

# Jupiter Mines Limited

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

29 April 2020

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

Jupiter Mines Limited (ASX: JMS) (“Jupiter”, or the “Company”, and together with its subsidiaries, the “Group”) is pleased to provide the Group’s Appendix 4E and Preliminary Final Report for the year ended 29 February 2020. This report is based on a draft financial report for the year ended 29 February 2020 which is in the process of being audited.

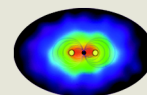
<b>GROUP HIGHLIGHTS</b>	<b>FY2020 (\$'000)</b>	<b>FY2019 (\$'000)</b>
Share of net profit from Jupiter’s 49.9% stake in Tshipi é Ntle Manganese Mining (Proprietary) Limited (“Tshipi”)	98,191	188,505
Consolidated profit before tax and impairment adjustments	103,926	187,873
Consolidated net profit after tax	95,119	138,033
Consolidated cash position	29,285	72,849
Distributions declared and/or paid to Jupiter shareholders	93,052	198,045
Basic earnings (\$ per share)	0.0486	0.0706
Basic earnings before tax and impairment adjustments (\$ per share)	0.0531	0.0959

<b>TSHIPI HIGHLIGHTS (100% BASIS)</b>	<b>FY2020</b>	<b>FY2019</b>
Sales (mt)	3.41	3.51
Production (mt)	3.41	3.45
Average FOB cost/tonne (US\$ / dmtu)	2.14	2.27
Average CIF price achieved (US\$ / dmtu – high grade lumpy)	4.86	6.41
Revenue net of realisation costs (ZAR m)	6,308	8,629
Earnings before interest, tax, depreciation and amortisation (“EBITDA”) (ZAR m)	3,150	5,758
Net profit after tax (ZAR m)	1,976	3,749
Net cash from operating activities (ZAR m)	2,363	3,485
Cash returned to Tshipi shareholders (ZAR m)	2,015	3,215

<b>JUPITER SOUTH AFRICA (MARKETING BRANCH)</b>	<b>FY2020</b>	<b>FY2019</b>
Revenue (ZAR m)	104.0	127.8
Gross profit (ZAR m)	104.0	127.8
EBITDA (ZAR m)	76.9	117.9
Net profit after tax (ZAR m)	56.3	94.1

For, and on behalf of the Board,

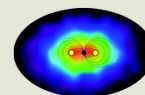
**Priyank Thapliyal**  
Director & Chief Executive Officer



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

**RESULTS FOR ANNOUNCEMENT TO THE MARKET  
FOR THE YEAR ENDED 29 FEBRUARY 2020  
(PREVIOUS CORRESPONDING PERIOD YEAR ENDED 28 FEBRUARY 2019)**

Name of Entity ABN	Jupiter Mines Limited 51 105 991 740		
<b>1. Details of current and prior reporting period</b> Current Period Prior Period	1 March 2019 to 29 February 2020 1 March 2018 to 28 February 2019		
<b>2. Results for announcement to the market</b>			
2.1 Revenue from ordinary activities	<b>% Movement</b> Down 21% to	<b>FY2020\$</b> 10,358,857	<b>FY2019\$</b> 13,116,608
2.2 Profit for the year	Down 31.1% to	95,118,503	138,033,499
2.3 Net profit for the year attributable to owners of the Company	Down 31.1% to	95,118,503	138,033,499
2.4 Dividend distributions	<b>Total amount per security \$</b>		<b>Franked amount per security \$</b>
▪ Interim dividend	\$0.04		Nil
▪ Final dividend	\$0.0075		Nil
2.5 Record date for determining entitlements to the dividend	The Board resolved to pay a final dividend of \$0.0075 per security (unfranked) for the financial year ended 29 February 2020 (payment date 21 May 2020).  7 May 2020		
<b>3. Consolidated statement of profit or loss and other comprehensive income</b>	Refer Appendix 1		
<b>4. Consolidated statement of financial position</b>	Refer Appendix 2		
<b>5. Consolidated statement of changes in equity</b>	Refer Appendix 3		
<b>6. Consolidated statement of cash flows</b>	Refer Appendix 4		
<b>7. Details of dividends or distributions</b>	Refer Note 10		



<b>8. Net asset backing per security</b>	<b>Current Period \$</b> 0.22	<b>Prior Period \$</b> 0.21
<b>9. Control gained over entities during the period</b>	N/A	
<b>10. Details of associate and joint venture entities</b>	Refer Note 7	
<b>11. Other significant information</b>	See below and Notes	
<b>12. Accounting Standards used by foreign entities</b>	International Financial Reporting Standards	
<b>13. Commentary on the result for the period</b>	See below	
<b>14. Status of audit or review</b>	This report is based on accounts that are in the process of being audited	
<b>15. Dispute or qualification – accounts not yet audited</b>	N/A	
<b>16. Qualifications of audit/review</b>	N/A	

#### Commentary on Results

Tshipi produced and exported 3.41 million tonnes during FY2020 (FY2019: 3.45 million tonnes produced, 3.51 million tonnes exported), despite challenging mining conditions. Tshipi also moved the highest amount of waste volumes ever in any financial year. In August 2019, Tshipi commenced mining of the barrier pillar with South32 Limited, mining of which was ahead of forecast for the year.

Tshipi remained one of the lowest cost manganese producers globally, with the cost of production averaging ZAR31.22 (per dmtu, FOB) during FY2020 (FY2019: ZAR30.68).

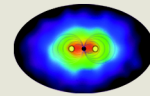
Tshipi completed a concept study into a potential mine expansion of up to a production profile of 4.5 million tonnes per annum, underpinned solely by existing ore reserves (*ASX announcement 8 January 2020*). Work on a comprehensive feasibility study has now commenced.

Manganese prices decreased significantly over the year, averaging US\$4.18 (per dmtu, Metal Bulletin 37% FOB Port Elizabeth) (FY2019: US\$6.00).

Prices took a sharp decline in the third quarter of the financial year, mainly relating to US-China trade dispute, Chinese 70<sup>th</sup> anniversary celebrations, and weaker steel demand, resulting in increased stockpiles at Chinese ports.

The manganese price steadily recovered as expected in January, however due to the Covid-19 pandemic, prices softened slightly once again towards the end of the financial year.

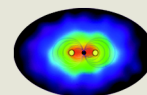
Subsequent to year-end, in response to the pandemic, the South African Government mandated a nationwide lockdown, which included the Tshipi mine. As supply has declined, the manganese price has



increased. The South African Government has since announced that all open cast mines are able to operate at full capacity from 1 May 2020 (*ASX announcement 27 April 2020*). Tshipi is consulting with third party contractors and logistics providers to safely commence production and exports. Tshipi shipped 148,000 tonnes in March 2020.

During this uncertain period, both Tshipi and Jupiter have the ability to meet all financial obligations in the event of an extended lockdown.

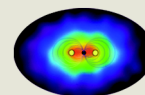
Despite many challenges during the year, both Jupiter and Tshipi remained cash positive and profitable. Tshipi's performance resulted in the distribution of dividends to its shareholders totalling approximately ZAR2 billion. Jupiter in turn has declared dividends yielding 14.8%, with a payout ratio of almost 92% of Tshipi dividends and marketing profits received.



## APPENDIX 1 UNAUDITED PRELIMINARY CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 29 FEBRUARY 2020

	NOTE	FY2020 \$	FY2019 \$
Revenue	2	10,358,857	13,116,608
<b>Gross profit</b>		<b>10,358,857</b>	<b>13,116,608</b>
Other income	2	660,096	645,559
Employee benefits expense		(2,533,112)	(7,462,473)
Depreciation of property, plant and equipment		(2,427)	(763)
Amortisation of intangibles		(4,086)	2,740
Administration expenses		(77,905)	(87,404)
Other expenses		(4,264,161)	(3,920,195)
<b>Profit from operations</b>		<b>4,137,262</b>	<b>2,294,072</b>
Share of profit from joint venture entities using the equity method	7	98,191,396	188,505,385
Reversal of impairment/(impairment) of exploration and evaluation assets	6	-	1,177,243
Finance income		1,188,810	980,907
Finance costs		(476,780)	(578,223)
Foreign exchange gain/(loss)		885,403	(3,329,515)
<b>Profit before income tax</b>		<b>103,926,091</b>	<b>189,049,869</b>
Income tax expense	12	(8,807,588)	(51,016,370)
<b>Net profit attributable to members of parent entity</b>		<b>95,118,503</b>	<b>138,033,499</b>
<b>Other comprehensive income</b>			
<i>Items that may be subsequently transferred to profit or loss:</i>			
Translation of foreign currency financial statements		(18,314)	(310,412)
<i>Items not to be reclassified to profit or loss in subsequent periods:</i>			
Change in the fair value of equity instruments carried at fair value through other comprehensive income ("FVOCI")		(217,535)	(496,638)
<b>Other comprehensive loss for the period, net of tax</b>		<b>(235,849)</b>	<b>(807,050)</b>
<b>Total comprehensive income for the period</b>		<b>94,882,654</b>	<b>137,226,449</b>
<b>Overall operations</b>			
Basic earnings per share		0.0486	0.0706
Diluted earnings per share		0.0486	0.0706

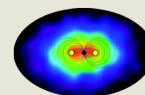
The Consolidated Statement of Profit or Loss and Other Comprehensive Income is to be read in conjunction with the notes to the consolidated financial statements.



## APPENDIX 2 UNAUDITED PRELIMINARY CONSOLIDATED STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 29 FEBRUARY 2020

	NOTE	FY2020 \$	FY2019 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	3	29,285,067	72,848,680
Trade and other receivables	4	40,357,267	85,369,828
Other current assets		57,884	57,884
<b>Total current assets</b>		<b>69,700,218</b>	<b>158,276,392</b>
<b>NON-CURRENT ASSETS</b>			
Equity instruments at fair value through other comprehensive income		329,528	547,064
Property, plant and equipment		4,721	4,965
Intangible assets		3,131	7,217
Investments using the equity method	7	437,601,406	422,841,742
Exploration and evaluation assets	6	11,774,238	10,800,000
Deferred tax asset	12	633,417	1,355,163
<b>Total non-current assets</b>		<b>450,346,441</b>	<b>435,556,151</b>
<b>TOTAL ASSETS</b>		<b>520,046,659</b>	<b>593,832,543</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables	8	37,619,369	84,082,617
Dividend payable		-	48,974,776
Employee benefits		218,029	125,078
<b>Total current liabilities</b>		<b>37,837,398</b>	<b>133,182,471</b>
<b>NON-CURRENT LIABILITIES</b>			
Deferred tax liability	12	56,192,897	51,156,721
<b>Total non-current liabilities</b>		<b>56,192,897</b>	<b>51,156,721</b>
<b>TOTAL LIABILITIES</b>		<b>94,030,295</b>	<b>184,339,192</b>
<b>NET ASSETS</b>		<b>426,016,364</b>	<b>409,493,351</b>
<b>EQUITY</b>			
Issued capital	9	410,435,400	410,435,400
Reserves		62,604	298,453
Accumulated profits		15,518,360	(1,240,502)
<b>TOTAL EQUITY</b>		<b>426,016,364</b>	<b>409,493,351</b>

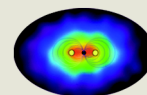
The Consolidated Statement of Financial Position is to be read in conjunction with the notes to the consolidated financial statements.



## APPENDIX 3 UNAUDITED PRELIMINARY CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 29 FEBRUARY 2020

NOTE	ISSUED CAPITAL \$	FOREIGN CURRENCY TRANSLATION RESERVE \$	EQUITY INSTRUMENTS AT FVOCI RESERVE \$	FINANCIAL ASSETS RESERVE \$	ACCUMULATED PROFIT/(LOSS) \$	TOTAL \$
Balance at 1 March 2018	433,003,602	268,608	-	836,896	32,048,590	466,157,696
Profit attributable to members of parent entity	-	-	-	-	138,033,499	138,033,499
Change in accounting policy arising from AASB 9	-	-	836,896	(836,896)	-	-
Total other comprehensive income/(loss) for the period	-	(310,412)	(496,638)	-	-	(807,050)
<b>Total comprehensive income/(loss) for the period</b>	-	<b>(310,412)</b>	<b>340,257</b>	<b>(836,896)</b>	<b>138,033,499</b>	<b>137,226,449</b>
Shares bought back	9 (26,721,909)	-	-	-	(24,398,266)	(51,120,175)
Equity share based payments	4,153,707	-	-	-	-	4,153,707
Dividends paid/declared	-	-	-	-	(146,924,327)	(146,924,327)
<b>Balance at 28 February 2019</b>	<b>410,435,400</b>	<b>(41,804)</b>	<b>340,257</b>	<b>-</b>	<b>(1,240,502)</b>	<b>409,493,351</b>
Profit attributable to members of parent entity	-	-	-	-	95,118,503	95,118,503
Total other comprehensive income/(loss) for the period	-	(18,314)	(217,535)	-	-	(235,849)
<b>Total comprehensive income/(loss) for the period</b>	-	<b>(18,314)</b>	<b>(217,535)</b>	<b>-</b>	<b>95,118,503</b>	<b>94,882,654</b>
Shares bought back	-	-	-	-	-	-
Dividends paid/declared	-	-	-	-	(78,359,641)	(78,359,641)
<b>Balance at 29 February 2020</b>	<b>410,435,400</b>	<b>(60,118)</b>	<b>122,722</b>	<b>-</b>	<b>15,518,360</b>	<b>426,016,364</b>

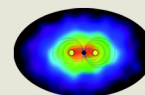
The Consolidated Statement of Changes in Equity is to be read in conjunction with the notes to the consolidated financial statements.



**APPENDIX 4**  
**UNAUDITED PRELIMINARY CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 29 FEBRUARY 2020**

	NOTE	FY2020 \$	FY2019 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Payments to suppliers and employees		(12,825,698)	(8,264,623)
Receipts from customers		14,190,076	15,790,578
Income taxes paid		(2,692,358)	(8,207,440)
<b>Net cash used in operating activities</b>		<b>(1,327,980)</b>	<b>(681,485)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(2,184)	(4,518)
Purchase of intangibles		-	(2,492)
Payments for exploration and evaluation of mining reserves		(974,238)	(919,011)
Dividend received	7	83,431,732	150,918,449
Interest received		1,158,123	318,997
Taxes paid		-	(4,187,458)
<b>Net cash from investing activities</b>		<b>83,613,433</b>	<b>146,123,967</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Share buy-backs		-	(51,120,175)
Dividend paid	10	(127,334,417)	(97,949,552)
<b>Net cash used in financing activities</b>		<b>(127,334,417)</b>	<b>(149,069,727)</b>
<b>Net decrease in cash and cash equivalents held</b>		<b>(45,048,964)</b>	<b>(3,627,245)</b>
<b>Cash and cash equivalents at beginning of financial period</b>		<b>72,848,680</b>	<b>76,544,487</b>
Effect of exchange rates on cash holdings in foreign currencies		1,485,351	(68,562)
<b>Cash and cash equivalents at the end of the financial period</b>		<b>29,285,067</b>	<b>72,848,680</b>

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



## NOTES TO THE UNAUDITED PRELIMINARY CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2020

### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

#### Basis of preparation

The financial information included in this document for the financial year ended 29 February 2020 is unaudited. The financial information does not constitute the Jupiter Group's (the Group) full financial statements for the year ended 29 February 2020, which will be approved by the Board, reported on by the auditors and filed with the Australian Securities Exchange. The Group's full financial statements will be prepared in accordance with the requirements of the Corporations Act 2001, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board.

The unaudited financial information set out on pages 5 to 8 for the year ended 29 February 2020 has been prepared on the basis of accounting policies and methods of computation consistent with those applied in the 28 February 2019 financial statements contained within the Annual Report of the Group.

As required, and unless otherwise stated, comparative statutory financial information for the Group has been presented for the 2019 financial year.

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

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

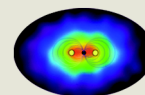
### NOTE 2: REVENUE

	FY2020 \$	FY2019 \$
Marketing fee revenue	10,358,857	13,116,608
<b>Gross margin</b>	<b>10,358,857</b>	<b>13,116,608</b>
Other income	660,096	645,559
<b>Other income</b>	<b>660,096</b>	<b>645,559</b>

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

### NOTE 3: CASH AND CASH EQUIVALENTS

	FY2020 \$	FY2019 \$
Cash at bank and in hand	10,011,113	11,283,723
Short-term bank deposits	19,273,954	61,564,957
	<b>29,285,067</b>	<b>72,848,680</b>



## NOTES TO THE UNAUDITED PRELIMINARY CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 29 FEBRUARY 2020 (continued)

### NOTE 4: TRADE AND OTHER RECEIVABLES

	FY2020 \$	FY2019 \$
Trade receivables	39,329,578	83,765,330
GST and VAT receivables	166,333	167,417
Income tax refundable	-	276,341
Sundry receivables	861,356	1,160,740
	<b>40,357,267</b>	<b>85,369,828</b>

### NOTE 5: CONTROLLED ENTITIES

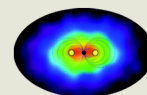
Controlled entities consolidated	Country of Incorporation	% owned FY2020	% owned FY2019
Parent Entity:			
Jupiter Mines Limited	Australia		
Subsidiaries of Jupiter Mines Limited:			
Future Resources Australia Pty Limited	Australia	100	100
Central Yilgarn Iron Pty Limited	Australia	100	100
Broadgold Corporation Pty Limited	Australia	100	100
Jupiter Kalahari Pty Ltd	Australia	100	100
Jupiter Mines Limited (Incorporated in Australia)			
External Profit Company ("Jupiter South African Branch")	South Africa	100	100

During the year all Controlled Entities with the exception of Jupiter Kalahari Pty Ltd and Jupiter South African Branch were dormant.

### NOTE 6: EXPLORATION AND EVALUATION ASSETS

Opening balance	10,800,000	8,700,000
Additions	974,238	922,757
Reversal of impairment	-	1,177,243
<b>Closing balance</b>	<b>11,774,238</b>	<b>10,800,000</b>
Costs carried forward in respect of the following areas of interest:		
- Mount Mason	927,829	800,000
- Mount Ida	10,846,409	10,000,000
<b>Closing balance</b>	<b>11,774,238</b>	<b>10,800,000</b>

At 29 February 2020, the future recoverability of capitalised exploration expenditure was assessed, and the Board received an independent external valuation of the Mount Ida Magnetite and Mount Mason Hematite projects, which provided value ranges of \$5 million to \$16 million and \$0.6 million and \$1.9 million respectively. The valuation was based on the comparative transaction method, in line with the current carrying values.



**NOTES TO THE UNAUDITED PRELIMINARY CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 29 FEBRUARY 2020 (continued)**

**NOTE 7: INVESTMENTS USING THE EQUITY METHOD**

Set out below is the Joint Venture held by the Group as at 29 February 2020, in which in the opinion of the Directors, are material to the Group. The entity listed below has share capital consisting solely of ordinary shares, which are held directly by the Group. The country of incorporation or registration is also their principal place of business, and the proportion of the Group's ownership interest is the same as the proportion of voting rights held. Interest in this entity is held through a fully controlled entity, Jupiter Kalahari Pty Ltd.

<b>Name of Entity</b>	<b>Country of Incorporation</b>	<b>% held FY2020</b>	<b>% held FY2019</b>	<b>Nature of Relationship</b>	<b>Measurement Method</b>
Tshipi é Ntle Manganese Mining Proprietary Limited	South Africa	49.9	49.9	Joint Venture	Joint Venture

**Summarised Financial Information**

**Tshipi é Ntle Manganese Mining Proprietary Limited**

	<b>FY2020 \$</b>	<b>FY2019 \$</b>
Opening carrying value of joint venture	422,841,742	385,267,255
Share of profit using the equity method	98,191,396	188,505,385
Dividend paid	(83,431,732)	(150,918,449)
Other movements	-	(12,449)
<b>Total investments using the equity method</b>	<b>437,601,406</b>	<b>422,841,742</b>

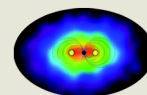
**NOTE 8: TRADE AND OTHER PAYABLES**

Trade payables	36,501,106	82,217,567
Income tax payable	80,967	-
Sundry payables and accrued expenses	1,037,296	1,865,050
	<b>37,619,369</b>	<b>84,082,617</b>

**NOTE 9: SHARE CAPITAL**

	<b>FY2020 \$</b>	<b>FY2019 \$</b>
Ordinary shares at the beginning of the reporting period	410,435,400	433,003,602
▪ 19 March 2018 share buy-back (\$0.023 per share)	-	(26,721,909)
▪ 18 July 2018 director share issue to Chief Executive Officer (value at grant date)	-	4,153,707
<b>At reporting date</b>	<b>410,435,400</b>	<b>410,435,400</b>

	<b>FY2020 Number of Shares</b>	<b>FY2019 Number of Shares</b>
Ordinary shares at the beginning of the reporting period	1,958,991,033	2,064,522,718
▪ 19 March 2018: share buy-back	-	(116,182,215)
▪ 18 July 2018: share issue to Chief Executive Officer	-	10,650,530
<b>At reporting date</b>	<b>1,958,991,033</b>	<b>1,958,991,033</b>



**NOTES TO THE UNAUDITED PRELIMINARY CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 29 FEBRUARY 2020 (continued)**

**NOTE 10: DIVIDENDS**

Dividends declared during the year:

	<b>FY2020 \$</b>	<b>FY2019 \$</b>
▪ Unfranked interim dividend (\$0.05 per share, wholly conduit foreign income; declared 17 September 2018, paid 10 October 2018)	-	97,949,552
▪ Unfranked final dividend (\$0.025 per share, wholly conduit foreign income; declared 19 February 2019, paid 21 May 2019)	-	48,974,775
▪ Unfranked interim dividend (\$0.04 per share, wholly conduit foreign income; declared 31 October 2019, paid 21 November 2019)	78,359,641	-
	<b>78,359,641</b>	<b>146,924,327</b>

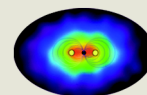
Subsequent to year end, Jupiter declared a final unfranked dividend for FY2020 of \$0.0075 per share, of wholly conduit foreign income, totalling \$14,692,433. The dividend will be paid on 21 May 2020.

**NOTE 11: SEGMENT REPORTING**

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

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

	<b>CYIP – Iron Ore (Australia) \$</b>	<b>Jupiter Mines – Manganese (South Africa) \$</b>	<b>Tshipi – Manganese (South Africa) \$</b>	<b>Total \$</b>
<b>29 February 2020</b>				
Marketing fee revenue	-	10,358,857	-	10,358,857
Employee benefits	-	(450,610)	-	(450,610)
Other expenses	-	(2,221,107)	-	(2,221,107)
<b>Segment operating profit</b>	-	<b>7,687,140</b>	-	<b>7,687,140</b>
Share of profit from joint venture entities using the equity method	-	-	98,191,396	98,191,396
Finance costs	-	(471,447)	-	(471,447)
Foreign exchange gain	-	611,549	-	611,549
<b>Total</b>	-	<b>7,827,242</b>	<b>98,191,396</b>	<b>106,018,638</b>
Corporate				(2,092,546)
<b>Net profit before tax from continuing operations</b>				<b>103,926,092</b>
Segment assets	11,774,238	43,056,258	437,601,406	492,431,902
Corporate assets				27,614,757
<b>Total assets</b>				<b>520,046,659</b>
Segment liabilities	-	(40,305,240)	-	(40,305,240)
Corporate liabilities				(53,725,055)
<b>Total liabilities</b>				<b>(94,030,295)</b>



**NOTES TO THE UNAUDITED PRELIMINARY CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 29 FEBRUARY 2020 (continued)**

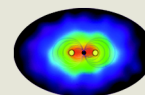
**NOTE 11: SEGMENT REPORTING (continued)**

<b>28 February 2019</b>	<b>CYIP – Iron Ore (Australia) \$</b>	<b>Jupiter Mines – Manganese (South Africa) \$</b>	<b>Tshipi – Manganese (South Africa) \$</b>	<b>Total \$</b>
Marketing fee revenue	-	13,116,608	-	13,116,608
Employee benefits	-	(417,509)	-	(417,509)
Other expenses	-	(427,282)	-	(427,282)
<b>Segment operating profit</b>	-	<b>12,271,817</b>	-	<b>12,271,817</b>
Share of profit from joint venture entities using the equity method	-	-	188,505,385	188,505,385
Reversal of impairment of exploration and evaluation assets	1,177,243	-	-	1,177,243
Finance costs	-	(470,871)	-	(470,871)
Foreign exchange gain	-	829,704	-	829,704
<b>Total</b>	<b>1,177,243</b>	<b>12,630,650</b>	<b>188,505,385</b>	<b>202,313,278</b>
Corporate				(13,263,409)
<b>Net profit before tax from continuing operations</b>				<b>189,049,869</b>
Segment assets	10,800,000	90,164,207	422,841,742	523,805,949
Corporate assets				70,026,594
<b>Total assets</b>				<b>593,832,543</b>
Segment liabilities	-	(82,276,954)	-	(82,276,954)
Corporate liabilities				(102,062,238)
<b>Total liabilities</b>				<b>(184,339,192)</b>

**NOTE 12: INCOME TAX EXPENSE AND DEFERRED TAXES**

The major components of tax expense and the reconciliation of the expected tax expense based on the domestic effective tax rate of Jupiter Mines at 30% (2019: 30%) and the reported tax expense in the profit and loss are as follows:

	<b>FY2020 \$</b>	<b>FY2019 \$</b>
Tax expense comprises:		
(a) <b>Current tax</b>	2,291,414	3,448,222
Current tax in respect of prior years	758,253	-
Deferred income tax relating to origination and reversal of temporary differences		
▪ Origination and reversal of timing differences	4,447,465	48,684,161
▪ Recognition of deferred tax asset losses	-	(1,269,180)
▪ Under/(over) provision in respect of prior years	1,310,456	153,167
<b>Tax expense</b>	<b>8,807,588</b>	<b>51,016,370</b>



**NOTES TO THE UNAUDITED PRELIMINARY CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 29 FEBRUARY 2020 (continued)**

**NOTE 12: INCOME TAX EXPENSE AND DEFERRED TAXES (continued)**

<b>(b) Accounting profit before tax</b>	103,926,091	189,049,869
Domestic tax rate for Jupiter Mines Limited (30%)	31,177,827	56,714,961
Tax rate differential	(158,024)	(258,569)
Other expenditure not allowed or allowable for income tax purposes	748,594	3,108,264
Under provision in respect of prior years	2,068,710	153,167
Deferred tax assets losses not brought to account	-	-
Share of profit in equity accounted investments	(25,029,519)	(46,572,620)
Deferred tax adjustment on Tshipi investment	-	37,871,167
<b>Income tax expense</b>	<b>8,807,588</b>	<b>51,016,370</b>

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

	Opening Balance 1 March 2019	Recognised in Profit and Loss During the Year	Closing Balance 29 February 2020
<b>Deferred Tax Assets (Liabilities)</b>			
<b>Liabilities</b>			
Property, plant and equipment	10,851	(1,156)	9,695
Exploration	(3,222,900)	(292,271)	(3,515,171)
Other	(94,510)	(314,850)	(409,360)
Investments using the equity method	(47,850,162)	(4,427,899)	(52,278,061)
<b>Balance as at 29 February 2020</b>	<b>(51,156,721)</b>	<b>(5,036,176)</b>	<b>(56,192,897)</b>
<b>Assets</b>			
Pension and other employee obligations	27,828	30,051	57,879
Provisions	18,210	(18,210)	-
Other	39,945	(12,288)	27,657
Tax losses	1,269,180	(721,299)	547,881
<b>Balance as at 29 February 2020</b>	<b>1,355,163</b>	<b>(721,746)</b>	<b>633,417</b>
<b>Net Deferred Tax Liabilities</b>	<b>(49,801,558)</b>	<b>(5,757,922)</b>	<b>(55,559,480)</b>