
- (iii) The Board is of the opinion that, subject to satisfactory market conditions, the Parent entity will be able to access equity capital markets to raise sufficient funds for its on-going operations, as and when required. At the date of this report, the Parent entity is in the process of conducting a one for two non-renounceable pro-rata rights issue at an offer price of \$0.07 per new share. The offer has been made to those shareholders on the Parent entities share register with a registered address in Australia or New Zealand on the offers record date of 6 March 2013. The offer opens on 12 March 2013 and closes on 28 March 2013 (unless extended). The offer has not been underwritten. At this stage, the outcome of this capital raising is uncertain.
- (iv) The Group continues to undertake research and development activities associated with its metallurgical and exploration and evaluation activities, and provided that these activities continue to comply with the relevant income tax legislation, the Group will continue to receive cash refundable R&D tax offsets. These receipts will also assist with funding the Group's operations. The Group's final estimate of its R&D cash refund for the half-year is \$333,851 (2011: \$58,494). The amount and timing of the receipt of the 2013 cash refund for the financial year ended 30 June 2013 is uncertain, but the Group plans on lodging its income tax return as soon as possible in September or October 2013 to initiate the refund process.
- (v) The Group's indicative cash flow forecast for the next twelve months includes significant cash out flows in relation to exploration and evaluation expenditure, which if need be, can be deferred or eliminated by the relinquishment of exploration tenements. The Group has some discretion over the quantum and timing of this type of expenditure. Any such relinquishments may have a material impact on the Group's future R&D activities and its associated cash refunds. During the half-year ended 31 December 2012, the Group surrendered four Western Australian Lake Barlee tenements (refer to note 6 for details) held by Goldpride Pty Ltd, a wholly owned subsidiary of Jervois Mining Limited and a further six Western Australian tenements held by both Jervois and Goldpride in February 2013. Refer to notes 11(b) (ii) and (iv) for details.
- (vi) The Parent entity regularly receives equity financing proposals from third parties, which it may avail itself of, if needed. These proposals are also indicative of an underlying level of support for the operations carried on by the Group. In addition, on 12 December 2012, Jervois Mining Limited executed a \$3 million Continuous Investment Agreement with Baycrest Capital LLC (Baycrest), which requires Baycrest to subscribe for and pay for up to \$3 million worth of Jervois fully paid ordinary shares via a series of investment drawdowns, if requested by Jervois. Jervois has no obligation to use the facility. The facility has a term of three years from the execution date and ends on 11 December 2015. Baycrest is entitled to deduct a 4% drawing commission from the gross amount of any proposed investment drawdowns made by Jervois. Jervois has already paid Baycrest a \$45,000 commitment fee for this facility, which was settled by the issue to Baycrest of 450,000 fully paid ordinary shares at \$0.10 per share on 14 December 2012.

JERVOIS MINING LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2012

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Going Concern (continued)

- (vii) The Group has certain exploration and evaluation assets and property, plant and equipment that it either intends to sell or is prepared to sell should circumstances warrant it. For example, in August 2012 the Group sold its 20% participation interest in the Forest Reefs Joint Venture for \$200,000 (excluding GST) and a production royalty equal to a 1.5% net smelter return for any gold and copper produced from mining operations carried out by the purchaser within the boundaries of Exploration License 4620. The Group's Young NSW nickel / cobalt project could also sold if an interested buyer makes a reasonable offer for three tenements.
- (viii) As mentioned in notes 9(c) and (d) and 11(b)(i) the Group currently holds three production royalties in relation to exploration licenses which it either owned or still owns but is in the process of selling. In particular, they relate to the Bullabulling gold project in WA and the Forest Reefs gold and copper and Nyngan scandium projects in NSW. The basis of calculating each royalty is different and the quantum and timing of any cash receipts (if any) from either the royalty payments themselves or the outright sale of the royalty entitlements remain uncertain and cannot be predicted reliably. However, to the extent that any of them are realised, then they may involve significant cash inflows for the Group. The royalties cover all mineral products, but primarily gold, copper and scandium oxide.

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

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

NOTE 2 INVESTMENTS IN CONTROLLED ENTITIES

(a) Parent entity's investments in controlled entities

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

Name of entity	Date of Incorporation	Date of Acquisition	Country of Incorporation	Class of Equity held	Parent's Equity Holdings*	
					31 Dec 2012 %	30 June 2012 %
Hardrock Exploration Pty Ltd	28-11-1969	01-10-1991	Australia	Ordinary shares	100%	100%
Goldpride Pty Ltd	10-08-1993	18-03-2009	Australia	Ordinary shares	100%	100%
Nico Young Pty Ltd	04-07-2008	04-07-2008	Australia	Ordinary shares	100%	100%

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

There have been no entities over which control by Jervois Mining Limited has been gained or lost during the half years ended 31 December 2011 or 2012.

(b) Contributions of controlled entities to the Group's profit / (loss) from ordinary activities during the half year	Half Year Ended 31 December 2012 \$	Half Year Ended 31 December 2011 \$
Jervois Mining Limited	(880,515)	(1,039,972)
Hardrock Exploration Pty Ltd	(230)	-
Goldpride Pty Ltd	(160,577)	(2,050)
Nico Young Pty Ltd	74,338	(7,478)
Loss after tax for the half year	(966,984)	(1,049,500)

(c) Transactions with non-controlling interests

There have been no changes in Jervois Mining Limited's ownership interests in any of its subsidiary entities that did not result in a loss of control during the half years ended 31 December 2011 and 2012.

JERVOIS MINING LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2012

	Half Year Ended 31 December 2012 \$	Half Year Ended 31 December 2011 \$
NOTE 3 LOSS FOR THE HALF YEAR		
Loss for the half-year includes the following items, including those that are unusual because of their nature, size or incidence:		
Other income		
Gain on loans forgiven	12,446	-
Gain on sale of assets not previously recorded as property, plant and equipment	1,227	-
Gain on foreign currencies	918	228
Total other income from continuing operations	14,591	228
NOTE 4 INCOME TAX EXPENSE / (INCOME)		
Reconciliation of income tax expense to prima facie income tax payable		
Loss before income tax expense / (income)	(1,510,122)	(1,049,500)
Total loss for the half year before income tax expense / (income)	(1,510,122)	(1,049,500)
Income tax expense / (income) at the Australian tax rate of 30% (2011: 30%)	(453,037)	(314,850)
Add / (less) the tax effect of amounts which are not deductible / (assessable) in calculating taxable (income) / loss:		
Entertainment expenses	-	148
Fines and penalties	423	413
Share issue costs recognised directly in equity	(25,641)	(13,880)
R&D tax offset deductions in excess of the corporate tax rate	(111,283)	(19,498)
R&D tax offset for the current year not yet recognised	333,851	58,494
Temporary differences not recognised	(161,403)	(43,240)
Income tax (loss) for the current period	(417,090)	(332,413)
Less current periods tax losses not recognised but carried forward to future years	417,090	332,413
Current and deferred income tax expense / (income) for the current period	-	-
Add prior periods R&D tax offsets (received) in the current period	(543,138)	-
Total income tax expense / (income) for the half year	(543,138)	-

JERVOIS MINING LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 30 JUNE 2012

Notes	31 December 2012 \$	30 June 2012 \$
<u>NOTE 5 NON-CURRENT ASSETS - INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD</u>		
Investments in associates – unlisted unincorporated exploration partnerships	77,623	277,361
Provision for impairment writedown	(29,912)	(24,552)
Total investments accounted for using the equity method	47,711	252,809
<u>(a) Movements in carrying amounts during the period</u>		
Carrying amount at the beginning of the financial or half years	252,809	241,846
Additional investments	24,814	35,515
Share of profits after income tax	-	-
Dividends received or receivable	-	-
Share of changes recognised in other comprehensive income	-	-
Recoverable value of participation interests sold	(200,000)	-
Impairment losses for the current period	(29,912)	(24,552)
	47,711	252,809
<p>During the half-year ended 31 December 2012, Jervois Mining Limited sold its 20% participation interest in the Forest Reefs partnership for \$200,000. The carrying value of this interest was written down to its recoverable amount at 30 June 2012. Also during the half-year, Jervois wrote down the carrying value of its interest in Badja partnership to nil.</p>		
<u>(b) Contributions to net profit / (loss) after tax for the half year</u>		
Forest Reefs partnership	-	-
Badja partnership	(29,912)	-
Lake Austin partnership	-	-
Total contribution to net profit / (loss) after tax for the half year	(29,912)	-

(c) Summarised financial information of associates

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

Unlisted associates	Ownership Interest %	Assets \$	Liabilities \$	Revenues \$	Profit / (loss) Before Tax \$
<u>31-12-2012 half year</u>					
Forest Reefs partnership	0%	-	-	-	-
Badja partnership	50%	-	-	-	(29,912)
Lake Austin partnership	50%	47,711	8,924	-	-
Totals		47,711	8,924	-	(29,912)
<u>30-06-2012 financial year</u>					
Forest Reefs partnership	20%	200,000	-	-	(24,552)
Badja partnership	50%	27,415	10,829	-	-
Lake Austin partnership	50%	25,394	-	-	-
Totals		252,809	10,829	-	(24,552)

All of the above partnerships are unlisted unincorporated entities. Jervois Mining Limited is the investor in the Forest Reefs and Badja partnerships. Goldpride Pty Ltd, a wholly owned subsidiary of Jervois Mining Limited, is the investor in the Lake Austin partnership.

JERVOIS MINING LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2012

					31 December 2012 \$	30 June 2012 \$
<u>NOTE 6 NON-CURRENT ASSETS – EXPLORATION AND EVALUATION ASSETS (SOLE RISK AND JOINTLY CONTROLLED)</u>						
<u>(a) Movements in carrying amounts</u>						
<u>Balances at the beginning of the financial or half years</u>						
Costs carried forward – sole risk assets					7,030,092	6,530,135
Costs carried forward – jointly controlled assets					-	435,622
Provisions for impairment write downs					-	(80,137)
Total exploration and evaluation assets					7,030,092	6,885,620
<u>Movements in carrying amounts during the period</u>						
Carrying amount at the beginning or the period					7,030,092	6,885,620
Expenditure allocated to areas of interest						
Goods and services acquired					289,144	369,328
Salaries and super					41,235	268,201
Depreciation charge - buildings, plant and equipment					10,760	17,119
Impairment losses for the current period					(416,091)	(510,176)
Carrying amount at the end of the period					6,955,140	7,030,092
<u>Balances at the end of the financial or half years</u>						
Costs carried forward – sole risk assets					7,370,185	7,030,092
Costs carried forward – jointly controlled assets					-	-
Provisions for impairment write downs					(415,045)	-
Total exploration and evaluation assets					6,955,140	7,030,092
<u>(b) Impairment losses recognised during the current period:</u>						
Licence Number	Project Name	Project Location	Registered Holder	Equity Interest	31 December 2012 \$	31 December 2011 \$
<u>(i) Tenements intended to be surrendered:</u>						
EL7404	Honeybugle 2	NSW	JRV	100%	(1,046)	(12,249)
<u>(ii) Tenements surrendered during the current period:</u>						
EL6095	Honeybugle 1	NSW	JRV	100%	-	(38,276)
E29/0652	Barlee East	WA	GPD	100%	(183,261)	-
E59/1391	Bunnawarra	WA	JRV	50% of 30%	-	(436,222)
E77/1398	Lake Barlee	WA	GPD	100%	(81,478)	-
E77/1460	Lake Barlee	WA	GPD	100%	(70,472)	-
E77/1461	Lake Barlee	WA	GPD	100%	(79,834)	-
Total impairment losses recognised during the period					(416,091)	(486,747)

The Honeybugle 1 and 2 impairment losses were applied against the carrying value of the assets during each period on the basis that these tenements were either surrendered (Honeybugle 1) or will not be renewed and no further activity is planned for those areas of interest (Honeybugle 2).

JERVOIS MINING LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2012

NOTE 7 OPERATING SEGMENTS

(a) Description of operating segments

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

(b) Operating segment information

The following information is used by management when making decisions in relation to the Group's operating segments.

2012 Half Year	Exploration and Evaluation \$	Investments \$	Unallocated Corporate Overhead \$	Total All Operations \$
Segment revenue for the half year				
Sales revenue				
Sales to external customers	-	-	-	-
Inter-segment revenue	-	-	-	-
Total sales segment revenue	-	-	-	-
Other external revenue and income				
Other revenue – interest received	-	-	7,740	7,740
Other income - gains	2,145	-	12,446	14,591
Total segment revenue	2,145	-	20,186	22,331
Segment result for the half year prior to the following material items;	(274,924)	-	(727,711)	(1,002,635)
Fair value gains / (losses) on financial assets	-	(48,344)	-	(48,344)
Foreign currency gains / (losses)	338	-	-	338
Impairment losses	(446,741)	-	-	(446,741)
Interest paid	-	-	(5,394)	(5,394)
Income tax (expense) / income	543,138	-	-	543,138
Depreciation	(1,363)	-	(5,983)	(7,346)
Net profit / (loss) after tax for the half year	(179,552)	(48,344)	(739,088)	(966,984)
Segment net assets as at 31 December 2012				
Total segment assets	7,720,479	17,041	735,138	8,472,658
Total segment liabilities	(85,439)	-	(669,965)	(755,404)
Net assets	7,635,040	17,041	65,173	7,717,254

JERVOIS MINING LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2012

NOTE 7 OPERATING SEGMENTS (continued)

(b) Operating segment information (continued)

2011 Half Year	Exploration and Evaluation \$	Investments \$	Unallocated Corporate Overhead \$	Total All Operations \$
Segment revenue for the half year				
Sales revenue				
Sales to external customers	1,600	-	-	1,600
Inter-segment revenue	-	-	-	-
Total sales segment revenue	1,600	-	-	1,600
Other external revenue and income				
Other revenue	-	-	113,988	113,988
Other income – gains	-	-	228	228
Total segment revenue	1,600	-	114,216	115,816
Segment result for the half year prior to the following material items;				
Fair value gains / (losses) on financial assets	(12,040)	-	(473,400)	(485,440)
Foreign exchange gains / (losses)	-	(67,588)	-	(67,588)
Impairment losses	228	-	-	228
Interest paid	(486,486)	-	-	(486,486)
Income tax (expense) / income	-	-	(2,013)	(2,013)
Depreciation	-	-	(8,201)	(8,201)
Net profit / (loss) after tax for the half year	(498,298)	(67,588)	(483,614)	(1,049,500)
Segment net assets as at 31 December 2011				
Total segment assets	7,811,139	667,224	770,663	9,249,026
Total segment liabilities	(120,636)	-	(185,678)	(306,314)
Net assets	7,690,503	667,224	584,985	8,942,712

JERVOIS MINING LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2012

	31 December 2012 \$	30 June 2012 \$
NOTE 8 CONTRIBUTED EQUITY		
(a) Share capital		
Issued fully paid ordinary shares	49,622,599	49,454,502
Total contributed equity	49,622,599	49,454,502

(b) Movements in fully paid ordinary shares

Transaction details	Issue Price \$	31 December 2012 Number of Securities Issued	31 December 2012 \$	30 June 2012 Number of Securities Issued	30 June 2012 \$
Balances at the beginning of the financial or half years		3,594,585,998	49,454,502	3,498,295,209	49,249,073
(i) Transactions during the first half of the year to 31 December					
Proceeds received from:					
1:3 pro-rata rights issue	0.001	456,808,126	456,807	-	-
Placement of rights issue shortfall	0.001	17,000,000	17,000	-	-
1:100 share consolidation	-	(4,027,709,518)	-	-	-
Placement of rights issue shortfall	0.10	450,000	45,000	-	-
Share issue transaction costs:					
Share issue transaction costs	-	-	(350,710)	-	-
Deferred tax credit recognised directly in equity	-	-	-	-	-
Total transaction during the first half of the year to 31 December		(3,553,451,392)	168,097	-	-
Balances at the end of the half year		41,134,606	49,622,599	3,498,285,209	49,249,073
(ii) Transactions during the second half of the year to 30 June					
Proceeds received from:					
1:5 pro-rata rights issue	0.003	-	-	96,290,789	288,872
Share issue transaction costs:					
Share issue transaction costs	-	-	-	-	(83,443)
Deferred tax credit recognised directly in equity	-	-	-	-	-
Total transaction during the second half of the year to 30 June		-	-	96,290,789	205,429
Balances at the end of the financial or half years		41,134,606	49,622,599	3,594,585,998	49,454,502

(c) Share consolidation

On 10 December 2012, Jervois Mining Limited carried out a one-for-one hundred share consolidation following shareholder approval at the Company's 2012 Annual General Meeting held on 29 November 2012.

JERVOIS MINING LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2012

NOTE 9 CONTINGENT ASSETS

(a) Research and development tax offset

As at 31 December 2012, the Group's cash refundable R&D tax offset for the half-year ended on that date is estimated to be \$333,851 (2011: \$58,494). Under current income tax legislation, this receivable is not due for payment by the Australian Taxation Office until after the Group lodges its income tax return for the financial year ended 30 June 2013.

This receivable has not been recognised in these interim financial statements as there is still some uncertainty surrounding their receipt. In particular, receipt of this sum is still contingent upon a number of procedural steps being completed both during and after the end of the financial year ended 30 June 2013.

(b) Insurance claims submitted

As at 31 December 2012, the group is still considering whether to make an additional claim for further expense reimbursements in relation to prior ASIC investigation believed to be in relation to Jervois' acquisition of Goldpride Pty Ltd in March 2009. The Group was successful in recovering certain legal fees in relation to this matter during the financial year ended 30 June 2012. The amount of any potential further reimbursement (which remains confidential at this stage) is contingent upon the extent to which the Group's insurer accepts its claim. Accordingly, no receivable for this potential additional claim has been recognised in these financial statements.

(c) Bullabulling gold production royalty

As previously announced, Jervois Mining Limited (Jervois) and Goldpride Pty Ltd (Goldpride) (a wholly owned subsidiary of Jervois) retain a gold production royalty over those tenements sold and now owned by Bullabulling Gold Limited (BAB). The royalty is calculated on the basis of \$30 per ounce for the first 400,000 ounces of gold produced and sold from the tenements sold by Jervois and Goldpride. Thereafter, the royalty will be \$20 per ounce.

Any royalty received by Jervois and Goldpride is therefore contingent on BAB producing and selling gold from those tenements previously owned by Jervois and Goldpride. It is not possible at this stage to estimate how much, if anything, Jervois and Goldpride are likely to receive from this royalty, due to a number of uncertainties in relation to the project going into production. No receivable has therefore been recognised in these financial statements in relation to this royalty.

On 7 February 2013, Bullabulling Gold Limited announced the results of a Pre-Feasibility Study (PFS) in relation to the Bullabulling gold project, which determined that the project was technically and financially viable. The PFS states that the current total gold resource is 3,327,000 ounces with a proposed mine life of 10.5 years. The BAB announcement further states that a Definitive Feasibility Study (DFS) is to be completed by the end of the 2013 calendar year.

(d) Forest Reefs gold and copper production royalty

In August 2012 the Jervois Mining Limited sold its 20% participation interest in the Forest Reefs Joint Venture for \$200,000 (excluding GST) and a production royalty equal to a 1.5% net smelter return for any gold and copper produced from mining operations carried out by the purchaser, Newcrest Operations Limited (Newcrest), within the boundaries of Exploration License 4620.

Any royalty received by Jervois is therefore contingent on Newcrest producing and selling gold or copper from the tenement previously owned by Jervois. It is not possible at this stage to estimate how much, if anything, Jervois is likely to receive from this royalty, due to a number of uncertainties in relation to the project going into production. No receivable has therefore been recognised in these financial statements in relation to this royalty.

NOTE 10 CONTINGENT LIABILITIES

(a) Guarantees issued by the Group and Parent Entity

As at 31 December 2012, the Group had \$95,305 (2011: \$95,305) worth of bank guarantees on issue, secured by a letters of set off over term deposits pledged as security. These guarantees form part of the terms and conditions of certain of the Group's mining tenements and leased office premises. Provided the Group continues to comply with the relevant terms and conditions of its respective licenses and agreements, it is not envisaged that any of the parties who have been granted bank guarantees will seek to redeem them. No payable in relation to these bank guarantees has therefore, been recognised in these financial statements, due to the unlikely event of a claim.

The Parent entity has provided a maximum unsecured guarantee in relation to the payment of one year's rental on storage facilities at Young NSW currently amounting to \$7,200 excluding GST (2011: \$7,200) on behalf of one of its controlled entities, Nico Young Pty Ltd. No liability has been recognised for this guarantee due to the unlikely event of a claim. No bank guarantee has been issued in the landlord's favour for this amount.

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

JERVOIS MINING LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2012

NOTE 11 EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD

The following table sets out in chronological order a summary of the material adjusting and non-adjusting events that have occurred since 31 December 2012, involving either the Parent entity and / or its controlled subsidiary entities. Adjusting events (if any) require adjustments to be made to the amounts recognised in these financial statements for the half-year ended 31 December 2012, whereas non-adjusting events do not require any such adjustments.

Effective Date	Transaction details
	<u>(a) Adjusting events (those that provide evidence of conditions that existed at the end of the reporting period)</u> None.
	<u>(b) Non-adjusting events (those that are indicative of conditions that arose after the end of the reporting period)</u>
04-02-2013	<p><u>(i) Settlement of Nyngan Scandium Dispute</u> Jervois Mining Limited (Jervois) and EMC Metals Corporation (EMC) reached an out of court settlement in relation to the proposed litigation initiated by Jervois seeking a declaration that the Exploration Joint Venture Agreement with EMC terminated without EMC having earned an interest in the Nyngan project. The main terms of this settlement follow.</p> <p>Jervois has agreed to transfer to EMC all of its rights, title and interests in relation to the Nyngan scandium project (which comprises freehold land, exploration tenements and project data) for \$2.6 million payable in two tranches and a 12 year royalty on all mineral products produced from the Nyngan site. The royalty is calculated on the basis of 1.7% of the average sales value of all mineral products sold or disposed of from the Nyngan site. The average sales value is calculated as the average price per kilogram of mineral products sold on commercial and arm's length terms multiplied by the number of kilograms sold or disposed of.</p> <p>The 12 year royalty period commences on the date of first sale or other disposal of mineral products. In each year of the royalty there is a minimum royalty payable based on sales in that year of 10 tonnes of scandium oxide at the average price per kilogram of scandium oxide sold from the site during that year.</p> <p>The \$2.6 million cash component is payable as follows: \$1.2 million on or before 30 June 2013 and \$1.4 million on or before 30 June 2014. Jervois' rights, title and interest in the Nyngan scandium project transfer to EMC on 30 June 2014 or such prior date nominated by EMC provided the \$2.6 million has been paid to Jervois.</p> <p>The settlement is subject to a number of pre-conditions on both parties.</p>
11-02-2013	<p><u>(ii) Western Australian tenements surrendered</u> Jervois Mining Limited executed surrender forms for exploration licenses: E59/1576 Badja and E77/1884 Barlee Central. Goldpride Pty Ltd executed a surrender form for exploration license: E77/1397 Lake Barlee. These surrenders will formally take effect from the date on which the Western Australian Department of Mines and Petroleum process them.</p>
15-02-2013	<p><u>(iii) Share placement at \$0.10 per new share</u> Jervois Mining Limited (Jervois) allotted and issued 350,000 fully paid ordinary shares at \$0.10 per new share to partially settle a capital raising fee that became payable upon Jervois entering into a Continuous Investment Agreement with Baycrest Capital LLC on 12 December 2012. The shares were issued to an entity controlled by an associate of Empire Equity Limited (Empire) in accordance with the modified capital raising mandate between Jervois and Empire.</p>
19-02-2013	<p><u>(iv) Western Australian tenements surrendered</u> Jervois Mining Limited executed surrender forms for exploration licenses: E77/1333 Barlee West, E77/1440 Barlee Central and E77/1441 Barlee Central. These surrenders will formally take effect from the date on which the Western Australian Department of Mines and Petroleum process them.</p>
22-02-2013	<p><u>(v) 1:2 Bonus issue at nil consideration per new share</u> Jervois Mining Limited (Jervois) allotted and issued 20,742,743 fully paid ordinary shares for nil consideration in accordance with the one for two bonus issue made to all shareholders recorded on the Company's share register at 7:00 pm AEDT on 21 February 2013.</p>

JERVOIS MINING LIMITED
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED 31 DECEMBER 2012

NOTE 11 EVENTS OCCURRING AFTER THE END OF THE REPORTING PERIOD (continued)


Effective Date	Transaction details
	<u>(b) Non-adjusting events (those that are indicative of conditions that arose after the end of the reporting period)</u>
22-02-2013	<u>(vi) 1:2 Non-renounceable rights issue at \$0.07 per new share</u> Jervois Mining Limited (Jervois) announced a one for two non-renounceable pro-rata rights issue at an offer price of \$0.07 per new share. The offer has been made to those shareholders recorded on the Company's share register with a registered address in Australia or New Zealand at 7:00 pm AEDT on 6 March 2013. The offer opens on 12 March 2013 and closes on 28 March 2013 (unless extended). The offer has not been underwritten.
28-02-2013	<u>(vii) Movement in market value of listed investments at fair value through profit or loss</u> These financial statements do not recognize any movements in the market value of the Groups listed financial assets at fair value through profit or loss as there will continue to be further movements in market value up until the next reporting date, which may offset any movements in market values which have occurred since 31 December 2012 up until the date of this report.

**JERVOIS MINING LIMITED
DIRECTORS' DECLARATION
FOR THE HALF YEAR ENDED 31 DECEMBER 2012**

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

- (a) the financial statements and notes set out on pages 11 to 26 are in accordance with the Corporations Act 2001 Cth, including:
 - (i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements, and
 - (ii) giving a true and fair view of the Company's and Consolidated Entity's financial position as at 31 December 2012 and performance for the half-year ended on that date, and
- (b) the financial report also complies with International Financial Reporting Standards as issued by the International Accounting Standards Board, and
- (c) there are reasonable grounds to believe that Jervois Mining Limited will be able to pay its debts as and when they become due and payable for the reasons documented in Note 1(d) to the financial statements.

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



Mr Duncan Pursell
Director

28 February 2013
Melbourne



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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Jervois Mining Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Jervois Mining Limited, which comprises the consolidated statement of financial position as at 31 December 2012, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a statement of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

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

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Jervois Mining Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

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



Conclusion

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

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and *Corporations Regulations 2001*.

Emphasis of Matter

Without modifying our conclusion, we draw attention to Note 1(d) "Going Concern" in the financial report, which indicates that the consolidated entity incurred a net loss of \$966,984 for the half year. This condition, along with other matters as set forth in Note 1(d), gives rise to a material uncertainty which may cast significant doubt about the ability of the consolidated entity to continue as a going concern, and therefore the consolidated entity may be unable to realise its assets and discharge its liabilities in the normal course of business.

BDO East Coast Partnership

A small, stylized version of the BDO logo, consisting of the letters 'BDO' in a cursive, handwritten style.

A handwritten signature in cursive script that reads 'James Mooney'.

James Mooney
Partner

Melbourne, 28 February 2013