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Jervois Global Limited

(ABN 52 007 626 575)

**INTERIM FINANCIAL REPORT
FOR THE HALF-YEAR ENDED
30 JUNE 2021**

JERVOIS GLOBAL LIMITED AND CONTROLLED ENTITIES

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JERVOIS GLOBAL LIMITED AND CONTROLLED ENTITIES

CORPORATE DIRECTORY

Directors

Bryce Crocker (Chief Executive Officer)
Peter Johnston (Non-Executive Chairman)
Brian Kennedy (Non-Executive Director)
Michael Callahan (Non-Executive Director)
David Issroff (Non-Executive Director) – Appointed 3 September 2021

Company Secretary

Alwyn Davey

Principal Address

Suite 508, 737 Burwood Road,
Hawthorn East, Victoria, 3123, Australia

Registered Office

Suite 508, 737 Burwood Road,
Hawthorn East, Victoria, 3123, Australia

Auditors

Ernst & Young
8 Exhibition Street,
Melbourne, Victoria, 3000, Australia

Bankers

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

Share Register

Computershare Investor Services Pty Ltd

452 Johnston Street
Abbotsford, Victoria, 3067, Australia

Computershare Investor Services Inc

510 Burrard Street
Vancouver, BC, V6C 3B9, Canada

Stock Exchange Listing

Jervois Global Limited shares are listed on the:

- Australian Securities Exchange (ASX code: JRV)
- TSX Venture Exchange (TSX-V code: JRV)
- United States OTCQB (OTCQB code: JRVMF)

JERVOIS GLOBAL LIMITED AND CONTROLLED ENTITIES

Directors' Report

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the "consolidated entity" or the "Group") consisting of Jervois Global Limited ("Jervois", the "Company", the "consolidated entity" or the "parent entity") and the entities it controlled at the end of, or during, the half-year ended 30 June 2021 (the "period"). Jervois changed its name from Jervois Mining Limited to Jervois Global Limited on 6 August 2021.

1. Directors

The following persons were Directors of Jervois during the whole of the period and up to the date of this report, unless otherwise stated:

Name	Role
Bryce Crocker	Chief Executive Officer
Peter Johnston	Non-Executive Chairman
Brian Kennedy	Non-Executive Director
Michael Callahan	Non-Executive Director
David Issroff	Non-Executive Director – Appointed 3 September 2021

2. Principal activities

The principal activities of the consolidated entity during the period were mineral exploration and evaluation, mine construction, and undertaking a refinery feasibility study.

3. Review of operations

The total loss of the consolidated entity attributable to the owners of the parent entity for the half-year ended 30 June 2021 was A\$11.762 million (30 June 2020: loss of A\$4.298 million).

During the period, operations have focussed on the ongoing development of the Idaho Cobalt Operations ("ICO") in the United States, the bankable feasibility study at the São Miguel Paulista ("SMP") nickel and cobalt refinery in São Paulo, Brazil, the activities leading up to the acquisition of Freeport Cobalt, including the related funding, as well as the issue of the US\$100 million senior secured bonds for the development of ICO. The acquisition of Freeport Cobalt and the ICO bond issue both completed after the period end, as set out below.

Idaho Cobalt Operations, United States

At ICO, site early works are well underway, with full construction to commence on the ground in September 2021. ICO will create approximately 200 local construction jobs and 180 operational positions once the site transitions into commercial operation.

Site early works include:

- Limited remaining earthworks and concrete design and execution;
- High density polyethylene lining installation on the waste storage facility base;
- Commissioning of the wastewater treatment plant;
- Construction and commissioning of a pump back system;
- Construction of an accommodation camp (a 100-person camp has been purchased from a local vendor in Boise, Idaho);
- Bolting and meshing of the portal and extension earthworks of the portal bench; and
- Erecting buildings which will allow construction to continue over winter.

All of these activities have been designed and are in various stages of execution on the site.

The mine site is equipped with all required infrastructure including access roads from both Salmon and Challis, full grid power (at less than U.S. 5 cents per kwh; Idaho Power has offered ICO 100% renewable power from 2023, the first full year of mine and mill operation), a bore field for water supply, communications and all site earthworks and terracing.

JERVOIS GLOBAL LIMITED AND CONTROLLED ENTITIES

Final construction of ICO will include developing an underground mine over a period of 10 months starting in September 2021, which is scheduled to deliver first ore to an operational mill in July 2022. Development of the mine is being executed by Small Mine Development (“SMD”), based in Battle Mountain, Nevada. SMD also participated in the mine design and costing for the updated ICO bankable feasibility study.

São Miguel Paulista nickel and cobalt refinery, Brazil

In April 2021, the Company announced it had appointed Ausenco as bankable feasibility study lead contractor for the SMP refinery restart (“SMP BFS”). Ausenco subsequently engaged Metso Outotec to lead testwork and piloting to support engineering and equipment selection. The introduction of Metso Outotec as subcontractor for the processing component of the SMP BFS creates an exceptionally strong and capable team. Metso Outotec was the original designer and engineering lead during construction of the SMP refinery.

The SMP BFS will be delivered in stages, with Metso Outotec playing a key role in both phases.

Environmental, Social, Governance and Compliance

With oversight from the Board and leadership of the Environmental, Social, Governance (“ESG”) and Compliance Committee, significant progress has been made in terms of embedding ESG policies, procedures and management processes across the Company and its operations. In February 2021, this included adoption of an updated Code of Ethics and Business Conduct in-line with international best practice. As the Company moves towards production at ICO and SMP, significant emphasis has been placed on harmonisation of applicable ESG systems and procedures across operations, a situation that has been broadly expanded with the Freeport Cobalt acquisition announcement (see below). Areas of progress includes in relation to integration of Responsible Minerals Supply Chain conformance requirements into upstream due diligence and, alongside this, a new Supplier Standard, which was adopted by the Board in April 2021 and further reinforces commitments to Jervois values and principles and policies within our supply chains.

Progress has also been made vis-à-vis Jervois’ responsiveness to climate change risks and opportunities to reduce carbon emissions. A preliminary carbon footprint across our supply chain (ICO-to-SMP) and comparative analysis has been completed, including as a basis to inform future climate actions.

In conjunction with the Company’s broader approach to ESG, Jervois has increased its engagement in various initiatives and associations, including the Cobalt Institute’s Responsible Sourcing and Sustainability Committee and the Zero Emission Transportation Association (“ZETA”), and through participation in various events such as a presentation by our CEO at the Cormark Sustainability Conference and participation of our Group Manager, ESG, on a panel on human rights implications of the EU Conflict Minerals Regulations at an international EU/GiZ conference in January 2021 and as a keynote panellist opening the Global Women in Mining Summit in March 2021.

Further details of the operations of the Group can be found in the Quarterly Activities Reports released to the ASX and available on the Company’s website at www.jervoisglobal.com.

4. Dividends paid or recommended

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

5. Significant changes in the state of affairs

There have been no significant changes in the state of affairs during the period.

6. Events subsequent to reporting date

On 5 July 2021, Jervois announced that it had priced and closed the books on its subsidiary’s offering (the “Bond Offering”) of senior secured bonds in the aggregate principal amount of US\$100 million, guaranteed by the Company. Proceeds from the bond issue will be used to fund construction of ICO in the United States. Net proceeds from the Bond Offering will, upon disbursement to the issuer from the escrow account, be used for the payment of capital expenditures, operating costs and other costs associated with the construction of ICO and bringing it into production.

On 27 July 2021, Jervois announced that it had agreed to acquire 100% of Freeport Cobalt by purchasing all the shares of Freeport Cobalt Oy and four affiliated entities from Koblotti Chemicals Holdings Limited (“KCHL”) (the “Acquisition”).

JERVOIS GLOBAL LIMITED AND CONTROLLED ENTITIES

Freeport Cobalt is the Kokkola, Finland-based cobalt refining and specialty products business retained by Freeport-McMoRan and co-owners following the sale of certain refining and battery materials activities to Umicore in 2019.

The Freeport Cobalt business consists of:

- a long-term refining capacity agreement with Umicore for the 15,000 mtpa cobalt refinery in Kokkola, Finland (which is operated by Umicore) under which Freeport Cobalt has contractual rights to toll refine cobalt until 2093;
- long-term contracts with leading global suppliers of cobalt hydroxide, consistent with commitment to best practice responsible sourcing framework; and
- a downstream cobalt products manufacturing facility with an established marketing platform and long-term global customer base servicing clients primarily across Europe, the United States and Japan.

The purchase price for Freeport Cobalt is as follows:

- base consideration of US\$160 million (including US\$75 million of net working capital), subject to customary adjustments, to be paid in cash at closing of the Acquisition; and
- an additional cash payment of US\$32.6 million (being the working capital in Freeport Cobalt above US\$75 million at the closing of the Acquisition); and
- contingent consideration of up to US\$40 million, payable in cash up to US\$10 million per year based on Freeport Cobalt's financial performance from 2022 through to 2026, and through a "catch-up" amount based on Freeport Cobalt's aggregate financial performance during that period.

Costs related to the Acquisition amounted to A\$1.6 million during the period, all of which have been expensed under business development costs in the consolidated statement of profit or loss.

The Acquisition closed on 1 September 2021.

To fund the Acquisition and ICO development, Jervois entered into an underwriting agreement providing a fully underwritten A\$313 million equity raising by issuance of new Jervois ordinary shares (the "Offer") consisting of a ~A\$87m institutional placement (the "Placement") and a ~A\$226 million 1 for 1.56 accelerated pro-rata non-renounceable institutional and retail entitlement offer (the "Entitlement Offer").

Approximately A\$135 million was raised across the Placement and institutional Entitlement Offer at an offer price of A\$0.44 per share and was funded to the Company on 4 August 2021. The retail Entitlement Offer was fully underwritten, raised an additional A\$178 million and was completed on 1 September 2021. Together, the combined proceeds of the equity raising totalled A\$313 million. Jervois Directors and management contributed A\$3.57 million to the Entitlement Offer.

As part of the funding associated with the Acquisition, Mercuria, one of the world's largest integrated energy and commodities companies with US\$120 billion in annual turnover, has acquired a significant equity position in the Company. Mercuria and Jervois have agreed to work together to advance their commercial footprint and leverage rising demand for nickel and cobalt products. Mercuria has indicated it stands ready to commit additional capital to support expansion of Jervois' activities across ICO, SMP, Freeport Cobalt and future growth initiatives.

Freeport and Lundin Mining, through KCHL, supported the funding and have also acquired a significant equity position in the Company.

The Directors of the Company have not identified any other subsequent events in the interval between the end of the financial period and the date of this report, which would be material or unusual in nature, and likely to significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

7. Lead auditor's independence declaration

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

JERVOIS GLOBAL LIMITED AND CONTROLLED ENTITIES

Dated at Melbourne this 9th day of September 2021.

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

P. B. Johnston.

Peter Johnston
Chairman

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**Building a better
working world**

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Auditor's independence declaration to the directors of Jervois Global Limited

As lead auditor for the review of the half-year financial report of Jervois Global Limited for the half-year ended 30 June 2021, I declare to the best of my knowledge and belief, there have been:

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

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

Ernst & Young

Ernst & Young

Matthew A. Honey
Partner
9 September 2021

JERVOIS GLOBAL LIMITED AND CONTROLLED ENTITIES

Consolidated Statement of Financial Position

As at 30 June 2021

	Note	30 June 2021 A\$'000	31 December 2020 A\$'000
Current assets			
Cash and cash equivalents	7	33,266	42,331
Other receivables	8	39	50
Prepayments		368	369
Term deposits		116	116
Inventories		19	78
Total current assets		33,808	42,944
Non-current assets			
Security deposits		158	158
Exploration and evaluation	9	7,195	7,171
Property, plant, and equipment	10	84,024	74,114
Intangible assets		363	418
Reclamation deposits	11	2,969	2,813
Right-of-use asset	4	32,442	31,847
Total non-current assets		127,151	116,521
Total assets		160,959	159,465
Current liabilities			
Trade and other payables	12	6,071	811
Employee benefits	13	295	255
Loans		-	104
Lease liability	4	13,279	13,195
Total current liabilities		19,645	14,365
Non-current liabilities			
Deferred tax liabilities		-	36
Employee benefits	13	20	19
Asset retirement obligation	14	10,291	9,808
Lease liability	4	15,403	13,720
Total non-current liabilities		25,714	23,583
Total liabilities		45,359	37,948
Net assets		115,600	121,517
Equity			
Share capital	15	211,732	208,937
Reserves		10,574	7,524
Accumulated losses		(106,706)	(94,944)
Total equity attributable to equity holders of the Company		115,600	121,517

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

JERVOIS GLOBAL LIMITED AND CONTROLLED ENTITIES

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 30 June 2021

	Note	30 June 2021 A\$'000	30 June 2020 A\$'000
Other income		147	111
Administrative expenses		(145)	(1)
Communication expenses		(47)	(17)
Employee benefits expenses		(2,310)	(689)
Share-based payments	16	(1,883)	(1,444)
Insurance premiums		(15)	-
Professional fees		(729)	(836)
Business development costs		(3,147)	(234)
Securities quotation fees		(202)	(86)
Tenancy and property costs		(8)	(9)
Other expenses		(1,766)	(232)
Depreciation and amortisation		(668)	(140)
Impairment of exploration assets		(6)	(1,063)
Professional fees incurred with M2 Cobalt and eCobalt acquisitions		-	(20)
Fair value adjustment		-	93
(Loss)/gain on sale of fixed assets		(16)	97
Net foreign exchange gain		305	198
Interest income		-	12
Interest expense	4	(1,272)	(38)
Loss before income tax expense		(11,762)	(4,298)
Income tax expense		-	-
Loss for the period		(11,762)	(4,298)
Loss after income tax expense for the period attributable to the owners of Jervois Global Limited		(11,762)	(4,298)
Other comprehensive income:			
<i>Items that may be subsequently reclassified to profit or loss:</i>			
Exchange gain arising on translation of foreign operations		1,252	2,735
Total other comprehensive income		1,252	2,735
Total comprehensive loss for the period attributable to the owners of Jervois Global Limited		(10,510)	(1,563)
Loss per share for the period attributable to the owners of Jervois Global Limited			
Basic loss per share (A\$ cents)	6	(1.47)	(0.67)
Diluted loss per share (A\$ cents)	6	(1.47)	(0.67)
<i>Weighted average ordinary shares outstanding:</i>			
Basic and diluted (number of shares)		801,229	641,852

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

JERVOIS GLOBAL LIMITED AND CONTROLLED ENTITIES

Consolidated Statement of Changes in Equity

For the half-year ended 30 June 2021

	Issued capital A\$'000	Share capital reserve A\$'000	Share-based payment reserve A\$'000	Foreign currency translation reserve A\$'000	Retained earnings A\$'000	Total A\$'000
Balance as at 1 January 2021	208,937	2,245	13,981	(8,702)	(94,944)	121,517
Total comprehensive income						
Loss for the period	-	-	-	-	(11,762)	(11,762)
<i>Other comprehensive income</i>						
Foreign currency translation differences for foreign operations	-	-	-	1,252	-	1,252
Total comprehensive income for the period	-	-	-	1,252	(11,762)	(10,510)
Transactions with owners, recorded directly in equity						
Issue of ordinary shares	2,549	-	-	-	-	2,549
Costs of raising equity	-	-	-	-	-	-
Value of options issued	-	-	1,883	-	-	1,883
Share-based payment transactions exercised	246	-	(85)	-	-	161
Balance as at 30 June 2021	211,732	2,245	15,779	(7,450)	(106,706)	115,600

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

JERVOIS GLOBAL LIMITED AND CONTROLLED ENTITIES

Consolidated Statement of Changes in Equity

For the half-year ended 30 June 2021

	Issued capital A\$'000	Share capital reserve A\$'000	Share-based payment reserve A\$'000	Foreign currency translation reserve A\$'000	Retained earnings A\$'000	Total A\$'000
Balance as at 1 January 2020	164,397	2,245	11,307	(654)	(66,507)	110,788
Total comprehensive income						
Loss for the period	-	-	-	-	(4,298)	(4,298)
<i>Other comprehensive income</i>						
Foreign currency translation differences for foreign operations	-	-	-	2,735	-	2,735
Total comprehensive income for the period	-	-	-	2,735	(4,298)	(1,563)
Transactions with owners, recorded directly in equity						
Issue of ordinary shares	80	-	-	-	-	80
Costs of raising equity	(1)	-	-	-	-	(1)
Value of options issued	-	-	3,509	-	-	3,509
Share-based payment transactions	-	-	(2,065)	-	-	(2,065)
Balance as at 30 June 2020	164,476	2,245	12,751	2,081	(70,805)	110,748

JERVOIS GLOBAL LIMITED AND CONTROLLED ENTITIES

Consolidated Statement of Cash Flows

For the half-year ended 30 June 2021

	Note	30 June 2021 A\$'000	30 June 2020 A\$'000
Cash flows from operating activities			
Sundry income		4	111
Payments to suppliers and employees		(3,495)	(1,872)
Business development costs		(2,108)	1,770
Interest	4	(1,272)	(38)
Net cash outflow from operating activities		(6,871)	(29)
Cash flows from investing activities			
Interest received		-	13
Payments for property, plant, and equipment		(4,800)	(227)
Payments for exploration and evaluation		(53)	(6,960)
Proceeds from sale of fixed assets		30	354
R&D tax offset received for exploration assets	9	62	-
Net cash outflow from investing activities		(4,761)	(6,820)
Cash flows from financing activities			
Proceeds from issue of shares		2,709	78
Share issue transaction costs		-	1
Repayment of lease liability	4	(217)	-
Net cash inflow from financing activities		2,492	79
Net decrease in cash and cash equivalents		(9,140)	(6,770)
Cash and cash equivalents at the beginning of the period		42,331	12,426
Effects of exchange rate changes on cash and cash equivalents		75	7
Cash and cash equivalents at the end of the period	7	33,266	5,663

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

JERVOIS GLOBAL LIMITED AND CONTROLLED ENTITIES

Notes to the Financial Statements

For the half-year ended 30 June 2021

1. Corporate information

The financial statements cover Jervois Global Limited (formerly Jervois Mining Limited) as a consolidated entity consisting of Jervois Global Limited ("Jervois" or the "Company") and the entities it controlled (together referred to as the "Group") at the end of, or during, the half-year ended 30 June 2021 (the "period"). The financial statements are presented in Australian dollars, which is Company's functional and presentation currency.

Jervois changed its name from Jervois Mining Limited to Jervois Global Limited on 6 August 2021.

Jervois is a listed public company limited by shares, incorporated in Australia, with a registered office at:

Suite 508
737 Burwood Road
Hawthorn East, Victoria, 3123, Australia

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 9 September 2021.

2. Basis of preparation

(a) Statement of compliance

This interim condensed consolidated financial report for the six-month period ended 30 June 2021 has been prepared in accordance with AASB 134 – Interim Financial Reporting and the Corporations Act 2001. This financial report also complies with IAS 34 – Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB"). These statements have been rounded to the nearest thousands in accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group's annual consolidated financial statements for the six-month period ended 31 December 2020. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. The annual consolidated financial statements comply with International Financial Reporting Standards, as issued by the IASB.

(b) Basis of measurement

The interim condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial assets and liabilities which are recognised at fair value. Cost is based on the fair values of the consideration given in exchange for assets. Where necessary, comparative figures have been reclassified and repositioned for consistency with the current period disclosures.

(c) Going concern basis of accounting

The interim condensed consolidated financial statements have been prepared on a going concern basis, which assumes continuity of business activities and the realisation of assets and the settlement of liabilities in the ordinary course of business.

For the six-month period ended 30 June 2021, the Group recorded a net loss of A\$11.762 million (six-month period ended 30 June 2020: loss of A\$4.298 million) and had net assets of A\$115.600 million (31 December 2020: A\$121.517 million). The net loss for the period includes share-based payments expense of A\$1.883 million (six-month period ended 30 June 2020: A\$1.444 million).

During the six-month period ended 30 June 2021, net cash outflow from operating activities was A\$6.871 million (six-month period ended 30 June 2020: outflow of A\$0.029 million), net cash outflow from investing activities was A\$4.761 million (six-month period ended 30 June 2020: outflow of A\$6.820 million) and net cash inflow from financing activities was A\$2.492 million (six-month period ended 30 June 2020: inflow of A\$0.079 million).

JERVOIS GLOBAL LIMITED AND CONTROLLED ENTITIES

Notes to the Financial Statements

For the half-year ended 30 June 2021

As at 30 June 2021, the Group had cash and cash equivalents of A\$33.266 million (31 December 2020: A\$42.331 million). As at 30 June 2021, the Group had total current assets of A\$33.808 million (31 December 2020: A\$42.944 million) and total current liabilities of A\$19.645 million (31 December 2020: A\$14.365 million), resulting in net current assets of A\$14.163 million (31 December 2020: A\$28.579 million).

The Directors believe that the going concern basis of accounting is appropriate for the following reasons:

- Management and the Directors have reviewed the Group's consolidated cashflow requirements for the 12-month period from the date of signing the 30 June 2021 interim condensed consolidated financial statements and the forecast shows that the current cash on hand, in combination with the funding secured by the Group subsequent to period end, will be sufficient to meet the planned activities approved by the Board up to the date of signing the 30 June 2022 interim condensed consolidated financial statements, and the Group's corporate and working capital requirements during this period.
- Subsequent to period end, the Group successfully settled a US\$100 million (approximately A\$133 million) debt financing (Nordic bond) and successfully completed an equity raise of A\$313 million. The combined funding will primarily be used to advance the Group's planned development activities for the Idaho Cobalt Operations ("ICO"), complete the acquisition of Freeport Cobalt and continue the feasibility assessment of the SMP Refinery (defined in Note 4 below).

At the date of this report, the Directors are of the opinion that the consolidated entity will be able to continue as a going concern and will be able to pay its debts as and when they fall due.

(d) Critical accounting judgements estimates and assumptions

The preparation of the interim condensed consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenues, and expenses. Management bases its judgements, estimates and assumptions on historical experience and other factors, including expectations of future events management believes to be reasonable under the circumstances.

In preparing the interim condensed consolidated financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimates were the same as those applied to the annual consolidated financial statements for the six-month period ended 31 December 2020.

Management has evaluated the effect of the COVID-19 pandemic on the significant judgements and estimates of the Group during the period and has determined there to be no change to those significant judgements and estimates applied to the annual consolidated financial statements for the six-month period ended 31 December 2020.

(e) New or amended Accounting Standards and Interpretations adopted

The consolidated entity has adopted all the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period and the impact is not material.

3. Summary of significant accounting policies

The principal accounting policies adopted are consistent with those in the annual consolidated financial statements for the six-month period ended 31 December 2020.

JERVOIS GLOBAL LIMITED AND CONTROLLED ENTITIES

Notes to the Financial Statements

For the half-year ended 30 June 2021

4. Leases

In September 2020, Jervois announced it had agreed to acquire 100% of the São Miguel Paulista nickel and cobalt refinery (“SMP Refinery”) located in São Paulo, Brazil, from Companhia Brasileira de Alumínio (“CBA”) (an investee company of Votorantim) for R\$125.0 million (equivalent to A\$33.5 million at 30 June 2021), payable in tranches. The Company’s wholly-owned subsidiary is initially leasing SMP Refinery from CBA (“Refinery Lease”), providing access to undertake a Feasibility Study for the restart. Subject to Jervois’ Early Termination Right up to September 2021, the lease shall continue until closing of Jervois’ acquisition of SMP Refinery, which is subject to the satisfaction of usual conditions precedent and is expected to occur by December 2021.

The carrying amount of the right-of-use asset recognised at 30 June 2021 and the movements during the six-month period ended 30 June 2021 in relation to the Refinery Lease is as follows:

	30 June 2021 A\$’000	31 December 2020 A\$’000
Opening balance	31,847	-
Additions	-	31,895
Depreciation expense ⁽¹⁾	(532)	(48)
Foreign currency translation	1,127	-
Total right-of-use asset	32,442	31,847

(1) The right-of-use asset is depreciated using the straight-line method over the useful life of the underlying asset, which is determined on the same basis as those of property, plant, and equipment, as the cost of the right-of-use asset reflects that the Group will exercise a purchase option within the lease.

The carrying amount of the lease liability recognised at 30 June 2021 and the movements during the six-month period ended 30 June 2021 in relation to the Refinery Lease is as follows:

	30 June 2021 A\$’000	31 December 2020 A\$’000
Opening balance	26,915	-
Additions	-	27,985
Accretion of interest	1,272	114
Foreign currency translation	1,984	(1,184)
Lease payments	(1,489)	-
Total lease liability	28,682	26,915

The following amounts were recognised in profit or loss during the six-month period ended 30 June 2021 in relation to the Refinery Lease:

	30 June 2021 A\$’000	30 June 2020 A\$’000
Depreciation expense relating to right-of-use asset	(532)	-
Interest expense relating to lease liability	(1,272)	-
Total	(1,804)	-

The following amounts were recognised in the statement of cash flows during the six-month period ended 30 June 2021 in relation to the Refinery Lease:

	30 June 2021 A\$’000	30 June 2020 A\$’000
Interest relating to lease liability	(1,272)	-
Capital payments relating to lease liability	(217)	-
Total	(1,489)	-

JERVOIS GLOBAL LIMITED AND CONTROLLED ENTITIES

Notes to the Financial Statements

For the half-year ended 30 June 2021

5. Segment reporting

The Group is organised into the following reportable segments: mineral exploration and evaluation in Australia, mine development in the United States of America and mineral processing in Brazil. These segments are based on the internal reports that are reviewed and used by the Company's Chief Executive Officer (the Chief Operating Decision Maker) in assessing performance and in determining the allocation of resources.

The accounting policies used by the Company in reporting segments internally are the same as those used in the 31 December 2020 annual financial report. The Group's operating segments are outlined below:

Australia	Includes Nico Young and other Australian tenement licenses held.
Brazil	Includes the SMP Refinery currently under lease in São Paulo, Brazil.
United States of America	Includes the ICO cobalt-copper-gold mine under construction in Lemhi County outside of the town of Salmon, Idaho.
Other	Consists of non-core exploration not related to Australia and the United States of America, corporate costs, including acquisition costs and financing costs. This is not a reportable segment.

Management monitors the expenditure outlays of each segment for the purpose of cost control and making decisions about resource allocation. The Company's administration and financing functions are managed on a group basis and are included in "Other". Information regarding these segments is presented below:

Six months ended 30 June 2021	Australia A\$'000	Brazil A\$'000	USA A\$'000	Other A\$'000	Total A\$'000
Other income	-	-	104	43	147
Segment expense	(98)	(1,544)	(796)	(7,836)	(10,274)
Depreciation and amortisation	-	(532)	(127)	(9)	(668)
Interest expense	-	(1,272)	-	-	(1,272)
Net foreign exchange gain	-	-	5	300	305
Segment result	(98)	(3,348)	(814)	(7,502)	(11,762)
Segment assets	8,109	32,682	86,562	33,606	160,959
Segment liabilities	-	(28,746)	(14,183)	(2,430)	(45,359)

Six months ended 30 June 2020	Australia A\$'000	Uganda A\$'000	USA A\$'000	Other A\$'000	Total A\$'000
Other income	-	-	40	71	111
Segment expense	(401)	(667)	46	(3,419)	(4,441)
Depreciation and amortisation	-	-	(131)	(9)	(140)
Interest income	-	-	-	12	12
Interest expense	-	-	(38)	-	(38)
Net foreign exchange gain	-	-	167	31	198
Segment result	(401)	(667)	84	(3,313)	(4,298)
Segment assets	9,858	20,703	84,346	7,773	122,680
Segment liabilities	-	(27)	(11,390)	(515)	(11,932)

JERVOIS GLOBAL LIMITED AND CONTROLLED ENTITIES

Notes to the Financial Statements

For the half-year ended 30 June 2021

Geographical information

The group operates in these principal geographical areas: Australia, Brazil, and the United States of America.

	Six months ended 30 June 2021 Income	30 June 2021 Non-current assets	Six months ended 30 June 2020 Income	30 June 2020 Non-currents assets
	A\$'000	A\$'000	A\$'000	A\$'000
Australia	-	8,223	-	9,998
Brazil	-	32,442	-	-
Uganda	-	-	-	20,667
United States of America	104	84,695	40	83,887
Other	43	1,791	71	1,775
Total	147	127,151	111	116,327

6. Loss per share

	Six months ended 30 June 2021 A\$ (cents)	Six months ended 30 June 2020 A\$ (cents)
Loss per share		
Basic loss per share - cents	(1.47)	(0.67)
Diluted loss per share - cents	(1.47)	(0.67)

Basic loss and diluted loss per share

The calculation of basic loss per share and diluted loss per share for the six-month period 30 June 2021 was based on the loss attributable to ordinary equity holders of the Company of A\$11.762 million (six-month period ended 30 June 2020: loss of A\$4.298 million) and a weighted average number of ordinary shares outstanding during the six-month period ended 30 June 2021 of 801,229,016 (six-month period ended 30 June 2020: 641,851,844).

Employee options and other options granted as described in Note 15 – Share capital have been included in the determination of diluted earnings per share to the extent they are dilutive.

7. Cash and cash equivalents

	30 June 2021 A\$'000	31 December 2020 A\$'000
Bank balances	33,266	42,331
Total cash and cash equivalents	33,266	42,331

JERVOIS GLOBAL LIMITED AND CONTROLLED ENTITIES

Notes to the Financial Statements

For the half-year ended 30 June 2021

8. Other receivables

	30 June 2021	31 December 2020
	A\$'000	A\$'000
Other receivables	33	44
GST receivable	6	6
Total other receivables	39	50

9. Exploration and evaluation

	30 June 2021	31 December 2020
	A\$'000	A\$'000
Opening balance	7,171	53,590
Expenditure incurred and capitalised	86	2,266
Foreign currency translation	-	(4,334)
Impairment	-	(20,789)
Transfer to assets under construction	-	(22,018)
R&D tax offset recognised	(62)	(1,544)
Total exploration and evaluation	7,195	7,171

The Group's accounting policy is to capitalise expenditure on exploration and evaluation on an area of interest basis. The recoverability of the carrying amounts of exploration and evaluation assets is dependent on the successful development and commercial exploitation or sale of the respective area of interest. The carrying amount of capitalised exploration and evaluation assets is primarily comprised of the Nico Young asset of A\$6.785 million (31 December 2020: A\$6.792 million).

10. Property, plant, and equipment

	Property, plant & equipment	Office equipment, furniture & fittings	Motor vehicles	Assets under construction	Total
	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000
30 June 2021					
<i>Cost</i>					
As at 1 January 2021	1,880	138	240	72,086	74,344
Additions for the period	-	3	135	8,912	9,050
Disposals for the period	(45)	-	(53)	-	(98)
Asset write-down	(13)	-	-	-	(13)
Foreign currency translation	23	1	6	951	981
As at 30 June 2021	1,845	142	328	81,949	84,264
<i>Depreciation and impairment</i>					
As at 1 January 2021	(85)	(26)	(119)	-	(230)
Depreciation charge for the period	(28)	(17)	(26)	-	(71)
Disposals for the period	-	-	53	-	53
Asset write-down	8	-	-	-	8
As at 30 June 2021	(105)	(43)	(92)	-	(240)
Net book value:					
As at 30 June 2021	1,740	99	236	81,949	84,024

JERVOIS GLOBAL LIMITED AND CONTROLLED ENTITIES

Notes to the Financial Statements

For the half-year ended 30 June 2021

	Property, plant & equipment	Office equipment, furniture & fittings	Motor vehicles	Assets under construction	Total
	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000
31 December 2020					
<i>Cost</i>					
As at 1 July 2020	1,986	148	254	56,991	59,379
Additions for the period	-	5	-	233	238
Transfer from exploration and evaluation	-	-	-	22,018	22,018
Disposals for the period	-	-	-	-	-
Asset write-down	-	(7)	-	-	(7)
Foreign currency translation	(106)	(8)	(14)	(7,156)	(7,284)
As at 31 December 2020	1,880	138	240	72,086	74,344
<i>Depreciation and impairment</i>					
As at 1 July 2020	(55)	(11)	(100)	-	(166)
Depreciation charge for the period	(30)	(17)	(19)	-	(66)
Disposals for the period	-	-	-	-	-
Asset write-down	-	2	-	-	2
As at 31 December 2020	(85)	(26)	(119)	-	(230)
Net book value:					
As at 31 December 2020	1,795	112	121	72,086	74,114

11. Reclamation deposits

	30 June 2021 A\$'000	31 December 2020 A\$'000
Reclamation Performance Bond requirement	9,598	9,346
Insured	9,598	9,346
In Trust:		
US Treasury Securities including impact of foreign currency translation	2,969	2,813
Total reclamation deposits	2,969	2,813

The U.S. Forest Service ("USFS") requires Jervois to place a Reclamation Performance Bond, which functions as a financial guarantee, in the amount of US\$7.206 million (31 December 2020: US\$7.206 million) in relation to surface disturbances from pre-construction activities. The underlying asset securing this bond is the A\$2.969 million (31 December 2020: A\$2.813 million) reclamation deposit on the statement of financial position as at 30 June 2021. The Reclamation Performance Bond will be released upon meeting the reclamation requirement of the USFS at the end of construction of the mine upon which a water treatment bond will be required for surety against reclamation and end of mine life.

JERVOIS GLOBAL LIMITED AND CONTROLLED ENTITIES

Notes to the Financial Statements

For the half-year ended 30 June 2021

12. Trade and other payables

	30 June 2021 A\$'000	31 December 2020 A\$'000
Trade payables	2,672	150
Other payables	-	3
Accruals ⁽¹⁾	3,438	662
Deferred revenue	-	3
Tax payable (VAT/GST/Fuel Tax)	(39)	(7)
Total trade and other payables	6,071	811

(1) Accruals consist primarily of items relating to the development of ICO as well as business development costs in relation to the purchase of Freeport Cobalt (see Note 18 – Events after reporting period).

13. Employee benefits

	30 June 2021 A\$'000	31 December 2020 A\$'000
Annual leave provision	210	134
Long service leave provision	20	19
Other employee entitlements	85	121
Total employee benefits	315	274
Current	295	255
Non-current	20	19
Total employee benefits	315	274

14. Asset retirement obligation

	30 June 2021 A\$'000	31 December 2020 A\$'000
Opening reclamation and closure cost balance	9,808	10,861
Foreign currency translation	269	(1,179)
Movements in economic assumptions and timing of cash flows	214	126
Closing reclamation and closure cost balance	10,291	9,808

The Group's provision for site reclamation and closure relates to ICO and is for disturbance due to construction activity to date. Upon initiation of mining activity, a provision for legal obligations for environmental remediation, reclamation, and decommissioning at the end of the mine life will be established. The undiscounted cash flows of the disturbance due to construction as at 30 June 2021 were US\$7.727 million or A\$10.291 million. The discount used to determine the present value of the obligation was nil, based on a US Treasury Bond rate of 1.18% and a prima facie inflation rate which exceeded the US Treasury Bond rate and, as such, the inflation rate was adjusted to that which is inherently priced into the long-term government bond. Reclamation activities will primarily be initiated at cessation of construction activities; however, some reclamation will happen concurrently where possible on areas no longer required for the mining operation.

JERVOIS GLOBAL LIMITED AND CONTROLLED ENTITIES

Notes to the Financial Statements

For the half-year ended 30 June 2021

15. Share capital

	30 June 2021 A\$'000	31 December 2020 A\$'000
Share capital	214,495	211,700
Costs of raising equity	(2,763)	(2,763)
Total share capital	211,732	208,937

(i) Movements in fully paid ordinary shares on issue:

	No of shares '000	A\$'000
Opening balance at 1 July 2020	642,252	164,476
Movements in 2020		
Issue of ordinary shares – exercise of options	1,510	451
Issue of ordinary shares – placement	147,541	45,000
Less costs of raising equity		(990)
Closing share capital balance at 31 December 2020	791,303	208,937
Movements in 2021		
Issue of ordinary shares – exercise of options	10,988	2,795
Issue of ordinary shares – placement	-	-
Less costs of raising equity	-	-
Closing share capital balance at 30 June 2021	802,291	211,732

(ii) Movements in costs of raising equity:

	Six months to 30 June 2021 A\$'000	Six months to 31 December 2020 A\$'000
Opening balance	(2,763)	(1,773)
Costs incurred	-	(990)
Closing balance	(2,763)	(2,763)

(iii) Movements in share-based options on issue:

	Six months to 30 June 2021 Number of options	Six months to 31 December 2020 Number of options
Balance at the beginning of the period	85,122,500	69,973,200
Granted	1,000,000	21,750,000
Forfeited	(1,750,000)	(5,800,700)
Exercised	(500,000)	(800,000)
Balance at the end of the period	83,872,500	85,122,500
Vested and exercisable at period end	30,350,000	30,100,000

JERVOIS GLOBAL LIMITED AND CONTROLLED ENTITIES

Notes to the Financial Statements

For the half-year ended 30 June 2021

Employee options granted

The principal focus of the Company option plan is to provide incentivised compensation aligned with creating shareholder value. The Company option plan offers individuals the opportunity to acquire options over fully paid ordinary shares in the Company. Share options granted under the plan carry no dividend or voting rights. When exercised, each option is convertible into one ordinary share subject to satisfying vesting conditions and performance criteria. The shares, when issued, rank pari passu in all respects with previously issued fully paid ordinary shares. Option holders cannot participate in new issues of capital which may be offered to shareholders prior to exercise.

During the period, an additional 1,000,000 options at an exercise price of A\$0.50/share were issued to employees as part of the Company option plan, with 1,750,000 options forfeited and 500,000 exercised at an exercise price of A\$0.20/share, thus bringing the options issued over ordinary shares in the Company to 83,872,500 as at 30 June 2021.

Unissued shares under options

As at 30 June 2021 unissued shares of the Company under option are:

Expiry date	Exercise price (A\$)	Number of shares
30-Nov-22	\$0.150	15,000,000
30-May-24	\$0.345	100,000
18-Jun-24	\$0.305	2,500,000
30-Sep-23	\$0.290	5,000,000
01-Jul-23	\$0.295	7,500,000
01-Jun-24	\$0.240	2,500,000
14-Aug-27	\$0.200	750,000
15-Aug-27	\$0.200	11,200,000
15-Aug-24	\$0.240	2,500,000
30-Sep-24	\$0.240	5,000,000
31-Mar-28	\$0.150	7,137,500
31-Mar-28	\$0.150	2,435,000
18-Oct-28	\$0.325	7,500,000
28-Feb-29	\$0.290	3,250,000
03-Jan-29	\$0.290	6,000,000
30-Sep-25	\$0.310	5,000,000
28-Feb-29	\$0.500	500,000
Total		83,872,500

Once exercised, the option holder will be issued ordinary shares in the Company. Details of the terms and conditions of options granted under the Staff Option Plan as part of the Group's Long-Term Incentive Plan are outlined in the Remuneration Report of the Group's annual report as at 31 December 2020. The options do not entitle the holder to participate in any share issue of the Company.

JERVOIS GLOBAL LIMITED AND CONTROLLED ENTITIES

Notes to the Financial Statements

For the half-year ended 30 June 2021

(iv) **Movements in options for services:**

	Six months to 30 June 2021	Six months to 31 December 2020
	Number of options	Number of options
Balance at the beginning of the period	550,000	550,000
Granted	-	-
Forfeited	-	-
Exercised	-	-
Balance at the end of the period	550,000	550,000
Vested and exercisable at period end	550,000	550,000

Options granted for services provided to the Company

The options issued to advisers provides the holder an opportunity to acquire fully paid ordinary shares in the Company. Share options granted under the arrangement have no dividend or voting rights. When exercised, each option is convertible into one ordinary share subject to satisfying vesting conditions and performance criteria. The shares, when issued, rank pari passu in all respects with previously issued fully paid ordinary shares. Option holders cannot participate in new issues of capital which may be offered to shareholders prior to exercise.

During the period, no options were issued to advisers to the Company in exchange for services rendered. Nil options forfeited and nil exercised, thus the options issued to service providers over ordinary shares in the Company is 550,000 as at 30 June 2021.

Unissued shares under options for services provided

As at 30 June 2021 unissued shares of the Company under option are:

Expiry date	Exercise price (A\$)	Number of shares
30-May-24	\$0.345	300,000
31-Mar-25	\$0.225	250,000
Total		550,000

Once exercised, the option holder will be issued ordinary shares in the Company. The options do not entitle the holder to participate in any share issue of the Company. No shares have been issued by the Company during the period as a result of the exercise of options.

(v) **Movements in options granted as part of acquisitions:**

	Six months to 30 June 2021	Six months to 31 December 2020
	Number of options	Number of options
Balance at the beginning of the period	18,015,250	30,099,750
Granted	-	-
Forfeited	-	-
Exercised	(10,487,500)	(710,000)
Expired	(2,025,000)	(11,374,500)
Balance at the end of the period	5,502,750	18,015,250
Vested and exercisable at period end	5,502,750	18,015,250

JERVOIS GLOBAL LIMITED AND CONTROLLED ENTITIES

Notes to the Financial Statements

For the half-year ended 30 June 2021

Options granted as part of acquisitions

During the period, no new options were issued as part of any acquisitions. Nil options were forfeited, 10,487,500 were exercised and 2,025,000 expired, thus bringing the options issued for acquisitions over ordinary shares in the Company to 5,502,750 as at 30 June 2021.

Unissued shares under options as part of the acquisitions

As at 30 June 2021 unissued shares of the Company under option are:

Expiry date	Exercise price (C\$)	Number of shares
06-Sep-21	\$0.36	998,250
28-Jun-22	\$0.71	1,344,750
28-Jun-23	\$0.61	1,179,750
01-Oct-23	\$0.53	1,980,000
Total		5,502,750

The share options granted under acquisitions have no dividend or voting rights. When exercised, each option is convertible into one ordinary share. The shares, when issued, rank pari passu in all respects with previously issued fully paid ordinary shares. Option holders cannot participate in new issues of capital which may be offered to shareholders prior to exercise. Once exercised, the option holder will be issued ordinary shares in the Company.

(vi) **Movements in performance rights:**

	Six months to 30 June 2021 Number of rights	Six months to 31 December 2020 Number of rights
Balance at the beginning of the period	-	-
Granted	415,082	-
Forfeited	-	-
Exercised	-	-
Expired	-	-
Balance at the end of the period	415,082	-
Vested at period end	-	-

Performance rights granted:

The principal focus of the Company's performance rights plan is to align the economic interests of the Company's officers, Directors, employees, and consultants with that of the Group by providing them an opportunity, through the performance rights, to acquire an increased proprietary interest in the Company.

The performance rights are subject to the satisfaction of certain vesting conditions relating to the Company's relative total shareholder return and the employee's continued employment with the Company, subject to certain provisions. Total shareholder return measures the growth in the price of the Company's shares as a percentage, factoring in dividends notionally being reinvested in the shares. Relative shareholder return measures the Company's total shareholder return ranking against entities in a particular comparator group at the end of the relevant performance period.

During the period, 415,082 performance rights were issued to employees. Nil performance rights were forfeited and nil expired, thus bringing the performance rights over ordinary shares in the Company to 415,082 as at 30 June 2021.

JERVOIS GLOBAL LIMITED AND CONTROLLED ENTITIES

Notes to the Financial Statements

For the half-year ended 30 June 2021

Unissued shares under performance rights to Directors and employees

As at 30 June 2021 unissued shares of the Company under option are:

Expiry date	Exercise price (A\$)	Number of rights
03-Apr-24	N/A	415,082
Total		415,082

16. Share-based payments

Recognised share-based payment expense

	Six months to 30 June 2021 A\$'000	Six months to 30 June 2020 A\$'000
Expense arising from equity settled share-based payment transactions	(1,883)	(1,444)

17. Related party transactions

The Company acquired a related party relationship between prior M2 Cobalt management personnel, Dr. Jennifer Hinton and Mr. Tom Lamb and an external services company Great Rift Geosciences ("Great Rift") via the M2 Cobalt merger. Acquired in June 2019, Jervois used Great Rift to provide Ugandan exploration management services including local administration and in-country management, accounting, payroll and treasury services, offices including a core shed and sample preparation area, employee accommodation, and exploration staffing. Dr. Jennifer Hinton and Mr. Tom Lamb are also principals and co-owners of Great Rift. The commercial arrangements with Great Rift were conducted on arms-length terms. Upon suspension of all exploration activities in Uganda, the relationship with Great Rift was terminated in February 2021. Amounts below represent payments to Great Rift (Canada) and Great Rift (Uganda) at which Dr. Hinton and Mr. Lamb are Directors. Payments made to Great Rift were solely for the in-country services outlined above. No loans have been made to key management personnel as of 30 June 2021.

	Six months to 30 June 2021 A\$'000	Six months to 30 June 2020 A\$'000
Management services – Great Rift	43	115

18. Events after reporting period

On 5 July 2021, the Company announced that it had priced and closed the books on its subsidiary's offering (the "Bond Offering") of senior secured bonds in the aggregate principal amount of US\$100 million, guaranteed by Jervois. Proceeds from the bond issue will be used to fund construction of ICO in the United States. Net proceeds from the Bond Offering will, upon disbursement to the issuer from the escrow account, be used for the payment of capital expenditures, operating costs and other costs associated with the construction of ICO and bringing it into production.

On 27 July 2021, the Company announced that it had agreed to acquire 100% of Freeport Cobalt by purchasing all the shares of Freeport Cobalt Oy and four affiliated entities from Koblotti Chemicals Holdings Limited ("KCHL") (the "Acquisition").

Freeport Cobalt is the Kokkola, Finland-based cobalt refining and specialty products business retained by Freeport-McMoRan and co-owners following the sale of certain refining and battery materials activities to Umicore in 2019.

JERVOIS GLOBAL LIMITED AND CONTROLLED ENTITIES

Notes to the Financial Statements

For the half-year ended 30 June 2021

The Freeport Cobalt business consists of:

- a long-term refining capacity agreement with Umicore for the 15,000 mtpa cobalt refinery in Kokkola, Finland (which is operated by Umicore) under which Freeport Cobalt has contractual rights to toll refine cobalt until 2093;
- long-term contracts with leading global suppliers of cobalt hydroxide, consistent with commitment to best practice responsible sourcing framework; and
- a downstream cobalt products manufacturing facility with an established marketing platform and long-term global customer base servicing clients primarily across Europe, the United States and Japan.

The purchase price for Freeport Cobalt is as follows:

- base consideration of US\$160 million (including US\$75 million of net working capital), subject to customary adjustments, to be paid in cash at closing of the Acquisition; and
- an additional cash payment of US\$32.6 million (being the working capital in Freeport Cobalt above US\$75 million at the closing of the Acquisition); and
- contingent consideration of up to US\$40 million, payable in cash up to US\$10 million per year based on Freeport Cobalt's financial performance from 2022 through to 2026, and through a "catch-up" amount based on Freeport Cobalt's aggregate financial performance during that period.

Costs related to the Acquisition amounted to A\$1.6 million during the period, all of which have been expensed under business development costs in the consolidated statement of profit or loss.

The Acquisition closed on 1 September 2021.

To fund the Acquisition and ICO development, Jervois entered into an underwriting agreement providing a fully underwritten A\$313 million equity raising by issuance of new Jervois ordinary shares (the "Offer") consisting of a ~A\$87m institutional placement (the "Placement") and a ~A\$226 million 1 for 1.56 accelerated pro-rata non-renounceable institutional and retail entitlement offer (the "Entitlement Offer").

Approximately A\$135 million was raised across the Placement and institutional Entitlement Offer at an offer price of A\$0.44 per share and was funded to the Company on 4 August 2021. The retail Entitlement Offer was fully underwritten, raised an additional A\$178 million and was completed on 1 September 2021. Together, the combined proceeds of the equity raising totalled A\$313 million. Jervois Directors and management contributed A\$3.57 million to the Entitlement Offer.

As part of the funding associated with the Acquisition, Mercuria, one of the world's largest integrated energy and commodities companies with US\$120 billion in annual turnover, has acquired a significant equity position in the Company. Mercuria and Jervois have agreed to work together to advance their commercial footprint and leverage rising demand for nickel and cobalt products. Mercuria has indicated it stands ready to commit additional capital to support expansion of Jervois' activities across ICO, SMP, Freeport Cobalt and future growth initiatives.

Freeport and Lundin Mining, through KCHL, supported the funding and have also acquired a significant equity position in the Company.

Given the timing of the Acquisition, management is currently in the process of completing the preliminary allocation of the purchase consideration to the assets acquired and liabilities assumed. As such, it is currently impractical to disclose the preliminary acquisition accounting, value of contingent consideration or other financial information in these interim condensed consolidated financial statements.

The Directors of the Company have not identified any other subsequent events in the interval between the end of the financial period and the date of this report, which would be material or unusual in nature, and likely to significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

JERVOIS GLOBAL LIMITED AND CONTROLLED ENTITIES

Directors' Declaration

For the half-year ended 30 June 2021

1. In the opinion of the Directors of Jervois Global Limited (the "Company"):
- a) the interim condensed consolidated financial statements and notes set out on pages 8 to 26 are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Group's financial position as at 30 June 2021 and of its performance for the half-year ended on that date; and
 - (ii) complying with Australian Accounting Standard AASB 134 – Interim Financial Reporting (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and
 - b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Dated at Melbourne this 9th day of September 2021.

Signed in accordance with a resolution of the Directors:



Peter Johnston
Chairman

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Independent auditor's review report to the members of Jervois Global Limited

Conclusion

We have reviewed the accompanying half-year financial report of Jervois Global Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2021, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

- a. Giving a true and fair view of the consolidated financial position of the Group as at 30 June 2021 and of its consolidated financial performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Directors' responsibilities for the half-year financial report

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



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Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 June 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

Ernst & Young

Ernst & Young

A handwritten signature in black ink, appearing to read 'Matthew A. Honey', written over a faint grid background.

Matthew A. Honey
Partner
Melbourne
9 September 2021

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