Jervois

MINING LIMITED

ABN 52 007 626 575

Annual Report

For the Year Ended 30 June 2012

CORPORATE DIRECTORY
FOR THE YEAR ENDED 30 JUNE 2012

Directors

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

Company Secretary
Rodney Watson

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ASX Securities Code

Fully paid ordinary shares	JRV

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The directors of Jervois Mining Limited (the Parent entity) submit this report, together with the financial statements of the consolidated Group (consisting of the Parent entity and its controlled entities) for the financial year ended 30 June 2012, made in accordance with a resolution of the directors.

DIRECTORS

The names and particulars of the qualifications, experience, special responsibilities and equity interests of the directors in office during the financial year ended 30 June 2012 and up until the date of this report are set out below.

Mr Duncan Pursell	**Executive chairman and chief executive officer**
Appointment date	16 March 1987
Qualifications	BSc, MAusIMM
Experience	Mr Pursell is a mining engineer with more than fifty years' experience. After graduating from Glasgow University he worked in West Africa before moving to Australia in the 1960's.
Special responsibilities	Executive chairman of the board of directors.
Directorships in listed entities in the last 3 years	Nil
Interests in shares	155,782,812 Fully paid ordinary shares.
Interests in options	Nil

Mr Derek Foster	**Executive director**
Appointment date	12 December 2008
Qualifications	B.Appl.Sc (Applied Geology), MAusIMM
Experience	Mr Foster is a geologist with vast experience as a "hands on" geologist in Victoria, Western Australia, Northern Territory and Queensland. He has worked in gold, uranium, nickel / cobalt sulphides, laterites, lithium and rare earths and mineral sands.
Special responsibilities	Mr Foster is the Group's chief geologist and resident director for WA.
Directorships in listed entities in the last 3 years	Nil
Interests in shares	49,326,667 Fully paid ordinary shares.
Interests in options	Nil

Dr Sanja Van Huet	**Executive director**
Appointment date	01 April 2010
Qualifications	MSc., PhD, MAusIMM, AAICD
Experience	Dr Van Huet graduated from Monash University with a Master of Science in 1994 and a Doctorate in 2005. Between 1992 and 2007 she worked as a geological consultant whilst studying and teaching. Previously Dr Van Huet had trained as a geologist in the oil industry and then provided consultancy services on mine and building site rehabilitation. She has worked in mineral exploration since 2007.
Special responsibilities	Dr Van Huet is the Group's exploration manager.
Directorships in listed entities in the last 3 years	Nil
Interests in shares	1,829,328 Fully paid ordinary shares.
Interests in options	Nil

COMPANY SECRETARY

The names and particulars of the qualifications, experience, special responsibilities and equity interests of the company secretaries in office during the financial year ended 30 June 2012 and up until the date of this report are set out below.

Mr Rodney Watson	**Company secretary**
Appointment date	28 February 2011
Qualifications	B.Ec, Grad.Dip,Acc., CPA
Experience	Mr Watson is a qualified accountant with 5 years' experience in audit and over 15 years' experience in accounting and company secretarial roles in a broad range of industries, including agriculture, financial services, information technology and resources.
Special responsibilities	Chief financial officer.
Directorships in listed entities in the last 3 years	Nil
Interests in shares	Nil
Interests in options	Nil

FORMER PARTNERS OF THE GROUP'S AUDITORS

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

MEETINGS OF DIRECTORS

The numbers of meetings of the Parent entity's board of directors held during the financial year ended 30 June 2012, and the numbers of meetings attended by each director, during the time that each director held office during the year and was therefore eligible to attend is set out below. The Parent entity does not presently have any audit, nomination or remuneration committees.

Director	Number of directors meetings held during the year	Number of directors meetings held whilst in office	Number of directors meetings actually attended
Mr Duncan Pursell	5	5	5
Mr Derek Foster	5	5	5
Dr Sanja Van Huet	5	5	5

PRINCIPAL ACTIVITIES

The principal activity of the Group during the year was mineral exploration and evaluation, including associated metallurgical test work and research and development activities. Apart from a dispute with a former joint venture partner over the Nyngan scandium project and more metallurgical test work being conducted this year compared to the previous year, there have been no other significant changes during the 2012 financial year.

FINANCIAL RESULT FOR THE YEAR

The net (loss) after income tax for the Group for the financial year ended 30 June 2012 attributable to equity holders of the Parent entity was $(1,681,500) (2011: Profit $350,922).

DIVIDENDS

No dividends or distributions were declared, recommended or paid to members during the financial year (2011: Nil).

REVIEW OF OPERATIONS

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

(a) Activities in NSW

(i) Nyngan Scandium Resource - Exploration Licenses 6009, 6096 and 7664

A dispute arose between the Company and Toronto (TSX) listed EMC Metals Corporation ("EMC") in relation to the failure of EMC to deliver a feasibility study to the Company in accordance with the terms of the Exploration Joint Venture Agreement ("EJVA"). The Company has taken action in the Victorian Supreme Court to have the matter heard. On 27 September 2012, an unsuccessful mediation was held. The matter will now return to the Supreme Court for further directions.

(ii) Forest Reefs - Exploration Licence 4620

The Company's 20% equity in the above License was sold to Newcrest Operations Limited for $200,000 and a Royalty of 1.5% of Net Smelter Return from any future mineral production.

(iii) Young Nickel/Cobalt in Laterite - Exploration Licenses 5152, 5527 and 5571

New JORC Compliant Resource for this location. The Company retained independent resource consultants Geostat Services Pty Ltd from Perth, to re–fresh the Inferred Resource estimations and to include recent new infill drilling and assay results. As a consequence there was a significant increase in grade from 0.72% nickel to 0.8% nickel over a slightly reduced 92.5 million tonnes.

(iv) Metallurgical Research - Nickel/ Cobalt Laterites

Despite funding difficulties in these uncertain times, the Company has continued with its widespread programs. Some significant alternative applications have been identified using the Company's Nyngan Scandium recovery process. This process has been extended to nickel/cobalt laterites with some success. Most of the work was carried out in Australia but the Company did commission a small program in Colorado.

Locally, the Company's Metallurgical Consultant, Dr Hal Aral has been examining with success, the potential for physical up–grade of the nickel bearing laterites in the Nyngan area, Westlynn and Summervale. Laterites are inherently difficult, refractory resources and this is a very rare feature for Australian laterites. Up–grades to 1.3 % nickel have been achieved with some modest loss of nickel units. This work is at a very preliminary phase. The physical upgrading work is now expanded to JRV's other prospects in NSW.

(v) Recent Scout Drilling at Syerston – Exploration License 7805

This drilling has yielded an interesting polymetallic discovery over 11 metres. An interval from 11 metres to 22 metres assayed at 352 ppm Scandium. There were other accessory minerals discovered over the same interval, including platinum, nickel, cobalt, gallium and a trace of gold.

REVIEW OF OPERATIONS (continued)

(b) Activities in WA

(i) Exploration Summary for WA Tenements

During the year, exploration was undertaken for rare earths, uranium, base metals and potash at Badja, Nalbarra and Lake Barlee. Some positive drill targets have been identified.

At Mt. Ida, Exploration License 29/861 has been applied for and this tenement is believed to have potential for gold mineralisation. This Licence should be granted in early 2013. The steadily increasing gold price drives exploration for gold and other properties with gold potential are being researched.

(ii) Bullabulling Gold Limited and Jervois' Production Royalty

The Company has a Royalty position fixed at $30.00 per oz for the first 400,000oz of production and $20.00 per oz for all production thereafter. The gold resource is increasing steadily from extensive drilling programmes and has now reached 3.4 million ounces. This resource, coupled with a gold price approaching $1800.00 per oz can only be viewed as encouraging for the Company.

(c) Corporate Activities

(i) Proposed Share Consolidation

At the Annual General Meeting of Shareholders, scheduled for 22nd November 2012, shareholders will be asked to consider and vote on a proposal to consolidate the share capital by the issue of one consolidated new share for possibly every 150 shares held. This proposed consolidation will not change existing rights of shareholders or their proportional equity in the Company.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

During the financial year ended 30 June 2012, the Parent entity conducted a one for five non-renounceable rights issue that resulted in the issuing of 96,290,789 fully paid ordinary shares at $0.003, raising $288,872 before issue costs of $83,443. The net cash received from the increase in contributed equity was used for general working capital purposes and to progress the Group's exploration and development activities. On the 24 November 2011, the Parent entity's shareholders approved a management option plan. No options were issued under this plan during the financial year.

As noted under "Principal Activities" above, the Parent entity is currently in dispute with its former Nyngan scandium joint venture partner over whether or not they have earned a 50% interest in that project. The Parent entity currently retains its 100% interest in the project.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Apart from the:

(a) on-going dispute with the Parent entity's former Nyngan joint venture partner discussed above and in notes 30 and 33 to the attached financial statements;
(b) sale of the Parent entity's 20% participation interest in the Forest Reefs joint venture discussed in note 33 to the attached financial statements;
(c) sale of most of Parent entity's listed investment portfolio and the marginal decline in market prices of its remaining listed equities since 30 June 2012, which is discussed in note 33 to the attached financial statements; and
(d) Parent entity's current one for three rights issue offer to shareholders with a registered address in Australia or New Zealand at $0.001 per new fully paid ordinary share, which opened on 27 September 2012 and closes on 12 October 2012 (unless extended), which is also discussed in note 33 to the attached financial statements,

no other matter or circumstance has arisen since 30 June 2012 that has significantly affected , or may significantly affect the:

(i) Group's operations in future financial years; or
(ii) results of those operations in future financial years; or
(iii) Group's state of affairs in future financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

As noted throughout this director's report and the notes to the attached financial statements, the Parent entity continues to try and resolve its dispute with its former Nyngan scandium joint venture partner. The outcome of this process, however, remains uncertain at this stage.

Also uncertain at this stage is the outcome of the Parent entity's current one for three rights issue referred to above, which doesn't close until 12 October 2012, unless extended.

As noted in the attached financial statements, the Group's research and development tax refund for the 2012 financial year is anticipated to be $543,138. This cash is expected to be received by the Group during the 2013 financial year.

Other than as provided elsewhere in this financial report, further information on likely developments in the operations of the Group and the expected results of operations have not been included in this annual financial report because the directors believe it would be likely to result in unreasonable prejudice to the Group.

ENVIRONMENTAL REGULATION

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

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

The Group's audited Remuneration Report for the financial year 30 June 2012 starts on the next page.

REMUNERATION REPORT (AUDITED)

This Remuneration Report for the financial year ended 30 June 2012, which forms part of the Directors' Report, sets out remuneration information for the Parent entity's executive and non-executive directors and the Group's other key management personnel. The information provided within this report has been audited, as required by section 308(3C) of the Corporations Act 2001. This remuneration report is set out under the following main headings.

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

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

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

Name	Notes	Date	Position held
Executive directors			
Mr Duncan Pursell			Chairman and chief executive officer
Mr Derek Foster			Director
Dr Sanja Van Huet			Director
Non-executive directors			
Other key management personnel			
Executives			
Mr Rodney Watson			Company secretary and chief financial officer
Dr Hal Aral	Appointed	15-08-2011	Research and development manager

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

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

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

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

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

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

None of the remuneration paid by the Group to its key management personnel during the reporting period was dependent on the satisfaction of a performance condition, as no short or long term incentives were paid during this period. The remuneration structure of non-executive directors' and executives (including executive directors) is separate and distinct, as detailed below.

(ii) Role of the Remuneration Committee

Given its size, the Group does not currently have a remuneration committee. Either the chief executive officer or the board determines the individual total remuneration packages paid to the Group's employees, including its key management personnel.

(iii) Non-executive director remuneration policy and framework

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

REMUNERATION REPORT (continued)
(B) Principles used to determine the nature and amount of remuneration
(iii) Non-executive director remuneration policy and framework
If necessary, advice from independent remuneration consultants may be sought to ensure that non-executive directors' fees and payments are appropriate and aligned with the Group's remuneration objective.

(iv) Executive remuneration policy and framework
In determining executive remuneration (including executive directors), the board or chief executive officer applies the remuneration objective articulated above, by aiming to ensure that the Group's executive remuneration is competitive and reasonable, aligned with the Group's business objectives and acceptable to shareholders. The Group's executive remuneration framework may therefore include a mixture of the following components.

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

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

Executive remuneration mix during the financial year
During the financial year, all of the Group's executive remuneration was comprised of base pay and benefits, including superannuation. None of the remuneration paid to executives during the financial year consisted of short or long term incentives, irrespective of whether or not such incentives are dependent on the satisfaction of a performance condition. The approval of the Group's management option plan during the financial year 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.

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

Base pay and benefits
Executives receive their base pay in cash and any non-financial fringe benefits in kind. Executives are offered base pay that comprises the fixed component of their pay and rewards. There are no guaranteed pay increases in any of the executive's employment contracts. Non-financial benefits include fringe benefits such as the private use of motor vehicles and expense payment benefits. None of this type of remuneration is dependent on the satisfaction of any performance conditions. Base pay and benefits were paid to the Group's executives during the financial year.

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

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

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

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

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

(vi) Voting and comments made at the Parent entity's 2011 annual general meeting
No comments were made at the Parent entity's most recent annual general meeting on the remuneration report that was considered for the last financial year. Shareholders also voted in favour of last year's remuneration report on a show of hands at that same meeting.

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

Performance measures	2012 $	2011 $	2010 $	2009 $	2008 $
Group profit / (loss) measures					
Revenue	124,409	77,796	1,251,969	2,428,165	2,255,101
Profit / (loss) before income tax	(1,681,500)	350,922	(2,657,713)	(3,435,757)	(2,598,174)
Profit / (loss) after income tax	(1,681,500)	350,922	(2,657,713)	(3,435,757)	(2,598,174)
Key management remuneration	653,095	579,261	611,391	543,610	457,214
Per share measures					
Share price at the:					
Start of the financial year	0.003	0.010	0.01	0.04	0.03
End of the financial year	0.002	0.003	0.01	0.01	0.04
Dividends paid per share	-	-	-	-	-
Earnings / (loss) per share					
Basic	(0.0005)	0.0001	(0.0009)	(0.0014)	(0.0013)
Diluted	(0.0005)	0.0001	(0.0009)	(0.0014)	(0.0013)

REMUNERATION REPORT (continued)

(C) Details of remuneration

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

	Short-term employee benefits	Short-term employee benefits	Post-employment benefits	Share-based payments			
Name	**Cash salary and fees $**	**Non-monetary benefits 1 $**	**Super-annuation contributions $**	**Options $**	**Total remuneration $**	**Relative proportion of Fixed remuneration %**	**Relative proportion of performance-based remuneration %**
2012							
Executive directors							
Mr D Pursell	200,070	2,252	-	-	202,322	100%	-
Mr D Foster 2	48,000	391	1,080	-	49,471	100%	-
Dr Van Huet	136,240	12,557	11,974	-	160,771	100%	-
Other key management Personnel							
Mr R Watson	141,757	-	12,758	-	154,515	100%	-
Dr H Aral	78,920	-	7,096	-	86,016	100%	-
Total Remuneration	**604,987**	**15,200**	**32,908**	**-**	**653,095**	**100%**	**-**
2011							
Executive directors							
Mr D Pursell	200,000	5,013	-	-	205,013	100%	-
Mr D Foster 2	56,000	-	720	-	56,720	100%	-
Dr Van Huet	140,433	14,472	12,260	-	167,165	100%	-
Other key management Personnel							
Mr R Watson	32,820	-	2,954	-	35,774	100%	-
Mr R Fairlam	56,040	-	-	-	56,040	100%	-
Mr A Pursell 3	53,437	291	4,821	-	58,549	100%	-
Total Remuneration	**538,730**	**19,776**	**20,755**	**-**	**579,261**	**100%**	**-**

Notes:

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

2 In addition to the directors fees disclosed above, Derek Foster and Associates Pty Ltd (DFA), a related party of Mr Foster, billed the Group $132,687 during the 2012 financial year (2011: $248,490) excluding GST for geological consulting services on terms and conditions are no more favourable than those that it is reasonable to expect the Group would have adopted if dealing at arm's length with an unrelated entity. Refer to note 27 for further details. Some or all, of the cash salary and fees component noted above was also paid to DFA.

3 Cash remuneration includes unused annual leave of $13,833 paid out on the death of Mr Allan Pursell.

REMUNERATION REPORT (continued)

(D) Service agreements

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

Name	Duration of the contract	Contract start date	Contract end date	2012 YTD Base salary including Super-annuation $	Notice period required to terminate the contract	Basis of termination benefits payable	Termination payments provided for under the contract $
Executive directors							
Mr D Pursell	n/c	n/c	n/c	200,070	n/c	n/c	n/c
Mr D Foster	n/c	n/c	n/c	49,080	n/c	n/c	n/c
Dr Van Huet	n/s	n/a	n/a	148,214	n/s	n/s	n/s
Other key management Personnel Executives							
Mr R Watson	n/s	n/a	n/a	154,515	n/s	n/s	n/s
Dr H Aral	n/s	15-08-2011	n/s	86,016	1 month	a/l	a/l

Notes:

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

(E) Share-based compensation

(i) Options provided as part of remuneration

No options were granted during the financial year ended 30 June 2012 which affect remuneration in the current or a future reporting period.

Details of options over ordinary shares in the Parent entity provided as remuneration to each director of the Parent entity and each of the key management personnel of the Group are set out below. When exercisable, each option granted (if any) is convertible into one fully paid ordinary share in the capital of the Parent entity. If granted, the terms and conditions of all options issued to key management personnel are determined by the directors of the Parent entity, at their discretion.

Option event during the financial year	Number of options	Value of options ($)
Granted	-	-
Vested	-	-
Exercised	-	-
Forfeited	-	-
Lapsed	-	-

When applicable, the assessed fair value at grant date of any options granted to individuals is allocated equally over the period from the grant date to the vesting date and if applicable, the amount is disclosed in the remuneration tables above. Fair values at grant date are independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and the expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

(ii) Shares provided upon the exercise of remuneration options

No remuneration options were exercised during the financial year and therefore, no fully paid ordinary shares in the capital of the Parent entity were provided during the financial year as a result of the exercise of any such options.

REMUNERATION REPORT (continued)

(E) Share-based compensation

(iii) Employee share scheme

The Parent entity does not currently have an employee share scheme. No fully paid ordinary shares in the capital of the Parent entity were therefore issued as part of remuneration during the financial year under an employee share scheme.

(iv) Details of remuneration for cash or performance-related bonuses and share-based compensation benefits

As noted elsewhere in this remuneration report, the Group did not pay any performance or non-performance related cash bonuses to any of its key management personnel during the financial year. Nor did it grant any remuneration options to key management personnel during the financial year.

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

OPTIONS GRANTED

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

UNISSUED SHARES UNDER OPTION

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

SHARES ISSUED ON THE EXERCISE OF OPTIONS

No fully paid ordinary shares or interests in the capital of the Parent entity were issued during or since the end of the financial year ended 30 June 2012 as a result of the exercise of any options over unissued shares or interests granted by the Parent entity.

INSURANCE AND INDEMNIFICATION OF OFFICERS

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

INDEMNIFICATION OF AUDITORS

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

PROCEEDINGS ON BEHALF OF THE PARENT ENTITY

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

AUDITOR

BDO East Coast Partnership continues in office in accordance with section 327B of the Corporations Act 2001.

NON-AUDIT SERVICES

Details of the amounts paid or payable to the Group's auditor BDO East Coast Partnership (BDO) (formerly PKF Chartered Accountants and Business Advisors) for non-audit services provided during the financial year by the auditor are set out below.

	2012 $	2011 $
Non-audit services		
BDO (formerly PKF Chartered Accountants and Business Advisors)*		
Advice in relation to the reclassifications in the 2011 annual report	2,160	-
Total non-audit services paid or payable	**2,160**	**-**

* The firm operating under the name "PKF Chartered Accountants and Business Advisors" was an independent member firm of that group up until 31 July 2012. On 1 August 2012 this firm commenced operating as an independent member firm of the "BDO" group.

NON-AUDIT SERVICES (continued)

The directors of the Parent entity are satisfied that the provision of non-audit services during the financial year by the auditor is compatible with the general standard of independence for auditors imposed by the Corporation Act 2001. The director's reasons for being satisfied that the provision of those non-audit services during the financial year by the auditor did not compromise the auditor independence requirements of the Corporations Act 2011 are set out below.

1 At the time the non-audit services noted above were provided by BDO East Coast Partnership and paid for by the Group, BDO had not yet been appointed as the Group's auditor. BDO's appointment as the Group's auditor occurred on 24 November 2011 at the Parent entities most recent annual general meeting.

2 As noted above the Group's current auditor, BDO East Coast Partnership was operating as an independent member firm of the PKF Chartered Accountants and Business Advisors group at the time when the non-audit services were performed.

AUDITORS INDEPENDENCE DECLARATION

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

RESOLUTION OF THE DIRECTORS

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

Mr Duncan Pursell
Director

28 September 2012
Melbourne

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

As lead auditor of Jervois Mining Limited for the year ended 30 June 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 audit; and
- any applicable code of professional conduct in relation to the audit.

This declaration is in respect to Jervois Mining Limited and entities it controlled during the year.

James Mooney

Partner

BDO East Coast Partnership

Melbourne, 28 September 2012

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

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

A description of the Group's main corporate governance practices for the financial year ended 30 June 2012 and their compliance with principals and recommendations set out in the Second Edition of the ASX "Corporate Governance Principals and Recommendations with 2010 Amendments" is set out below.

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

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

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

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

Principles and Recommendations		Current Practice and Compliance	Reason for Non-compliance
Principal 3 – Promote ethical and responsible decision-making			
3.1	Companies should establish a code of conduct and disclose the code or a summary of the code as to: • the practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders; • the responsibility and accountability of individuals for reporting and investigating reports of unethical practices.	The Company has adopted a Code of Conduct which forms part of its Corporate Governance Charter which can be accessed at www.jervoismining.com.au.	Not applicable.
3.2	Companies should establish a policy concerning diversity and disclose the policy or a summary of that policy. The policy should include requirements for the Board to establish measurable objectives for achieving gender diversity for the Board to assess annually both the objectives and progress in achieving them.	The Company does not currently have a diversity policy in relation to gender, age, ethnicity and cultural background. Given the Company's size, it has to date informally maintained a balanced mix in relation to the diversity of its employees and officers, without the need for a formal policy.	The Board considers that the Company is not currently of a size to justify the establishment of a diversity policy
3.3	Companies should disclose in each annual report the measurable objectives for achieving gender diversity set by the Board in accordance with the diversity policy and progress towards achieving them.	As noted in recommendation 3.2, the Company does not have a diversity policy due to its size. The Board does, however, try to balance its gender diversity.	Not applicable.
3.4	Companies should disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the Board.	As at 30 June 2012, the proportion of women employees in the whole organisation was 29%. The proportion of women in senior executive positions was 20%. Women comprised 33% of the Board.	Not applicable.
3.5	Companies should provide the information indicated in the Guide to reporting on Principle 3.	As noted in recommendation 3.1, the Company's code of conduct is available on its website. As noted in recommendation 3.2, the Company does not have a diversity policy.	Not applicable.
Principle 4 - Safeguard integrity in financial reporting			
4.1	The Board should establish an audit committee.	The Board has not established an Audit Committee.	Given the size of the Company and the size of the Board, no efficiencies would be gained from having a formal audit committee. Ultimate responsibility for the integrity of the Company's formal reporting rests with the full Board.

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

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

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

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

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

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

JERVOIS MINING LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2012

	Notes	2012 $	2011 $
REVENUE			
Sales of goods	5	-	8,626
Rendering of services	5	1,600	1,550
Other revenue	5	122,809	67,620
Total revenue		**124,409**	**77,796**
Cost of sales of goods		-	(60,426)
Gross profit		**124,409**	**17,370**
Other income	6	521	1,938,300
EXPENSES			
Administrative costs		19,794	44,280
Communication costs		41,747	9,898
Exploration expenses		7,601	13,408
Foreign exchange losses	7	112	19,890
Impairment losses	7	538,955	459,632
Insurance premiums		77,743	50,450
Legal settlements	7	-	400,000
Losses on revaluation of financial assets at fair value through profit or loss	7	216,094	-
Motor vehicle expenses		8,562	4,344
Payroll costs		566,244	376,383
Professional fees		305,993	427,558
Repairs and maintenance		5,776	1,470
Securities quotation fees		71,857	85,655
Tenancy and property costs		83,026	76,945
Travel costs		10,065	5,577
Interest paid	7	4,196	4,213
Depreciation	7	15,505	23,113
Total expenses		**1,973,270**	**2,002,816**
(LOSS) BEFORE INCOME TAX FROM CONTINUING OPERATIONS		**(1,848,340)**	**(47,146)**
Income tax income	8	166,840	398,068
NET (LOSS) / PROFIT AFTER INCOME TAX FROM CONTINUING OPERATIONS AND FOR THE YEAR		**(1,681,500)**	**350,922**
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		-	-
TOTAL COMPREHENSIVE (LOSS) / INCOME FOR THE YEAR		**(1,681,500)**	**350,922**

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

EARNINGS / (LOSS) PER SHARE ATTRIBUTABLE TO THE ORDINARY EQUITY HOLDERS OF THE PARENT ENTITY FOR:		**2012 Basic (cents)**	**2012 Diluted (cents)**	**2011 Basic (cents)**	**2011 Diluted (cents)**
Net profit / (loss) after tax from continuing operations	26	(0.05)	(0.05)	0.01	0.01
Net profit / (loss) after tax from discontinued operations	26	-	-	-	-
NET PROFIT / (LOSS) AFTER TAX FROM ALL OPERATIONS FOR THE YEAR	26	**(0.05)**	**(0.05)**	**0.01**	**0.01**

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

JERVOIS MINING LIMITED
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2012

	Notes	2012 $	2011 $
ASSETS			
Current Assets			
Cash and cash equivalents	9	278,012	1,687,482
Trade and other receivables	10	231,839	82,608
Financial assets at fair value through profit or loss	11	381,519	732,967
Other financial assets	12	99,236	98,090
Total current assets		**990,606**	**2,601,147**
Non-current assets			
Available-for-sale financial assets	13	986	-
Other financial assets	14	40,000	40,000
Investments accounted for using the equity method	15	252,809	241,846
Property, plant and equipment	16	639,914	585,688
Exploration and evaluation assets	17	7,030,092	6,885,620
Total non-current assets		**7,963,801**	**7,753,154**
TOTAL ASSETS		**8,954,407**	**10,354,301**
LIABILITIES			
Current Liabilities			
Trade and other payables	18	310,320	267,756
Provisions	19	120,974	88,717
Total current liabilities		**431,294**	**356,473**
Non-current liabilities			
Provisions	20	6,972	5,616
Total non-current liabilities		**6,972**	**5,616**
TOTAL LIABILITIES		**438,266**	**362,089**
NET ASSETS		**8,516,141**	**9,992,212**
EQUITY			
Contributed equity	21	49,454,502	49,249,073
Reserves	22	1,030,444	1,030,444
Accumulated losses	23	(41,968,805)	(40,287,305)
TOTAL EQUITY		**8,516,141**	**9,992,212**

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

Transaction details:	Notes	Fully Paid Ordinary Shares $	Share-based Reserve $	General Reserve $	Capital Profits Reserve $	Accumulated Losses $	Total Equity $
Balances at 01 July 2011		**49,249,073**	**-**	**120,537**	**909,907**	**(40,287,305)**	**9,992,212**
Comprehensive income transactions:							
(Loss) after income tax for the period		-	-	-	-	(1,681,500)	(1,681,500)
Other comprehensive income after income tax for the period		-	-	-	-	-	-
Total comprehensive income		**-**	**-**	**-**	**-**	**(1,681,500)**	**(1,681,500)**
Transactions with owners in their capacity as owners:							
(a) Contributions by owners							
Issue of fully paid ordinary shares		288,872	-	-	-	-	288,872
Issue costs associated with share issues		(83,443)	-	-	-	-	(83,443)
Total transactions with owners in their capacity as owners		**205,429**	**-**	**-**	**-**	**-**	**205,429**
Balances at 30 June 2012		**49,454,502**	**-**	**120,537**	**909,907**	**(41,968,805)**	**8,516,141**

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.

Transaction details:	Notes	Fully Paid Ordinary Shares $	Share-based Reserve $	General Reserve $	Capital Profits Reserve $	Accumulated Losses $	Total Equity $
Balances at 01 July 2010		**47,548,707**	**340,000**	**120,537**	**909,907**	**(40,638,227)**	**8,280,924**
Comprehensive income transactions:							
Profit after income tax for the period		-	-	-	-	350,922	350,922
Other comprehensive income after income tax for the period		-	-	-	-	-	-
Total comprehensive income		**-**	**-**	**-**	**-**	**350,922**	**350,922**
Transactions with owners in their capacity as owners:							
(a) Contributions by owners							
Issue of fully paid ordinary shares		1,480,872	-	-	-	-	1,480,872
Issue costs associated with share issues		(120,506)	-	-	-	-	(120,506)
Expiry of unlisted management options, not exercised		340,000	(340,000)	-	-	-	-
Total transactions with owners in their capacity as owners		**1,700,366**	**(340,000)**	**-**	**-**	**-**	**1,360,366**
Balances at 30 June 2011		**49,249,073**	**-**	**120,537**	**909,907**	**(40,287,305)**	**9,992,212**

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.

	Notes	2012 $	2011 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers		-	32,823
Payments to suppliers and employees		(1,390,422)	(1,944,180)
Net payments to suppliers and employees		**(1,390,422)**	**(1,911,357)**
Payments for financial assets at fair value through profit or loss		(1,845)	(33,366)
Proceeds from disposal of financial assets at fair value through profit or loss		136,213	821,952
Payments for legal settlements		-	(400,000)
Insurance recoveries		88,729	-
Interest received		35,214	51,560
Interest paid		(2,648)	(2)
Income taxes (paid) / refunded		(990)	956,632
Net cash (outflow) from operating activities	25	**(1,135,749)**	**(514,581)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for exploration and evaluation assets		(403,969)	(373,823)
Payments for investments in joint venture exploration partnership entities		(40,190)	(10,205)
Payments for loans to non-Group entities		(1,059)	-
Payments for property, plant and equipment		(90,874)	(18,753)
Proceeds from property, plant and equipment sales		4,545	-
Payments for security deposits on exploration tenements		-	(20,000)
Net cash (outflows) from investing activities		**(531,547)**	**(422,781)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from issues of shares and other equity securities		288,872	1,480,872
Payments for share issue transaction costs		(29,900)	(120,506)
Net cash inflow from financing activities		**258,972**	**1,360,366**
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		**(1,408,324)**	**423,004**
Cash and cash equivalents at the beginning of the financial year		1,785,572	1,362,568
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	9(a)	**377,248**	**1,785,572**

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) Basis of preparation

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

(i) Compliance with IFRS

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

(ii) New and amended standards adopted by the Group

None of the new standards and amendments to the standards that are mandatory for the first time for the financial year beginning on 1 July 2011 affected any of the amounts recognised in the current or any prior period and are not likely to affect future periods. However, the adoption of the revised AASB 124 Related Party Disclosures resulted in the disclosure of additional related party transactions and required the restatement of some comparative information in note 27. In addition, the adoption of AASB 1054 Australian Additional Disclosures and AASB 2011-1 Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project enabled the removal of certain disclosures in relation to commitments and the franking of dividends.

(iii) Historical cost convention

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

(iv) Critical accounting estimates

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

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

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

(b) Principles of consolidation

(i) Controlled subsidiary entities

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Parent entity as at 30 June 2012 and the results of all subsidiaries for the year then ended.

(i) Controlled subsidiary entities

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

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Principles of consolidation

(ii) Associates

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

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

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

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

(iii) Joint ventures

Jointly controlled assets

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

Jointly controlled entities

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

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

(iv) Changes in ownership interests

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

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

(c) Segment reporting

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

(d) Revenue recognition

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

The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset’s net carrying amount.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Income tax

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

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

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

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

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

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

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

(f) Leases

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) Business combinations

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any asset or liability resulting from a contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree’s net identifiable assets.

The excess of the consideration transferred and the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

(h) Impairment of assets

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

(i) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

(j) Trade and other receivables

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Investments and other financial assets

Classification

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

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

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

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the reporting period which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the statement of financial position.

(iii) Held-to-maturity investments

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

(iv) Available-for-sale financial assets

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

Measurement

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

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

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

Impairment

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

(l) Assets carried at amortised cost

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Investments and other financial assets

Impairment

(ii) Assets classified as available-for-sale

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

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

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

(n) Property, plant and equipment

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

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

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

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

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

Asset classes	2012 Useful Lives Years	2011 Useful Lives Years
Buildings	5 - 30 Years	30 Years
Motor vehicles	5 Years	5 Years
Office equipment and furniture	4 – 20 Years	4 – 20 Years
Plant and equipment	5 - 8 Years	5 Years

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Exploration and evaluation assets

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

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

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

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

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

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

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

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

(p) Intangible assets

Research and development

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

(q) Trade and other payables

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

(r) Provisions

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(s) Employee benefits

(i) short-term obligations

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

(ii) Long-term obligations

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

(iii) Share-based payments

Refer to the separate heading below for these details.

(iv) Profit-sharing and bonus plans

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

(v) Employee share schemes

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

(vi) Termination benefits

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

(t) Share-based payments

(i) Equity-settled share-based payment transactions

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

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

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

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

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(u) Contributed equity

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

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

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

(v) Dividends

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

(w) Earnings / (loss) per share

(i) Basic earnings / (loss) per share

Basic earnings per share is calculated by dividing:

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

(ii) Diluted earnings / (loss) per share

Diluted earnings / (loss) per share adjusts the figures used in the determination of basic earnings / (loss) per share to take into account:

(a) the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
(b) the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

(x) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

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

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

(y) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2012 reporting period and have not been adopted early for that reporting period. A summary of these new standards and interpretations follows.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)
(y) New accounting standards and interpretations
(A) Australian Accounting Standards

AASB Number	Title	Comments and Assessment	Operative Date*
9	Financial Instruments	Refer to note (i) below	1 Jan 2015
10	Consolidation	Refer to note (ii) below	1 Jan 2013
11	Joint Arrangements	Refer to note (ii) below	1 Jan 2013
12	Disclosure of Interests in Other Entities	Refer to note (ii) below	1 Jan 2013
13	Fair Value Measurement	Refer to note (iii) below	1 Jan 2013
1053	Application of Tiers of Australian Accounting Standards	Not applicable to the Group	1 Jul 2013
2010 – 2	Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements	Not applicable to the Group	1 Jul 2013
2010 – 7	Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127]	Refer to note (i) below	1 Jan 2013
2010 – 8	Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets [AASB 112]	Primarily amends the approach to measuring deferred tax assets and liabilities for investment properties. Not applicable.	1 Jan 2012
2010 – 10	Further Amendments to Australian Accounting Standards – Removal of Fixed Dates for First-time Adopters [AASB 2009-11 & AASB 2010-7]	Primarily affects first-time adopters of Australian Accounting Standards, therefore it's not applicable to the Group.	1 Jan 2013
2011 - 4	Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements [AASB 124]	Removes the individual key management personnel disclosures from AASB 124. This change is only expected to affect the Group's disclosures in its financial statements.	1 Jul 2013
2012 - 2	Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities [AASB 7 & AASB 132]	Amends the disclosures primarily in AASB 7, but also AASB 132 to include information in the financial statements that will enable users to evaluate the effect or potential effect of netting off arrangements. This change is not expected to have any impact on the Group.	1 Jan 2013
2012 - 3	Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities [AASB 132]	Adds application guidance to AASB 132 to address inconsistencies identified in applying some of the offsetting criteria in AASB 132 dealing with the presentation of financial instruments. This change is not expected to have any impact on the Group.	1 Jan 2014
2012 - 5	Amendments to Australian Accounting Standards arising from Annual Improvements 2009–2011 Cycle [AASB 1, AASB 101, AASB 116, AASB 132 & AASB 134 and Interpretation 2]	Amends various standards for changes in terminology and editorial content, presentation, recognition, and measurement. These changes are yet to be assessed by the Group, but aren't expected to have a significant impact.	

(B) Australian Interpretations

AASB Number	Title	Comments and Assessment	Operative Date*
20	Stripping Costs in the Production Phase of a surface Mine	Clarifies when production stripping costs should lead to the recognition of an asset and how such assets should be measured. Not applicable to the Group at this stage.	1 Jan 2013

* = For annual reporting periods beginning on or after the above dates.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(y) New accounting standards and interpretations

The group's assessment of the impact of the most relevant new standards and interpretations is set out below.

(i) AASB 9 Financial Instruments, AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9 and AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) (effective from 1 January 2015)

AASB 9 Financial Instruments addresses the classification, measurement and derecognition of financial assets and financial liabilities. The standard is not applicable until 1 January 2015 but is available for early adoption. Apart from any impairment losses associated with available-for–sale equity investments being recognised directly in equity, it is not expected that these accounting standard changes will have any further material effects on the Group's available-for-sale equity investments.

(ii) AASB 10 Consolidated Financial Statements, AASB 11 Joint Arrangements, AASB 12 Disclosure of Interests in Other Entities, revised AASB 127 Separate Financial Statements and AASB 128 Investments in Associates and Joint Ventures and AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards (effective 1 January 2013)

In August 2011, the AASB issued a suite of five new and amended standards which address the accounting for joint arrangements, consolidated financial statements and associated disclosures.

AASB 10 replaces all of the guidance on control and consolidation in AASB 127 Consolidated and Separate Financial Statements, and Interpretation 12 Consolidation — Special Purpose Entities. The core principle that a consolidated entity presents a parent and its subsidiaries as if they are a single economic entity remains unchanged, as do the mechanics of consolidation. However, the standard introduces a single definition of control that applies to all entities. It focuses on the need to have both power and rights or exposure to variable returns. Power is the current ability to direct the activities that significantly influence returns. Returns must vary and can be positive, negative or both. Control exists when the investor can use its power to affect the amount of its returns. There is also new guidance on participating and protective rights and on agent/principal relationships. While the Group does not expect the new standard to have a significant impact on its composition, it has yet to perform a detailed analysis of the new guidance.

AASB 11 introduces a principles based approach to accounting for joint arrangements. The focus is no longer on the legal structure of joint arrangements, but rather on how rights and obligations are shared by the parties to the joint arrangement. Based on the assessment of rights and obligations, a joint arrangement will be classified as either a joint operation or a joint venture. Joint ventures are accounted for using the equity method, and the choice to proportionately consolidate will no longer be permitted. Parties to a joint operation will account for their share of revenues, expenses, assets and liabilities in much the same way as under the previous standard. AASB 11 also provides guidance for parties that participate in joint arrangements but do not share joint control. While the Group does not expect the new standard to have a significant impact on its accounting for exploration and evaluation assets subject to joint arrangements, it has yet to perform a detailed analysis of the new guidance.

AASB 12 sets out the required disclosures for entities reporting under the two new standards, AASB 10 and AASB 11, and replaces the disclosure requirements currently found in AASB 127 and AASB 128. It is anticipated that the application of this standard by the Group will not affect any of the amounts recognised in the financial statements, but may it affect the type of information disclosed in relation to the Group's investments in controlled entities and joint arrangements. Amendments to AASB 128 provide clarification that an entity continues to apply the equity method and does not remeasure its retained interest as part of ownership changes where a joint venture becomes an associate, and vice versa. The amendments also introduce a "partial disposal" concept. The Group still needs to assess the impact of these amendments.

It is not anticipated at this stage that the Group will adopt these new standards before their operative date, which means that it would be first applied in the annual reporting period ending 30 June 2014.

(iii) AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13 (effective 1 January 2013)

AASB 13 was released in September 2011. It explains how to measure fair value and aims to enhance fair value disclosures. The Group has yet to determine which, if any, of its current measurement techniques will have to change as a result of the new guidance. It is therefore not possible to state the impact, if any, of the new rules on any of the amounts recognised in the financial statements. However, application of the new standard will impact on the type of information disclosed in the notes to the financial statements. The Group does not intend to adopt the new standard before its operative date, which means that it would be first applied in the annual reporting period ending 30 June 2014.

(z) Parent entity financial information

The financial information for the parent entity, Jervois Mining Limited has been prepared on the same basis as the consolidated financial statements, except as set out below.

(i) Investments in and loans to controlled entities

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(aa) Comparative figures

Where necessary, comparative information has been reclassified and / or restated for consistency with current year disclosures.

(ab) Critical accounting estimates and judgments

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

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

The fair value of the Group's listed equity investments are adjusted at each reporting date based upon quoted market prices. To the extent that there are significant investment purchases or sales within the next financial year or significant movements in quoted market prices, then the potential exists for material adjustments to the carrying value of this asset class to be made in those financial statements for any such movements. In particular, during the period from the start of the 2013 financial year up until the date of this report, the Group has sold a significant portion of its listed equity investments at a loss which will result in a material reduction in the carrying value of the Group's financial assets at fair value through profit or loss in the next financial year, unless future transactions occur during the remainder of the 2013 financial year which will offset these sales.

(ii) Deferred tax assets and liabilities

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

Whilst it is not considered likely that any unused tax losses will be recouped within the next financial year, the Group does expect to receive a current tax asset of $543,138 in relation to its R&D refund for the financial year ended 30 June 2012. This refund was not recognised in these financial statements for the year ended 30 June 2012 for the reason stated above. This amount has however been disclosed in this annual report as a contingent asset. When the refund is received or its recovery is virtually certain it will be recognised in the financial statements for the year ended 30 June 2013.

(iii) Share-based payments reserve

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

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

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

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

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

(v) Provision for restoration costs

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

(vi) Useful lives of property, plant and equipment

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(ac) Going concern

For the financial year ended 30 June 2012, the Group incurred a loss after tax attributable to the owners of the Parent entity of \$1,681,500 (2011 Profit: \$350,922), which was inclusive of impairment charges of \$538,955 (2011: \$459,632). The Group also had net cash outflows from operating activities of \$1,135,749 (2011 Outflow: \$514,581).

Until such time as the Group earns sufficient recurring income and cash inflows from mining operations and / or production royalties from tenements sold 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 30 June 2012, the Group had cash and cash equivalents of \$278,012 (2011: \$1,687,482).

(ii) As at 30 June 2012, the Parent entity had a portfolio of listed equities valued at \$382,505 (2011: \$732,967). Most of this portfolio has been sold in August 2012 with net sales proceeds received of \$316,800.

(iii) The Group continues to undertake research and development activities associated with its exploration and evaluation activities, and provided that these activities continue to comply with the relevant income tax legislation, the Group will continue to receive R&D tax offsets in cash. These receipts will also assist with funding the Group's operations. The Group's final estimate of its R&D cash refund for the 2012 financial year is \$543,138 which is significantly higher than the 2011 R&D refund of \$166,840 recognised in these 30 June 2012 financial statements, due primarily to the commencement of initial R&D activities associated with the Group's Western Australian tenements. The timing of the receipt of the 2012 cash refund is uncertain, but the Group plans on lodging its income tax return in September or October 2012 to initiate the refund process.

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

(v) The 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.

(vi) The Board is of the opinion that, subject to satisfactory market conditions, the Parent entity will be able to access equity capital markets to raise sufficient funds for its on-going operations, as and when required. At the date of this report, the Parent entity is in the process of conducting a one for three non-renounceable rights issue at an offer price of \$0.001 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 21 September 2012. The offer opened on 27 September 2012 and closes on 12 October 2012 (unless extended). At this stage, the outcome of this capital raising is uncertain.

(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 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.

					Parent's Equity Holdings*	
Name of controlled entity	Date of Incorporation	Date of Acquisition	Country of Incorporation	Class of Equity held	2012 %	2011 %
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 financial years ended 30 June 2011 or 2012.

(b) Contributions of controlled entities to the Group's profit / (loss) from ordinary activities during the year	Notes	2012 $	2011 $
Jervois Mining Limited		(1,665,462)	356,135
Hardrock Exploration Pty Ltd		(514)	-
Goldpride Pty Ltd		(3,286)	8,334
Nico Young Pty Ltd		(12,238)	(13,547)
Net profit / (loss) after tax for the year		**(1,681,500)**	**350,922**

(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 resulted in a loss of control during the 2011 and 2012 financial years.

NOTE 3 REMUNERATION OF AUDITORS

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

	2012 $	2011 $
(i) Audit and review of financial statements		
BDO East Coast Partnership (BDO)	37,430	-
MSI Ragg Weir Chartered Accountants	(1,500)	30,200
Total audit and review fees	**35,930**	**30,200**
(ii) Other non-audit services		
BDO – Advice in relation to the reclassifications in the 2011 annual report	2,160	-
Total auditor's remuneration for the year	**38,090**	**30,200**

NOTE 4 FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk, and price risk), credit risk and liquidity risk. The group's overall risk management strategy focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Group. The Group does not currently use any derivative financial instruments to hedge its risk exposures. The Group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, foreign exchange and other price risks, aging analysis for credit risk and beta analysis in respect of investment portfolios to determine market risk. The Board of the Parent entity determines processes for managing each type of financial risk to which the Group is exposed. A summary of the Group's financial instruments is set out below.

	Notes	2012 $	2011 $
Financial assets			
Cash and cash equivalents	9	278,012	1,687,482
Trade and other receivables	10	231,839	82,608
Financial assets at fair value through profit and loss	11	381,519	732,967
Other financial assets - current	12	99,236	98,090
Available-for-sale financial assets	13	986	-
Other financial assets - non-current	14	40,000	40,000
Total financial assets		**1,031,592**	**2,641,147**
Financial liabilities			
Trade and other payables	18	310,320	267,756
Total financial liabilities		**310,320**	**267,756**
Net financial assets		**721,272**	**2,373,391**

(a) Market risk

(i) Foreign exchange risk

Foreign currency risk involves the risk that the fair value or future cash flows of a financial instrument (asset or liability) will fluctuate because of changes in foreign exchange rates. The Group operates primarily within Australia, but does undertake international transactions from time to time, which does expose it to foreign exchange risk arising from various currency exposures, primary with respect to either the United States dollar (USD) or the Canadian dollar (CAD). The Group's foreign exchange risk arises from future commercial transactions and recognised assets and liabilities that are denominated in a currency that is not the Group's functional and presentation currency, being Australian dollars (AUD). The Group's results can therefore be affected by movements in the USD/AUD and CAD/AUD exchange rates. The Group does not have a formal policy or strategy implemented to mitigate the effects of this foreign exchange exposure. The Group's exposure to foreign currency risk at the reporting date, expressed in Australian dollars is set out below. The Group's foreign exchange risk has been measured using sensitivity analysis. Based upon the financial instruments held in foreign currencies at the reporting date, had the AUD strengthened / weakened by 15% against the CAD and USD, with all other variables held constant, the effects on the Group's post-tax profit / (loss) for the year and its equity would be as stated below. A fifteen percent (15%) movement in exchange rates has been selected for the sensitivity analysis due to the recent appreciation of the AUD against foreign currencies.

	Currency Exposure	Notes	2012 $	2011 $
Financial assets				
Cash and cash equivalents – foreign currency balances only	CAD		2,401	2,416
Cash and cash equivalents – foreign currency balances only	USD		7,573	10,023
Trade and other receivables – foreign currency balances only	CAD		96,052	96,656
Total financial assets			**106,026**	**109,095**
Financial liabilities				
Trade and other payables – foreign currency balances only	CAD		-	(2,369)
Total financial liabilities			**-**	**(2,369)**
Net financial assets subject to foreign exchange risk			**106,026**	**106,726**

NOTE 4 FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (i) Foreign exchange risk	Currency Exposure	Notes	2012 $	2011 $
Sensitivity analysis				
Effect on profit / (loss) after income tax for the period and equity				
Higher / (lower)				
15% increase in AUD exchange rates	CAD		(12,842)	(12,613)
15% increase in AUD exchange rates	USD		(988)	(1,307)
Net increase / (decrease) in profit after tax and equity			**(13,830)**	**(13,920)**
15% decrease in AUD exchange rates	CAD		17,374	17,065
15% decrease in AUD exchange rates	USD		1,336	1,769
Net increase / (decrease) in profit after tax and equity			**18,710**	**18,834**

The equity account affected by the above movement in foreign exchange rates is accumulated losses.

The difference between the above foreign currency denominated financial asset and liability figures and those presented in the statement of financial position represents the Group's AUD denominated financial assets and liabilities at the end of each reporting period.

(ii) Cash flow and fair value interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument (asset or liability) will fluctuate because of changes in market interest rates. The Group's main exposure to interest rate risk stems from its interest bearing cash balances (including term deposits) and short-term borrowings (if any). The Group's interest bearing cash balances and short-term borrowings (if any) are subject to variable rates and expose the Group to cash flow interest rate risk. The Group's term deposits, whilst subject to fixed rates have also been treated as though they are subject to variable rates, as each deposit is fixed for no more than three months and therefore not carried at fair value. Given the relatively short period that these deposits are invested for, the Group's exposure to fair value interest rate risk is minimal. The following table sets out, as at the reporting date, the Group's variable rate cash balances and short-term borrowings (if any).

	Notes	2012 $	2011 $
Financial assets			
Cash and cash equivalents – interest bearing balances only	9	278,012	1,674,688
Other financial assets - current	12	99,236	98,090
Total and net financial assets subject to cash flow interest rate risk		**377,248**	**1,772,778**
Sensitivity analysis			
Effect on profit / (loss) after income tax for the period and equity – higher / (lower)			
1% increase in Australian interest rates		8,008	12,330
1% decrease in Australian interest rates		(8,008)	(12,330)

The equity account affected by the above movement in Australian interest rates is accumulated losses.

The difference between the above interest bearing financial assets and those presented in the statement of financial position represents the Group's non-interest bearing financial assets at the end of each reporting period. The Group analyses its interest rate opportunity and exposure, taking into consideration its existing positions and alternative deposit strategies, using a combination of variable and short-term fixed (no more than three months) interest rates. The Group's exposure to interest rate risk at the reporting date is set out above. The Group's interest rate risk has been measured using sensitivity analysis. Based upon the interest bearing financial instruments held at the reporting date, had Australian interest rates increased / decreased by 1% per annum from the year end rates, with all other variables held constant, the effects on the Group's post-tax profit / (loss) for the year and its equity would be as stated above. A 100 basis point or one percent (1%) per annum movement in Australian interest rates has been selected for the sensitivity analysis because this is historically within the range of interest rate movements experienced by the Group. The same Australian interest rate movements have been applied to all interest bearing deposit amounts, including those denominated in foreign currencies (if applicable). The Group's non-current other financial assets are non-interest bearing and accordingly, the above interest rate movements have not been applied to those balances.

NOTE 4 FINANCIAL RISK MANAGEMENT (continued)
(a) Market risk
(iii) Other market price risk

Other market price 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 market prices (other than those arising from interest rate risk or foreign currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Group is exposed to equity securities market price risk. This arises from investments held by the Group and classified on the statement of financial position as either available-for-sale or at fair value through profit or loss. The Group is not exposed to commodity market price risk at this stage. Whilst the Group aims to diversify its portfolio of investments as much as possible to manage the price risk arising from its investments in equity securities, this is not always possible as the investments may have originated from deals undertaken by the Group with its joint venture partners, operating within the resources sector. The majority of the Group's equity investments are publicly traded. The Group's results can be affected by movements in equity prices. The Group does not have a formal policy or strategy implemented to mitigate the effects of this exposure. The Group's exposure to market price risk at the reporting date is set out below. The Group's market price risk has been measured using sensitivity analysis. Based upon the publicly traded financial instruments held at the reporting date, had the ASX All Ordinaries Index strengthened / weakened by 10%, with all other variables held constant and all of the Group's listed equity instruments moving in accordance with their historical correlation to the index, the effects on the Group's post-tax profit / (loss) for the year and its equity would be as stated below. A ten percent (10%) movement in equity prices has been selected for the sensitivity analysis due to recent volatile equity market conditions.

	Notes	2012 $	2011 $
Financial assets			
Financial assets at fair value through profit or loss – listed equities	11	381,519	732,967
Available-for-sale financial assets – unlisted equities	13	986	-
Total and net financial assets subject to other market price risk		**382,505**	**732,967**
Sensitivity analysis			
Effect on profit / (loss) after income tax for the period and equity – higher / (lower)			
10% increase in the ASX All Ordinaries Index		55,030	121,120
10% decrease in the ASX All Ordinaries Index		(55,030)	(121,120)

Post-tax profit / (loss) for the year and accumulated losses forming part of equity would increase / decrease as a result of the gains / losses on equity securities classified as, at fair value through profit or loss. Other components of equity would increase / decrease as a result of gains / losses on equity securities classified as available-for-sale. All of the Group's available-for-sale investments are unlisted. The above sensitivity calculations assumes that unlisted available-for-sale equities will have no historical correlation with the ASX All Ordinaries Index as there is no active market for these shares which can be compared with the index. As a result, the above sensitivity calculations only relate to the Group's financial assets at fair value through profit or loss and thus only affects post-tax profit / (loss) and accumulated losses which forms part of the Group's equity. An impairment loss would only be recognised on the unlisted available-for-sale investments if the fair value of these investments fell below historic cost.

(b) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk is managed on a Group basis. Credit risk arises from the financial assets of the Group, noted below. The Group's exposure to credit risk arises from the potential default of a counter party, with its maximum exposure being equal to the carrying amounts of the financial assets set out below. The Group also faces credit risk in relation to the financial guarantees it has given to certain parties. All guarantees are secured by letters of set-off over term deposits pledged as security to potentially meet any of these guarantees. These term deposits are classified as other current financial assets below. The guarantees will only become payable if the Group fails to fulfill its obligations to those third parties to whom they have been given. With the exception of those trade and other receivables for which an impairment loss has already been recognised, none of the financial assets set out below are considered to be either past due or impaired.

	Notes	2012 $	2011 $
Financial assets			
Cash and cash equivalents	9	278,012	1,687,482
Trade and other receivables – including impaired assets	10	231,839	82,608
Other financial assets – current	12	99,236	98,090
Other financial assets – non-current	14	40,000	40,000
Total financial assets subject to credit risk		**649,087**	**1,908,180**

NOTE 4 FINANCIAL RISK MANAGEMENT (continued)

(b) Credit risk

The Group aims to only trade with recognised, creditworthy third parties, and as such collateral is not requested, nor is it the Group's policy to securitise any of its trade and other receivables. For banks and other financial institutions, the Group aims to deal with independently rated entities with a minimum credit rating equivalent to Standard and Poor's "A" rating. Customers who wish to trade on credit terms with the Group, may be subject to credit verification procedures, including an assessment of their independent credit rating (if any), their financial position, past trading experience and other factors, such as industry reputation. Receivables balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

The Parent entity of the Group has made loans to certain controlled entities to primarily fund exploration and evaluation activities. Unless a determination is made that any of these projects is not viable or that their carrying values are not recoverable, all inter-group loans are considered recoverable. No interest is charged on these loans.

The Group does not hold any derivative financial instruments to offset its credit risk exposure. The Group's exposure to credit risk at the reporting date is identified in each applicable note to these financial statements. The Group does not have any significant concentrations of credit risk.

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The main liquidity risk faced by the Group is that whilst it may be balance sheet solvent, it cannot meet or generate sufficient cash resources to meet its payment obligations in full as they fall due, or that it can only do so on materially disadvantageous terms.

Ultimate responsibility for liquidity risk management rests with the board of directors, who monitor the management of the Group's short, medium and long-term funding and liquidity requirements. The Group aims to manage its liquidity risk by trying to maintain adequate cash reserves, availing itself of research and development tax offsets when eligible, selling assets and carrying out various capital raising initiatives, as and when required.

(i) Financing arrangements

The Group does not have access to any committed credit lines or any material undrawn borrowing facilities at the end of the reporting period. The Group does, however, maintain a portfolio of listed equity securities at fair value through profit or loss to assist with cash flow requirements as and when required.

(ii) Maturities of financial liabilities

The following table analyses the Group's financial liabilities by relevant maturity groupings based upon their contractual maturities for:

(a) All non-derivative financial liabilities, and
(b) Net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

With the exception of the Group's bank guarantees which have an indefinite term, all of the Group's financial liabilities presented below have contractual maturities which mature within six months from the end of the respective reporting periods. The Group does not have any derivative financial liabilities at the end of each reporting period. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months represent the carrying amounts of those financial liabilities as the impact of discounting is not likely to be significant. The Group's bank guarantees are secured by letters of set off over terms deposits and hence have not been discounted. The guarantee for leased premises has not been discounted due to its immateriality.

	Maturity Within	Notes	2012 $	2011 $
Non-derivative financial liabilities				
Trade and other payables	6 months		310,320	267,573
Issued financial guarantee contracts – leased premises	2 Years		7,200	7,200
Issued financial guarantee contracts – bank guarantees	Indefinite		95,305	95,305
Total financial liabilities subject to liquidity risk			**412,825**	**370,078**

NOTE 4 FINANCIAL RISK MANAGEMENT (continued)

(d) Fair value measurements

Fair value is the amount for which, an asset could be exchanged or a liability settled, between knowledgeable, willing parties in an arm's length transaction. The fair value of certain financial assets and liabilities must be estimated for recognition and measurement or for disclosure purposes. AASB 7 Financial Instruments: Disclosures, requires disclosure of fair value measurements classified according to the following fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (ie. as prices) or indirectly (ie. derived form prices); and

Level 3 Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The following table presents the Group's financial assets and liabilities measured and recognised at fair value at the end of each respective reporting period, based upon the above fair value hierarchy.

	Fair Value Hierarchy	Notes	2012 $	2011 $
Financial assets				
Cash and cash equivalents – foreign currency deposits	Level 1		9,974	12,439
Trade and other receivables – foreign currency receivables	Level 1		-	-
Financial assets at fair value through profit and loss – listed equities	Level 1		381,519	732,967
Available-for-sale financial assets – unlisted equities	Level 3		986	-
Total financial assets at fair value			**392,479**	**745,406**
Financial liabilities				
Trade and other payables – foreign currency payables	Level 1		-	2,369
Total financial liabilities at fair value			**-**	**2,369**
Net financial assets at fair value			**392,479**	**743,037**

The difference between the above foreign currency denominated financial assets and liabilities and those presented in the statement of financial position represents the Group's AUD denominated financial assets and liabilities at the end of each reporting period. The Group's financial assets at fair value through profit and loss and available-for-sale financial assets are denominated in AUD. A provision for impairment writedown has been recognised against the full amount of the foreign currency denominated trade and other receivable noted above. The Group's available-for-sale financial assets disclosed above are carried at cost with no fair value measurements having been recognised in the presented statement of financial position for these assets. No impairment loss has been recognised against this asset in these financial statements as the fair value of this asset, based upon the level 3 hierarchy disclosed above, exceeds its cost.

The fair value of financial instruments traded in active markets (such as publicly traded foreign currencies and equity securities) is based upon quoted market prices at the end of the respective reporting periods. The quoted market price used for the Group's financial assets and liabilities is the closing price on the reporting date. These types of financial instruments are classified as Level 1 assets and liabilities.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques, which maximize the use of observable market data when available and rely as little as possible on specific estimates. If all the significant inputs required to fair value an instrument are observable, the instrument is classified as a level 2 within the above fair value hierarchy. The Group did not have any Level 2 financial instruments at each respective reporting date.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for the Group's unlisted available-for-sale financial assets. Specific techniques used to value these financial instruments include the use of the following publicly available information: company valuations by independent experts and the number of ordinary shares issued by the unlisted investee companies. As the fair value of the Group's unlisted available-for-sale investments has not been recognised in these financial statements, including the statement of comprehensive income, there is no requirement to disclose the movement during the period in the level 3 fair value hierarchy for this asset class.

Apart from those financial assets and liabilities specifically classified above according to the fair value hierarchy stipulated by AASB 7 Financial Instruments: Disclosures, the carrying amounts of the Group's other financial assets and liabilities are assumed to reasonably approximate their fair values due to either the short-term nature of those assets and liabilities or because they are carried at cost because their fair value cannot be measured reliably. The methods used for estimating the fair value of these other financial instruments is presented in the relevant notes to these financial statements.

	Notes	2012 $	2011 $
NOTE 5 REVENUE			
Sales revenue			
Sale of goods - mineral sales - gold		-	8,626
Services rendered - consulting fees		1,600	1,550
Total sales revenue		**1,600**	**10,176**
Other revenue			
Fuel tax credits received		-	11,530
Insurance recoveries		88,729	-
Interest received from financial assets not at fair value through profit or loss		34,080	50,131
Rent received		-	5,959
Total other revenue		**122,809**	**67,620**
Total revenue		**124,409**	**77,796**

	Notes	2012 $	2011 $
NOTE 6 OTHER INCOME			
Foreign exchange gains	7(c)	-	138,748
Gains on loans forgiven		-	1,044,811
Gains on property, plant and equipment sold		521	-
Gains on revaluation of financial assets at fair value through profit or loss		-	754,741
Total other income		**521**	**1,938,300**

	Notes	2012 $	2011 $
NOTE 7 EXPENSES			
(a) Profit / (loss) before income tax includes the following specific expenses:			
Defined contribution superannuation expense		80,108	20,551
Total depreciation on property, plant and equipment charged for the year		32,624	28,373
Less depreciation capitalised as part of exploration and evaluation assets	17(a)	(17,119)	(5,260)
Depreciation on property, plant and equipment expensed for the period		**15,505**	**23,113**
Foreign exchange losses	7(c)	112	19,890
Interest paid on financial liabilities not at fair value through profit or loss		4,196	4,213
Litigation settlement relating to dissolution of China Railway Resources venture		-	400,000
Losses on revaluation of financial assets at fair value through profit or loss		216,094	-
Minimum lease rental payments relating to operating leases		54,154	54,008
Impairment losses:			
Exploration and evaluation assets		510,176	362,200
Investments in associates – joint venture exploration partnerships		24,552	-
Property, plant and equipment		-	776
Trade and other receivables		4,227	96,656
Total impairment losses		**538,955**	**459,632**

	Notes	2012 $	2011 $
NOTE 7 EXPENSES (continued)			
(b) Material impairment losses recognised or reversed during the period			
Impairment loses were recognised during the year against the following assets for the reasons noted against each asset.			
(i) Exploration and evaluation assets (Exploration Licenses)			
Sole risk areas of interest			
EL 6095 Honeybugle 1 (NSW) – JRV 100% - surrendered in 2012		38,276	80,137
EL 7404 Honeybugle 2 (NSW) – JRV 100% - to be surrendered		12,249	-
EL 59 / 1264 Nalbarra South (WA) – JRV 100% - surrendered in 2012		23,179	-
Young (NSW) – NYG 100% - China Railway Resources joint venture termination		-	288,518
Bullabulling (WA) – JRV and GPD 100% - sale of tenements		-	(6,455)
Total sole risk areas of interest impairment losses for the year		**73,704**	**362,200**
Jointly controlled areas of interest			
EL 59 / 1391 Bunnawarra (WA) – JRV 50% of 30% - surrendered		436,472	-
Total jointly controlled areas of interest impairment losses for the year		**436,472**	**-**
Total exploration and evaluation assets impairment losses for the year	17(a)	**510,176**	**362,200**

During the 2012 financial year a material impairment loss was recognised for the Bunnawarra area of interest due to the fact that the joint venture participants in the tenement decided that it should be surrendered.

During the 2011 financial year a material impairment loss was recognised for the write off of exploration and evaluation expenditure associated with the failed China Railway Resources joint venture at Young in NSW.

Both of these assets which have been subject to a material impairment loss form part of the exploration and evaluation operating segment.

	Notes	2012 $	2011 $
(ii) Investments in associates – joint venture exploration partnerships			
EL 4620 Forest Reefs (NSW) – JRV 20% - written down to recoverable sale proceeds		24,552	-
Total investment in associates impairment losses for the year		**24,552**	**-**
(iii) Property, plant and equipment			
Write off of computer equipment, software and other sundry assets		-	776
Total property, plant and equipment impairment losses for the year		**-**	**776**
(iv) Trade and other receivables			
Trade receivables – writedown to anticipated recoverable value		4,077	-
Other receivables – Canadian metallurgical investment recovery*		(603)	96,656
Other receivables - writedown to anticipated recoverable value		753	-
Total trade and other receivables impairment losses for the year		**4,227**	**96,656**

* = During the 2011 financial year, a material impairment loss was recognised in relation to another receivable amount of CAD 100,000 which the Group is seeking to recover from the promoter of a Canadian metallurgical investment consortium, which failed to perform its undertakings. Legal action against the promoter continues. This other receivable forms part of the exploration and evaluation operating segment.

	Notes	2012 $	2011 $
NOTE 7 EXPENSES (continued)			
(c) Net foreign exchange gains and losses			
Foreign exchange gains included in other income for the year	6	-	138,748
Foreign exchange losses on cash deposits and other receivables	7(a)	(112)	(19,890)
Net foreign exchange gains / (losses) recognised in profit / (loss) before income tax for the year (as either other income or expense)		**(112)**	**118,858**

		2012 $	2011 $
NOTE 8 INCOME TAX EXPENSE / (INCOME)			
(a) Income tax expense / (income)			
Current income tax expense / (income)		-	-
Deferred income tax expense / (income)		-	-
Income tax expense / (income) for the current period		**-**	**-**
Prior period R&D tax offsets (received) in the current period		(166,840)	(398,068)
Total income tax expense / (income) for the year		**(166,840)**	**(398,068)**
Income tax expense / (income) is attributable to:			
Profit / (loss) from continuing operations		(166,840)	(398,068)
Profit / (loss) from discontinued operations		-	-
Total income tax expense / (income) for the year		**(166,840)**	**(398,068)**
Deferred income tax expense / (income) included in the total income tax (expense) / income is comprised of:			
Decrease / (increase) in deferred tax assets		-	-
(Decrease) / increase in deferred tax liabilities		-	-
Total deferred income tax expense / (income) for the year		**-**	**-**
(b) Numerical reconciliation of income tax expense to prima facie income tax payable			
Loss before income tax expense / (income)		(1,848,340)	(47,146)
Total loss for the year before income tax expense / (income)		**(1,848,340)**	**(47,146)**
Income tax expense / (income) at the Australian tax rate of 30% (2011: 30%)		(554,502)	(14,144)
Add / (less) the tax effect of amounts which are not deductible / (assessable) in calculating taxable (income) / loss:			
Entertainment expenses		147	588
Fines and penalties		1,745	66
Impairment losses on exploration and evaluation assets		-	24,041
Impairment losses on other receivables		-	28,997
Net capital gain on financial assets at fair value through profit or loss		-	77,472
Net gain on loans forgiven		-	(190,876)
R&D income tax concession / incentive for the current year not yet recognised		543,138	(66,170)
R&D income tax incentive deductions in excess of the corporate tax rate		(181,046)	-
Share issue costs recognised directly in equity		(18,886)	-
Temporary differences not recognised		(103,995)	(186,247)
Income tax (loss) for the current period		**(313,399)**	**(326,273)**
Less current year tax losses not recognised but carried forward to future years		313,399	326,273
Current and deferred income tax expense / (income) for the current period		**-**	**-**
Add prior period R&D tax offsets (received) in the current period		(166,840)	(398,068)
Total income tax expense / (income) for the year		**(166,840)**	**(398,068)**

	Notes	2012 $	2011 $
NOTE 8 INCOME TAX EXPENSE (continued)			
(c) Amounts recognised directly in equity			
Total current and deferred income tax expense / (income) arising in the reporting period and not recognised in net profit or (loss) or other comprehensive income but directly debited or credited to equity:			
Current income tax expense / (income) debited / (credited) directly to equity		-	-
Deferred income tax expense / (income) debited / (credited) directly to equity		-	-
Total income tax expense / (income) recognised directly in equity		**-**	**-**
(d) Unused tax losses not recognised as a deferred tax asset			
Nominal value of unused tax losses for which no deferred tax asset has been recognised:			
Tax losses on capital account		81,402	-
Tax losses on revenue account		32,703,143	32,351,781
Total unrecognised tax losses carried forward		**32,784,545**	**32,351,781**
Potential tax benefit of unused tax losses if recouped @ 30% (2011: 30%)		**9,835,364**	**9,705,534**

All unused tax losses were incurred by Australian entities that are part of an income tax consolidated group.

(e) Unrecognised temporary differences in relation to investments in controlled entities, associates and joint ventures			
Nominal value of temporary differences relating to investments in controlled entities, associates and ioint ventures for which deferred tax liabilities have not been recognised:			
Reduction in the carrying amount of investments in associates		24,552	-
Reduction in the carrying amount of investments in controlled entities		105,003	105,000
Total unrecognised temporary differences – deferred tax liabilities		**129,555**	**105,000**
Potential unrecognised deferred tax liability relating to investments in controlled Entities, associates and joint ventures @ 30% (2011: 30%)		**38,867**	**31,500**

The carrying value of certain of the Group's investments in controlled entities, associates and joint ventures is below their cost base, giving rise to potential deferred tax liabilities on these investments. As the parent entity, investor or venture is able to control the timing of the reversal of the temporary difference and these temporary differences are not expected to reverse in the foreseeable future, no deferred tax liability has been recognised for these reductions in the carrying value of investments.

(f) Tax consolidation legislation

The parent entity and its controlled entities have implemented the income tax consolidation legislation. None of the entities within the Group have entered into any tax funding agreements. Refer to note 1 for further details on the Group's implementation of the income tax consolidation legislation.

NOTE 9 CURRENT ASSETS - CASH AND CASH EQUIVALENTS

	Notes	2012 $	2011 $
Cash on hand		300	300
Cash at bank		163,816	1,174,688
Cash on deposit at call		13,551	12,494
Cash on term deposit with a maturity of less than three months, freely available		100,345	500,000
Total cash and cash equivalents		**278,012**	**1,687,482**

	Notes	2012 $	2011 $

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

(a) Reconciliation to cash at the end of the financial year

The above figures are reconciled to cash at the end of the financial year as shown in the statement of cash flows as follows:

	Notes	2012 $	2011 $
Cash and cash equivalents balances per above		278,012	1,687,482
Other financial assets – cash on short-term deposit securing bank guarantees	12	99,236	98,090
Balances per the consolidated statement of cash flows		**377,248**	**1,785,572**

The Group has a number of term deposits securing bank guarantees provided in relation to the terms of certain exploration licenses and leased office premises. These guarantees are secured by letters of set off over the term deposits disclosed in note 12. Whilst the maturity on these secured term deposits is less than three months, they have not been classified as cash and cash equivalents on the basis that their conversion to cash may take 3-12 months, as this would involve the negotiation of alternative security arrangements with the relevant guarantee holders.

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

(b) Risk exposure

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

(c) Carrying amount and fair value comparison

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

NOTE 10 CURRENT ASSETS - TRADE AND OTHER RECEIVABLES

	Notes	2012 $	2011 $
Trade receivables		4,480	-
Provision for impairment writedown on trade receivables		(4,344)	-
Other receivables		99,185	97,202
Provision for impairment writedown on other receivables		(96,806)	(96,656)
Interest receivable		976	2,108
Prepayments		27,008	36,022
GST paid and receivable		32,781	43,203
Current tax asset – R&D tax offset receivable		166,840	-
Current tax asset - Tax file number withholding tax recoverable		1,719	729
Total trade and other receivables		**231,839**	**82,608**

(a) Impaired trade receivables

The individually impaired trade receivables balance relates to the uncertain recovery of an expense reimbursement sought by the Group from EMC Metals Corporation. It has been assessed that 100% of this receivable is not expected to be recovered due to the current legal dispute with EMC over whether or not EMC has earned an interest in the Nyngan scandium project.

	Notes	2012 $	2011 $

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

(a) Impaired trade receivables

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

	Notes	2012 $	2011 $
Carrying amount at the beginning of the financial year		-	-
Additional provision for impairment losses recognised during the year		4,344	-
Carrying amount at the end of the financial year		**4,344**	**-**

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

(b) Impaired other receivables

The provision for impairment writedown associated with other receivables is comprised of two individually determined losses. Firstly, an impairment writedown has been recognised in relation to the full amount of the foreign currency denominated (CAD 100,000) receivable associated with the Canadian metallurgical investment consortium referred to in note 7(b)(iv). The movement during the period in this provision reflects the movements in foreign exchange rates at each reporting date. The receivable is considered to be impaired due to the uncertainty surrounding the outcome of the legal dispute.

A second impairment writedown has been recognised in relation to the full amount of expenditure incurred on behalf of EMC Metals Corporation for which the Group is entitled to reimbursement. As the Group is currently in a legal dispute over whether or not EMC has earned an interest in the Nyngan scandium project, this receivable is considered to be impaired due to the uncertainty of its recoverability.

The movements in the provision for impairment writedowns on other receivables is set out below.

	Notes	2012 $	2011 $
Carrying amount at the beginning of the financial year		96,656	-
Movement in the Canadian investment receivable impairment writedown		(603)	96,656
Movement in the EMC expense reimbursement impairment writedown		753	-
Carrying amount at the end of the financial year		**96,806**	**96,656**

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

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

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

(d) Other receivables

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

	Notes	2012 $	2011 $

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

(e) Risk exposure

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

(f) Carrying amount and fair value comparison

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

NOTE 11 CURRENT ASSETS – FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets at fair value through profit or loss are all held for trading and include the following assets:

	Notes	2012 $	2011 $
Australian listed equity securities		381,519	732,967
Total financial assets at fair value through profit or loss		**381,519**	**732,967**

(a) Designated financial assets at fair value through profit or loss

The Group has not designated any financial assets as, at fair value through profit or loss.

(b) Changes in fair value

Changes in the fair values of financial assets at fair value through profit or loss are recorded in other income or losses on revaluation of financial assets at fair value through profit or loss in the statement of comprehensive income. Refer to notes 6 and 7 above for details.

(c) Risk exposure

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

(d) Carrying amount and fair value measurements

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

NOTE 12 CURRENT ASSETS – OTHER FINANCIAL ASSETS

	Notes	2012 $	2011 $
Cash on term deposit securing bank guarantees	9(a)	99,236	98,090
Total current assets – other financial assets		**99,236**	**98,090**

(a) Risk exposure

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

(b) Carrying amount and fair value comparison

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

	Notes	2012 $	2011 $

NOTE 12 CURRENT ASSETS – OTHER FINANCIAL ASSETS (continued)

(c) Collateral pledged as security

The carrying amounts of other current financial assets disclosed above, also represents the amounts pledged as security, by letter of set-off, for bank guarantees issued by the Group, with a small and immaterial excess of security. Bank guarantees issued by the Group total $95,305 (2011: $95,305). The excess security amounts to $3,931 (2011: $2,785). Refer to note 30 for further details about the bank guarantees issued by the Group.

NOTE 13 NON-CURRENT ASSETS – AVAILABLE-FOR-SALE FINANCIAL ASSETS

Available-for-sale financial assets include the following classes of financial assets:

		2012 $	2011 $
Australian unlisted equity securities		986	-
Total available-for-sale financial assets		**986**	**-**

(a) Unlisted securities

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

(b) Impaired available-for-sale financial assets

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

(c) Risk exposure

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

(d) Carrying amount and fair value comparison

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

NOTE 14 NON-CURRENT ASSETS – OTHER FINANCIAL ASSETS

		2012 $	2011 $
Security deposits lodged to satisfy terms and conditions of exploration licenses		40,000	40,000
Total non-current assets – other financial assets		**40,000**	**40,000**

(a) Risk exposure

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

(b) Carrying amount and fair value comparison

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

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

		2012 $	2011 $
Investments in associates – unlisted unincorporated exploration partnerships		277,361	241,846
Provision for impairment writedown on investments in associates		(24,552)	-
Total investments accounted for using the equity method		**252,809**	**241,846**

	Notes	2012 $	2011 $
NOTE 15 NON-CURRENT ASSETS - INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (continued)			
(a) Movements in carrying amounts			
Carrying amount at the beginning of the financial year		241,846	215,054
Additional investments		35,515	26,792
Impairment losses recognised during the financial year		(24,552)	-
Share of profits after income tax		-	-
Dividends received or receivable		-	-
Share of changes recognised in other comprehensive income		-	-
Carrying amount at the end of the financial year		**252,809**	**241,846**
(b) Movements in the provision for impairment writedown			
Carrying amount at the beginning of the financial year		-	-
Additional provision for impairment losses recognised during the year		24,552	-
Carrying amount at the end of the financial year		**24,552**	**-**

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

(c) Summarised financial information of associates

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

Unlisted associates	Ownership Interest %	Assets $	Liabilities $	Revenues $	Profit / (loss) Before Tax $
2012 financial year					
Forest Reefs partnership	20%	200,000	-	-	-
Badja partnership	50%	27,415	10,829	-	-
Lake Austin partnership	50%	25,394	-	-	-
Totals		**252,809**	**10,829**	**-**	**-**
2011 financial year					
Forest Reefs partnership	20%	224,552	17,054	-	-
Badja partnership	50%	10,330	-	-	-
Lake Austin partnership	50%	6,964	-	-	-
Totals		**241,846**	**17,054**	**-**	**-**

All of the above partnerships are unlisted unincorporated Australian 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. Refer to Note 17(i) for details of the exploration tenements associated with each of these partnerships.

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

	Land and Buildings $	Motor Vehicles $	Office Equipment and Furniture $	Plant and Equipment $	Total $
Balances at 01 July 2010					
Cost amount	535,514	68,941	61,750	15,020	681,225
Accumulated depreciation	-	(30,205)	(52,307)	(3,405)	(85,917)
Net carrying amount	**535,514**	**38,736**	**9,443**	**11,615**	**595,308**
Year ended 30 June 2011					
Opening net carrying amount	535,514	38,736	9,443	11,615	595,308
Additions	18,318	-	435	-	18,753
Depreciation charge	(3,418)	(13,788)	(8,164)	(3,003)	(28,373)
Closing net carrying amount	**550,414**	**24,948**	**1,714**	**8,612**	**585,688**
Balances at 30 June 2011					
Cost amount	553,832	68,941	62,186	15,021	699,980
Accumulated depreciation	(3,418)	(43,993)	(60,472)	(6,409)	(114,292)
Net carrying amount	**550,414**	**24,948**	**1,714**	**8,612**	**585,688**
Year ended 30 June 2012					
Opening net carrying amount	550,414	24,948	1,714	8,612	585,688
Additions	13,522	-	2,880	74,472	90,874
Depreciation charge	(4,658)	(1,736)	(1,742)	(13,012)	(21,148)
Disposals	-	(15,500)	-	-	(15,500)
Closing net carrying amount	**559,278**	**7,712**	**2,852**	**70,072**	**639,914**
Balances at 30 June 2012					
Cost amount	567,354	53,441	65,067	89,493	775,355
Accumulated depreciation	(8,076)	(45,729)	(62,215)	(19,421)	(135,441)
Net carrying amount	**559,278**	**7,712**	**2,852**	**70,072**	**639,914**

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

(b) Restrictions on title and property, plant and equipment pledged as security
None of the Group’s property, plant and equipment has been pledged as security. Subject to the following comments, there are currently no restrictions on the Group’s title to these assets. A caveat claiming a 50% equitable interest was lodged against the Group’s Nyngan agricultural land on 27 February 2012 by EMC Metals Corporations (“EMC”). EMC claim the 50% equitable interest pursuant to the Exploration Joint Venture Agreement (“EJVA”). The Group considers the EJVA to have terminated without EMC earning an interest. The Group is seeking to have the caveat removed as part of the legal proceedings it has initiated against EMC. The carrying amount of the Nyngan agricultural land is $363,134 (2011: $363,134).

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

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

	Notes	2012 $	2011 $
NOTE 17 NON-CURRENT ASSETS – EXPLORATION AND EVALUATION ASSETS			
Intangible exploration and evaluation costs carried forward in relation to:			
Sole risk areas of interest		7,030,092	6,530,135
Provision for impairment writedown on sole risk areas of interest		-	(80,137)
Jointly controlled areas of interest		-	435,622
Total intangible exploration and evaluation assets		**7,030,092**	**6,885,620**
(a) Carrying amount reconciliation			
Carrying amount at the beginning of the financial year		6,885,620	6,677,255
Disposals		-	(32,690)
Expenditure allocated to areas of interest			
Goods and services acquired		369,328	454,552
Salaries and superannuation contributions		268,201	263,430
Depreciation charges – buildings, plant and equipment	7(a)	17,119	5,262
Impairment loss writedowns recognised in the statement of comprehensive income	7(b)(i)	(510,176)	(366,577)
Transfers to trade and other receivables – other receivables		-	(115,612)
Carrying amount at the end of the financial year		**7,030,092**	**6,885,620**
(b) Movements in the provision for impairment writedown			
Carrying amount at the beginning of the financial year		80,137	-
Provision recognised in profit / loss during the year for sole risk assets		73,704	80,137
Provision recognised in profit / loss during the year for jointly controlled assets		436,472	-
Provision applied against the carrying value of sole risk assets		(153,841)	-
Provision applied against the carrying value of jointly controlled assets		(436,472)	-
Carrying amount at the end of the financial year		**-**	**80,137**

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

(c) Recoverability of costs

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

(d) Useful life and amortisation

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

(e) Jointly controlled assets

The Group was involved in a joint venture to conduct exploration and evaluation activities on the Bunnawarra exploration license E59 / 1391 in Western Australia. At the time of surrendering this exploration license, the Group had a 15% (2011: 15%) participating interest in this joint venture. The Group's interest in the assets employed in the joint venture form part of the Group's exploration and evaluation assets disclosed above.

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

Refer to note 7(b)(i) for details of the material impairment losses recognised or reversed during the 2011 and 2012 financial years in relation to the Group's exploration and evaluation assets.

(g) Fair value of exploration and evaluation assets

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

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

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

None of the Group's exploration and evaluation assets have been pledged as security. Subject to the following comments, there are currently no restrictions on the Group's title to these assets. Caveats claiming a 50% equitable interest were lodged against the Group's Nyngan exploration licenses EL 6009 Gilgai 1 and EL 6096 Gilgai 2 on 24 February 2012 by EMC Metals Corporations ("EMC"). EMC claim the 50% equitable interest pursuant to the Exploration Joint Venture Agreement ("EJVA"). The Group considers the EJVA to have terminated without EMC earning an interest. The Group is seeking to have the caveats removed as part of the legal proceedings it has initiated against EMC. The carrying amount of these two Nyngan areas of interest is $816,972 (2011: $768,548).

(i) Exploration tenement summary

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

Equity Holder	License Number	Project Name	Location	Ref	Effective Date	Equity Interest 2012 %	Equity Interest 2011 %
Sole risk assets							
NYG	EL5152	Grenfell	Young, NSW	R	Pending	100%	100%
NYG	EL5527	Young	Young, NSW	R	Pending	100%	100%
NYG	EL5571	Thuddungra	Young, NSW	R	Pending	100%	100%
JRV	EL6009	Gilgai 1*	Nyngan, NSW	R	21-10-2010	100%	100%
JRV	EL6096	Gilgai 2*	Nyngan, NSW	R	09-07-2011	100%	100%
JRV	EL7664	Gilgai 3*	Nyngan, NSW	G	11-12-2010	100%	100%
JRV	EL6009	Westlynn	Nyngan, NSW	R	21-10-2010	100%	100%
JRV	EL6095	Honeybugle 1	Nyngan, NSW	D	31-12-2011	-	100%
JRV	EL7404	Honeybugle 2	Nyngan, NSW	G	20-10-2009	100%	100%
JRV	EL7281	Summervale	Nyngan, NSW	R	30-01-2011	100%	100%
JRV	EL7805	Syerston	Nyngan, NSW	G	14-07-2011	100%	100%
JRV	E30/0388	Ularring	Lake Barlee, WA	G	01-02-2010	100%	100%
JRV	E59/1257	Nalbarra	Nalbarra, WA	G	29-07-2008	100%	100%
JRV	E59/1264	Nalbarra South	Nalbarra, WA	D	08-01-2012	-	100%
JRV	E77/1332	Barlee West	Lake Barlee, WA	R	23-01-2012	100%	100%
JRV	E77/1333	Barlee West	Lake Barlee, WA	R	23-01-2012	100%	100%
JRV	E77/1345	Lake Giles	Lake Giles, WA	R	05-02-2012	100%	100%
JRV	E77/1440	Barlee Central	Lake Barlee, WA	G	27-08-2008	100%	100%
JRV	E77/1441	Barlee Central	Lake Barlee, WA	G	27-08-2008	100%	100%
JRV	E77/1884	Barlee Central	Lake Barlee, WA	G	06-09-2011	100%	100%
GPD	E29/0652	Barlee East	Lake Barlee, WA	G	15-09-2008	100%	100%
GPD	E77/1397	Lake Barlee	Lake Barlee, WA	G	13-05-2008	100%	100%
GPD	E77/1398	Lake Barlee	Lake Barlee, WA	G	13-05-2008	100%	100%
GPD	E77/1460	Lake Barlee	Lake Barlee, WA	G	15-09-2008	100%	100%
GPD	E77/1461	Lake Barlee	Lake Barlee, WA	G	14-10-2008	100%	100%
Jointly controlled assets							
JRV	E59/1391	Bunnawarra	Bunnawarra, WA	D	31-12-2011	-	50% of 30%
Investments in Associates (Note 15)							
JRV	EL4620	Forest Reefs	Forest Reef NSW	G	19-11-1993	20%	20%
JRV	E59/1576	Badja **	Badja, WA	G	02-03-2011	50%	50%
GPD	E21/0130	Lake Austin	Lake Austin, WA	G	26-10-2010	50%	50%

Legend

NYG = Nico Young Pty Ltd	E = Exploration License	D = Disposal date
JRV = Jervois Mining Limited	EL = Exploration License	G = Grant date
GPD = Goldpride Pty Ltd		R = Renewal date

* = EMC Metals Corporation was in the process of earning a 50% interest in these tenements, but failed to deliver a feasibility study that complied with the Exploration Joint Venture Agreement between the parties resulting in the termination of that agreement on 28 February 2012.

** = The 50% not currently owned by JRV is in the process of being transferred to JRV.

	Notes	2012 $	2011 $

NOTE 18 CURRENT LIABILITIES – TRADE AND OTHER PAYABLES

		2012 $	2011 $
Trade payables		206,180	107,053
Other payables		12,447	12,446
Accrued expenses		31,175	96,025
Payroll-related payables		60,458	43,848
GST collected and payable		60	8,384
Total trade and other payables		**310,320**	**267,756**

(a) Risk exposure

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

(b) Carrying amount and fair value comparison

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

NOTE 19 CURRENT LIABILITIES – PROVISIONS

		2012 $	2011 $
Provision for employee benefits – annual leave entitlements		120,974	88,717
Total current provisions		**120,974**	**88,717**

(a) Movement in provisions

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

		2012 $	2011 $
Carrying amount at the beginning of the financial year		88,717	80,596
Increase in existing provision charged to the statement of comprehensive income during the period		32,257	8,121
Carrying amount at the end of the financial year		**120,974**	**88,717**

(b) Amounts not expected to be settled within the next 12 months

The current provision for employee benefits is comprised of accrued annual leave entitlements. The entire amount of the provision is presented as current, since the Group does not have an unconditional right to defer settlement for this obligation. However, based upon past experience, the Group does not expect all of its employees to take the full amount of their accrued leave or require payout of their entitlements within the next 12 months from the 30 June reporting dates. The following amounts, therefore, reflect annual leave that is not expected to be taken or paid out within the next 12 months from the respective 30 June reporting dates.

		2012 $	2011 $
Annual leave obligations not expected to be settled within the next 12 months		76,617	61,264
Total leave obligations not expected to be settled within the next 12 months		**76,617**	**61,264**

NOTE 20 NON-CURRENT LIABILITIES – PROVISIONS

		2012 $	2011 $
Provision for employee benefits – long service leave entitlements		6,972	5,616
Total non-current provisions		**6,972**	**5,616**

	Notes	2012 $	2011 $
NOTE 20 NON-CURRENT LIABILITIES – PROVISIONS (continued)			
(a) Movement in provisions			
The movement in each class of non-current provision during the financial year, including employee benefits, is presented below.			
Carrying amount at the beginning of the financial year		5,616	-
Increase in existing provision charged to profit or loss during the period		1,356	5,616
Carrying amount at the end of the financial year		**6,972**	**5,616**

NOTE 21 CONTRIBUTED EQUITY

(a) Share capital

	2012 $	2011 $
Issued fully paid ordinary shares	49,454,502	49,249,073
Total contributed equity	**49,454,502**	**49,249,073**

(b) Movements in fully paid ordinary shares

Transaction details	Issue Price $	2012 Number of Securities Issued	2012 $	2011 Number of Securities Issued	2011 $
Balances at the start of the year		**3,498,295,209**	**49,249,073**	**3,128,077,209**	**47,548,707**
Proceeds received from:					
New shares issued	0.00400	-	-	370,218,000	1,480,872
New shares issued	0.00300	96,290,789	288,872	-	-
Transfers from share-based payments reserve:					
Fair value of unlisted options lapsing upon their expiry	0.00680	-	-	-	340,000
Share issue transaction costs:					
Share issue costs	-	-	(83,443)	-	(120,506)
Balances at the end of the year		**3,594,585,998**	**49,454,502**	**3,498,295,209**	**49,249,073**

(b) Fully paid ordinary shares

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

NOTE 21 CONTRIBUTED EQUITY (continued)

(c) Dividends

The Parent entity did not propose, declare or pay any dividends during the 2011 or 2012 financial years. No dividends have been proposed or declared since the end of either financial year, before these financial statements were authorised for issue. No liability has been recognised at the end of each financial year in relation to any dividends proposed or declared after the end of each financial year. As the Group is currently in a tax loss position, it has no franking or imputation credits available for use in subsequent reporting periods.

(d) Call options over unissued ordinary shares

All listed and unlisted options (if any) issued by the Parent entity entitle the holder to purchase one fully paid ordinary share in the capital of the Parent entity at their respective exercise prices. None of the options have any dividend or voting entitlements, nor do they carry any participation rights in respect of any proceeds from the winding up of the Parent entity.

Information relating to the Parent entity's options, including details of options issued, exercised and lapsed during the financial year and options outstanding at the end of the financial year, is set out in Note 22.

(e) Capital risk management

(i) Objectives

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

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

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

(ii) Gearing ratios

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

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

	Notes	2012 $	2011 $
Total debt and capital calculations			
Trade and other payables		310,320	267,756
Bank guarantees issued, but not recognised in these financial statements		95,305	95,305
Total debt		**405,625**	**363,061**
Less cash and cash equivalents		(278,012)	(1,687,482)
Less other current financial assets – term deposits securing bank guarantees issued		(99,236)	(98,090)
Add back surplus cash and cash equivalents		-	1,422,511
Net debt		**28,377**	**-**
Add total equity		8,516,141	9,992,212
Total capital		**8,544,518**	**9,992,212**
Gearing ratios			
Net debt to total capital ratio (%)		**0.33%**	**0.00%**

The increase in the gearing ratio during the 2012 financial year resulted from the reduction in the Group's cash and cash equivalent holdings during that year.

	Notes	2012 $	2011 $
NOTE 22 RESERVES			
(a) Reserve balances			
Capital profits reserve		909,907	909,907
General reserve		120,537	120,537
Total reserves		**1,030,444**	**1,030,444**
(b) Movements in reserves			
(i) Capital profits reserve			
Balance at the start of the financial year		909,907	909,907
Balance at the end of the financial year		**909,907**	**909,907**
(ii) General reserve			
Balance at the start of the financial year		120,537	120,537
Balance at the end of the financial year		**120,537**	**120,537**

(iii) Share-based payments reserve – unlisted options	Fair Value $	2012 Number of Securities Issued	2012 $	2011 Number of Securities Issued	2011 $
Balances at the start of the year		**-**	**-**	**50,000,000**	**340,000**
Transfers to issued fully paid ordinary shares:					
Fair value of unlisted options lapsing upon their expiry	0.00680	-	-	(50,000,000)	(340,000)
Balances at the end of the year		-	-	-	-

(c) Nature and purpose of reserves

(i) Capital profits reserve

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

(ii) General reserve

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

(iii) Share-based payments reserve – unlisted options

The share-based payment reserve is used to record the fair value of any equity benefits (including options granted, but not exercised) provided by the Parent entity. Note 21(d) details the rights attaching to each class of options issued. Note 27 and the Remuneration Report contained within the Director's Report provides further details about any management options issued by the Parent entity, including their respective exercise prices and expiry dates. The fair value of any class of options exercised, lapsed upon expiry or otherwise forfeited is reclassified to issued fully paid ordinary shares upon the occurrence of any of those events.

	Notes	2012 $	2011 $
NOTE 23 ACCUMULATED LOSSES			
Accumulated losses		41,968,805	40,287,305
Total accumulated losses		**41,968,805**	**40,287,305**
(a) Movements in accumulated losses			
Balance at the start of the financial year		40,287,305	40,638,227
Net (profit) / loss after income tax for the financial year		1,681,500	(350,922)
Balance at the end of the financial year		**41,968,805**	**40,287,305**

NOTE 24 OPERATING SEGMENTS

(a) Description of operating segments

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

(b) Change in basis of segmentation since the 2011 annual report

The segment reporting information included in these financial statements for the financial year ended 30 June 2012 and the corresponding comparative information presented excludes the "Research and Development" segment which was previously disclosed separately in the 2011 annual report. As these activities relate solely to metallurgical testing and evaluation and the associated R&D tax offsets claimable in relation to those activities, management now considers that it would be more appropriate to include these activities as part of the "Exploration and Evaluation" segment.

(c) Operating segment information

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

2012 Financial Year	Exploration and Evaluation $	Investments $	Unallocated Items $	Total All Operations $
Segment revenue for the financial 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				
Insurance recoveries	-	-	88,729	88,729
Interest received	-	-	34,080	34,080
Total segment revenue	**-**	**-**	**122,809**	**124,409**
Segment profit / (loss) for the financial year prior to the following material items;	**(164,383)**	**-**	**(1,177,817)**	**(1,342,200)**
Fair value gains / (losses) on financial assets	-	(216,094)	-	(216,094)
Gain / (loss) on foreign currencies	(112)	-	-	(112)
Gain / (loss) on property, plant and equipment	-	-	521	521
Impairment losses	(538,955)	-	-	(538,955)
Salaries and super allocated to areas of interest	268,201	-	-	268,201
Interest paid	-	-	(4,196)	(4,196)
Income tax (expense) / income	166,840	-	-	166,840
Depreciation	(551)	-	(14,954)	(15,505)
Net (loss) after tax for the financial year	**(268,960)**	**(216,094)**	**(1,196,446)**	**(1,681,500)**
Segment net assets as at 30 June 2012				
Total segment assets	8,228,301	382,505	343,601	8,954,407
Total segment liabilities	60,346	-	377,920	438,266
Net assets	**8,167,955**	**382,505**	**(34,319)**	**8,516,141**
2012 segment asset disclosures				
Segment assets include:				
Investments in associates and joint venture partnerships	**252,809**	**-**	**-**	**252,809**
Additions to non-current assets excluding financial assets and deferred tax assets	**778,157**	**-**	**2,880**	**781,037**

NOTE 24 OPERATING SEGMENTS (continued)
(c) Operating segment information

2011 Financial Year	Exploration and Evaluation $	Investments $	Unallocated Items $	Total All Operations $
Segment revenue for the financial year				
Sales revenue				
Sales to external customers	10,176	-	-	10,176
Inter-segment revenue	-	-	-	-
Total sales segment revenue	**10,176**	**-**	**-**	**10,176**
Other external revenue				
Fuel tax credits received	11,530	-	-	11,530
Interest received	-	-	50,131	50,131
Rent received	-	-	5,959	5,959
Total segment revenue	**21,706**	**-**	**56,090**	**77,796**
Segment profit / (loss) for the financial year prior to the following material items;	**(52,128)**	**-**	**(1,046,360)**	**(1,098,448)**
Fair value gains / (losses) on financial assets	-	754,741	-	754,741
Gain / (loss) on foreign currencies	138,748	-	-	138,748
Gain / (loss) on loans forgiven	1,044,811	-	-	1,044,811
Impairment losses	(459,632)	-	-	(459,632)
Litigation settlements	(400,000)	-	-	(400,000)
Interest paid	-	-	(4,213)	(4,213)
Income tax (expense) / income	398,068	-	-	398,068
Depreciation	-	-	(23,113)	(23,113)
Net profit / (loss) after tax for the financial year	**669,867**	**754,741**	**(1,073,686)**	**350,922**
Segment net assets as at 30 June 2011				
Total segment assets	7,824,581	732,967	1,796,753	10,354,301
Total segment liabilities	99,207	-	262,882	362,089
Net assets	**7,725,374**	**732,967**	**1,533,871**	**9,992,212**
2011 segment asset disclosures				
Segment assets include:				
Investments in associates and joint venture partnerships	**241,846**	**-**	**-**	**241,846**
Additions to non-current assets excluding financial assets and deferred tax assets	**770,202**	**-**	**435**	**770,637**

	Notes	2012 $	2011 $

NOTE 24 OPERATING SEGMENTS (continued)

(d) Other segment information

(i) Segment revenue and reconciliation

Revenues from external customers were derived from mineral sales and consulting fees. Total reportable segments' revenue disclosed above also contains a reconciliation to total revenue from continuing operations. Any sales or other transactions (if any) between segments are transacted at arm's length on normal commercial terms.

(ii) Reconciliation of total segment profit / (loss) to the Group's profit / (loss)

The total reportable segment's measures of profit or (loss) after tax are reconciled to profit or (loss) after tax and discontinued operations (if any) follows:

	2012 $	2011 $
Total segment profit / (loss) after income tax (expense) / income	(485,054)	1,424,608
Intersegment eliminations	-	-
Unallocated income:		
Gain on property, plant and equipment disposals	521	-
Insurance recoveries	88,729	-
Interest received	34,080	50,131
Rent received	-	5,959
Unallocated expenses:		
Administrative costs	(19,794)	(44,280)
Communication costs	(41,747)	(9,898)
Foreign exchange losses	-	(19,890)
Insurance premiums	(77,743)	(50,450)
Motor vehicles	(8,562)	(4,344)
Payroll costs	(834,445)	(376,383)
Professional fees	(169,077)	(427,558)
Repairs and maintenance	(5,525)	(1,470)
Security quotation fees	(71,857)	(85,655)
Tenancy costs	(67,824)	(76,945)
Travel costs	(4,052)	(5,577)
Interest paid	(4,196)	(4,213)
Depreciation expense	(14,954)	(23,113)
Profit / (loss) after income tax (expense) / income from continuing operations and for the year	**(1,681,500)**	**350,922**

(iii) Reconciliation of total segment assets

Total reportable segments' assets are reconciled to total assets follows:

	2012 $	2011 $
Total segment assets	8,610,806	8,557,548
Intersegment eliminations	-	-
Unallocated assets:		
Cash and cash equivalents	268,038	1,687,482
Trade and other receivables	65,000	82,608
Property plant and equipment	10,563	26,663
Total assets per the balance sheet	**8,954,407**	**10,354,301**

(iv) Reconciliation of total segment liabilities

Total reportable segments' liabilities are reconciled to total liabilities follows:

	2012 $	2011 $
Total segment liabilities	60,346	99,207
Intersegment eliminations	-	-
Unallocated liabilities:		
Trade and other payables	249,974	168,549
Current provisions	120,974	88,717
Non-current provisions	6,972	5,616
Total liabilities per the balance sheet	**438,266**	**362,089**

	Notes	2012 $	2011 $
NOTE 25 RECONCILIATION OF PROFIT / (LOSS) AFTER INCOME TAX TO NET CASH (OUTFLOW) FROM OPERATING ACTIVITIES			
Profit / (loss) after income tax for the year		(1,681,500)	350,922
Add / (less) adjustments for non-operating activities included in the profit / (loss) after income tax for the year			
(i) Investing activities			
Exploration and evaluation assets included in trade receivables		1,110	-
Exploration and evaluation assets included in trade payables		33,532	(82,367)
Exploration and evaluation assets reclassified as other receivables		-	115,612
Financial assets at fair value through profit or loss transferred to available-for-sale financial assets following the demerger of an investment		(986)	-
Investments in associates included in trade payables		(10,829)	(10,670)
Investments in associates included in accrued expenses		15,503	-
Loans to non-Group entities included in other receivables		1,059	-
Impairment losses on:			
Exploration and evaluation assets		534,728	399,266
Security deposits for exploration licenses		-	10,000
Realised and unrealised (gains) / losses on:			
(Profit) / loss on property, plant and equipment disposals		(521)	-
Loans from non-Group entities forgiven		-	(8,560)
Property, plant and equipment depreciation charge		15,505	23,113
Overhead costs allocated to exploration and evaluation assets:			
Administrative costs		-	(4,282)
Payroll costs – salaries and superannuation		(268,201)	(263,428)
(ii) Financing activities			
Share-based payments		-	-
Share issue transaction costs included in trade payables		(53,543)	-
Changes in operating assets and liabilities			
(i) (Increase) / decrease in operating assets			
Trade and other receivables		(149,231)	550,631
Financial assets at fair value through profit or loss		351,448	33,845
(ii) Increase / (decrease) in operating liabilities			
Trade and other payables		42,564	(1,642,400)
Provisions – current		32,257	8,121
Provisions – non-current		1,356	5,616
Net cash (outflow) from operating activities		**(1,135,749)**	**(514,581)**

	Notes	2012 $	2011 $
NOTE 26 EARNINGS / (LOSS) PER SHARE			
(a) Reconciliation of earnings / (loss) used in calculating earnings / (loss) per share			
Basic and diluted earnings / (loss) per share			
Total profit / (loss) after income tax from continuing operations		(1,681,500)	350,922
Less (profit) / loss from continuing operations attributable to minority interests		-	-
Profit / (loss) after tax from continuing operations attributable to the ordinary equity holders of the Parent entity	(i)	**(1,681,500)**	**350,922**
Add profit / (loss) from discontinued operations	(ii)	-	-
Less (profit) / loss from discontinued operations attributable to minority interests	(ii)	-	-
Net profit / (loss) after tax from all operations attributable to the ordinary equity holders of the Parent entity	(iii)	**(1,681,500)**	**350,922**

Items (i) to (iii) above are the respective numerators used in the earnings / (loss) per share calculations disclosed in the statement of comprehensive income.

	Notes	2012 Number	2011 Number
NOTE 26 EARNINGS / (LOSS) PER SHARE (continued)			
(b) Weighted average number of ordinary shares used as the denominator in the earnings / (loss) per share calculations			
Weighted average number of Parent entity ordinary shares used as the denominator in calculating basic earnings / (loss) per share		3,510,923,509	3,233,383,297
Adjustments for the calculation of diluted earnings / (loss) per share			
Add the weighted average number of dilutive potential ordinary shares that would be issued due to the deemed conversion associated with the:			
Exercising of options over unissued shares		-	-
Weighted average number of ordinary shares and dilutive potential ordinary shares used as the denominator in calculating diluted earnings / (loss) per share		**3,510,923,509**	**3,233,383,297**

(c) Information regarding the classification of securities

Options over unissued ordinary shares

All of the Group's options are considered to be potential ordinary shares and have been included in the determination of diluted earnings / (loss) per share, to the extent to which they are dilutive. These options have not been included in the determination of basic earnings / (loss) per share as their inclusion would result in an increase in the loss per share. Refer to Notes 21 and 22 for further details regarding these options.

NOTE 27 KEY MANAGEMENT PERSONNEL DISCLOSURES

(a) Key management personnel compensation

	2012 Number	2011 Number
Short-term employee benefits	620,187	558,506
Post-employment benefits	32,908	20,755
Long-term benefits	-	-
Termination benefits	-	-
Share-based payments	-	-
Total key management personnel compensation	**653,095**	**579,261**

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

NOTE 27 KEY MANAGEMENT PERSONNEL DISCLOSURES (continued)
(b) Equity instrument disclosures relating to key management personnel
(i) Options provided as remuneration and shares issued upon the exercise of such options
No options were provided as remuneration to key management personnel during the 2011 and 2012 financial years, nor were any options previously issued to key management personnel exercised during either financial year.

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

Name of Personnel	Balance at the start of the year	Granted as compensation during the year	Exercised during the year	Other changes during the year	Balance at the end of the year	Vested and Exercisable	Unvested and not Exercisable
2012							
Directors	-	-	-	-	-	-	-
Other Personnel	-	-	-	-	-	-	-
Total number	**-**	**-**	**-**	**-**	**-**	**-**	**-**
2011							
Directors							
Dr M Jansen	25,000,000	-	-	(25,000,000)	-	-	-
Total number	**25,000,000**	**-**	**-**	**(25,000,000)**	**-**	**-**	**-**

All vested options are exercisable at the end of each financial year. The options disclosed above expired without being exercised on 01 September 2010. Their exercise price was $0.02 per ordinary share. Dr Malcolm Jansen died on 9 January 2010.

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

Name of Personnel	Balance at the start of the year	Acquired during the year	Options exercised during the year	Received as compensation during the year	Sold during the year	Other changes during the year	Balance at the end of the year
2012							
Directors							
Mr D Pursell	105,010,613	41,625,563	-	-	(803,211)	-	145,832,965
Mr D Foster	27,800,000	11,526,667	-	-	-	-	39,326,667
Dr S Van Huet	1,829,328	-	-	-	-	-	1,829,328
Other Personnel							
Mr R Watson	-	-	-	-	-	-	-
Dr H Aral	-	833,334	-	-	-	-	833,334
Total number	**134,639,941**	**53,985,564**	**-**	**-**	**(803,211)**	**-**	**187,822,294**

Following the death of Mr Allan Pursell on 20 January 2011, his shareholding in the Parent entity have been allocated to his wife, Dr Sanja Van Huet for disclosure purposes. These shares were transferred to Dr Van Huet on 4 September 2012.

Dr Hal Aral was appointed as Research and Development Manager, effective from 15 August 2011 following the death of Dr Malcolm Jansen on 9 January 2010.

NOTE 27 KEY MANAGEMENT PERSONNEL DISCLOSURES (continued)
(iii) Fully paid ordinary share holdings

Name of Personnel	Balance at the start of the year	Acquired during the year	Options exercised during the year	Received as compensation during the year	Sold during the year	Other changes during the year	Balance at the end of the year
2011							
Directors							
Mr D Pursell	77,510,613	28,500,000	-	-	(1,000,000)	-	105,010,613
Mr D Foster	10,300,000	17,500,000	-	-	-	-	27,800,000
Dr S Van Huet	-	-	-	-	-	1,829,328	1,829,328
Other Personnel							
Mr R Fairlam	1,738,382	-	-	-	-	-	1,738,382
Mr A Pursell	1,829,328	-	-	-	-	(1,829,328)	-
Mr R Watson	-	-	-	-	-	-	-
Total number	**91,378,323**	**46,000,000**	**-**	**-**	**(1,000,000)**	**-**	**136,378,323**

Following the death of Mr Allan Pursell on 20 January 2011, his shareholding in the Parent entity have been allocated to his wife, Dr Sanja Van Huet for disclosure purposes. These shares were transferred to Dr Van Huet on 4 September 2012.

Mr Rodney Watson was appointed as Company Secretary and Chief Financial Officer, effective from 28 February 2011 following the resignation of Mr Roger Fairlam as Company Secretary on that date.

(iv) Loans to key management personnel
With the exception of a short-term unsecured loan of $3,200 for two weeks to Dr Sanja Van Huet made during the financial year ended 30 June 2012, no loans were made to the directors of the Parent entity or to any of the Group's other key management personnel during either the 2011 or 2012 financial years. No interest was charged on the loan to Dr Van Huet and no interest would have been charged on a similar loan made on an arm's length basis. The loan to Dr Van Huet was repaid in full during the financial year ended 30 June 2012 and so no writedown or allowance for doubtful receivables was recognised on this loan. No amounts were owed to the Group by Dr Van Huet at the start or end of each financial year. The highest amount of indebtedness by Dr Van Huet to the Group during the financial year ended 30 June 2012 was $3,200.

(v) Other transactions with key management personnel

1 Mr Derek Foster, a director of the Parent entity is also a director and shareholder of Derek Foster & Associates Pty Ltd ("DFA"). Throughout the 2011 and 2012 financial years, the Group has regularly utilised the mining and geological consulting services provided by DFA for its various exploration and evaluation activities. During the 2012 financial year the Group was billed $132,687 (2011: $248,490) excluding GST by DFA. DFA provides its services to the Group on normal commercial terms and conditions. These terms and conditions are no more favourable than those that it is reasonable to expect the Group would have adopted if dealing at arm's length with an unrelated entity. These amounts are in addition to the director's fees and expense reimbursements received by Mr Foster during each financial year from the Parent entity. The majority of the director's fees and expense reimbursements paid to Mr Foster in each financial year were also paid to DFA.

2 During the 2011 financial year, DFA forgave a loan of $8,560 that it had lent to Goldpride Pty Ltd, a wholly owned subsidiary of the Parent entity.

3 During the 2012 financial year, one of the Group's motor vehicles was sold to Ms Helen Foster, the daughter of Mr Duncan Pursell. The Group made a profit on the sale of $521. This transaction was on normal terms and conditions which were no more favourable than those that it is reasonable to expect the Group would have adopted if dealing at arm's length with an unrelated entity.

4 Ms Foster also received gross wages and superannuation contributions during the 2012 financial year of $3,106 (2011: $5,244) and fringe benefits of $2,152 (2011: $Nil). These transactions were on normal terms and conditions which were no more favourable than those that it is reasonable to expect the Group would have adopted if dealing at arm's length with an unrelated entity.

5 Apart from the transactions noted above and the reimbursement of expenses in the ordinary course of business on behalf of the Group, there were no other transactions with key management personnel during the 2011 and 2012 financial years.

The aggregate amounts of transactions 1, 2 and 3 above with key management personnel of the Group is set out below.

	Notes	2012 $	2011 $
NOTE 27 KEY MANAGEMENT PERSONNEL DISCLOSURES (continued)			
(v) Other transactions with key management personnel			
Amounts recognised as revenue during the financial year			
Other income – gains on loans forgiven		-	8,560
Other income – gains on property, plant and equipment sold		521	-
Total amounts recognised as revenue		**521**	**8,560**
Amounts recognised as expenses during the financial year			
Cost of sales of goods		-	63,429
Communication costs		82	-
Exploration expenses – no legal rights		7,535	-
Payroll costs		-	1,200
Professional fees		4,720	11,960
Repairs and maintenance		5,215	-
Total amounts recognised as expenses		**17,552**	**76,589**
Amounts recognised as current assets at the end of the financial year			
Trade and other receivables – GST paid and recoverable on the trade and other payable balances disclosed below		2,373	5,433
Total amounts recognised as current assets		**2,373**	**5,433**
Amounts recognised as non-current assets at the end of the financial year			
Exploration and evaluation assets – sole risk		97,054	147,435
Exploration and evaluation assets – jointly controlled		850	18,513
Investments in associates – exploration partnerships		16,931	5,953
Property, plant and equipment – plant and equipment		300	-
Total amounts recognised as non-current assets		**115,135**	**171,901**
Amounts recognised as current liabilities at the end of the financial year			
Trade and other payables – trade payables		26,190	59,976
Trade and other payables – GST collected and payable		455	-
Total amounts recognised as current liabilities		**26,645**	**59,976**

NOTE 28 SHARE-BASED PAYMENTS

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

No equity-settled share-based payment transactions were undertaken by the Group in either the 2011 or 2012 financial years requiring any goods or services received to be measured directly by reference to the fair value of the goods or services received.

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

Unlisted share options

(i) Unlisted management options

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

During the 2011 and 2012 financial years, no management options were granted, exercised, or forfeited under the plan, and no options vested or expired.

NOTE 28 SHARE-BASED PAYMENTS (continued)
(b) Transactions measured indirectly by reference to the fair value of the equity instruments granted
Unlisted share options
(ii) Unlisted options

The following table sets out the share-based payment arrangements relating to share options that existed during the 2011 financial year. The share options detailed below were not granted under the Parent entity's management option plan. These options were issued to Dr Malcolm Jansen, a former director of the Parent entity (25,000,000) and another consultant to the Parent entity (25,000,000). Their exercise and vesting conditions were determined by the directors of the Parent entity. The options vested on their grant date. The total fair value of these options ($340,000) was therefore recognised on their vesting date. The options were granted for no consideration and carried no dividend or voting entitlements. If exercised, each option would have converted into one fully paid ordinary share in the capital of the Parent entity. After expiry, the fair value of these options ($340,000) was transferred from the share-based payments reserve to contributed equity (issued fully paid ordinary shares).

(A) Number and weighted average exercise price of share options

Grant Date	Expiry Date	Exercise Price $	Balance at the start of the year	Granted during the year	Exercised during the year	Expired during the year	Balance at the end of the year	Vested and exercisable at the end of the year
2012			-	-	-	-	-	-
Total number			**-**	**-**	**-**	**-**	**-**	**-**
Weighted average exercise price			**-**	**-**	**-**	**-**	**-**	**-**
2011								
02-09-2006	01-09-2010	$0.02	50,000,000	-	-	(50,000,000)	-	-
Total number			**50,000,000**	**-**	**-**	**(50,000,000)**	**-**	**-**
Weighted average exercise price			**$0.02**	**-**	**-**	**$0.02**	**-**	**-**

During the 2011 and 2012 financial years, no non-management option plan share options were granted, exercised, or forfeited and no options vested. All of these share options expired without being exercised during the 2011 financial year.

	Notes	2012 $	2011 $
NOTE 28 SHARE-BASED PAYMENTS (continued)			
(b) Transactions measured indirectly by reference to the fair value of the equity instruments granted			
Unlisted share options			
(ii) Weighted average share price at the date of exercising options during the year			
No share options were exercised during either financial year		-	-
(iii) Range of exercise prices for share options outstanding at the end of the period			
No share options were outstanding at the end of either financial year		-	-
(iv) Weighted average remaining contractual life of share options outstanding at the end of the period			
No share options were outstanding at the end of either financial year		-	-
(v) Weighted average fair value of share options granted during the period			
No share options were granted during either financial year		-	-
(c) Effect of share-based payment transactions on the Group's profit or loss for the period and on its financial position			
(i) Total expense recognised for the period arising from share-based payment transactions			
Transactions measured directly by reference to the fair value of the goods or services received		-	-
Transactions measured indirectly by reference to the fair value of the equity instruments granted			
Share-based payments expense - fair value recognition of share options granted during the year		-	-
Total share-based payment expense and total transactions accounted for as equity-settled share-based payment transactions for the period		-	-
(ii) Liabilities at the end of the period arising from share-based payment transactions			
No liabilities arose at the end of either financial year from the share-based payment transactions disclosed above		-	-

NOTE 29 COMMITMENTS

(a) Capital expenditure commitments

The various classes of the Group's capital expenditure commitments contracted for as at the reporting date, which have not been recognised as liabilities are set out below. All amounts exclude GST.

	Notes	2012 $	2011 $
Intangible exploration and evaluation expenditure - annual license expenditure requirements			
Exploration and evaluation assets – sole risk		971,000	1,032,000
Exploration and evaluation assets – jointly controlled		-	5,100
Investments in associates – exploration partnerships		51,500	56,500
Total contracted capital commitments		**1,022,500**	**1,093,600**

	Notes	2012 $	2011 $

NOTE 29 COMMITMENTS

(a) Capital expenditure commitments

The above commitments represent the Group's annual license expenditure requirements, which will continue each year for the term of each license. The annual commitments associated with any particular license will continue until such time as the Group makes a decision to farm-out, relinquish or sell all or part of a license. The above amounts do not take into account any expenditure by the Group on its tenements since the end of each reporting period. The above disclosures involve a revised calculation methodology compared with previous years and as a result the 2011 comparative figures have been restated for consistency purposes.

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

The above commitments include capital expenditure commitments of $Nil (2011: $5,100) relating to the Bunnawarra joint venture. Refer to note 17.

(b) Lease commitments with the Group as lessee

(i) Commitments for minimum lease payments for non-cancellable operating leases

	Notes	2012 $	2011 $
Payable:			
Within one year		30,563	55,427
Later than one year but not later than five years		1,200	31,763
Later than five years		-	-
Total operating lease commitments		**31,763**	**87,190**

The Group leases various offices and storage facilities in Melbourne and Young, NSW under non-cancellable operating leases expiring within two years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of each lease is renegotiated. The Group has not sub-let any of its leased premises. The above disclosures involve a revised calculation methodology compared with previous years and as a result the 2011 comparative figures have been restated for consistency purposes.

NOTE 30 CONTINGENCIES

(a) CONTINGENT ASSETS

(i) Research and development tax offset

The revised final estimate of the Group's research and development tax offset for the financial year ended 30 June 2012 indicates that the Group is potentially eligible to receive a cash refund of $543,138 (2011: Refund $166,840). In the Group's preliminary final report, the Group reported a preliminary estimate for the 2012 refund of $498,243. The difference of $44,895 is primarily due to a revision in the methodology used for apportioning certain eligible overheads to the Group's various R&D projects. Whereas the 2011 receivable of $166,840 has now been recognised in these financial statements, the 2012 potential receivable of $543,138 has not yet been recognised in these financial statements as there is still some uncertainty surrounding its receipt. In particular, receipt of this sum is still contingent upon the following factors:

1. Lodgment with, and acceptance by, AusIndustry of the Group's registration application for the 2012 research and development tax incentive in relation to the research and development activities it conducted during the financial year ended 30 June 2012; and

2. Lodgment with, and acceptance by, the Australian Taxation Office of the Group's consolidated income tax return for the financial year ended 30 June 2012.

NOTE 30 CONTINGENCIES (continued)

(a) CONTINGENT ASSETS

(ii) Insurance claim pending

During the financial year ended 30 June 2011, Jervois Mining Limited submitted a claim to its directors' and officers' insurer for indemnity in respect of certain costs it incurred during an ASIC investigation believed by the Company to be in relation to the acquisition by the Company of Goldpride Pty Ltd in March 2009. Whilst an amount of $88,729 was received and recognised by the Group during the financial year ended 30 June 2012, the Group is currently considering whether to make an additional claim for further expense reimbursements in relation to the same matter. The amount of any potential further reimbursement claim is contingent upon the extent to which the insurer accepts the Company's claim. The amount of this potential further claim remains confidential at this stage so as not to prejudice the claim. Given the uncertain outcome of this additional claim, no receivable in respect of that claim has been recognised in these financial statements.

(iii) Bullabulling gold production royalty

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

(b) CONTINGENT LIABILITIES

(i) Guarantees issued by the Group and Parent Entity

As at 30 June 2012, the Group had $95,305 (2011: $95,305) worth of bank guarantees on issue, secured by letters of set off over term deposits pledged as security. These guarantees form part of the terms and conditions of certain of the Group’s exploration tenements and leased office premises. Provided the Group continues to comply with the relevant terms and conditions of its respective licenses and agreements, it is not envisaged that any of the parties who have been granted bank guarantees will seek to redeem them. All of the Group’s bank guarantees are for indefinite terms, with no fixed expiry dates. No payable in relation to these bank guarantees has therefore, been recognised in these financial statements, due to the unlikely event of a claim.

The Parent entity (Jervois Mining Limited) has provided a maximum unsecured guarantee in relation to the payment of one year’s rental on storage facilities at Young in 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.

(ii) Possible obligation in relation to uncertain legal proceedings

Jervois Mining Limited (“Jervois or JRV”) has issued proceedings in the Supreme Court of Victoria on 22 June 2012 against Toronto Stock Exchange listed EMC Metals Corporation (“EMC”). Jervois is seeking a declaration that the Exploration Joint Venture Agreement (“EJVA”) with EMC terminated without EMC having earned an interest in the Jervois Nyngan assets. Jervois is also seeking the removal of caveats lodged by EMC against the Nyngan agricultural land and exploration licenses EL 6009 Gilgai 1 and EL 6096 Gilgai 2.

EMC filed its Defence on 17 August 2012. It also filed a Counterclaim, claiming damages for losses it alleges it suffered as a result of Jervois denying EMC's entitlement to a 50% interest in the joint venture. Jervois filed its Reply and Defence to Counterclaim on 28 August 2012. On 27 September 2012, an unsuccessful mediation was held. The matter will now return to the Supreme Court for further directions.

The anticipated cost, as advised by JRV’s legal counsel, of proceeding to trial is approximately $200,000 excluding GST. Should Jervois’ claim prove to be successful, it is likely that EMC will be required to pay between 50% and 70% of Jervois’ legal costs. No payable amount in relation to this matter has been recognised in these financial statements due to the uncertain outcome of these potential legal proceedings.

	Notes	2012 $	2011 $

NOTE 31 RELATED-PARTY TRANSACTIONS

(a) Parent entity

The Group's ultimate Parent entity is Jervois Mining Limited, a public company incorporated in South Australia on 25 October 1962.

(b) Controlled entities

The Parent entity's controlled entities are disclosed in note 2. Together, all these entities form the Group upon which these financial statements are based.

(c) Parent entity and Group key management personnel

The disclosure of related party transactions in relation to key management personnel of the Parent entity and the Group are set out in note 27.

(d) Transactions with other related parties

The following transactions with other related parties occurred during the period.

	2012 $	2011 $
Contributions to superannuation funds on behalf of all the Groups personnel	80,108	37,798
Total transactions with other related parties	**80,108**	**37,798**

(e) Outstanding balances arising from related party transactions

The following balances were outstanding at the end of the reporting period in relation to transactions with related parties. All of the transactions were made on normal commercial terms and conditions and at market rates, with the exception of the Parent entities loans to its controlled entities. All of the following outstanding balances are unsecured.

(i) Parent entity's investments in its controlled entities

	2012 $	2011 $
Investments in controlled entities	605,003	605,003
Less provision for impairment writedown	(105,003)	(105,000)
Balance outstanding at the end of the financial year	**500,000**	**500,003**

Movement in the Parent entity's provision for impairment writedown on its investments in controlled entities

	2012 $	2011 $
Balance at the start of the financial year	105,000	105,000
Additional impairment writedowns made during the year	3	-
Balance at the end of the financial year	**105,003**	**105,000**

All of the Parent entity's investments in controlled entities are unlisted. These investments are eliminated when preparing the Group's consolidated financial statements.

(ii) Parent entity's loans to controlled entities

	2012 $	2011 $
Loans to controlled entities	4,191,417	3,886,969
Less provision for impairment writedown	(29,377)	(16,624)
Balance outstanding the end of the financial year	**4,162,040**	**3,870,345**

Movement in the Parent entity's loans to controlled entities

	2012 $	2011 $
Balance at the start of the financial year	3,886,969	185,656
Additional loans advanced during the year	304,448	3,701,313
Balance at the end of the financial year	**4,191,417**	**3,886,969**

Movement in the Parent entity's provision for impairment writedown on its loans to its controlled entities

	2012 $	2011 $
Balance at the start of the financial year	16,624	-
Additional impairment writedowns recognised during the year	12,753	16,624
Balance at the end of the financial year	**29,377**	**16,624**

	Notes	2012 $	2011 $

NOTE 31 RELATED-PARTY TRANSACTIONS (continued)

(e) Outstanding balances arising from related party transactions

(ii) Parent entity's loans to controlled entities

All of the Parent entity's loans to its controlled entities are unsecured, non-interest bearing and for an indefinite period with no fixed repayment terms. They are made in the ordinary course of business for exploration and evaluation activities. Loan repayments are dependent upon the successful commercialisation of the controlled entities exploration projects and / or the sale or partial farm out of these projects. These loans are eliminated when preparing the Group's consolidated financial statements.

(iii) Parent entity's investments in associates

	2012 $	2011 $
Investments in associates – exploration partnerships	251,967	234,882
Less provision for impairment writedown	(24,552)	-
Balance outstanding at the end of the financial year	**227,415**	**234,882**

Movement in the Parent entity's investment in associates

	2012 $	2011 $
Balance at the start of the financial year	234,882	213,207
Additional investments	17,085	21,675
Impairment losses recognised during the financial year	(24,552)	-
Balance at the end of the financial year	**227,415**	**234,882**

Movement in the Parent entity's provision for impairment writedown on its investments in associates

	2012 $	2011 $
Balance at the start of the financial year	-	-
Additional impairment writedowns made during the year	24,552	-
Balance at the end of the financial year	**24,552**	**-**

The Parent entity's investments in associate's forms part of the Group's investment in associates disclosed in note 15. The Parent entity has invested in the Forest Reefs and Badja exploration partnerships.

(iv) Parent entity's expenditure on jointly controlled exploration and evaluation assets

	2012 $	2011 $
Exploration and evaluation assets – jointly controlled	-	435,662
Less provision for impairment writedown	-	-
Balance outstanding at the end of the financial year	**-**	**435,662**

Movement in the Parent entity's jointly controlled exploration and and evaluation assets

	2012 $	2011 $
Balance at the start of the financial year	435,622	416,693
Additional expenditure during the year	850	18,929
Impairment losses recognised during the financial year	(436,472)	-
Balance at the end of the financial year	**-**	**435,622**

Movement in the Parent entity's provision for impairment writedown on its Jointly controlled exploration and evaluation assets

	2012 $	2011 $
Balance at the start of the financial year	-	-
Additional impairment writedowns made during the year	436,472	-
Provision applied against the carrying value of jointly controlled assets	(436,472)	-
Balance at the end of the financial year	**-**	**-**

The Parent entity's and the Group's jointly controlled exploration and evaluation assets are one and the same. Note 17 contains further details concerning the Parent entity's and Group's current jointly controlled exploration and evaluation assets.

	Notes	2012 $	2011 $

NOTE 31 RELATED-PARTY TRANSACTIONS (continued)

(f) Parent entity guarantees provided on behalf of controlled entities

Note 32 discloses details of the guarantees the Parent entity has provided on behalf of its controlled entity's.

NOTE 32 PARENT ENTITY FINANCIAL INFORMATION

(a) Summary of financial information

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

	2012 $	2011 $
Statement of financial position		
Current assets	983,971	1,863,888
Total assets	8,939,019	10,330,823
Current liabilities	(431,294)	(351,667)
Total liabilities	(438,266)	(357,283)
Net assets	**8,500,753**	**9,973,540**
Contributed equity		
Issued capital	49,454,502	49,249,073
Reserves		
Capital profits reserve	909,907	909,907
General reserve	120,537	120,537
Share-based payments reserve	-	-
Accumulated losses	(41,984,193)	(40,305,977)
Total equity	**8,500,753**	**9,973,540**
Statement of comprehensive income		
Profit / (loss) after income tax for the year	**(1,678,216)**	**339,511**
Total comprehensive income / (loss) for the year	**(1,678,216)**	**339,511**

(b) Guarantees entered into by the Parent entity

The Parent entity has provided a maximum unsecured guarantee in relation to the payment of one year's rental on storage facilities at Young NSW amounting to $7,200 excluding GST (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.

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

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

(c) Contingent liabilities of the Parent entity

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

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

The Parent entity does not currently have any contractual commitments for the acquisition of any property, plant and equipment. Its share of the Group's capital expenditure and lease commitments disclosed in note 29 is set out below. None of these amounts have been recognised by the Parent entity as a liability.

	Notes	2012 $	2011 $
NOTE 32 PARENT ENTITY FINANCIAL INFORMATION (continued)			
(d) Contractual commitments of the Parent entity for the acquisition of property, plant and equipment			
(i) Capital expenditure commitments			
Intangible exploration and evaluation expenditure - annual license expenditure requirements			
Exploration and evaluation assets – sole risk		705,000	746,000
Exploration and evaluation assets – jointly controlled		-	5,100
Investments in associates – exploration partnerships		17,000	22,000
Total contracted capital commitments of the Parent entity		**722,000**	**773,100**

The above disclosures involve a revised calculation methodology compared with previous years and as a result the 2011 comparative figures have been restated for consistency purposes.

	Notes	2012 $	2011 $
(ii) Lease commitments with the Parent entity as lessee			
Commitments for minimum lease payments for non-cancellable operating leases			
Payable:			
Within one year		23,363	45,826
Later than one year but not later than five years		-	23,363
Later than five years		-	-
Total operating lease commitments of the Parent entity		**23,363**	**69,189**

The above disclosures involve a revised calculation methodology compared with previous years and as a result the 2011 comparative figures have been restated for consistency purposes.

NOTE 33 EVENTS OCCURRING AFTER 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 30 June 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 financial year ended 30 June 2012, whereas non-adjusting events do not require any such adjustments.

Effective Date	Transaction details
	(a) Adjusting events (those that provide evidence of conditions that existed at the end of the reporting period)
05-07-2012	**(i) Recognition of an impairment loss on the Forest Reefs investment in associates** On 5 July 2012 the Group agreed to the terms contained in a proposal to sell its 20% participation interest in the Forest Reefs joint venture to Newcrest Operations Limited for $200,000 (excluding GST) and a production royalty payment equal to a 1.5% net smelter return for any gold and copper produced from mining operations carried out within the boundaries of Exploration License 4620. A formal Sale and Purchase Agreement and Royalty Deed reflecting these terms was signed by both parties on 31 August 2012. This proposal provided evidence that suggested that the carrying value of the Group's investment in the Forest Reefs exploration partnership as at 30 June 2012 of $224,552 was impaired and should be written down to $200,000. As a result, an impairment loss of $24,552 was recognised in these financial statements for the year ended 30 June 2012, to reduce the carrying value of this investment down to the recoverable amount of $200,000. The Group's Forest Reefs investment in associates forms part of the exploration and evaluation segment. No sales revenue has been recognised in these financial statements for the $200,000 proceeds received from this sale. In addition, due to the uncertainty surrounding the likelihood of production, its timing or the quantum of its output, no receivable has been recognised in relation to the production royalty.

NOTE 33 EVENTS OCCURRING AFTER THE REPORTING PERIOD (continued)

Effective Date	Transaction details
	(a) Adjusting events (those that provide evidence of conditions that existed at the end of the reporting period)
13-07-2012	**(ii) Recognition of 2011 income tax return refund** On 13 July 2012 the Group received a cash refund from the Australian Taxation Office amounting to $168,391 for its 2011 R&D tax concession refund ($166,840) and tax file number withholding tax refund ($729), together with interest received of $822. As the receipt of this money was known at the time of preparing these financial statements and that the amounts involved related primarily to the Group's 2011 income tax receivables, which had not previously been recognised due to the uncertainty of their receipt at that time, these amounts have now been recognised in these financial statements for the financial year ended 30 June 2012.
	(b) Non-adjusting events (those that are indicative of conditions that arose after the end of the reporting period)
12-09-2012	**(i) Non-renounceable rights issue** On 12 September 2012, the Parent entity announced a one for three non-renounceable rights issue at an offer price of $0.001 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 21 September 2012. The offer opened on 27 September 2012 and closes on 12 October 2012 (unless extended). At this stage, the outcome of this capital raising is uncertain.
27-09-2012	**(ii) Update on legal dispute with former Nyngan Scandium joint venture partner** On 27 September 2012, an unsuccessful mediation was held with the Parent entity's former Nyngan scandium joint venture partner. The matter will now return to the Supreme Court for further directions. Refer to note 30(b)(ii) for further details.
28-09-2012	**(iii) Decline in market value of listed investments at fair value through profit or loss** Since 30 June 2012 and up until the release of these financial statements, the value of the Group's listed investments at fair value through profit and loss have declined marginally, but no adjustments to the fair value of its listed investments as calculated on 30 June 2012 has been made in these financial statements.

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

(a) the financial statements and notes set out on pages 22 to 78, and the remuneration disclosures that are contained within the Remuneration Report within the Directors' Report, set out on pages 8 to 13, are in accordance with the Corporations Act 2001, including:

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

(ii) giving a true and fair view of the Company's and Consolidated Entity's financial position as at 30 June 2012 and their performance for the financial year ended on that date, and

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

(c) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The Directors have received the declarations required by section 295A of the Corporations Act 2001 from the chief executive officer and chief financial officer.

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

Mr Duncan Pursell
Director

28 September 2012
Melbourne

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INDEPENDENT AUDITOR'S REPORT

To the members of Jervois Mining Limited

Report on the Financial Report

We have audited the accompanying financial report of Jervois Mining Limited, which comprises the consolidated statement of financial position as at 30 June 2012, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1 (a), the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that the financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

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

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

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, 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 report.

Opinion

In our opinion:

(a) the financial report of Jervois Mining Limited 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 2012 and of its performance for the year ended on that date; and

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

(b) the financial report also complies with *International Financial Reporting Standards* as discussed in Note 1 (a).

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 1(ac)"Going Concern" in the financial report, which indicates that the consolidated entity incurred a net loss of $1,681,500 and had net cash outflows from operating activities of $1,135,749 for the year ended 30 June 2012. These conditions, along with other matters as set forth in Note 1(ac)"Going Concern", indicate the existence of a material uncertainty that 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.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 8 to 13 of the directors' report for the year ended 30 June 2012. 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.

Opinion

In our opinion, the Remuneration Report of Jervois Mining Limited for the year ended 30 June 2012 complies with section 300A of the *Corporations Act 2001*.

BDO East Coast Partnership

BDO

James Mooney

Partner

Melbourne, 28 September 2012

The additional shareholder information for the Parent entity that is presented below was applicable as at 24 September 2012.

(A) DISTRIBUTION OF EQUITY SECURITIES

An analysis of the numbers of each class of equity security holders by size of holdings follows.

Security holding range: From	To	Number of Security Holders: Listed fully Paid ordinary shares	Unlisted Options
1	- 1,000	104	-
1,001	- 5,000	288	-
5,001	- 10,000	194	-
10,001	- 100,000	2,248	-
100,001	and over	2,936	-
Totals		**5,770**	**-**
Number of securities in a marketable parcel of $500 at $0.001 per unit		**500,000**	**-**
Number of security holders with less than a marketable parcel		**4,608**	**-**

(B) EQUITY SECURITY HOLDERS

(i) Twenty largest quoted equity security holders

The names of the twenty largest holders of quoted equity securities are set out below.

Rank	Name of equity holder	Listed fully paid ordinary shares: Number of Securities held	Percentage of issued Securities (%)
1	Mr Shane Christopher Fitch	125,000,000	3.48
2	Permgold Pty Ltd <The Seckold Family S/F a/c>	122,400,000	3.41
3	Mr John D Macgregor	100,000,000	2.78
4	National Nominees Limited	93,164,686	2.59
5	Wilmaka Pty Ltd (1)	73,014,987	2.03
6	ABN AMRO Clearing Sydney Nominees Pty Ltd <Custodian a/c>	64,415,290	1.79
7	Mr Duncan Campbell Pursell	53,276,778	1.48
8	HSBC Custody Nominees (Australia) Limited	52,351,257	1.46
9	Mrs Sonja Foster (2)	43,660,000	1.21
10	Mr Clyde Stewart Mayberry	35,000,000	0.97
11	Altinova Nominees Pty Ltd	30,000,000	0.84
12	Rigi Investments Pty Limited	27,748,595	0.77
13	Mr Barry Anthony Grooby	25,000,000	0.70
14	Fornca Pty Ltd <Fornca Super Fund a/c>	23,000,000	0.64
15	Paul Thomson Furniture Pty Ltd <Thomson S/F a/c>	21,316,857	0.59
16	Mr Gregory Sklavos	20,000,000	0.56
17	Akishi Takahashi	20,000,000	0.56
18	Windsurf Pty Ltd	18,847,892	0.52
19	RM Gawler Pty Ltd	18,776,491	0.52
20	Robcon Limited	16,300,000	0.45
Totals		**983,272,833**	**27.35**

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

The additional shareholder information for the Parent entity that is presented below was applicable as at 24 September 2012.

(B) EQUITY SECURITY HOLDERS (continued)
(ii) Unquoted equity securities
The Parent entity had no unquoted equity securities on issue as at 24 September 2012.

(C) SUBSTANTIAL EQUITY HOLDERS
The Parent entity had no substantial holders of any of its issued equity securities as at 24 September 2012.

(D) VOTING RIGHTS
The voting rights attaching to each class of equity securities of the Parent entity is set out below.

(i) Quoted equity securities
Listed fully paid ordinary shares
On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

(ii) Unquoted equity securities
The Parent entity does not have any unquoted equity securities on issue as at 24 September 2012.