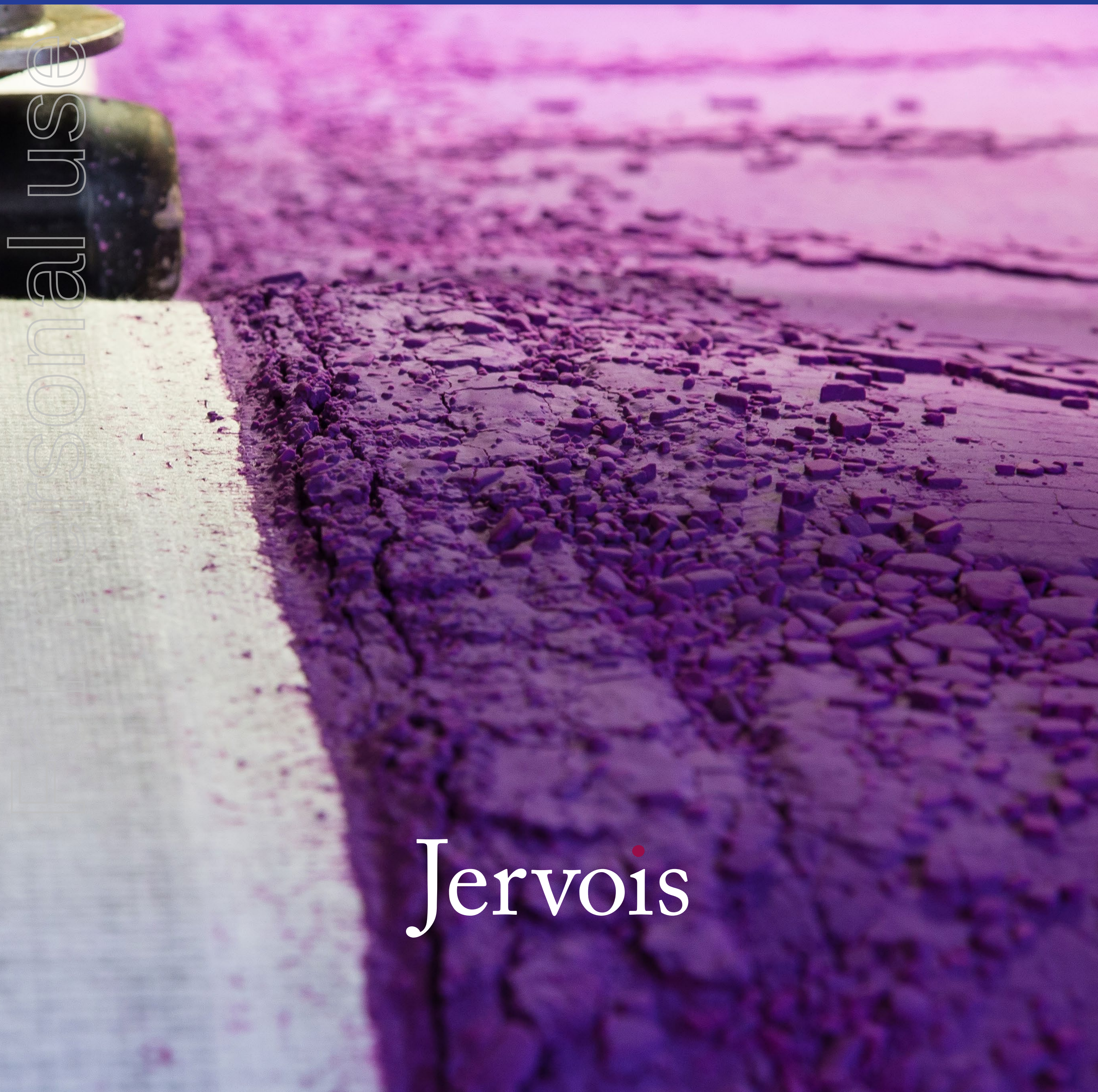
2021 Annual Report



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It has been a transformational year for our Company as we continued to implement our strategy to become a globally significant supplier of specialty chemicals and advanced manufactured cobalt products into battery and other industries.

Peter Johnston,
Non-Executive Chairman

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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 2.03, 1-11
Gordon Street, Cremorne
Victoria 3121
Australia

Registered Office

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Gordon Street, Cremorne
Victoria 3121
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Auditor

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

Jervois Global Limited shares are traded on the:

United States OTCQX
OTCQX code: JRVMF

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Our Business

A$162 million[1] of consolidated revenue

+A$500 million in debt and equity financing raised in 2021

1. US$121.4 million from Jervois Finland for the period 1 September 2021 to 31 December 2021

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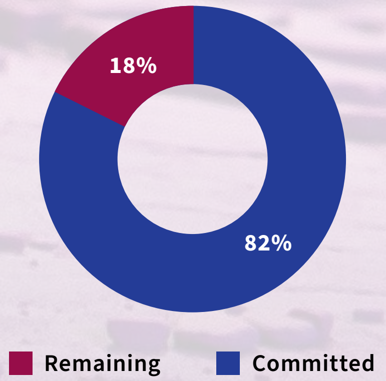
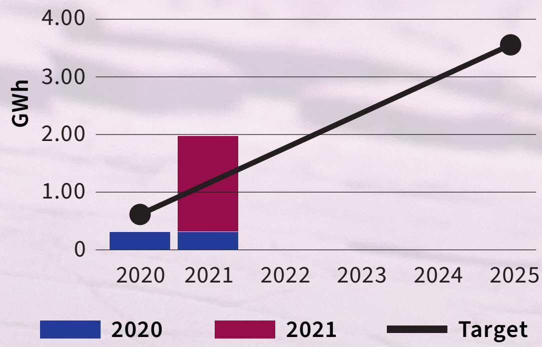
ICO Capital Commitments

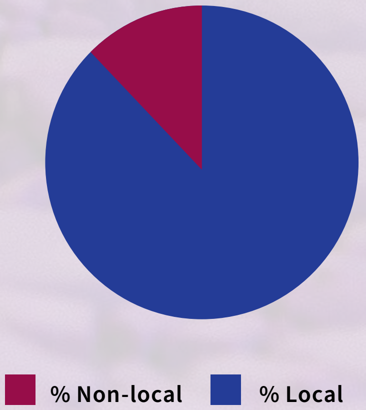


Energy savings

(Jervois Finland only)

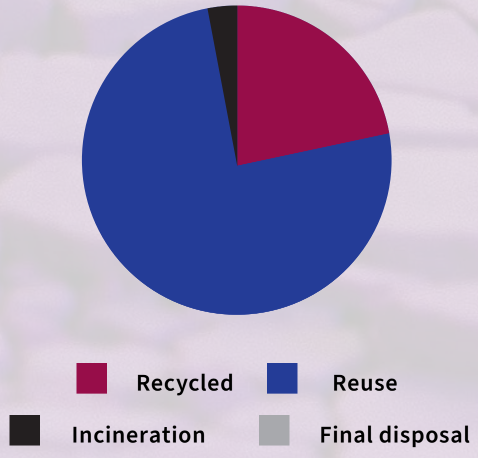


% Of local employment relative to total



Recycling & reuse of non-hazardous waste %

(Jervois Finland only)



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Chairman's Letter

Dear Fellow Shareholders,

It gives me great pleasure to present Jervois Global Limited's ("Jervois" or the "Company" and, together with its subsidiaries, the "Group", formerly Jervois Mining Limited) Annual Report for the year ended 31 December 2021. It has been a transformational year for our Company as we continued to implement our strategy to become a globally significant supplier of specialty chemicals and advanced manufactured cobalt products into battery and other industries.

During the year we acquired the Freeport Cobalt business for a final purchase price of US$185 million, to create Jervois Finland. This was a major step in reaching our goal to develop a vertically integrated cobalt and nickel company. The acquisition transformed Jervois overnight to be one of the largest western world suppliers of refined and advanced manufactured cobalt products.

Following closing of the acquisition in September, by year end we had successfully integrated Jervois Finland, with business performance significantly exceeding our expectations and forecasts underpinning the acquisition. We closed out the year in Q4 with the strongest quarterly pro-forma revenue performance for Jervois Finland in more than two years, reflecting rising cobalt demand coupled with improving received prices. Given Q4 was our first full quarter of ownership, this sets a stage for strong growth in revenue and cashflow in the year ahead, with cobalt prices continuing to rise at the date of this report.

We continued to progress construction at our 100% owned Idaho Cobalt Operations ("ICO"), which will be the only domestic United States mine supply of cobalt once operational later this year. It's very encouraging to have cobalt mining returning in an environmentally sustainable way to the United States. We expect to achieve first production in August 2022, and to reach sustainable commercial production from December 2022. This will be an important milestone for our host governments in the United States, the Australian government (where Jervois is domiciled and has been publicly listed for over 50 years), and obviously us as a company. Jervois is excited to be playing a key role alongside the United States and Australian governments in looking to secure adequate, environmentally, and socially sustainable supply of critical minerals to support Western economies.

We've recently approved an initial underground drill programme at ICO to improve the robustness of the resource model ahead of initial mining, and target resource extension. Our Board expects to also approve surface drilling to commence later this year once the snow melts, again targeting an expansion of the mineral reserve and resource. These resource expansion drill programmes are important to enable Jervois to evaluate options to both extend mine life beyond the initial Bankable Feasibility Study ("BFS"), and also to underpin discussions with the United States government on potential expansions and domestic refinery viability. The current deposit at ICO remains open at depth and along strike and we are confident in the growth potential of the mineral reserves and resources.

We continue our planned acquisition of the São Miguel Paulista ("SMP") refinery in Brazil, which we expect to close shortly, coupled with a BFS which is examining the restart of the facility. It is expected that a pressure oxidative ("POX"), autoclave will be installed and dedicated to ICO cobalt concentrates.

Jervois' achievements over the past 12 months have only been possible through the successful delivery of our major financing initiatives

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First cobalt production from SMP from ICO concentrates is expected during Q2 2023. Subsequently we are targeting to reopen the refinery at its previous nameplate capacity of 25,000 tonnes of nickel and 2,500 tonnes of cobalt.

Jervois' achievements over the past 12 months were underpinned by the successful delivery of major financing initiatives. These included a US$100 million Senior Secured Bond to fund construction of ICO and a A$313 million fully underwritten equity raising to fund the acquisition of Freeport Cobalt, which comprised A$136 million raised across a placement and institutional entitlement offer and a A$177 million entitlement offer. Following the acquisition of what is now Jervois Finland, we also secured a US$75 million standby working capital facility with Mercuria Energy Trading SA. We thank all financial partners who supported Jervois to achieve its recent goals and to support our initial but solid steps to achieving our future targets. My Board does see our access to capital and the strength and credibility of our relationships with both equity and debt markets as a competitive advantage.

We welcomed a new Non-Executive Director to the Board, with former Glencore founding partner and executive and ex Xstrata plc Board member Mr. David Issroff, who joined us at the time of our successful conclusion of the Freeport Cobalt acquisition. We look forward to benefiting from his years of experience and prior success. I thank my fellow Directors, including Mr. Issroff, for their leadership and dedication to Jervois' success over the year.

Among our achievements, I am extremely proud of our people for their leadership during COVID-19. At a time of global upheaval, when many of our peers in Australia were retreating behind national borders, Jervois expanded internationally.

To support this overseas expansion, during the year we continued to make key management appointments, adding to a dedicated, experienced, successful executive team. These included Mr. James May as Chief Financial Officer, Mr. Craig Morrison as Group Financial Controller, Mr. Matthew Lengerich as Executive General Manager – Mining, Mr. Mike Romaniuk as Project Director – ICO, Mr. Wayde Yeoman and Mr. Klaus Wollhaf as Group Manager(s) – Commercial, Mr. Ian Woolsey as Group Manager – Information Technology, and Mr. Louis Martin as Group Manager – Tax. Jervois Finland's leadership carried across from the Freeport Cobalt acquisition, and we welcomed a highly experienced and skilled management team led by Mr. Sami Kallioinen as its President and Managing Director. Mr. Kallioinen in Finland and Mr. Lengerich in the United States both have strong management teams in place that provide my Board confidence in our ability to deliver strategic plans and business objectives.

Jervois will always prioritise health and safety. In 2021, we had zero fatalities and exceeded our targets for LTIFR and TRIFR. We accelerated our efforts to meaningfully benefit communities around our operations. Underpinned by our commitments to zero harm, we've taken important steps to lay the foundation for due diligence on our human rights and environmental risks in our business and supply chains, including through our recent adoption of a new Human Rights Policy and the release of our first Modern Slavery Statement. These and other achievements can be found in our inaugural Sustainability Report.

I thank our management team, led by Chief Executive Officer/Executive Director Mr. Bryce Crocker, for their outstanding performance during the year. Our work over the past 12 months, despite ongoing challenges and uncertainty associated with the COVID-19 global pandemic and geopolitical turbulence, has positioned Jervois very well for the future. I would also thank all of our shareholders for their support during this challenging time. I am pleased with our progress as we cement our position as a global leader. I look forward to sharing the journey with you during 2022 and beyond.

P. B. Johnston.

Peter Johnston,
Non-Executive Chairman

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Our Vision, Mission, Values & Principles

Our vision is a world transformed by the mass adoption of electric vehicles.

Our mission is to become the leading supplier of responsibly sourced battery materials and quality cobalt products and to provide a secure supply to customers.

Our core values provide the foundation for how we operate, collaborate, engage and unite in our work.

Responsibility	Integrity	Accountability
We are responsible, as a company and as individuals	We earn and sustain the trust and respect of our stakeholders	We strive to transparently measure, share, deliver and own results

Ultimately, we aim to make a positive, meaningful difference in the lives of our stakeholders: our people, our investors, our partners and our host communities and countries.

Jervois' values and principles set the standard for every decision we make.

	Operational Principles	Individual Principles	Organisational Principles
Values	**Responsibility** We are responsible, as a company and as individuals	**Integrity** We earn and sustain the trust and respect of our stakeholders	**Accountability** We strive to transparently measure, share, deliver and own results
Principles	Work safely – all the time. Proactively identify and manage risks and opportunities. Follow socially and environmentally responsible practices. Create a diverse, inclusive and supportive work environment. Ensure excellence in environmental stewardship and positive social and economic outcomes.	Honour our commitments. Operate within the letter and spirit of the law. Treat others and ourselves with dignity and respect. Inspire personal dedication and commitment. Care for our environment, ourselves, our coworkers, our families and host communities.	Be accountable for what we do, what we achieve and how we achieve it. Create a high-performance culture through personal and team development. Act decisively on opportunities and adapt quickly in the face of adversity. Encourage creativity and innovation to achieve the best outcomes.

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Jervois: A Global Supplier of Cobalt and Nickel

Jervois aims to become the leading global supplier of responsibly sourced cobalt and nickel materials to serve both the battery and chemicals markets, and to provide a secure, reliable supply to customers in the face of geopolitical and other risks. Jervois seeks to achieve this through geographic, asset, sales, product and customer diversification, management and organisational culture, and stakeholder consultation, all whilst meeting environmental, social, governance and ethical expectations for good industry practice, over and above complying with applicable legal requirements.

Jervois has three key geographies in which it operates and shortly expects to operate: firstly, we produce specialty cobalt powders and chemicals at the Kokkola advanced manufacturing plants in Finland ("Jervois Finland"); secondly, we expect to produce cobalt and copper concentrates later in 2022 from what will become the first cobalt mine in the United States in generations, at our 100% owned Idaho Cobalt Operations ("ICO"), and, finally, our restart plans are well underway in Brazil at the São Miguel Paulista nickel-cobalt refinery ("SMP") that we have contracted to purchase.

We also are developing Nico Young, a nickel-cobalt deposit in New South Wales, Australia.

OUR ASSETS

Specialty cobalt chemicals producer at Jervois Finland

Cobalt, copper and gold exposure with Idaho Cobalt Operations, on track to become the only primary cobalt mine in the United States

Nickel and cobalt refinery and direct downstream customer exposure by the upcoming acquisition of the São Miguel Paulista nickel-cobalt refinery in São Paulo, Brazil

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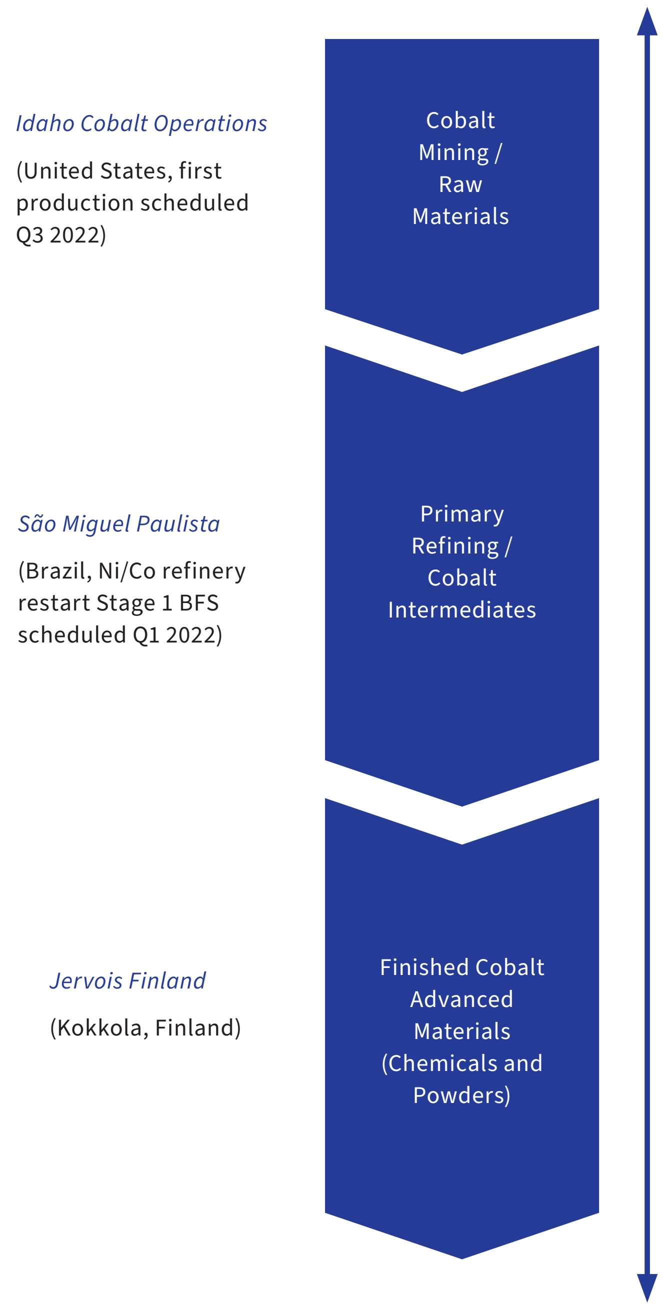
Diversification across multiple products and value chain segments reduces portfolio risk profile:



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Jervois is committed to supporting sustainability by meeting our high standards for environmental stewardship and the protection of the safety, health and wellbeing of our employees and communities and by forging meaningful and valued relationships with communities, governments and partners where we operate.

2021 Sustainability Snapshot

5
Number of times water is recycled at Jervois Finland

0
Significant incidents related to water, tailings, air emissions or human rights

3
Conservation projects supported and 3 more in the pipeline

~€0.5m
2021 cost savings from increased energy efficiency at Jervois Finland

8.7%
Employee turnover rate (Jervois Finland only)

1.41
Total recordable injury rate ("TRIR")

90%
% of local employment relative to total

100%
Cases of suspected human rights risks in mineral supply chains closed

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Sustainability Overview

Jervois firmly believes that our environmental, social and governance ("ESG") performance is intrinsically linked with our financial success. Our approach to value creation recognises that creating tangible benefits for our workforce, people in the communities where we operate and society at large, including through excellence in environmental stewardship, is fully aligned with our core values and principles and our aspirations for growth.

Whether through our efforts to become an employer of choice, reduce our carbon footprint, or by taking steps to forge meaningful, valued relationships in the communities where we work – there are a multitude of ways that investing in people and the planet leads to positive outcomes in our business. Our approach not only yields clear benefits for all stakeholders – including our shareholders – but we believe it makes us stronger, more resilient to ESG risks and is simply the right thing to do.

Our approach to value creation

Inputs

Human Capital	Natural Capital	Social Capital	Financial Capital	Manufactured Capital	Intellectual Capital
Our People	Our Environment	Our Communities	Our Funding	Our Operations	Our Innovations

Exploration → **Development** → **Mining** → **Refining** → **Advanced Cobalt Materials**

Outputs: **Production** | **Profits** | **Waste**

Outcomes

In 2021, we took important steps at both corporate and operations levels to progressively translate our sustainability commitments into action. Our inaugural Sustainability Report details our actions and progress in 2021. Selected highlights are shared below and throughout our 2021 Performance Review.

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Governance

Among important steps on our ESG journey, we expanded our suite of corporate codes, policies and standards, including those concerning sustainability, to further guide our Group's action on and responses to ESG. In 2021, we adopted and shared our new Code of Ethics and Business Conduct and Supplier Standard and, in conjunction with our acquisition of Jervois Finland, integrated a new Cobalt Sourcing Policy and related procedures to bolster our responsible sourcing efforts.

Recently, we adopted a new Human Rights Policy and issued our first Modern Slavery Statement, which shares steps taken in 2021 to identify, assess and address modern slavery risks in our business and supply chain. Both strongly reaffirm our commitment to respect human rights, including those concerning labour rights, indigenous rights and women's rights and the range of other rights and freedoms enshrined in the Universal Declaration of Human Rights and ILO Core Conventions.

In 2021, as detailed on pages 36 and 37, ESG matters were increasingly integrated within the roles and functions of our Board, senior management team through to operations. Deliberate efforts to foster a culture of sustainability aimed to build understanding, instill ownership and leverage expertise and experience at all levels and across our operations. Bi-monthly ESG and Compliance Committee meetings, co-chaired by our CEO and Group Manager - ESG and comprised of key members of our senior executive team, continued to review our ESG performance and provide direction for effective management of emerging and prevailing ESG opportunities and risks. Strong Board oversight of ESG matters also bolstered our performance. Among important metrics, ESG featured prominently on the agenda of 100% of Board meetings in 2021.

Responsible Mineral Supply Chains

Particularly in light of closing of the Freeport Cobalt acquisition (now Jervois Finland), Jervois heavily focused on integration and harmonisation of ESG systems and processes throughout 2021. Jervois Finland has a mature ESG framework in place and, throughout the integration process, progress was made towards formalising inter-operation communications and collaboration on ESG between Jervois' operating sites in Finland, the United States and Brazil. Responsible supply chains figured prominently.

Jervois Finland was the first cobalt chemical producer in the world to achieve Responsible Minerals Initiative ("RMI") Conformant Downstream Facility status. Actions therefore ensured continued conformance with OECD Due Diligence for Responsible Minerals Supply Chains, including through robust due diligence and disclosure of our related risks and response to avoid the use of conflict minerals, which directly or indirectly finance, or benefit armed groups and/or involve other serious human right abuses in conflict-affected and high-risk areas (CAHRAs). See our 2021 Public Due Diligence Report for more details.

Health & Safety

Work safely – all the time. This core principle is at the forefront of all Jervois activities. In 2021, we maintained zero fatalities and a Lost Time Injury Frequency Rate ("LTIFR") and Total Reportable Incident Rate ("TRIR") of 0.0 at operations in Idaho and Brazil. Jervois Finland exceeded their 2021 target by 25% achieving a TRIR of 1.41. Given the status of mine construction in Idaho, intensive measures were undertaken to put safety at the forefront, including through a concentrated focus on safety during contractor onboarding and direct, regular interactions and oversight by Jervois leadership and construction management.
89% of all Jervois' employees and 100% of on-site contractors received OSH training in 2021.

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Environment

Jervois continued to prioritise decarbonisation, the circular economy and climate change resilience throughout 2021. Jervois Finland's operational focus on these issues in 2021 has led to energy savings amounting to almost 2 GWh, almost 8 times the savings in the previous year. Alongside this, tangible progress has been made in cobalt recycling through research and development. At our SMP refinery in Brazil where feasibility studies are advancing and our mine under construction in Idaho (ICO), early-stage estimation of carbon footprints has enabled consideration of low-carbon entry points in decision-making. All three operations are committed to pursuing agreements with energy suppliers to source 100% renewable energy to reduce Scope 2 emissions. Efforts are reinforced by our internal Climate Action Working Group, which aims to advance Jervois' climate strategies and commitments in 2022.

Biodiversity and conservation efforts include an innovative partnership with the Idaho Conservation League ("ICL") that established the Upper Salmon Conservation Action Program ("USCAP") in March 2021. USCAP aims to protect and restore fish, water quality, wildlife habitat, and biodiversity within the Upper Salmon River basin, where Jervois' ICO is located. Jervois has committed US$0.15 million per year to the programme throughout ICO's operational life. In its inaugural year, USCAP supported three projects focused on critical habitats for spawning and/or rearing of endangered fish. This included relocation of a problematic diversion on the Lemhi River to advance habitat restoration; riparian restoration work along the East Fork of the Salmon River; and support for acquisition of a parcel of land essential to habitat recovery. Jervois aims to improve the health of this vital watershed and maintain an ongoing dialogue with

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local stakeholders to inform USCAP investment priorities, including with the Shoshone-Bannock and Nez Perce Tribes, as well and local, state, and federal agencies.

Among other highlights, robust environmental monitoring systems and procedures are in place in all Jervois operations. Zero significant water, waste, tailings and air quality related incidents and zero non-compliance incidents occurred in 2021.

People

Jervois continues to prioritise local employment and procurement, diversity and social responsibility. Within our operations, 90% of our workforce was local and 44% of management and professional positions were held by women in 2021. Community investments responded to local priorities and ranged from education and scholarships programmes to support to low-income, vulnerable families to recreational activities for children, among many others.

Fostering strong, positive relationships with communities, governments and the environment in jurisdictions where we operate continues to be one of our highest priorities. In 2021, ICO initiated a Community Benefits Agreement process with local organisations and efforts to engage the Shoshone-Bannock and Nez Perce Tribes. Formalisation of stakeholder engagement strategies is underway in all Jervois operations.

A greater emphasis on human rights provided the foundation for expansion of our human rights and environmental due diligence in our business and supply chains.

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2021 Performance Overview

The Group has a portfolio of global assets that are run on a geographic basis:

- Jervois Finland: obtained during 2021 through the acquisition of Freeport Cobalt, a leading cobalt business in Kokkola, Finland, which completed on 1 September 2021;
- Jervois USA: the Idaho Cobalt Operations ("ICO") in Idaho, which is due to commence production in 2022; and
- Jervois Brazil: an agreement to acquire the São Miguel Paulista ("SMP") nickel and cobalt refinery in Brazil from Companhia Brasileira de Alumíno ("CBA").

The Group also owns 100% of the Nico Young nickel-cobalt deposits in New South Wales, Australia, which are at pre-feasibility stage. The Group's operating loss after income tax for the 12-month period ended 31 December 2021 was A$29.0 million (six-month period ended 31 December 2020: A$24.1 million).

Financial Position

As at 31 December 2021, the Group had A$67.7 million in unrestricted and unescrowed cash (31 December 2020: A$42.3 million). Operating activities incurred cash outflows of A$42.0 million for the 12-month period ended 31 December 2021 (six-month period ended 31 December 2020: A$2.6 million). Cash outflows from investing activities totalled A$237.9 million for the 12-month period ended 31 December 2021 (six-month period ended 31 December 2020: A$1.1 million). Cash inflows from financing activities totalled A$306.1 million for the 12-month period ended 31 December 2021 (six- month period ended 31 December 2020: A$40.4 million).

Jervois Finland Financial Performance

Jervois Finland achieved 2021 revenue of US$295.8 million (A$394.0 million) and adjusted EBITDA[1] of US$19.0 million (A$25.3 million) for the full year (on a proforma basis). This included revenue of US$121.4 million (A$161.7 million) and adjusted EBITDA[1] of US$5.9 million (A$7.8 million) in the period between acquisition on 1 September 2021 and 31 December 2021.

Since Jervois closed the acquisition of Jervois Finland on 1 September, 2021, transitional factors impacted adjusted EBITDA[1], including the revenue impact of higher cobalt prices lagging quoted prices by 1-2 months, delays of contracted cobalt hydroxide deliveries being replaced by higher priced purchases in the spot market, and the mark-to-market accounting impact of unpriced or "open" cobalt hydroxide inventory in a rising cobalt price environment. "Open" cobalt hydroxide purchase volumes are marked-to-market at each month end.

When cobalt prices increase month-on-month, until cobalt quotational period and prices are final, interim accounting cost adjustment rises are recorded in Jervois Finland's income statement (which, since Jervois acquired the business, occurred in each of September, October, November, and December). Adjusted EBITDA[1] benefits of the higher cobalt price are realised once market prices stabilise or fall.

Whilst Jervois Finland was not immune to industry cost headwinds in the quarter (including pricing of consumables and utilities), underlying plant operating performance was strong with production efficiency, plant reliability and product quality all in-line with internal targets. Jervois Finland has plans in place to continuously improve cost performance and plant efficiency to offset inflationary pressures.

Closing 2021, the Jervois Finland business was underpinned by more than US$100 million (A$137.7 million) of final product inventory.

[1] Adjusted EBITDA is a non-IFRS measure and represents earnings before interest, tax, depreciation, and amortisation ("EBITDA"), adjusted to exclude items which do not reflect the underlying performance of the Group's operations. Exclusions include gains (or losses) on sale of fixed assets, impairment charges (or reversals), certain derivative items, and one-off acquisition and integration costs. Jervois Finland's adjusted EBITDA of A$7.8 million reconciles to its profit before income tax expense of A$1.7 million by deducting one-off integration costs of A$1.0 million, depreciation and amortisation of A$4.4 million, net interest expense of A$0.6 million and net foreign exchange loss of A$0.1 million.

This measure is used internally by management to assess the performance of the business and make decisions on the allocation of resources and is included to provide greater understanding of the underlying financial performance of the operations of Jervois. The non-IFRS information has not been subject to audit or review by the external auditor of Jervois and should be used in addition to IFRS information. Such non-IFRS financial information/non-GAAP financial measures do not have a standardised meaning prescribed by IFRS and may be calculated differently by other companies. Although Jervois believes these non-IFRS/non-GAAP financial measures provide useful information to investors in measuring the financial performance and condition of its business, investors are cautioned not to place undue reliance on any non-IFRS financial information/non-GAAP financial measures included within this document. When reviewing business performance, this non-IFRS information should be used in addition to, and not as a replacement of, measures prepared in accordance with IFRS, available on Jervois' website and the ASX and SEDAR platforms.

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Corporate

Acquisition of Freeport Cobalt

In July 2021, Jervois announced an agreement to acquire 100% of Freeport Cobalt by purchasing all the shares of Freeport Cobalt Oy, a Kokkola, Finland-based cobalt refining and specialty products business retained by Freeport-McMoRan ("Freeport") and certain co-owners following the sale of certain refining and battery materials activities to Umicore in 2019.

Jervois agreed to acquire Freeport Cobalt from Koboltti Chemicals Holdings Limited, a Freeport subsidiary. The final purchase price was US$185.0 million (A$251.8 million at 1 September 2021), including working capital at closing (excluding cash).

The Freeport Cobalt business consisted of:

- a capacity sharing agreement with Umicore for the 15,000mtpa cobalt refinery in Kokkola, Finland (which is operated by Umicore) under which Freeport Cobalt has contractual rights to toll refine 6,250mtpa cobalt at cost 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 acquisition transitioned Jervois into a global, vertically integrated cobalt and nickel company of scale, diversified across multiple products and value chain segments with significant relevance to leading cobalt producers and end-users, and led by a highly experienced management team.

Jervois' acquisition of Freeport Cobalt provided the Company with an established global market platform from which to operate, creating value for Jervois shareholders through technical and commercial synergies with ICO and SMP operations.

To fund the acquisition of Freeport Cobalt as well as the ongoing development ICO, Jervois completed a fully-underwritten A$313 million equity raising by issuance of new Jervois ordinary shares consisting of a ~A$136 million institutional placement and accelerated offer and a ~A$177 million 1 for 1.56 accelerated pro-rata non-renounceable entitlement offer.

On 2 September 2021, Jervois confirmed it had closed its acquisition of 100% of Freeport Cobalt (renamed Jervois Finland), with an effective acquisition date of 1 September 2021, and welcomed its new colleagues in the executive team and all operational employees at Kokkola. Detailed integration planning and execution commenced across commercial (including purchasing, sales, working capital and risk management), information technology, finance, environment and sustainability, governance, and technical services.

Utilisation of Jervois Finland's technical expertise and input as it pertains to cobalt refining and the production of battery chemicals including sulphates began, with a specific focus on the restart plans for the SMP nickel-cobalt refinery in Brazil.

ICO Debt Funding

In July 2021, Jervois announced 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 (the "Bonds"). Proceeds from the Bonds will be used to fund construction of ICO in the United States.

Clarksons Platou Securities AS acted as managers for the Nordic-style Bond Offering, launched as a private placement seeking proceeds of US$80-100 million. Demand was strong resulting in Jervois electing to issue US$100 million (A$137.7 million). The Bonds are US dollar denominated with a five-year term, unless repurchased or redeemed, and bear interest at 12.5% per annum, payable semi-annually in arrears, and were issued at a discount to par of 2%. The Bonds are debt instruments only, with no attached equity warrants or equity conversion features.

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2021 Performance Overview

The Bonds are senior debt of Jervois Mining USA Limited, an indirect wholly-owned subsidiary of Jervois and owner of ICO, and are guaranteed by Jervois.

Jervois is using net proceeds from the Bond Offering for the payment of capital expenditures, operating costs and other costs associated with the construction of ICO and bringing it into production. The issue date of the Bond Offering was 20 July 2021.

Net proceeds of the Bond Offering were placed into a US dollar denominated escrow account of the Issuer. The first US$50 million (A$68.8 million) drawdown was made in February 2022.

Jervois is not required to enter into any external off-take agreements for ICO concentrates, except in certain limited circumstances at a later date, in relation to the second drawdown and if the acquisition of SMP has not completed. The second drawdown has an outside date of 20 July 2022.

Mercuria Working Capital Facility

On 28 October 2021, the Company's wholly owned subsidiaries, Jervois Suomi Holding Oy and Jervois Finland Oy (together, the "Borrowers"), entered into a secured revolving credit facility (the "Facility") with Mercuria Energy Trading SA ("Mercuria"), a wholly owned subsidiary of Mercuria Energy Group Limited.

Jervois Finland's Facility with Mercuria is for an initial maximum amount of US$75 million with a maturity date of 31 December 2024. The Borrowers can draw to the lower of the maximum amount or 80% of the collateral value, where collateral is defined as the value of the Borrowers' inventory and receivables subject to eligibility requirements and associated terms of the agreement.

Annual interest payable on amounts drawn is LIBOR + 5.0%. The Facility is secured against the shares in Jervois Finland and its assets and is guaranteed by Jervois. A maximum of US$50 million is permitted to be transferred out of the Jervois Finland group of companies for other general purposes in the wider Group. The Facility includes an uncommitted accordion (the "Accordion") for a further US$75 million. The Accordion is subject to the commitment of the lender and satisfaction of specific additional requirements related to the security package.

Board Appointment

David Issroff joined Jervois' Board as a Non-Executive Director effective 3 September 2021 following the closing of the acquisition of Freeport Cobalt. Mr. Issroff was a founding Partner with Glencore International AG ("Glencore"), having joined Glencore South Africa in 1989. Mr. Issroff served as a Non-Executive Director of investment companies across South Africa, Switzerland and the United Kingdom. In May 2000, Mr. Issroff joined the Board of Xstrata AG, and was subsequently appointed to the Board of Xstrata plc in February 2002 at the time of the London Initial Public Offering ("IPO"). Mr. Issroff left Glencore and the Xstrata plc Board in 2006 for personal reasons to relocate to the United States.

Management Changes

During Q1 2021, a number of key corporate executives commenced with Jervois: Mr. James May (Chief Financial Officer), Mr. Craig Morrison (Group Financial Controller), Mr. Wayde Yeoman and Mr. Klaus Wollhaf (Group Manager(s) – Commercial) and Mr. Hiroyuki Shinto (Japan Marketing Adviser).

During August 2021, experienced mining executive Matthew Lengerich joined as Executive General Manager ("EGM") – Mining, as announced in July. Mr. Lengerich joined Jervois from global miner Rio Tinto, where he has spent more than 20 years in a range of roles, with his last position as General Manager – Digital Transformation, based in Salt Lake City, Utah. Over the past four years, Mr. Lengerich was a key leader of Rio Tinto's efforts to advance its capacity in artificial intelligence, data analytics and mine productivity across its global operating sites.

Prior to these specialised mining technology roles, as General Manager of Rio Tinto Iron Ore's integrated operations centre in Perth, Australia, Mr. Lengerich had responsibility for 450 staff in central control, executing dynamic scheduling and maintaining the production systems associated with the delivery of 320Mtpa of iron ore from Western Australia. Earlier, Mr. Lengerich was General Manager of the Bingham Canyon Mine near Salt Lake City, a major Rio Tinto mine moving 260Mtpa of material to produce 300,000tpa copper. Mr. Lengerich led the site team of 1,100 employees.

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Bingham Canyon remains a world-class operation with industry leading geotechnical engineering, safety and asset performance, and life of mine planning. Prior to the General Manager role, Mr. Lengerich was Bingham Canyon's Mine Manager for two years.

Mike Romaniuk joined as Project Director – ICO, and has been working closely with prior Australian based Project Director Mr. Russell Bradford to transition responsibilities across to the United States as construction accelerates.

Mr. Romaniuk is a project executive with more than 30 years of experience, of which 25 years were with Xstrata plc ("Xstrata") and its predecessor, Falconbridge Limited ("Falconbridge").

As Vice President – Sudbury Operations, Mr. Romaniuk ran the Sudbury Integrated Nickel Operations division for Xstrata (now Glencore plc), which compromised several integrated Sudbury mines (including all company mines in the Sudbury nickel basin; today Fraser and Nickel Rim South), together with the Montcalm mine in Timmins, the Strathcona milling complex and the Sudbury nickel-copper-cobalt smelter. Mr. Romaniuk was responsible for managing 2,500 direct employees and contractors, and all Xstrata capital projects in the basin.

Specifically, Mr. Romaniuk was Project Director – Nickel Rim South, a C$925 million underground mine on the north-east edge of the Sudbury basin, completed ahead of schedule and under budget in 2010 by Xstrata following its 2006 acquisition of Falconbridge. Prior to his role leading the Sudbury Integrated Nickel Operations for Xstrata, Mr. Romaniuk was Commissioning Manager at the Raglan Operations also owned by Falconbridge in Nunavik province, in the north part of Quebec, Canada.

Jervois Finland's leadership carried across from the Freeport Cobalt acquisition, with the appointment following closing of Mr. Sami Kallioinen (President and Managing Director), Ms. Pia Lehtonen (Financial Controller), Dr. Thomas Slotte (Director – Plant Support and Administration), Mr. Juha Järvi (Director – Technical Services), Mr. Jeff Blazek (Global Business Manager – Powder Metallurgy) and Mr. Mike Lacis (Global Business Manager – Chemicals, Catalysts and Ceramic).

Other corporate executive appointments across 2021 included former Xstrata executive Mr. Ian Woolsey joined the Company as Group Manager – Information Technology ("IT") in September, after more than a decade with Glencore and Xstrata where he led the IT integration of major cross-border transactions including the Xstrata acquisition of MIM Holdings and Falconbridge, together with the Glencore-Xstrata merger. Mr. Woolsey is leading the IT integration of Jervois Finland, ICO and SMP as the appropriate systems, governance and controls are rolled out across the expanded group to reflect its maturity as an operating business of scale.

Former Glencore executive Mr. Louis Martin was appointed as Group Manager – Tax in November 2021, based at the Company's new commercial office in Nyon, canton of Vaud, Switzerland, effective 1 April 2022. Mr. Martin joined Jervois with more than 30 years of experience in taxation.

Company Name Change

Effective 6 August 2021, the Company name changed from Jervois Mining Limited to Jervois Global Limited following shareholder approval on 29 July 2021. There was no change to the ASX or TSX-V code for Jervois, which remained JRV, and there was no change to the International Securities Identification Number which remained AU000000JRV4.

Other Corporate Activities

Jervois Switzerland SA was incorporated with an effective date of 16 December 2021. This entity will house Jervois' emerging global nickel and cobalt trading activities, structured and built up around its three current and future operating sites of Jervois Finland, ICO and SMP.

In addition to Jervois commercial and taxation functions, Chief Executive Officer Mr. Bryce Crocker will also be based out of the Nyon, Switzerland office.

The Company upgraded its status with OTC Markets in the United States to OTCQX in January 2022.

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Operations

Jervois Finland

Jervois Finland is a leading provider of cobalt-based products with a comprehensive portfolio serving the Chemical, Catalyst, Inorganic Pigment, Powder Metallurgy and Battery industries. Jervois Finland has a production facility located in Kokkola, Finland, and a global sales and distribution network to service the needs of our customers world-wide. Jervois Finland also has long term agreements in place, which ensure the stable supply of cobalt products to the market – with a strong commitment to sustainability and social responsibility.

Following completion of its acquisition of Jervois Finland on 1 September 2021, Jervois reported proforma third and fourth quarter revenue of US$76.9 million (A$102.4 million) and US$96 million (A$127.9 million), respectively based on cobalt sales volume of 1,415 metric tonnes and 1,687 metric tonnes in each quarter.

Q4 2021 was the strongest quarter of the calendar year due to a combination of positive cobalt price momentum and strong sales volumes. Q4 2021 also represented the strongest revenue performance for Jervois Finland since Q3 2018 (on a proforma basis).

Proforma 2021 full year revenue was US$295.8 million (A$394.0 million), based on cobalt sales volume of 5,677 metric tonnes. Production for the year was broadly in line with sales volumes.

Jervois' outlook for 2022 is positive, with strong demand across its industrial customers in each of Europe, the United States, Japan, and the rest of Asia. Demand in key market segments is currently robust, and expected to remain so across the year based on Jervois' customer feedback on their own sales projections, as global recovery from the COVID-19 pandemic continues to gain momentum in traditional cobalt markets alongside the growth in electric vehicles.

Jervois Finland was the first cobalt chemical producer in the world to achieve Responsible Minerals Initiative ("RMI") Conformant Downstream Facility status and support for ethical sourcing practices continues to be a high priority. Actions were therefore prioritized to ensure continued conformance with OECD Due Diligence for Responsible Minerals Supply Chains. This included transparent communications with upstream suppliers and customers, formal registration of changes with RMI and by providing required disclosures and links to the RMI grievance mechanism through the launching of the Jervois Finland website (www.jervoisfinland.com).

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Operations

Idaho Cobalt Operations, United States

Detailed design work progressed with M3 Engineering and Jervois ordered long lead items including the primary crusher and feeder, SAG mill, variable speed drives, flotation cells and blowers at the start of 2021.

Early works progressed well, starting with mobilisation of local contractors to assist final assembly of the water treatment plant on site.

Jervois focused on finalising site establishment during the North American summer so construction of the process plant and the mining of the portal and development could take place in the winter. Activities included finalising construction of the water treatment plant and pump back system, laying of concrete foundations, erection of the mill and flotation buildings, the laying of a high density polyethylene ("HDPE") liner for the dry stack tailings facility and the commencement of an accommodation camp.

Bondholders associated with the US$100 million Senior Secured Bond engaged RPM Global USA as Independent Engineer to review ICO, and RPM finalised its Independent Technical Report after a site visit in April 2021.

Jervois' Board approved final construction of ICO in early July 2021 following the Bond Offering, which Jervois is using to pay capital expenditures, operating costs and other costs associated with the construction of ICO and bringing it into production.

Jervois awarded Metso Outotec the design, fabrication and delivery contract for a 4.7m diameter and 2.5m-long 750kW SAG (semi-autonomous grinding) mill. The mill will comfortably accommodate the nameplate 1,200stpd processing capacity cap applied in the ICO BFS.

Preparatory works, such as installation of equipment required to commission the water treatment plant ("WTP"), civil and concreting works for the fine ore bin installation, mill and flotation buildings erection, relining of the dry stack tailings facility, installation of the water pump back system and preparation of the portal bench, including bolting and meshing of the slope above the proposed portal, commenced in mid-2021.

Great Basin Industrial, a local contractor, worked with Jervois and M3 Engineering on the completion of the Veolia-designed WTP. Commissioning of the WTP started in September 2021, and it is now water commissioned.

Local company Scarrow Excavation completed a portal bench extension and associated road network from the portal. It has also commenced the installation of the water pump back system from the portal to the process plant water distribution manifold and WTP.

Western United States construction company Capra Group commenced on site in late July 2021, completing concrete and civil work for the mill and flotation building and civils for the fine ore bin.

Northwest Linings and Geotextile Products, Inc. completed the laying of a HDPE liner on the dry stack tailings facility which will be used to temporarily store mine waste rock during mine development and mill dry stack tailings during operation when paste fill is not required. This liner installation has been certified to meet all standards required for a HDPE liner installation by geotechnical engineering company Newfields.

Small Mine Development opened the west portal and commenced development at the east portal in Q4 2021, with first ore anticipated before the end of Q1 2022. The first underground drill bays have been completed, and drills are being installed to support the initial programme ahead of first mining. With the commencement of underground construction, ICO has commenced waste haulage to the Tailing Waste Storage Facility ("TWSF"). Scarrow Excavation is contracted to provide haulage to, and operation of, the TWSF.

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Delivery of initial modules of the accommodation camp was delayed, and the camp is scheduled to be operational in April 2022, with first modules now received in Salmon.

Jervois concluded a cost and schedule review for ICO in December 2021, with total estimated project expenditure for ICO development increasing from US$92.6 million to US$99.1 million, primarily due to inflationary pressure from labour and materials markets. Increases in costs relating to HDPE for the waste storage facility, steel and cement supply, camp materials, construction and site labour costs all contributed to inflationary pressure on the project budget and were incorporated into the revised forecast.

At the time of this report, Jervois had committed almost US$82 million of the total capital expenditure budget. Capital expenditure in the calendar year was US$21.7 million (A$29.9 million).

During 2022, Jervois is planning a drill programme both at surface and below ground. The initial underground section of this plan is to improve the robustness of the resource model that will be generating a production block model for mining start up later this year. Planning is also underway to determine what resource extension targets can be drilled from underground positions. Surface drilling is also anticipated during 2022, targeting extension of the existing Mineral Resource Estimate.

ICO will create approximately 200 local construction jobs and 180 operational positions once the site transitions into commercial operation. During 2H of 2021, ICO successfully recruited 25 staff positions, including all ICO management positions and many key technical staff.

Partnership with Idaho Conservation League

In March 2021, Jervois announced it had partnered with the Idaho Conservation League ("ICL") to protect and restore fish, water quality, wildlife habitat, and biodiversity within the Upper Salmon River basin, where Jervois' ICO are located in Idaho.

Under the innovative and voluntary partnership, Jervois will contribute US$0.15 million per year into a dedicated fund for the programme through the operational life of the ICO mine. The programme is separate from and unrelated to the mitigation measures and other regulatory requirements applicable to the ICO.

Jervois aims to extend its positive environmental ethos to supporting improvements in the health of a vital watershed and maintain an ongoing dialogue with communities in the area, including the Shoshone-Bannock and Nez Perce Tribes, as well and local, state, and federal agencies, about investment priorities for the programme.

In June 2021, the Company and ICL confirmed the selection of three initial restoration projects as part of the Upper Salmon Conservation Action Program's ("USCAP") inaugural round. Following the request for proposals in the spring, the USCAP funding committee selected three proposals from a competitive pool of applicants.

The Lemhi Soil and Water Conservation District received US$85,000 to move a problematic diversion on the Lemhi River to advance an extensive fish habitat restoration project. This area has been identified as critical habitat for juvenile Chinook salmon and steelhead.

The USCAP selected White Clouds Preserve for US$35,000 in funding to conduct riparian restoration work. The non-profit manages a 432-acre former ranch along the East Fork of the Salmon River. Endangered Species Act-listed Chinook salmon, steelhead and bull trout spawn and rear their young in the East Fork. The grant, implemented in collaboration with the Shoshone-Bannock Tribes and local native plant experts, enables the White Clouds Preserve to monitor and restore critical salmon and steelhead populations along the East Fork.

The Western Rivers Conservancy received US$30,000 to assist with acquiring a key parcel of land along Panther Creek, a major tributary of the Salmon River. This action is an important step in the recovery of spawning and rearing habitat for endangered fish.

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Operations

São Miguel Paulista Nickel and Cobalt Refinery, Brazil

Jervois awarded the SMP refinery integrity and restart audit to Promon Engenharia Ldta (“Promon”) in Brazil. Promon completed a detailed refinery integrity audit focused on civil, structural, electrical, and mechanical core disciplines.

Jervois retained Ausenco as lead engineering contractor for the SMP BFS to assess existing equipment installed, identify process bottlenecks, and design a facility that is both an optimal capital investment capable of rapid investment decision and implementation and consistent with Brazilian permitting requirements to ensure regulatory compliance.

In addition, Jervois engaged both Metso Outotec and Sherritt to undertake testwork and piloting to support engineering and equipment selection for the BFS, specifically the pressure oxidative ("POX") autoclaves.

Jervois expanded the BFS scope of work in September 2021 to include a significant increase in the forecast pressure oxygen (“POX”) leach circuit capacity. However, in Q4 2021, insights from the study indicated an increased size of the POX autoclave, which was under evaluation by Jervois to restart SMP at its prior nickel capacity of 25,000mtpa, had a lead time incompatible with the ICO commissioning schedule. In view of this, Jervois is now planning to initially install a smaller POX autoclave, dedicated to ICO cobalt concentrate.

Subject to the outcome of the BFS, first cobalt production from the ICO POX autoclave is anticipated in Q2 2023, with potential for SMP production capacity to increase from Q2 2024 to 25,000 tonnes nickel and 2,500 tonnes cobalt.

Jervois progressed its review of alternative product flowsheets, with a preliminary conclusion that the initial SMP product will remain cathode (rather than chemicals such as nickel sulphate) due to lower capital expenditure requirements, shorter restart lead-times and strong demand for electrolytic nickel. A switch to nickel sulphate remains feasible and will be determined in conjunction with customer discussions, which remain ongoing.

The SMP Stage 1 BFS outcomes for processing mixed nickel hydroxide precipitate (“MHP”) and cobalt hydroxide are expected to be released by end Q1 2022, with Stage 2 including the larger POX expected to be released by Q3 2022.

Jervois holds a lease over SMP, providing it access to undertake the BFS on a potential restart of the facility ahead of its acquisition from CBA (an investee company of Votorantim). Closing of the SMP refinery acquisition by Jervois is subject to several conditions precedent, including renewal of the São Paulo City Hall operating permit, with the outside date for closing extended to 31 May 2022, however the R$1.5 million (A$0.4 million) monthly lease charge ceased from the start of January 2022.

The cash purchase price of R$125.0 million (A$30.9 million) payable in tranches, conditional upon permitting, restart BFS outcomes and future production thresholds – except for a R$15 million (A$3.7 million) initial payment in December 2020 – remains payable in stages to June 2023. The next acquisition payment payable by Jervois will be R$47.5 million (A$11.7 million) cash on closing.

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Nico Young Nickel-Cobalt Project, New South Wales, Australia

Jervois' 100%-owned Nico Young nickel and cobalt deposits are comprised of mineralisation bodies held under separate but adjacent exploration licenses, "Young-Ardnaree" and "Thuddungra". The project envisages heap leaching nickel and cobalt laterite ore to produce either an intermediate mixed hydroxide precipitate ("MHP") or refining through to battery grade nickel sulphate and cobalt in refined sulphide.

In May 2019, Jervois released a positive NI 43-101 compliant Preliminary Economic Assessment ("PEA") on Nico Young. The PEA supported the technical and economic viability of heap leaching laterite ore, based on the production of battery grade nickel sulphate hexahydrate crystal and cobalt sulphide, as final, refined products. Within the study scope, Jervois also completed to the equivalent level of engineering, the ability to produce an MHP.

In prior roles, Jervois' Directors and Executives constructed, commissioned and operated the only commercially successful nickel-cobalt heap leach operation outside of China at Glencore's Murrin Murrin facility in Western Australia, which was based on ores similar to Nico Young. Jervois' view is that heap leaching is the most attractive development route for the low-grade nickel-cobalt mineralisation of eastern Australia.

Heap leaching nickel laterites in dry climates is a sensible, lower capital and reduced technical and environmental risk development approach versus the high capital and elevated construction and operating risk nature of high-pressure acid leach facilities.

When completing the PEA, Jervois noted Nico Young provided an attractive opportunity for development when commodity prices improved. Nickel and cobalt prices have significantly increased since that time, materially above those applied in the PEA. In addition, MHP payables have risen from ~75% on nickel up into the low 90's.

During 2021, the Company continued discussions on a suitable ownership structure and marketing strategy to secure a partner to advance into BFS.

However, the upcoming anticipated closing of the SMP acquisition could enable a revised development plant at Nico Young to produce an MHP suitable for refining in Brazil, resulting in estimated capital savings of approximately A$200 million based on numbers from the 2019 PEA.

In Q4 2021, Jervois' Board approved recommencement of drilling at Nico Young during 1H 2022, with an initial focus on converting inferred resources into the indicated category.

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Leadership and Governance

Achievement of Jervois' mission to be the leading supplier of responsibly sourced cobalt metal and chemical products and to provide a secure supply to consumers hinges on exceptional leadership and robust governance. Good governance ensures we create, sustain and deliver value in the short, medium and long-term with due consideration of the interests of our business and those of our stakeholders and in full alignment with our core values, principles and commitments.

Accountability for our governance and performance ultimately lies with our Board of Directors ("the Board"). The Board charts the course for our business, gauges our risk exposure and overall risk appetite and ensures that sound governance systems are in place and support achievement of our goals.

This section presents and/or compliments key components of the Directors' Report (pages 39 to 63) and should be read concurrently.

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Board of Directors

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

Peter Johnston (70)

Non-Executive Chairman
Independent
BA, FAICD, FAusIMM

Appointed Chairman
1 July 2018

100%

Peter Johnston is recognised as one of Australia's leading mining executives and Board Directors, with more than 35 years of operational and project development experience. Prior to joining Jervois, Mr Johnston was Interim Chief Executive Officer of Tronox Limited, a NYSE-listed titanium dioxide feedstock and processing business. Mr Johnston was Head of Global Nickel Assets for Glencore International AG ("Glencore") from 2013 to 2015. During this period, he was responsible for all of Glencore's nickel-cobalt mine and processing facilities operations across Australia, Canada, the Dominican Republic, New Caledonia, and Norway, as well as the Kabanga nickel-cobalt project in Tanzania. He was a member of the Glencore Executive Management Committee. From 2001 to 2013, Mr Johnston was Managing Director and CEO of Minara Resources Limited, listed on the ASX and a subsidiary of Glencore from 2005 until late 2011 when Glencore delisted it. External directorships: NRW Holdings Ltd and Tronox Limited.

Bryce Crocker (46)

Chief Executive Officer
Bsc, LLB (Hons), GradDip
Applied Finance and
Investment

Appointed CEO
1 October 2017

100%

Bryce Crocker is a seasoned mining and natural resources executive with significant experience in base metals, including cobalt. Mr Crocker joined Xstrata plc shortly after its IPO in mid-2002, was based in London in business development roles until 2006, when he transitioned to Canada following the acquisition of Falconbridge and the establishment of Xstrata Nickel headquarters in Toronto. His past nickel/cobalt roles at Xstrata plc's nickel division include VP and Head Strategy, Marketing and Research, and GM and Head Business Development. Mr Crocker was a Director on the Xstrata Nickel Board, an Xstrata nominee Director to the Nickel Institute Board (global body representing the industry) and an Xstrata nominee to the Kabanga Shareholder Advisory Committee. Following the sale of Xstrata to Glencore in 2013, Mr Crocker was based in Latin America focused on natural resource investments in the region. Mr Crocker holds an LLB (Honours) and BSc from the University of Melbourne and a Post Graduate Diploma in Applied Finance and Investment from the Australian Securities Institute.

Brian Kennedy (62)

Non-Executive Director
Independent
Cert. Gen. Eng.

Appointed
1 October 2017

100%

Brian Kennedy has more than 35 years of experience in the construction and mining sectors with clients across coal, iron ore, nickel, cobalt, gold, and fertilisers, both in Australia and overseas. During his career, Mr Kennedy has managed large scale mining operations such as Kambalda and Mt Keith on behalf of WMC Resources, and Murrin Murrin for Glencore. Mr Kennedy has extensive experience in nickel/cobalt/base metal project start-ups in both construction and transition to operations. Specific roles include Project Manager for Albidon at Munali nickel mine in Zambia, GM Dikulushi copper mine for Anvil Mining Ltd in DRC, Project Technical Manager for Vale Inco at Goro New Caledonia, Senior VP AngloGold Ashanti DRC, Director Kabali Gold Mines and Director Kabali SPRL DRC. Mr Kennedy was a founding shareholder and Director of Reliance Mining, before its takeover by Consolidated Minerals, and a founding shareholder and Non-Executive Director of Silver Lake Resources.

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Michael Callahan (58)

Non-Executive Director
BSc (Accounting)

● ●

Appointed
24 July 2019

95%

Michael Callahan was appointed on 1 October 2018 as President and CEO of eCobalt. Previously he was VP of Corporate Development and President of Hecla Mining's Venezuelan mining operations, President of Silvermex Resources Inc. and President and CEO of Western Pacific Resources Corp. Mr Callahan is a strong and experienced executive with extensive operational and public company management experience having held senior management roles at numerous development and production stage mining companies. Mr Callahan has established and led numerous sizeable operations in North America and internationally and has been responsible for the evaluation and execution of several growth-oriented transaction throughout his career. External directorships: Mr Callahan was formerly the CEO and a Director of eCobalt Solutions Inc, resigned 24 July 2019.

David Issroff (56)

Non-Executive Director
BA (High Honors)

● ●

Appointed
3 September 2021

100%

David Issroff was a founding Partner with Glencore International AG, having joined Glencore South Africa in 1989. In 1992, he transferred to Glencore's head office in Switzerland with responsibility for the marketing of ferroalloys (including nickel and cobalt). In 1997, he was appointed Head of the Ferroalloys Division at Glencore International AG, where he was responsible for the global Ferroalloys (including ferrochrome, manganese alloys, ferrosilicon and vanadium), Nickel and Cobalt Divisions of one of the world's largest suppliers of a wide range of commodities to industrial consumers. In his capacity with Glencore, Mr Issroff served as a Non-Executive Director of investment companies across South Africa, Switzerland and the United Kingdom. In May 2000, Mr Issroff joined the Board of Xstrata AG, and was subsequently appointed to the Board of Xstrata plc in February 2002 at the time of the London Initial Public Offering . Mr Issroff left Glencore and the Xstrata plc Board in 2006 .

Alwyn Davey (46)

Company Secretary
LLB

Appointed
12 April 2017

100%

Alwyn Davey was appointed as Company Secretary in 2017. Mr Davey has more than 20 years of experience as Company Secretary in relation to corporate governance, new stock market listings, secondary fundraising, and cross border mergers, acquisitions, and investments. Mr Davey's primary responsibility is to support the Board in its corporate governance and administrative compliance of the Company with ASIC and the ASX Listing Rules, a role he has undertaken for several other ASX-listed entities as well as compliance with the TSXV Exchange Policies. Mr Davey holds an LLB degree from Waikato University, New Zealand.

■ Audit and Risk Committee

■ Nomination and Remuneration Committee

■ Governance Committee

% Board and committee meeting attendance record

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Officers

James May (43)
Chief Financial Officer / EGM Finance

Appointed 1 March 2021

James May has more than 20 years of experience in the global resources industry. He began his career with Deloitte in London within its energy and resources division, before joining Rio Tinto in 2006. At Rio Tinto, Mr May spent time in a variety of global positions culminating in the role of Interim Vice President – Sales and Marketing, for the Energy and Minerals sales portfolio, based in Singapore. Mr May was also responsible for new business initiatives and marketing projects for the portfolio, including the evaluation of commercial opportunities in lithium and other battery metals. Prior to 2018, Mr May spent four years in Darwin as Chief Financial Officer of Energy Resources of Australia Limited, an ASX-listed uranium miner majority owned by Rio Tinto. In this role he was responsible for leadership of all finance, commercial, business development and governance activities. Mr May also spent time in corporate roles with Rio Tinto as part of the group business development team focused on corporate strategy, M&A and related projects, and in roles with group finance.

Ken Klassen (55)
General Counsel / EGM Legal

Appointed 1 June 2019

Ken Klassen was the General Counsel of Glencore Plc where he was responsible for the global legal function including a team of in-house lawyers supporting executive management, business operations and the Board of Glencore, one of the world's largest diversified natural resources companies. Prior to joining Glencore, Mr Klassen had a successful 20-year career as a Canadian M&A lawyer at leading Canadian firms.

Gregory Young (57)
EGM Commercial

Appointed
16 October 2020

Gregory Young is one of the world's foremost traders of nickel and cobalt products, with extensive knowledge of the commodities, their materials flow, market indices and pricing strategies. Mr Young gained this experience during his 25-year tenure in Glencore's United States business, which culminated in his appointment as Co-Head of Glencore USA, a position he held for over 10 years. Mr Young ran Glencore's Stamford office in Connecticut, which housed approximately 50 metals traders and other employees.

Matthew Lengerich (44)
EGM Mining

Appointed
16 August 2021

Matt Lengerich joins Jervois from global miner Rio Tinto, where he has spent more than 20 years in a range of roles, with his last position as General Manager – Digital Transformation, based in Salt Lake City, Utah where he was accountable for the delivery and support of digital transformation across a number of Rio Tinto's global operations.

Prior to these specialised mining technology roles, Mr. Lengerich held operating and technical roles across all major product groups including energy, aluminum, copper and iron ore. Prior to 2015, he was General Manager of Rio Tinto Kennecott's Bingham Canyon Mine, where he was responsible for the safety, operations, technical and financial performance of the large, polymetallic open-pit operation. As General Manager of Rio Tinto Iron Ore's integrated operations centre in Perth, Australia, Mr. Lengerich had responsibility for 450 staff in central control, executing dynamic scheduling and maintaining the production systems associated with the delivery of 320Mtpa of iron ore.

Sami Kallioinen (49)
President, Jervois Finland

Appointed
1 November 2021

Sami Kallioinen is the President and Managing Director of Jervois Finland. Mr Kallioinen has worked since 1998 in various senior finance director roles and M&A projects. He started as Finance Manager and in 2007 took the role of Controller for the Cobalt Business Unit. From 2008 to 2010 Mr Kallioinen was on assignment in USA, Cleveland and was promoted to President in 2019. Mr Kallioinen has a Master's Degree of Science in Economics and Business Administration.

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Board Composition and Performance

Board Composition

The Board is composed of leaders whose individual and combined expertise, shared values and principles and exceptional commitment to Jervois' success determine our organisational culture. During the period ending 31 December 2021, the Board was comprised of four Non-Executive Directors all of whom were independent with the separate roles of the Non-Executive Chairman and Chief Executive Officer governed by the Board Charter.

Board Performance

The number of meetings of the Company's Board held during the year ended 31 December 2021 was 20 and the number of meetings attended by each Director were:

	Directors' meetings		Meetings of Committees of Directors			
			Nomination and Remuneration		Audit and Risk	
	Held (H)	Attended (A)	H	A	H	A
Bryce Crocker	20	20				
Peter Johnston	20	20	1	1	2	2
Brian Kennedy	20	20	1	1	2	2
Michael Callahan	20	19	1	1	1	0
David Issroff	5	5				

As a relatively top-light organisation that highly values agility and fiscal discipline, the Board, through its Non-Executive Directors, are directly engaged in the Nomination and Remuneration Committee and, with respect to our Health, Safety and ESG, all leadership roles and responsibilities are wholly integrated within ongoing Board functions, activities and meetings of Directors (page 36).

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Key Decisions of the Board

In the year ending December 31, 2021, the key decisions of the Board included:

- The agreement to acquire Freeport Cobalt
- The approval of the US$100 million senior secured bond for ICO
- Approval for the A$313.0 million capital raising; and
- Review and approval of the proposed activities and operating budget for the 2022 financial year

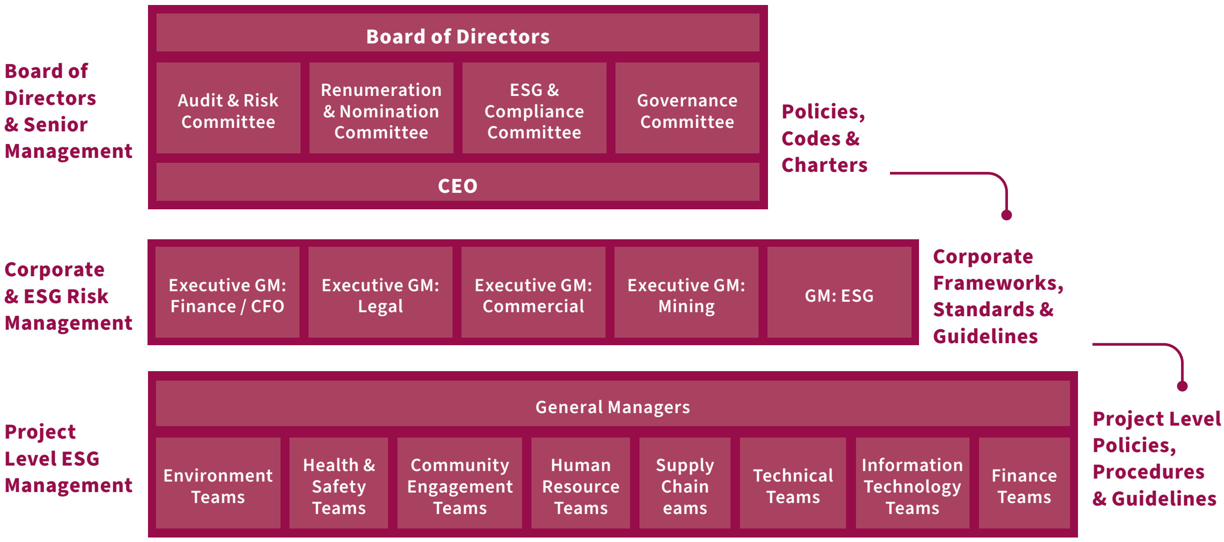
Performance Evaluation

During the financial year, Jervois' Board did not undertake a specific internal performance evaluation to assess the overall effectiveness of the Board and its committees, however it did consider these aspects of its roles and responsibilities on an ad hoc basis at its regularly scheduled board meetings and through its review of its ESG activities. The Board evaluated the performance of its Chief Executive Officer during the period.

Moving forward it is intended that internal evaluations to identify strengths and areas for improvement and outline strategies and actions to enhance performance during the year will be undertaken.

Structure, Systems and Processes for Effective and Ethical Governance

The continued monitoring of our organisational culture to ensure full alignment with our core values of Responsibility, Integrity and Accountability requires ongoing ethical leadership and disciplined oversight of governance systems and processes by the Board. To achieve this, the Board Charter provides the overarching system and process to manage the Board's responsibilities. The Board is further supported by key committees, each of which has specific terms of reference as outlined in their respective charters and available on the Company's website.



Integration of Sustainability and ESG Risk and Opportunity Management in Governance Structure

In the year to 31 December 2021, Jervois continued to make progress advancing ESG integration and strengthen related risk and opportunity management structures, process and capacity from the Board through senior management to operations levels.

The Board is ultimately responsible for thoroughly assessing principal risks and opportunities facing Jervois, monitoring our risk exposure and response and ensuring related decisions serve our strategic priorities. In addition to the broad range of priorities outlined in the Director's Report, 2021 saw even greater focus on ESG risks and opportunities. In addition to periodic briefings of the Board on any emerging and significant ESG risks, opportunities, and incidents, 100% of Board meetings in 2021 included an agenda item specific to ESG. While briefings focused on the status of ESG integration, performance and related risks and opportunities, various priority issues were profiled in meetings. This ranged from climate change to supply chain due diligence to human rights, among others.

Within their respective areas of responsibility, our Committees and Senior Management continually identify, prioritise and monitor emerging and prevailing risk while ensuring resulting decisions and actions are aligned with our core business objectives and vision, values and principles. Our Audit and Risk Committee plays a key oversight role with support from the Remuneration and Nomination function within the Board and Senior Management team. This was reinforced by bi-monthly ESG and Compliance Committee meetings, co-chaired by our CEO and Group Manager, ESG and comprised of key members of our

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senior management team. While reviewing progress, the ESG and Compliance Committee provided direction and guidance for effective management of emerging and prevailing ESG opportunities and risks. This integration is further supplemented by weekly, bi-weekly or monthly scheduled updates between the Group Manager, ESG, and key members of the Executive and Senior Management team, including the CEO, CFO and commercial team members.

At operations level, ESG teams assess environmental, social and economic risks and opportunities on an ongoing basis under the oversight of operation leadership. As our operations in Idaho and Brazil move towards production, Jervois is leveraging experience and expertise within these operations and Jervois Finland to advance peer-to-peer coordination. Processes to support vertical bottom-up and top-down and lateral collaboration, communication and cooperation across Jervois is yielding valuable outcomes in terms of building understanding and capacity, harmonizing approaches and achieving buy-in at all levels.

Our current period reporting ESG is set out on pages 14 to 17 and in our Sustainability Report released alongside this Annual Report.

Policies, Charters and Codes

The Company annual Corporate Governance Statement dated 11 March 2022 is available on the Company's website. This sets out the extent to which the Company has, during the financial period ending 31 December 2021, followed the recommendations set by the ASX Corporate Governance Council in its publication Corporate Governance Principles and Recommendations.

Accountability Mechanisms

Jervois is committed to ensuring the highest standards of fair dealing, honesty, and integrity in its business activities.

To support this, the Company adopted a new Supplier Standard in 2021 that outlines expectations for our suppliers, consultants, contractors and others who provide goods and services to our business. The Standard spans issues from anti-corruption to human and labour rights, health and safety, environment and responsible mineral supply chains. The Group's contractual agreements with its suppliers further formalized supplier commitments to ethical practices by requiring compliance with our Code of Ethics and Business Conduct.

Our efforts to support ethical practices in our business and supply chains were further reinforced during the acquisition of Jervois Finland through integration of a Cobalt Supply Chain Policy and related procedures to support continued conformance with the Responsible Mineral Initiative's (RMI) Downstream Conformant Downstream Facility status.

These mechanisms bolster our efforts to increase accountability through our group-wide whistleblower process, RMI-hosted grievance mechanism and local internal and external grievance mechanisms. In 2021, we received 0 complaints or concerns related to ethical business conduct through these mechanisms.

There is a standard agenda item at each Board meeting that concerns Corporate Governance and Compliance. This includes any reports via the Whistleblower Policy, breaches of the Code of Ethics and Business Conduct and any related information.

Public disclosures related to our policies, actions taken and performance reinforce accountability further. In addition to quarterly and other reports via the ASX, this includes our 2021 Sustainability Report, 2021 Modern Slavery Statement and, in conjunction with RMI requirements, Jervois Finland's Public Due Diligence Report, among others.

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Directors' Report

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Directors' Report

The Directors present their report, together with the financial statements, on the consolidated entity consisting of Jervois Global Limited ("Jervois" or the "Company") and the entities it controlled (together referred to as the "Group") for the year ended 31 December 2021.

1. Directors

Please see pages 30 to 31 for the details of the persons who were Directors of Jervois during the whole of the financial period and up to the date of this report, unless otherwise stated.

2. Directors' meetings

The number of meetings of the Company's Board of Directors ("the Board") held during the period ended 31 December 2021 was 20 and the number of meetings attended by each Director is set out on page 34.

3. Principal activities

The principal activity of the Group during the year was mine construction, refinery studies and cobalt chemical production.

4. Review of operations

The review of operations, sustainability overview and business performance is set out on pages 13 to 27 above.

Capital Raising

In August 2021, the Company undertook a successful capital raising of A$313.0 million.

Significant Developments

The significant developments during the reporting period are outlined in Section 6 of this Directors' Report entitled "Significant Changes in the State of Affairs".

Business Risks

The following represent the material business risks.

The Company's annual budget and related activities are subject to a range of assumptions and expectations all of which contain a level of risk. The Company adopts a risk management framework to identify, analyse, treat, and monitor the risks applicable to the Group.

Detailed below are risk areas that have been identified as at the date of the Directors' Report which may affect Company's future operating and financial performance and the approach to managing them.

The Company is subject to numerous risks and uncertainties due to the nature of its business. The Company's activities expose it to various financial and operational risks that could have a significant impact on its level of operating cash flows in the future. Readers are advised to study and consider risk factors stressed below.

The following are identified as the main risk factors affecting the Company.

Acquisition Risks Related to Jervois Finland ("Acquisition")

Future earnings may not be as expected

The Company undertook financial and business analysis of Freeport Cobalt (renamed Jervois Finland) to determine its attractiveness to the Company and whether to pursue the Acquisition. It is possible that such analysis, and the best estimate assumptions made by the Company, drawn conclusions and forecasts in relation to guidance and synergy statements are inaccurate, or will not be realised in due course.

To the extent that the actual results achieved by Jervois Finland are different than those anticipated or any unforeseen difficulties emerge in integrating Jervois Finland, there is a risk that the profitability and future earnings of the operations of Jervois Finland and the Group may differ (including in a materially adverse way) from the performance as expected.

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Directors' Report

Historical liability

There is a risk that the Company, as the new owner of Jervois Finland, may become directly or indirectly liable for any liabilities that Jervois Finland has incurred in the past, which were not identified or able to be quantified during due diligence or which are greater than expected, and for which there is no protection for the Company (either in the form of insurance or by way of representations, warranties and indemnities in the stock purchase agreement for the Acquisition).

Synergies may not be realised

The Company's decision to proceed with the Acquisition was premised on a variety of assumptions, including the realisation of various synergy benefits. There is no assurance that the Acquisition will perform as the Company expects or that the Company will achieve the expected synergies which could have a material adverse effect on the Group's business and the price of the Company's securities.

Cobalt prices

A significant proportion of Jervois Finland's product sales are based on prices linked to the quoted prices for cobalt. Purchases of cobalt hydroxide, which is refined and then processed into a range of cobalt products, are priced according to a percentage of quoted cobalt prices. Changes in the quoted price of cobalt impact Jervois Finland's sales, costs, profitability, cash flow, and working capital requirements. Rapid or material adverse movements in the quoted price of cobalt, may lead to financial losses and may adversely impact liquidity of the Group.

Feed supply payables

The cobalt hydroxide (feed supply) cost is typically paid as a percentage of the cobalt price and may be influenced by levels of available supply feed stock. In market conditions where there is limited supply feed, the Group may need to pay a higher percentage to secure supply. Historically a higher payable is often associated with higher cobalt prices, however this is not always the case. If a higher payable is required without a commensurate change in the quoted price of cobalt, this may impact the operating margin and therefore the future profitability of Jervois Finland.

Risks to availability of supply

In view of forecast growth in demand for cobalt, there is a risk that supply availability will be partially or totally constrained. ESG issues will constrain preferred supply, and material that is available from sources meeting ESG requirements (including Jervois Finland's sources of supply) will be in higher demand. There is also a risk that if availability of supply is materially constrained that feed supply prices increase adversely impacting the future profitability of Jervois Finland.

Cooperation with Umicore

Jervois Finland relies on a shared refinery with Umicore, and future cooperation with Umicore on matters related to the operation of the facilities is essential. Any material technical malfunction, fire, loss of cooperation or dispute may adversely impact the Jervois Finland business.

Integration risk

The Acquisition involves the integration of the Jervois Finland business, which has previously operated independently to the Group including the implementation of SAP and new IT infrastructure. Consequently, there is a risk that the integration of the Jervois Finland business may be more complex than currently anticipated. The integration could also encounter unexpected costs, challenges or issues, or take longer than expected, divert management's attention from other areas of the Group's business or not deliver the expected benefits. This may affect the Group's operating and financial performance.

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The key risks related to Jervois USA identified in the ICO BFS and more generally moving forward are:

Geology:

Geological interpretation – sub-surface modelling of geological characteristics is based on drilling information, surface mapping and ore deposit models. This carries data accuracy and interpretation risk.

To minimise this risk, factors such as nearby mine knowledge, drillhole core analysis and structural models have been used to develop the resource model. The ore deposit is stratiform with mineralization confined to the BTE rock unit which has been identified from drillhole logging. By their nature, stratiform deposits display a high continuity.

Drill spacing – the orebody has been drilled on a nominal 200ft sectional spacing, however the central zone which is the first to be mined has been infilled to a 100ft spacing. Establishing surface drilling platforms is difficult due to the steep terrain, as such we are executing an infill drilling programme from underground. Initial planned stopes will be infill drilled to 50ft spacing for ore definition and grade control.

Assay data – pre-2009 assay data is incomplete with respect to arsenic assays. Examination of drill ore intercepts with QEMScan reveals that arsenic is mostly associated with cobalt as the mineral Cobaltite. Therefore arsenic is mainly contained within the orebody and has a close direct relationship to cobalt.

Oxidation – oxidized ore shows poor recoveries. This ore is identified by low sulphur content and is excluded from the reserve.

Faulting displacement – a detailed 3D structural model has been formed of the major faults occurring in the orebody area. These have been shown to be subparallel to the orebody strike and only minor displacements of the orebody occur. There may be minor fault splays which remain unknown in extent and orientation however the occurrence of these will be defined by close spaced underground drilling.

Grade estimation – the selected method of grade estimation is ID2. This method was chosen over other statistical methods for preservation of the high-grade components of the ore intercepts which is appropriate to the selective mining method to be employed. Indicator and ordinary kriging were found to smear grades on a local scale which is not acceptable for selective mining. As the drill intercept density increases via underground drilling, conditional simulation methods will be employed to further enhance grade definition.

Calculation of mineral resources and mineral reserves and limitations on mineral resource estimates

There is a degree of uncertainty attributable to the calculation of mineral reserves, mineral resources and corresponding grades being mined or dedicated to future production. Until mineral reserves or mineral resources are actually mined and processed, the quantity of mineral reserves or mineral resources and grades must be considered as estimates only. In addition, the quantity of mineral reserves or mineral resources may vary depending on metal prices.

Any material change in the quantity of mineral reserves, mineral resources, grade or dilution ratio may affect the economic viability of the ICO Project. In addition, there can be no assurance that mineral recoveries in small-scale laboratory tests will be duplicated in larger scale tests under on-site conditions or during production.

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Directors' Report

No assurance can be given that any particular level of recovery of minerals will in fact be realized or that identified mineral resources will ever qualify as a commercially mineable (or viable) deposit which can be legally and economically exploited. In addition, the grade of mineralization which may ultimately be mined may differ from that indicated by drilling results and such differences could be material. Production can be affected by such factors as permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. The estimated mineral resources at ICO should not be interpreted as assurances of commercial viability or of the profitability of any future operations.

Moreover, certain sections of the mineral resources are reported at an "inferred" level. Inferred mineral resources have a substantial degree of uncertainty as to their existence, and economic and legal feasibility. Accordingly, there is no assurance that inferred mineral resources reported herein will ever be upgraded to a higher category. Investors are cautioned not to assume that part or all of an inferred mineral resource exists or is economically or legally mineable.

Jervois engaged independent consulting firms to both prepare (Orix Geosciences) and audit (CSA Global) the ICO mineral resource model. RPM Global were engaged by Jervois as Independent Engineer for lenders, and part of their scope was to also review the mineral resource estimate. RPM Global's recommendation was that the resource classification must be solely based on drillhole spacing and, as a result, Measured resource tonnes should be changed to Indicated, and Indicated tonnes changed to Inferred tonnes. No change to the Inferred resource was recommended. Jervois and Orix disagree with RPM Global's opinion, which is also inconsistent with prior mineral resource estimates at ICO from Micon.

However, if the recommendation by RPM Global is accepted, the Group will be required to undertake additional infill drilling at ICO in order to increase the confidence in the mineral resource and mineral reserve estimates. The outcome of the drilling may result in an updated mine plan being prepared to take into account any changes to classification, tonnes and metal grades and may result in the operations at ICO reaching commercial production later than currently expected.

Mining:

Contractor performance – Currently Jervois USA has opted for a contract miner option and operation of the mine is reliant on contractor performance. The mine plan, mining method and contractor performance can be impacted by ground conditions, updates in geological information, such as faults and structures, resource definition and the presence of water.

Geological interpretation – The mine schedule is based on resource estimation and any scheduling is based on geological interpretation.

Infrastructure, Logistics and Transportation:

ICO business depends on adequate infrastructure, including reliable power sources, water supply, roads and other infrastructure. Water shortages, power outages, sabotage, community, government or other interference in the maintenance or provision of such infrastructure could adversely affect ICO's business, financial condition and results of operations.

Significant current infrastructure is already in place. Risks such as adverse weather, forest fires and other climatic risks may impact this infrastructure.

Future infrastructure development that may be required could be impacted by climatic risks.

Site access and road usage – limiting road traffic and access to the site is an environmental and safety risk which will be mitigated during operations by completing construction of the camp which will accommodate the bulk of mining resources or labour. Material and equipment deliveries will be managed or controlled through the Salmon warehouse to ensure deliveries to site are coordinated.

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Permitting:

Demonstrating the effectiveness of the pump-back system/groundwater capture zone prior to initiating mining activities below the water table.

Ability of the water treatment plant to meet agency compliance.

Submittal and approval of various plans to the agency and the uncertainty in obtaining the approval by the agencies.

Final outcome of the Point of Compliance issued by the State of Idaho regarding groundwater quality threshold levels for the project.

Uncertainty of regulatory or rule changes by the State of Idaho or the U.S. federal government during construction and/or operations that may apply to the site.

Procurement, Construction and Execution:

As part of project development risks associated with supply chain, sourcing of materials and equipment and deliveries can impact project cost and schedule.

Construction activities can be impacted by sourcing or contractors and workforce, site conditions and weather, delivery of materials and equipment and site productivity

Construction of environmental systems – environmental systems and early works include completion of the portal bench, miners dry and mining infrastructure, commissioning of the water treatment plant and pump back systems. Certain aspects of this work are affected by seasonal construction access

Commissioning:

Under delivery of ore to the Mill creating the requirement for stop start operations of the Mill.

Catastrophic failure of equipment in the initial start up and commissioning phase.

Technical difficulties in achieving expected recoveries and concentrate qualities expected in the concentrate flow-sheet during start-up activities.

The ability to attract and retain adequate workforce through start up commissioning and operations phase of the project could impact project cost and schedule.

Marketing:

The cobalt at ICO is contained within cobaltite, a mineral composed of cobalt, arsenic and sulphur. The ICO cobalt concentrate therefore contains elevated arsenic, as the arsenic cannot be separated from cobalt using conventional sulphide flotation methods. The marketability of the ICO concentrate is more limited due to the arsenic which requires specialised and safe extraction (such as that which Jervois plans to undertake at the SMP refinery via the use of a pressure oxidative leach (“POX”) autoclave).

Arsenic will also deport to the copper concentrate, in quantities likely sufficient to trigger penalties from customers (which were incorporated into the ICO BFS marketing assumptions), but not in adequate volumes to affect the marketability of the concentrate or to render it a ‘complex’ material for global copper smelters.

Group Risks:

Coronavirus (COVID-19) and Global Health Crisis:

The COVID-19 global pandemic and efforts to contain it may have an impact on the Company’s business. These may extend to local impacts at the operational level, international travel restrictions, together with the broader global economic fallout. The Company continues to monitor the situation and the impact COVID-19 may have on the Company’s mineral properties and refinery assets. Should the virus spread, travel bans remain in place or should one or more of the Company’s executives become seriously ill, the Company’s ability to advance its mineral properties or refinery assets may be impacted. Similarly, the Company’s ability to obtain financing and the ability of the Company’s vendors, suppliers, consultants and partners to meet obligations may be impacted as a result of COVID-19 and efforts to contain the virus.

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Directors' Report

Global Operating Footprint and Russian Federation Invasion of Ukraine:

The Company has activities across Finland, Australia, the United States and Brazil. The integration and ongoing management of this portfolio imposes heightened risks related to the ongoing business prospects of Jervois.

The recent invasion by the Russian Federation of Ukraine, the resulting economic sanctions and the potential escalation or expansion of the invasion and the global response to it may have an impact on the Company's business. It may result from a broader global economic fallout and its impact on commodity prices including their price discovery mechanisms, credit markets and commercial counterparty risk or have more local impacts at the operational level. The Company continues to monitor the situation and the impact the invasion, resulting sanctions and potential escalation or expansion may have on the Company. The Company's ability to obtain financing and the ability of the Company's vendors, suppliers, customers and partners to meet obligations may be impacted as a result of the invasion, the resulting sanctions and potential escalation or expansion. Similarly, the Company's ability to advance our stated strategy and business plan and commodity prices may be impacted.

Commodity Prices:

The Company is not currently a producing entity so is not directly exposed to fluctuations in commodity prices although these will affect equity market sentiment, the value of its securities and its ability to raise further capital on desired terms. As the Company transitions to become a producer this risk will become the most material factor affecting its financial results.

Jervois Finland is directly exposed to the price of cobalt. Jervois Finland's profitability may be significantly affected by changes in the market price of cobalt.

The development of the Company's properties is dependent on the future prices of cobalt and nickel. Once the Company's properties enter commercial production, the Company's profitability will be significantly affected by changes in the market prices of cobalt and nickel.

Metal prices are subject to volatile price movements, which can be material and occur over short periods of time and which are affected by numerous factors, all of which are beyond the Company's control. Such factors include, but are not limited to, interest and exchange rates, inflation or deflation, fluctuations in the value of the U.S. dollar and foreign currencies, global and regional supply and demand, speculative trading, the costs of and levels of metal production, and political and economic conditions.

Such external economic factors are in turn influenced by changes in international investment patterns, monetary systems, the strength of and confidence in the U.S. dollar (the currency in which the prices of metals are generally quoted) and political developments. The effect of these factors on the prices of precious metals, and therefore the economic viability of the Company's mineral properties, cannot be accurately determined. The prices of cobalt and nickel have historically fluctuated widely, and future price declines could cause the development of (and any future commercial production from) the Company's mineral properties to be impracticable or uneconomic. As such, the Company may determine that it is not economically feasible to commence commercial production, which could have a material adverse impact on the Company's financial performance and results of operations. In such a circumstance, the Company may also curtail or suspend some or all of its exploration activities.

Currency Fluctuations:

The Company's operations in the U.S., Finland, Brazil, and Australia make it subject to foreign currency fluctuations and such fluctuations may materially affect the Company's financial position, operational results and cashflows. The Company typically raises equity in Australian dollars, reports its financial results in Australian dollars, however the majority of transactions are denominated in U.S. dollars and with significant exposure to the Euro and Brazilian Real. The Company does not currently use an active hedging strategy to reduce the risk associated with currency fluctuations.

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Credit Risk:

Credit risk is the risk of loss if a counterparty fails to meet their contractual obligations. Potential non-performance by Company suppliers, customers or financial counterparties is carefully assessed and managed. In relation to its cash balances and (when applicable) marketable securities, the Company manages credit risk by banking with leading global financial institutions.

Reliance on Management:

The success of the Company depends to a large extent upon its abilities to retain the services of its senior management and key personnel. The loss of the services of any of these persons could have a materially adverse effect on the Company's business and prospects. There is no assurance the Company can maintain the services of its Directors, officers or other qualified personnel required to operate its business, however, it does have a short-term incentive plan and long-term incentive plan in place to assist in the retention of its senior management.

Financing Risks:

The Company will require financing in the future to continue to develop its business and there can be no assurance that such financing will be available or, if available, that it will be on reasonable terms. If financing is obtained by issuing common shares, control of the Company may change, and investors may suffer additional dilution. To the extent financing is not available, lease payments, work commitments, rental payments and option payments, if any, may not be satisfied and could result in a loss of property ownership or earning opportunities for the Company.

Environmental Risks and Other Regulatory Requirements:

The activities of the Company are subject to environmental regulations promulgated by government agencies from time to time. Environmental legislation generally provides for restrictions and prohibitions on spills, releases or emissions of various substances produced in association with certain mining or refining industry operations, such as seepage from tailings disposal areas, which would result in environmental pollution.

A breach of such legislation may result in imposition of fines and penalties. In addition, certain types of operations, including any proposed development of the Company's mineral properties and restart of the SMP Refinery, may require the submission and approval of environmental impact assessments. Environmental legislation is evolving to stricter standards, and enforcement, fines and penalties for noncompliance are more stringent.

Environmental assessments of proposed projects carry a heightened degree of responsibility for companies and Directors, officers and employees. The cost of compliance with changes in governmental regulations has potential to reduce the profitability of operations.

Failure to comply with applicable environmental laws, regulations and permitting requirements may result in enforcement actions including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment or remedial actions. Parties engaged in mining and mineral processing activities may be required to compensate those suffering loss or damage by reason of such activities and may have civil or criminal fines or penalties imposed upon them for violation of applicable laws or regulations.

Amendments to current environmental laws, regulations and permits governing operations and activities of mining and metallurgical processing companies may change. Regulatory requirements surrounding site reclamation and remediation activities, or more stringent implementation thereof, could have a material adverse impact on the Group and cause increases in capital expenditures or production costs or reduction in levels of operational production, or require abandonment or delays in the development of new sites. There are no current amendments that the Group is aware of that may impact the assets of the Group.

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Directors' Report

Influence of Third-Party Stakeholders:

Assets in which the Group holds an interest, including fixed assets and infrastructure / utilities, which the Group intends to utilize in carrying out its general business mandates, may be subject to interests or claims by third party individuals, groups, or companies. If such third parties assert any claims, the Group's' activities may be delayed even if such claims are not meritorious. Such claims may result in significant financial loss and loss of opportunity for the Group.

Insurance:

Exploration, development and production operations on mineral properties and in refineries involve numerous risks, including unexpected or unusual geological operating conditions, ground or slope failures, fires, environmental occurrences and natural or climate change related phenomena such as prolonged periods of inclement weather conditions, floods and wildfires.

It is not always possible to obtain insurance against all such risks and the Group may decide not to insure against certain risks because of high premiums or other reasons. Such occurrences could result in damage to, or destruction of, mineral properties or production facilities, personal injury or death, environmental damage to the Group's' properties or the properties of others, delays in exploration, development or mining operations, supply chain disruptions, monetary losses and possible legal liability.

Should such liabilities arise, they could reduce or eliminate future profitability and result in increasing costs and a decline in the value of the securities of the Group. If the Group is unable to fully fund the cost of remedying an environmental problem, it might be required to suspend operations or enter costly interim compliance measures pending completion of a permanent remedy. The lack of, or insufficiency of, insurance coverage could adversely affect the Group's future cash flow and overall profitability.

Competition risk in the market in which the Group operates:

Significant and increasing competition exists for appropriate supply of feedstock for the mineral processing assets of the Group and the limited number of mining and mineral processing acquisition opportunities available. Additionally, new mineral processing facilities may be commissioned that will be in competition for the supply of feedstock and the sale of products in which the Group operates. The Group expects to leverage its increased size and market exposure to secure appropriate feed supply and to selectively seek strategic acquisitions in the future, however, there can be no assurance that suitable feed supply or acquisition opportunities will be identified.

As a result of this existing or potentially new competition, some of which is with large established mining or refining companies with substantial capabilities and greater financial and technical resources than the Group, the Group may be unable to acquire adequate feed supply on suitable terms and this may impact the operating margin and therefore the future profitability of the Group.

Additionally, the Group may be unable to acquire additional attractive mining or mineral processing assets on terms it considers acceptable. In addition, the Group's ability to consummate and to effectively integrate any future acquisitions on terms that are favourable to the Group may be limited by the number of attractive acquisition targets, internal demands on resources, competition from other companies and, to the extent necessary, the Group's ability to obtain financing on satisfactory terms, if at all.

Community and Stakeholder Relations:

The Company's relationships with the community in which it operates are critical to ensure the future success of its existing operations and the construction and development of its project. The future success of Jervois is reliant on a healthy relationship with local communities in which the Company operates. While the Company is committed to operating in a socially responsible manner, there is no guarantee that its efforts will be successful, in which case interventions by third parties could have a material adverse effect on the Company's business, financial position and operations.

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Climate Change Risks:

The main climate change risks are associated with changes in the frequency, intensity, spatial extent, duration, and timing of weather and climate events and conditions. Potential effects, such as those related to flooding, droughts, forest fires, insect outbreaks, erosion, landslides and others, may pose risks to operations and their safety, environmental, social and financial performance.

Potential adverse effects may occur in terms of geotechnical stability, water supply systems and water balance, working conditions (humidity, heat stress), construction schedules, site access, reclamation as well as supply chain disruptions (e.g. access to inputs, shipping of products), among others.

Economic implications of climate change may pose additional risks through reduced global demand for products and increased costs of inputs, among others. Although, through its expanding ESG regime, the Group is taking steps to mitigate its carbon emissions and assess and respond to climate change risks within its business and management processes, the nature and intensity of potential adverse impacts of climate change cannot be precisely ascertained.

Market Liquidity and Share Price Fluctuations:

There can be no guarantee of an active market for the Company's shares or that the price of the Company's shares will increase. There may be relatively few potential buyers or sellers of the Company's shares at any time. This may increase the volatility of the market price of the Company's shares. It may also affect the prevailing market price at which shareholders are able to sell their shares in the Company.

In recent years, capital markets have experienced a high level of price and volume volatility, and the market price of securities of many companies, particularly those considered exploration, development or construction-stage companies such as the Company, have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. There can be no assurance that continual fluctuations in price will not occur.

Jervois' Operations are Subject to Human Error:

Despite efforts to attract and retain qualified personnel, as well as the retention of qualified consultants, to manage Jervois' interests, and even when those efforts are successful, people are fallible and human error could result in significant uninsured losses to Jervois. These could include loss or forfeiture of mineral claims or other assets for non-payment of fees or taxes, significant tax liabilities in connection with any tax planning effort Jervois might undertake and legal claims for errors or mistakes by Jervois personnel.

Calculation of Mineral Resources and Mineral Reserves:

There is a degree of uncertainty attributable to the calculation of Mineral Reserves, Mineral Resources and corresponding grades being mined or dedicated to future production. Until Mineral Reserves or Mineral Resources are actually mined and processed, the quantity of Mineral Reserves or Mineral Resources and grades must be considered as estimates only. In addition, the quantity of Mineral Reserves or Mineral Resources may vary depending on mineral prices. Any material change in the quantity of Mineral Reserves, Mineral Resources, grade or stripping ratio may affect the economic viability of Jervois' properties. In addition, there can be no assurance that mineral recoveries in small-scale laboratory tests will be duplicated in larger scale tests under on-site conditions or during production.

Pre-existing Environmental Liabilities:

Pre-existing environmental liabilities may exist on the properties in which Jervois currently holds an interest or on properties that may be subsequently acquired by Jervois which are unknown to Jervois and which have been caused by previous or existing owners or operators of the properties. In such event, Jervois may be required to remediate these properties and the costs of remediation could be substantial. Further, in such circumstances, Jervois may not be able to claim indemnification or contribution from other parties. In the event Jervois was required to undertake and fund significant remediation work, such event could have a material adverse effect upon Jervois and the value of its securities.

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Directors' Report

Project Delay:

Jervois has a significant investment planned to complete construction in Idaho, US and to restart the SMP Refinery in Brazil. There are a number of risks inside and outside its control, such as availability of suitable financing, technical risk, infrastructure and logistics constraints, construction delays, cost overruns, insufficient labour skills or resources, delays in confirmatory permitting to move into construction then the commissioning and operating phases, or any other regulatory matters. Once complete given the risks outlined previously, there is no guarantee the results of ICO or SMP Refinery will be sufficient to offset such capital expenditures and generate adequate investor return.

Licenses, Permits and Titles:

Jervois Mining USA holds permits for the operation of the ICO Project. Each of these have certain requirements and obligations attached to them, which if not met, will result in Jervois Mining USA losing the rights to operate in these land areas and the resulting negative impact to the future prospects of Jervois Mining USA.

There is no guarantee that title to the Group's mining leases, exploration licenses, environmental licenses and other tenure of property will not be challenged or impugned. The Group's tenure, permits and licenses may be subject to prior unregistered agreements, transfers, leases or native land claims and title may be affected by such unidentified or unknown claims or defects.

Furthermore, any concession, permit or license may be withdrawn or the terms and conditions thereof, be changed by the relevant authority if the Group does not comply with its obligations under applicable laws or such specific concession, permit or license or if there otherwise are compelling reasons, (e.g. effects of the operations that could not have been foreseen at the time of authorization of such concessions, permits and licenses).

In particular, mining tenements are subject to expenditure and work commitments which must be complied with in order to keep the tenements in good standing. In certain circumstances, these commitments may be varied at the discretion of the relevant mining authority. Failure to meet these commitments could lead to forfeiture of the tenement.

Where tenement expenditures and work commitments or other regulatory requirements are not complied with, regulatory exemptions may need to be applied for within specified periods. Should exemptions not be applied for in time or are applied for in time but are not ultimately granted, fines may be payable to avoid the tenements being forfeited or, in extreme cases, the tenements may be forfeited.

Obtaining the necessary governmental licenses or permits is a complex and time-consuming process. There can be no assurance that the Group will be able to maintain or obtain all necessary licenses and permits that may be required to carry out exploration, development and mining operations or refinery activities at its projects.

This could materially and adversely affect its business, results of operations, financial conditions or prospects. The ICO Project and SMP Refinery will require certain permits through construction and commissioning and the requirement for the City Hall permit at SMP Refinery is a condition precedent to completing the acquisition of SMP Refinery.

Land Title:

No assurances can be given that there are no title defects affecting the properties in which Jervois has an interest. The Company's mineral properties and refineries may be subject to prior unregistered liens, agreements, transfers or claims, and title may be affected by, among other things, undetected defects.

Other parties may dispute title to a property or the property may be subject to prior unregistered agreements and transfers or land claims by Indigenous people. Title may also be affected by undetected encumbrances or defects or governmental actions. Jervois has not conducted surveys of the Company's properties and the precise area and location of claims and other mineral rights may be challenged.

Jervois may not be able to register rights and interests it acquires against title to applicable mineral properties. An inability to register such rights and

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interests may limit or severely restrict Jervois' ability to enforce such acquired rights and interests against third parties or may render certain agreements entered into by Jervois invalid, unenforceable, uneconomic, unsatisfied or ambiguous, the effect of which may cause financial results yielded to differ materially from those anticipated. Although Jervois believes it has taken reasonable measures to ensure proper title to its mineral properties, there is no guarantee that such title will not be challenged or impaired.

Nico Young NI 43-101 PEA:

The Nico Young PEA is based on Inferred Mineral Resources that are not of sufficient certainty to constitute a pre-feasibility study or a feasibility study. Jervois has not declared Proven or Probable Mineral Reserves at Nico Young, and no assurance can be given that we will ever be in a position to declare a Proven or Probable Mineral Reserve. For the Nico Young PEA to advance into feasibility study level, delineation of Proven or Probable Mineral Reserves will be required, which depends on a number of factors, including:

- the particular attributes of the deposit (including its size, grade, geological formation and proximity to infrastructure);
- metal prices, which are highly cyclical;
- government regulations (including regulations relating to taxes, royalties, land tenure, land use and permitting); and
- environmental protection considerations.

We cannot determine at this time whether any of our estimates will ultimately be correct.

5. Dividends paid or recommended

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

6. Significant changes in the state of affairs

Refer to the Performance Review for information on the significant changes in the state of affairs of the Group.

7. Events subsequent to reporting date

On 7 February 2022, the Company's wholly owned subsidiary, Jervois Mining USA Limited, completed the first US$50.0 million drawdown of the US$100.0 million senior secured bond facility, with these funds to be used exclusively for ongoing construction of ICO.

On 9 March 2022, the Company's wholly owned subsidiary, Jervois Finland Oy, drew down an additional US$17.5 million under the secured revolving credit facility, with the funds expected on or around 14 March 2022.

The Directors of the Company have not identified any 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.

8. Likely developments and expected results of operations

The Group will continue to operate Jervois Finland and to complete the construction of ICO and transition toward commercial production. It will undertake a feasibility study for the re-opening of the SMP Refinery and a drilling programme at Nico Young. There are no significant changes in the nature or size of operations expected.

9. Environmental regulation

The consolidated entity holds participating interests in several mining and exploration tenements. The various authorities granting such tenements require the tenement holder to comply with the terms of the grant of the tenement and all directions given to it under those terms of the tenement. There have been no known breaches of the tenement conditions, and no such breaches have been notified by any government agencies, during the period ended 31 December 2021. The consolidated entity operates an advanced materials production facility that is the subject of various permits. There have been no known breaches of the permit conditions, and no such breaches have been notified by any government agencies, during the period ended 31 December 2021.

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Directors' Report

10. Directors' Interest

The relevant interest of each Director in the shares or options over such instruments issued by the companies within the Group and other related bodies corporate, as notified by the Directors to the ASX in accordance with S205G(1) of the Corporations Act 2001, at the date of this report is as follows:

	Jervois Global Limited	
	Ordinary shares	Options over ordinary shares
Bryce Crocker	2,875,000	25,000,000
Peter Johnston	4,225,738	8,375,000
Brian Kennedy	8,998,980	3,780,000
Michael Callahan	2,864,900	2,260,000 [1]
David Issroff	2,272,727	–

1. Michael Callahan holds 1,980,000 options of eCobalt Solutions Inc, granted prior to its acquisition by Jervois and are convertible into new Jervois ordinary shares if exercised.

11. Share Options and Performance Rights

Options and Performance Rights granted to Directors and executives of the Company

During the year ended 31 December 2021, 11,500,000 options were granted to employee as part of the Company option plan, with 1,750,000 options forfeited and 3,694,000 exercised, thus bringing the options issued over ordinary shares to employees and consultants in the Company to 91,728,500 as at 31 December 2021. After the end of the financial period 2,200,000 options were forfeited, 1,550,000 options were exercised and 2,500,000 options were issued to employees, thus bringing the options issued over ordinary shares in the Company to 90,478,500 as at the date of this report.

During the year ended 31 December 2021, 2,351,165 performance rights were granted to employees as part of the Company performance right plan. After the end of the financial period 968,487 performance rights vested and were settled thus bringing the performance rights on issue to 1,382,678 as at the date of this report.

The Company option and performance rights plans offer individuals the opportunity to acquire options or rights over fully paid ordinary shares in the Company. Share options and performance rights granted under the plan carry no dividend or voting rights. When exercised, each option or rights 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 and rights holders cannot participate in new issues of capital which may be offered to shareholders prior to exercise.

During or since the end of the year to 31 December 2021, the Company granted options or rights for no consideration over unissued shares in the Company to the following Directors and key management personnel as part of their remuneration:

	Number of options granted	Exercise price	Vesting date	Expiry date
James May	3,250,000	A$0.243	1 March 2024	28 February 2029
Kenneth Klassen	500,000	A$0.453	1 March 2024	28 February 2029
Matthew Lengerich	3,250,000	A$0.565	9 August 2024	8 August 2029
Sami Kallioinen	1,500,000	A$0.48	1 September 2024	31 August 2029
Sami Kallioinen#	526,799	N/a	15 February 2022	17 February 2024
Sami Kallioinen#	379,259	N/a	15 February 2023	17 February 2024
Sami Kallioinen#	168,569	N/a	15 February 2024	17 February 2024

Performance Rights

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Details on options over ordinary shares in the Company that were granted as compensation for no consideration to each key management person, during the reporting period and details on options that vested during the reporting period are disclosed in the remuneration report.

Unissued shares under option

At the date of this report unissued shares of the Group under option are as follows:

Expiry date	Exercise price (A$)	Number of shares
30-Nov-22	$0.103	12,500,000
01-Jul-23	$0.248	7,500,000
30-Sep-23	$0.243	5,000,000
30-May-24	$0.298	300,000
01-Jun-24	$0.193	2,500,000
18-Jun-24	$0.258	1,806,000
15-Aug-24	$0.193	2,500,000
30-Sep-24	$0.193	5,000,000
30-Sep-25	$0.263	5,000,000
15-Aug-27	$0.153	10,000,000
31-Mar-28	$0.103	8,122,500
18-Oct-28	$0.278	7,500,000
03-Jan-29	$0.243	6,000,000
28-Feb-29	$0.243	3,250,000
28-Feb-29	$0.453	500,000
08-Aug-29	$0.565	3,250,000
31-Aug-29	$0.555	1,000,000
31-Aug-29	$0.480	6,250,000
31-Mar-30	$0.550	2,500,000
	Subtotal	**90,478,500**

Performance Rights		
03-Apr-24	N/A	415,082
17-Feb-24	N/A	967,596
	Subtotal	**1,382,678**

Acquisition Options	Exercise price (C$)	
28-Jun-2022	$0.71	1,344,750
28-Jun-2023	$0.61	1,179,750
1-Oct-2023	$0.53	1,980,000
	Subtotal	**4,504,500**
	Total	**96,365,678**

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Directors' Report

As at 31 December 2021, there were 91,728,500 unissued shares under option granted by Jervois. In addition, there were 4,504,500 unissued shares under option related to the acquisitions of eCobalt and 2,351,165 performance rights. After the end of the financial period, 2,200,000 options were forfeited, 1,550,000 options were exercised, 2,500,000 options were granted and 968,487 performance rights were settled thus bringing the options and performance rights issued by Jervois over ordinary shares in the Company to 96,365,678 as at the date of this report.

Once exercised, the option or rights holder will be issued ordinary shares in the Company. Details of the terms and conditions of options or performance rights granted under the Employee Stock Option or Performance Rights Plan as part of the Group's Long-Term Incentive Plan are outlined in the remuneration report and are included in Note 28 to the Financial Statements. The options and performance rights do not entitle the holder to participate in any share issue of the Company.

12. Remuneration report – audited

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

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

Directors and senior management personnel

Name	Position	Commencement Date
Directors		
Bryce Crocker	Director (Executive)	1 October 2017
Peter Johnston	Chairman (Non-Executive)	1 July 2018
Brian Kennedy	Director (Non-Executive)	1 October 2017
Michael Callahan	Director (Non-Executive)	24 July 2019
David Issroff	Director (Non-Executive)	3 September 2021
Senior Executives		
Bryce Crocker	Chief Executive Officer	1 October 2017
Ken Klassen	General Counsel / EGM – Legal	1 June 2019
Gregory Young	EGM – Commercial	16 October 2020
James May	Chief Financial Officer ("CFO") / EGM Finance	1 March 2021
Matthew Lengerich	EGM – Mining / Acting General Manager ICO	16 August 2021
Sami Kallioinen	President, Jervois Finland	1 November 2021

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Changes to key management personnel

Senior Executives

- On 1 March 2021, Mr James May commenced as CFO / EGM Finance
- On 16 August 2021, Mr Matthew Lengerich commenced as EGM – Mining
- As from 1 November 2021, Mr Sami Kallioinen was considered a member of the key management personnel
- On 29 October 2021, Mr Michael Rodriguez ceased to be a member of the key management personnel

There were no other changes during the year ended 31 December 2021.

The remuneration report is set out under the following main headings:

- Principles used to determine the nature and amount of remuneration
- Details of remuneration
- Share-based compensation
- Additional information
- Additional disclosures relating to key management personnel

Principles used to determine the nature and amount of remuneration

After taking into account the consolidated entity’s financial position and ability to pay market rates, both the full Board or the Chief Executive Officer acting with delegated responsibilities, aims to remunerate all its staff, including its key management personnel, fairly and reasonably to attract and retain appropriately qualified and experienced individuals capable of achieving the consolidated entity’s business objectives for the benefit of shareholders.

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

The consolidated entity's remuneration objective has been designed to align Director and executives’ objectives with shareholder and business objectives by providing both a base or fixed component and possibly short or long-term incentives. The consolidated entity's remuneration objective is considered to be appropriate for its current size and financial position and effective in its ability to attract and retain talented executives and Directors to run and manage the consolidated entity. None of the remuneration paid by the consolidated entity to its key management personnel during the reporting period was dependent on the satisfaction of a performance condition.

The remuneration committee determines the following:

- the over-arching executive remuneration framework;
- operation of incentive plans which apply to the executive team, including key performance indicators and performance hurdles;
- remuneration levels of Executive Directors and other key personnel; and
- Non-Executive Director fees.

Their objective is to ensure that remuneration policies and structures are fair and competitive and aligned with the long-term interests of the Company.

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Directors' Report

Executive remuneration

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

The executive remuneration and reward framework has three components:

- Base pay and benefits, including superannuation
- Short-term incentives, which if required are approved by shareholders
- Long-term incentives, which if required are approved by shareholders

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

In exercising its discretion in considering the incentives, the Remuneration Committee does not refer to specific KPI's but instead consider the individuals overall contribution to the activities of the group, the performance of an individual within their specific roles and the overall performance of the group and the outcomes it has achieved in the year. The Remuneration Committee also considers if any safety, environmental or other adverse events have occurred and should reduce or nullify any incentives.

During the period, all the consolidated entity's executive remuneration was comprised of base pay and benefits, including superannuation, short and long-term incentives comprising the payment of cash, and granting of options or performance rights.

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 expense payments benefits. None of this type of remuneration is dependent on the satisfaction of any performance conditions.

The consolidated entity makes superannuation contributions on each component of an executive's total remuneration package that is subject to Australian superannuation guarantee legislation.

The consolidated entity also contributes on behalf of each executive any salary sacrificed superannuation contributions, should they elect to do so. All superannuation contributions are made to the superannuation fund elected by each executive. Superannuation contributions were paid to the superannuation funds elected by the consolidated entity's executives during the financial year.

The consolidated entity's long-term incentives are provided as approved by shareholders at the 2019, 2020 and 2021 annual general meetings. At the 2021 annual general meeting 95.8% approved the remuneration report for 31 December 2020. The Company did not receive any specific feedback at the annual general meeting regarding its remuneration practices. The long-term incentives are designed to provide long-term incentives for all the consolidated entity's staff, including its executives.

No specific performance conditions are attached to the vesting conditions for any options granted other than continued employment. Specific performance conditions related to total shareholder returns versus a peer group are attached to the vesting conditions for any performance rights granted as well as continued employment.

The Directors of the parent entity have discretion to determine all the terms and conditions for any options or performance rights granted, including such matters as who participates, the vesting conditions, exercise price and expiry date etc. Options and performance rights are granted for no consideration and carry no dividend or voting rights.

The consolidated entity does not currently attach any performance conditions or pre-defined targets to the vesting conditions of any options granted plan, which would need to be achieved before the options vested other than continued employment.

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The consolidated entity currently attaches a total shareholder return performance conditions to the vesting conditions of any performance rights plan, which would need to be achieved before the performance rights vest 3 years after grant as well as continued employment. These performance conditions currently applied to the performance rights are:

Company's TSR relative to the comparator group	Vesting percentage
Below 50th percentile	0%
At 50th percentile (threshold performance)	50%
Between 50th percentile and 75th percentile	Straight line pro rata vesting between 50% and 100%
Above 75th percentile	100%

Given the current size of the consolidated entity, performance conditions or targets are not considered necessary for options as each individual executive's relative performance and contribution to the consolidated entity will be taken into account by the Board when it's determines the vesting conditions applicable to any options granted.

The performance conditions for the performance rights were chosen to allow comparison to the peer companies of Jervois allowing for both performance of the employee as well as macro factors influencing the Company and peer group. Further these performance conditions are designed to align interests of shareholders and Executives through an appropriate level of "at risk" pay and encourage Executives to focus on the key performance drivers which underpin the Company's strategy to deliver long term growth in shareholder value.

No performance rights vested in the period and therefore no assessment of the performance conditions has been undertaken in the period.

The peer group for performance rights granted in 2021 was:

- **Lithium**
  Ioneer, Vulcan Resources, Pilbara Minerals, Galaxy Resources Ltd, Orocobre, Lithium Americas, Piedmont Lithium
- **Nickel**
  Mincor Resources, Panoramic Resources, Poseidon Nickel, Western Areas, Nickel Mines, Australian Mines, Sunrise Energy Metals, Noront, Talon Metals, Centaurus
- **Graphite**
  Syrah Resources
- **Rare earths**
  Lynas
- **Cobalt**
  First Cobalt

There were management options and performance rights granted during the financial year. In addition, a short-term incentive cash payment was paid to Bryce Crocker and certain KMP's for their performance.

Non-Executive Director remuneration

Non-Executive Director fees are paid within an aggregate limit which must not exceed A$250,000 (excluding mandatory superannuation) per annum or such other maximum as determined by the Company in a general meeting.

The total cash fees paid to each Independent Non-Executive Director for the year to 31 December 2021 and for the six month period to 31 December 2020 are disclosed in the Details of remuneration table below.

All Non-Executive Directors are eligible to participate in the options granted.

All Non-Executive Directors are also entitled to be reimbursed for all reasonable travel, accommodation and other expenses incurred in attending meetings of the Board, committees or shareholders or while engaged on other Jervois Global Limited business.

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Directors' Report

Key terms of employment contracts

The remuneration and other terms of employment for the Executive Directors and Senior Management are set out in service agreements. These agreements make provision for a fixed remuneration component, and options as a long-term incentive. The material terms of the service agreements are set out below.

Term	Conditions	Position
Duration of contract	Ongoing until notice is given by either party	Executive Directors/Company Secretary/Senior Management
Voluntary termination (i.e., termination by executive by giving notice)	3 months' notice, (other than for Ken Klassen which is 30 days' notice)	Executive Directors/Company Secretary/Senior Management
Termination by Company without cause	3 months' notice with payment of fixed compensation or payment in lieu	Executive Directors/Company Secretary/Senior Management
Termination by Company for cause	Employment may be terminated immediately without notice if the executive commits any act or omission justifying summary dismissal at common law	Executive Directors/Company Secretary/Senior Management

Non-Executive Directors have an ongoing appointment with a notice period of 20 days if terminated by the Director and three months if terminated by the Company, other than for cause, in which case the termination may be terminated with immediate effect. There are no termination payments payable to Non-Executive Directors

Use of remuneration consultants

The consolidated entity did not engage any independent remuneration consultants during the financial year in relation to any aspects of the consolidated entity's remuneration, including that paid to its key management personnel. Subsequent to the year end, the consolidated entity engaged an independent remuneration consultant to bench mark the CEO and CFO total remuneration.

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Details of remuneration

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

	Short-term benefits				Post-employment benefits	Share-based payments	Value of options as proportion of	
12 months to 31 December 2021	Salary and Directors' fees	Bonus payments [11]	Non-monetary benefits [1]	Consultancy fees	Other [3]	Equity [2]	total remuneration	Total
	A$	A$	A$	A$	A$	A$	%	A$
Non-Executive Directors:								
P Johnston	76,962	–	–	–	–	36,491	32.2	113,453
B Kennedy	48,936	–	–	–	–	53,382	52.2	102,318
M Callahan	45,000	–	–	–	–	11,677	20.6	56,677
D Issroff [4]	18,068	–	–	–	–	–	–	18,068
Executive Directors:								
B Crocker [5]	420,741	268,420	82,360	–	51,351	797,719	49.2	1,620,591
Other Key Management Personnel:								
J May [6]	308,533	277,940	–	–	38,083	206,298	24.8	830,854
M Rodriguez [7][8]	261,378	82,500	–	–	29,253	211,817	36.2	584,948
G Young	–	171,900	–	–	–	584,879	77.3	756,779
K Klassen	–	81,312	–	421,888	–	237,945	32.1	741,145
S Kallioinen [9]	54,397	427,893	6,350	–	169,921	294,370	30.9	952,931
M Lengerich [10]	176,381	53,837	8,344	–	7,902	243,973	49.7	490,437
Total	**1,410,396**	**1,363,802**	**97,054**	**421,888**	**296,510**	**2,678,551**	**42.7**	**6,268,201**

1. Includes the value of fringe benefits and other allowances.
2. In accordance with the requirements of Accounting Standards, remuneration includes a proportion of the fair value of equity compensation granted or outstanding during the year (i.e., options granted under LTIP that remained unvested as at 31 December 2021). The fair value of equity instruments is determined at the grant date and is progressively allocated over the vesting period. The amount included as remuneration is not necessarily related to or indicative of the benefit (if any) that senior executives may ultimately realise should the equity instruments vest. The fair value of the options at the date of their grant has been determined in accordance with AASB 2 Share-based Payments. All options granted under the LTIP are equity settled.
3. Other includes superannuation, social security, and company retirement match.
4. Appointed 3 September 2021.
5. Includes annual leave accrued during the year of A$30,741.
6. Appointed 1 March 2021. Includes annual leave accrued during the year of A$16,867. Bonus payment includes a $100,000 sign-on payment.
7. Includes annual leave accrued during the year of A$40,656.
8. Ceased to be part of key management personnel on 29 October 2021.
9. Appointed 1 November 2021. Includes annual leave accrued during the year of A$5,986.
10. Appointed 16 August 2021. Includes annual leave accrued during the year of A$20,265.
11. Bonus payments include cash amounts earned as short-term incentives which are paid in the following financial year. All payments, other than the sign-on portion paid to J May set out in note 6 above, were paid based on the Directors' assessment of the performance of the KMPs over the year. The potential payment in the next two financial years ranges from 70% of salary for the CEO and 40% for KMPs, down to nil, based on certain factors and performance.

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Directors' Report

	Short-term benefits				Post-employment benefits	Share-based payments	Value of options as proportion of	
6 months to 31 December 2020	Salary and Directors' fees	Bonus payments	Non-monetary benefits [1]	Consultancy fees	Superannuation	Equity [2]	total remuneration	Total
	A$	A$	A$	A$	A$	A$	%	A$
Non-Executive Directors:								
P Johnston [3]	18,750	–	–	–	–	18,891	50.2	37,641
B Kennedy [3]	6,000	–	–	–	–	25,761	81.1	31,761
M Callahan [3]	6,000	–	–	–	–	5,635	48.4	11,635
Executive Directors:								
B Crocker	150,405	140,000[4]	8,468	–	14,289	463,816	59.7	776,978
Other Key Management Personnel:								
M Rodriguez [5]	140,884	–	–	–	10,140	129,783	46.2	280,807
K Klassen	–	–	–	114,441	–	94,426	45.2	208,867
G Young [6]	–	–	–	–	–	122,698	100.0	122,698
F Varley [7]	47,378	–	–	–	1,540	–	–	48,918
Total	**369,417**	**140,000**	**8,468**	**114,441**	**25,969**	**861,010**	**56.7**	**1,519,305**

1. Includes the value of fringe benefits and other allowances.

2. In accordance with the requirements of Accounting Standards, remuneration includes a proportion of the fair value of equity compensation granted or outstanding during the year (i.e., options granted under LTIP that remained unvested as at 31 December 2020). The fair value of equity instruments is determined at the grant date and is progressively allocated over the vesting period. The amount included as remuneration is not necessarily related to or indicative of the benefit (if any) that senior executives may ultimately realise should the equity instruments vest. The fair value of the options at the date of their grant has been determined in accordance with AASB 2 Share-based Payments. All options granted under the LTIP are equity settled.

3. The Non-Executive Directors waived their fees for the period 1 April 2020 to 30 September 2020 due to the COVID-19 pandemic.

4. STI bonus of A$140,000 paid in December 2020.

5. Includes annual leave accrued during the year of A$34,148.

6. Appointed on 16 October 2020. Mr Young does not receive a salary or other benefits other than the grant of options included in share-based payments.

7. Resigned on 18 October 2020.

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Share-based compensation

Issue of shares, options and performance rights

During the period to 31 December 2021, 9,574,627 options and performance rights were issued to key management personnel.

Options

There were 60,302,126 options and performance rights over ordinary shares issued to Directors and other key management personnel as part of compensation that were outstanding as at 31 December 2021.

Additional information

The Directors are committed to developing and maintaining a remuneration policy and practices that are targeted at the achievement of corporate values and goals and the maximisation of shareholder value. None of the key management personnel remuneration in the current year or in the previous year was linked to measured performance, other than as part of the discretionary consideration of the long-term incentives granted during the current year.

No key management personnel were provided with any loans during the year.

The earnings of the consolidated entity for the five years to 31 December 2021 are summarised below:

In thousands	31 December 2021	31 December 2020 [1]	30 June 2020	30 June 2019	30 June 2018
	A$	A$	A$	A$	A$
Revenue	161,662	–	–	–	–
Other income	577	283	3,259	4,138	446
Other gains	1,199	–	–	–	–
Profit / (loss) before income tax	(29,437)	(24,139)	(8,898)	(5,377)	(6,951)
Profit / (loss) after income tax	(29,009)	(24,139)	(8,898)	(6,001)	(6,951)

1. Six-month period only.

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

	31 December 2021	31 December 2020 [1]	30 June 2020	30 June 2019	30 June 2018
	A$	A$	A$	A$	A$
Share price at financial year end ($)	0.59	0.39	0.16	0.22	0.41
Basic (loss) / profit per share (cents per share)	(2.73)	(3.44)	(1.43)	(2.67)	(3.84)

1. Six-month period only.

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Directors' Report

The majority of the current Board and management team, led by Bryce Crocker, were appointed in October 2017, July 2018 and latterly in 2021. Over the last three years, the strategic focus of Jervois has been a focus on battery materials. Jervois is specifically focused upon EV battery cathode raw materials (nickel and cobalt are required in most commercially established battery chemistries), as well as advanced cobalt chemicals following the acquisition of Jervois Finland in September 2021. As a result of this focus, non-core assets have been disposed of resulting in the Other Income in 2020 and 2019.

The primary focus of the Company is now the development of its Idaho Cobalt Operations and the restart of the SMP refinery as well as ongoing operation of Jervois Finland. The Company also owns the Nico Young nickel-cobalt deposit in Australia. Advancement of these projects, including the ICO construction in 2021, ICO BFS in 2020, Nico Young 43-101 Preliminary Economic Assessment in 2019, as well as exploratory drilling in Uganda in 2019 and 2020 have contributed to the loss incurred each year. Alongside management performance, macro-economic conditions as well as movements in battery metal commodity prices have contributed to the share price performance of the Company.

Additional disclosures relating to key management personnel

Shareholding

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

	Balance at the start of the period	Additions (1)	Disposals / held at time of resignation	Balance at the end of the period
Ordinary shares				
P Johnston	3,405,738	850,000	–	4,255,738
B Kennedy	8,885,344	113,636	–	8,998,980
M Callahan	2,864,900	–	–	2,864,900
D Issroff (2)	–	2,272,727	–	2,272,727
B Crocker	2,775,000	100,000	–	2,875,000
M Rodriguez (3)	–	–	–	-
J May (4)	–	909,091	–	909,091
K Klassen	3,708,607	681,818	–	4,390,425
M Lengerich (5)	–	–	–	-
S Kallioinen (6)	–	–	–	-
G Young	2,459,016	3,080,829	–	5,539,845
Total	**24,098,605**	**8,008,101**	**–**	**32,106,706**

1. Shares acquired through participation in the August 2021 ANREO.

2. Appointed 3 September 2021

3. Ceased as a KMP on 29 October 2021

4. Appointed 1 March 2021

5. Appointed 16 August 2021

6. Appointed 1 November 2021

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Option and Performance Rights holding

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

All options granted to Directors and KMP as at 31 December 2021:

	Balance at the start of the period	Held at time of appointment in Current period	Additions	Disposals / held at time of ceasing as KMP	Balance at the end of the period
Options and Performance Rights over ordinary shares					
P Johnston	8,375,000	–	–	–	8,375,000
B Kennedy	3,780,000	–	–	–	3,780,000
M Callahan	2,260,000[6]	–	–	–	2,260,000
D Issroff [1]	–	–	–	–	–
B Crocker	25,000,000	–	–	–	25,000,000
M Rodriguez [2]	7,000,000	–	–	7,000,000	–
J May [3]	–	3,250,000	–	–	3,250,000
K Klassen	3,812,500	–	500,000		4,312,500
M Lengerich [4]	–	3,250,000	–	–	3,250,000
S Kallioinen [5]	–	2,574,627	–	–	2,574,627
G Young	7,500,000	–	–	–	7,500,000
Total	**57,727,500**	**9,074,627**	**500,000**	**7,000,000**	**60,302,127**

1. Appointed 3 September 2021
2. Ceased as a KMP on 29 October 2021
3. Appointed 1 March 2021
4. Appointed 16 August 2021
5. Appointed 1 November 2021
6. This includes 1,980,000 options on issue, at the time of the eCobalt merger, to Michael Callahan who was a former Director of eCobalt Solutions and are reflected as being held at the start of the period. Under the terms of the merger, these options will be exercised into shares of the Company.
7. See tables following for further detail

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Directors' Report

	Options granted during the period	Grant date	Fair value per option on grant date	Vesting date	Exercise price	Expiry date	% vested during the period	% lapsed during the period	Value of options granted during the period	Value of options exercised during the period
			A$		A$				A$	
K Klassen	500,000	01/03/2021	0.35	01/03/2024	0.45	28/02/2029	–	–	173,543	–
M Lengerich	3,250,000	12/07/2021	0.39	09/08/2024	0.56	08/08/2029	–	–	1,273,169	–
S Kallioinen	1,500,000	01/09/2021	0.33	01/09/2024	0.48	31/08/2029	–	–	495,547	–

	Performance Rights granted during the period	Grant date	Fair value per Rights on grant date	Vesting date	Exercise price	Expiry date	% vested during the period	% lapsed during the period	Value of Rights granted during the period	Value of Rights exercised during the period
			A$		A$				A$	
S Kallioinen	526,799	02/09/2021	0.49	15/2/2022	N/A	17/02/2024	–	–	258,132	–
	379,259	02/09/2021	0.49	15/2/2023	N/A	17/02/2024	–	–	185,837	–
	168,569	02/09/2021	0.49	15/2/2024	N/A	17/02/2024	–	–	82,599	–

All options granted to Directors and KMP as at 31 December 2021:

	Options granted in current or prior years	Grant date	Fair value per option on grant date	Vesting date	Exercise price	Expiry date	% vested	% lapsed	Value of options granted	Value of options exercised
			A$		A$				A$	
B Crocker	10,000,000	01/10/2017	0.56	01/10/2019	0.15	30/11/2022	100	–	5,612,388	–
	5,000,000	01/10/2018	0.23	01/10/2020	0.29	30/09/2023	100	–	1,167,301	–
	5,000,000	01/10/2019	0.15	01/10/2021	0.24	30/09/2024	100	–	752,673	–
	5,000,000	01/10/2020	0.20	01/10/2022	0.31	30/09/2025	–	–	1,022,403	–
J May	3,250,000	26/11/2020	0.21	01/03/2024	0.24	28/02/2029	–	–	673,154	–
K Klassen	2,500,000	01/06/2019	0.16	01/06/2022	0.24	01/06/2024	–	–	405,110	–
	1,312,500	01/04/2020	0.12	01/04/2023	0.15	31/03/2028	–	–	157,199	–
	500,000	01/03/2021	0.35	01/03/2024	0.45	28/02/2029	–	–	173,543	–
M Lengerich	3,250,000	16/08/2021	0.39	09/08/2024	0.57	08/08/2029	–	–	1,273,169	–
S Kallioinen	1,500,000	01/09/2021	0.33	01/09/2024	0.48	31/08/2029	–	–	495,547	–
G Young	7,500,000	19/10/2020	0.25	19/10/2023	0.33	18/10/2028	–	–	1,840,468	–
P Johnston	7,500,000	02/11/2018	0.10	01/07/2020	0.30	01/07/2023	100	–	777,299	–
	875,000	01/04/2020	0.12	01/04/2023	0.15	31/03/2028	–	–	104,799	–
B Kennedy	2,500,000	01/10/2017	0.56	01/10/2018	0.15	30/11/2022	100	–	1,403,097	–
	1,280,000	01/04/2020	0.12	01/04/2023	0.15	31/03/2028	–	–	153,306	–
M Callahan(1)	280,000	01/04/2020	0.12	01/04/2023	0.15	31/03/2028	–	–	33,536	–

1. This excludes 1,980,000 options on issue, at the time of the eCobalt merger, to Michael Callahan who was a former Director of eCobalt Solutions.

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Of the Options and Rights granted in the period the consolidated entity does not currently attach any performance conditions or pre-defined targets to the vesting conditions of any options granted plan, which would need to be achieved before the options or rights vested other than continued employment. Given the current size of the consolidated entity, performance conditions or targets are not considered necessary as each individual executive's relative performance and contribution to the consolidated entity will be taken into account by the board when it's determines the vesting conditions applicable to any options granted.

Long-term incentives were paid by the consolidated entity during the financial period to its KMP's, as set out above. There was no changes to the terms or conditions of the existing options granted to Directors. The exercise price of existing options granted to senior management prior to 1 July 2021 were adjusted pursuant to ASX Listing rule 6.23. Existing options granted to Directors will be adjusted if approved by shareholders at the AGM of the Company to be held in May 2022.

This concludes the remuneration report.

13. Indemnity and insurance of officers

The Company has indemnified the Directors and executives of the Company for costs incurred, in their capacity as a Director or executive, for which they may be held personally liable, except where there is a lack of good faith.

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

14. Indemnity of auditor

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young Australia, as part of the terms of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young Australia during or since the financial year.

15. Proceedings on behalf of the Company

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

16. Audit and non-audit service and review

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company are important. Details of the amounts paid or payable to Ernst & Young ("EY") (as the current Group auditor) for audit and non-audit services provided are set out in note 10.

The Board has considered the position and, in accordance with the advice received from the Audit and Risk Committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence imposed by the Corporations Act 2001. The Directors are satisfied that the provision of non-audit services by the auditor did not compromise the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed by the Board to ensure they do not impact the impartiality and objectivity of the auditor;
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 'Code of Ethics for Professional Accountants'; and
- there are no officers of the Company who are former partners of Ernst & Young.

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Directors' Report

17. 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. EY was appointed as auditors of the Company on 5 August 2020. This report is made in accordance with a resolution of Directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

Dated at Melbourne this 11th day of March 2022.

Signed in accordance with a resolution of the directors:

P. B. Johnston.

Peter Johnston
Chairman

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Lead Auditor's Independence Declaration

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EY
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 audit of the financial report of Jervois Global Limited for the financial year ended 31 December 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 audit; and

b. No contraventions of any applicable code of professional conduct in relation to the audit; and

c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

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

Ernst & Young
Ernst & Young

Matthew A. Honey
Partner
11 March 2022

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Consolidated Financial Statements

For the year ended 31 December 2021

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Consolidated statement of financial position
As at 31 December 2021

	Note	31 December 2021	31 December 2020
		A$'000	A$'000
Current assets			
Cash and cash equivalents	13	67,730	42,331
Funds held in escrow	27	156,244	–
Trade and other receivables	15	51,535	50
Prepayments		5,084	369
Term deposits	16	116	116
Inventories	17	150,488	78
Financial assets at fair value through profit or loss	27	2,525	–
Total current assets		433,722	42,944
Non-current assets			
Security deposits	18	158	158
Exploration and evaluation	19	6,856	7,171
Property, plant, and equipment	20	176,218	74,114
Intangible assets and goodwill	21	141,957	418
Reclamation deposits	22	2,656	2,813
Right-of-use asset	5	30,690	31,847
Deferred tax assets	23	3,009	–
Others		680	–
Total non-current assets		362,224	116,521
Total assets		795,946	159,465
Current liabilities			
Trade and other payables	24	51,665	811
Employee benefits	25	5,831	255
Borrowings	27	132,268	104
Lease liability	5	10,756	13,195
Income tax payable		4,951	–
Total current liabilities		205,471	14,365
Non-current liabilities			
Deferred tax liabilities	23	24,000	36
Employee benefits	25	359	19
Borrowings	27	79,172	9,808
Asset retirement obligation	26	10,663	9,808
Lease liability	5	15,761	13,720
Contingent consideration	6	52,322	–
Other non-current liabilities		78	–
Total non-current liabilities		182,355	23,583
Total liabilities		387,826	37,948
Net assets		408,120	121,517
Equity			
Share capital	28	514,210	208,937
Reserves	29	17,863	7,524
Accumulated losses		(123,953)	(94,944)
Total equity attributable to equity holders of the Company		408,120	121,517

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

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Consolidated statement of profit or loss and other comprehensive income For the year ended 31 December 2021

	Note	12 months to 31 December 2021	6 months to 31 December 2020
		A$'000	A$'000
Revenue	4	161,662	–
Cost of goods sold		(152,840)	–
Gross profit		8,822	–
Other income	7	577	283
Other gains	8	1,199	–
General and administrative expenses		(7,619)	(1,072)
Employee benefits expense	9	(6,419)	(760)
Share-based payments	30	(4,234)	(1,373)
Business development costs	9	(4,316)	(154)
Acquisition costs	9	(6,897)	–
Depreciation and amortisation	9	(5,749)	(160)
Asset write-down	9	(2,284)	–
Impairment of exploration assets	9	(423)	(20,789)
Gain on sale of fixed assets		881	–
Operating loss		(26,462)	(24,025)
Interest income		2	–
Interest expense	9	(2,977)	(114)
Net financing costs		(2,975)	(114)
Loss before income tax expense		(29,437)	(24,139)
Income tax expense	11	428	–
Loss for the period		(29,009)	(24,139)
Loss after income tax expense for the year attributable to the owners of Jervois Global Limited		(29,009)	(24,139)
Other comprehensive income			
Items that may be subsequently reclassified to profit or loss:			
Exchange reserve arising on translation of foreign operations		7,726	(10,783)
Total other comprehensive income/(loss)		7,726	(10,783)
Total comprehensive loss for the period attributable to the owners of Jervois Global Limited		(21,283)	(34,922)
Loss per share for the period attributable to the owners of Jervois Global Limited			
Basic loss per share (A$ cents)	12	(2.73)	(3.44)
Diluted loss per share (A$ cents)	12	(2.73)	(3.44)

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

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Consolidated statement of changes in equity
For the year ended 31 December 2021

	Issued capital	Share capital reserve	Share-based payment reserve	Foreign currency translation reserve	Retained earnings	Total
	A$'000	A$'000	A$'000	A$'000	A$'000	A$'000
Balance as at 1 January 2021	208,937	2,245	13,981	(8,702)	(94,944)	121,517
Total comprehensive loss for the period	–	–	–	–	(29,009)	(29,009)
Other comprehensive income						
Foreign currency translation differences for foreign operations	–	–	–	7,726	–	7,726
Total comprehensive income for the period	–	–	–	7,726	(29,009)	(21,283)
Transactions with owners, recorded directly in equity						
Issue of ordinary shares	315,578	–	–	–	–	315,578
Costs of raising equity	(12,841)	–	–	–	–	(12,841)
Value of options issued	–	–	4,234	–	–	4,234
Share-based payment transactions exercised	2,536	–	(1,621)	–	–	915
Balance as at 31 December 2021	514,210	2,245	16,594	(976)	(123,953)	408,120

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

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Consolidated statement of changes in equity
For the year ended 31 December 2021

	Issued capital	Share capital reserve	Share-based payment reserve	Foreign currency translation reserve	Retained earnings	Total
	A$'000	A$'000	A$'000	A$'000	A$'000	A$'000
Balance as at 1 July 2020	164,476	2,245	12,751	2,081	(70,805)	110,748
Total comprehensive loss for the period	–	–	–	–	(24,139)	(24,139)
Other comprehensive income						
Foreign currency translation differences for foreign operations	–	–	–	(10,783)	–	(10,783)
Total comprehensive income for the period	–	–	–	(10,783)	(24,139)	(34,922)
Transactions with owners, recorded directly in equity						
Issue of ordinary shares	45,000	–	–	–	–	45,000
Costs of raising equity	(990)	–	–	–	–	(990)
Value of options issued	–	–	1,373	–	–	1,373
Share-based payment transactions exercised	451	–	(143)	–	–	308
Balance as at 31 December 2020	208,937	2,245	13,981	(8,702)	(94,944)	121,517

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Consolidated statement of cash flows
For the year ended 31 December 2021

	Note	12 months to 31 December 2021	6 months to 31 December 2020
		A$'000	A$'000
Cash flows from operating activities			
Receipts from customers		150,335	–
Sundry income		398	92
Payments to suppliers and employees		(179,163)	(2,678)
Business development costs		(3,850)	–
Acquisition costs		(6,897)	–
Interest paid		(2,417)	–
Income taxes paid		(370)	–
Net cash outflow from operating activities	14	(41,964)	(2,586)
Cash flows from investing activities			
Interest received		2	–
Payment for acquisition of subsidiary, net of cash acquired	6	(204,782)	–
Payments for property, plant, and equipment		(34,062)	(238)
Payments for exploration and evaluation		(99)	(2,414)
Payments for intangible assets		–	(162)
Proceeds from the sale of fixed assets		935	–
R&D tax offset received for exploration assets		62	1,544
Proceeds from sale of investments	7	–	191
Net cash outflow from investing activities		(237,944)	(1,079)
Cash flows from financing activities			
Proceeds from issue of shares		269,719	45,309
Share issue transaction costs		(11,678)	(990)
Transfer to funds held in escrow	27	(21,465)	–
Proceeds from borrowings		76,586	–
Transaction costs related to loans and borrowings		(5,505)	–
Repayment of lease liability	5	(1,565)	(3,910)
Net cash inflow from financing activities		306,092	40,409
Net increase in cash and cash equivalents		26,184	36,744
Cash and cash equivalents at the beginning of the period		42,331	5,663
Effects of exchange rate changes on cash and cash equivalents		(785)	(76)
Cash and cash equivalents at the end of the period	13	67,730	42,331

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

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Notes to the consolidated financial statements For the year ended 31 December 2021

1. Corporate information

The consolidated financial statements cover Jervois Global 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 twelve-month period ended 31 December 2021 (the "period"). The financial statements are presented in Australian dollars, which is the 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 2.03
1-11 Gordon Street
Cremorne, Victoria, 3121, Australia

The financial statements were authorised for issue on on 11 March 2022 accordance with a resolution of the Directors.

2. Basis of preparation

(a) Statement of compliance

The consolidated financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards ("AASB"), adopted by the Australian Accounting Standards Board, and the Corporations Act 2001. The consolidated financial statements comply with International Financial Reporting Standards ("IFRS") and interpretations adopted by the International Accounting Standards Board. These consolidated financial statements have been rounded to the nearest thousands in accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

(b) Basis of measurement

The 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 year disclosures.

(c) Change of financial year end

In 2020, the financial year end of the Company changed from 30 June to 31 December to align the year end date of the Company with that of its subsidiary companies and to improve the efficiency of the Company's financial reporting and planning cycles. Accordingly, the financial period reported in these financial statements covers the twelve-month period from 1 January 2021 to 31 December 2021, whilst comparative figures cover the six-month period from 1 July 2020 to 31 December 2020. The results for the current period are therefore not directly comparable with the results for the prior period.

(d) Going concern basis of accounting

The 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.

During the period, the Group recorded a net loss after income tax expense A$29.0 million (six-month period ended 31 December 2020: loss of A$24.1 million) and had net equity of A$408.1 million (six-month period ended 31 December 2020: A$121.5 million). The net loss includes non-cash impairment charges of A$2.7 million (six-month period ended 31 December 2020: A$20.8 million) and non-cash share-based payments expenses of A$4.2 million (six-month period ended 31 December 2020: A$1.4 million).

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During the period, net cash outflow from operating activities was A$42.0 million (six-month period ended 31 December 2020: outflow of A$2.6 million), net cash outflow from investing activities was A$237.9 million (six-month period ended 31 December 2020: outflow of A$1.1 million) and net cash inflow from financing activities was A$306.1 million (six-month period ended 31 December 2020: inflow of A$40.4 million).

As at 31 December 2021, the Group had cash and cash equivalents of A$67.7 million (31 December 2020: A$42.3 million). As at 31 December 2021, the Group had total current assets of A$433.7 million (31 December 2020: A$42.9 million) and total current liabilities of A$205.5 million (31 December 2020: A$14.4 million), resulting in net current assets of A$228.2 million (31 December 2020: A$28.5 million).

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

- During the period, the Company was successful at raising additional equity capital and borrowings to pursue its strategic business plans and objectives, including the acquisition of Freeport Cobalt (see note 6), and enhance the Group's liquidity and balance sheet strength.
- In February 2022, the Company's wholly owned subsidiary, Jervois Mining USA Limited, completed the first US$50.0 million drawdown of the US$100.0 million senior secured bond facility, with these funds to be used exclusively for ongoing construction of ICO.
- Management and the Directors have reviewed the Group's consolidated cashflow requirements for the twelve-month period from the date of signing the 31 December 2021 annual financial statements and the forecast shows that the current cash on hand will be sufficient to meet the planned activities approved by the Board up to the date of signing the 31 December 2021 annual financial statements, and the Group's corporate and working capital requirements during this period.

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.

(e) Critical accounting judgements, estimates and assumptions

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the consolidated 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.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected. Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial period and that have the most significant effect on the amounts recognised in the financial statements are described below:

Property, plant, and equipment

Expenditures for new facilities or equipment that extend the useful lives of existing facilities or equipment are capitalised and recorded at cost. Facilities and equipment acquired as part of a lease, build-to-suit or other financing arrangements are capitalised and recorded based on the contractual lease terms. The facilities and equipment are depreciated using the straight-line method at rates sufficient to depreciate capitalised costs over the estimated productive lives of such facilities. These estimated productive lives do not exceed the related estimated mine lives, which are based upon proven and probable reserves.

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Notes to the consolidated financial statements For the year ended 31 December 2021

Leases

Lease term

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has a lease contract that includes a termination option. Judgement is applied in evaluating the likelihood of exercising the termination option. That is, consideration is given to all relevant factors that create an economic incentive to exercise the termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to terminate. The Group includes the period covered by the termination option as part of the lease term only when it is reasonably certain not to be exercised.

Incremental borrowing rate

The Group cannot readily determine the interest rate implicit in the lease and, therefore, uses the relevant incremental borrowing rate ("IBR") to measure the lease liability. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR, therefore, reflects what the Group would have to pay, which requires estimation when no observable rates are available and to make adjustments to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to consider certain entity-specific judgements.

Purchase option

The Group has a lease contract that includes a purchase option. Judgement is applied in evaluating the likelihood of exercising the purchase option. That is, consideration is given to all relevant factors that create an economic incentive to exercise the purchase option. The purchase option is also payable in stages. Judgement is applied to determine the timing of these payments, based on contractual obligations, if the purchase option is reasonably certain to be exercised by the Group.

Asset retirement obligation

The Group records a provision for the estimated future costs of site reclamation and closure of operating projects, which are discounted to net present value using the risk-free interest rate applicable to the future cash outflows. Judgement is used to estimate future costs which incorporate assumptions on the effects of inflation on those future costs, movements in foreign exchange rates, and other specific risks associated with the related liabilities.

Provision for expected credit losses of trade receivables and contract assets

The Group uses a provision matrix to calculate expected credit losses ("ECLs") for trade receivables and contract assets. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

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Taxation

Judgement is required in assessing whether deferred tax assets and certain deferred tax liabilities are recognised in the consolidated statement of financial position. Deferred tax assets, including those arising from un-recouped tax losses, capital losses and temporary differences, are recognised only where it is considered more likely than not that they will be recovered, which is dependent on the generation of sufficient future taxable profits.

Assumptions about the generation of future taxable profits and repatriation of retained earnings depend on management's estimates of future cash flows. These depend on estimates of future production and sales volumes, operating costs, restoration costs, capital expenditure, and other capital management transactions. Judgements are also required about the application of income tax legislation. These judgements and assumptions are subject to risk and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred tax assets and deferred tax liabilities recognised on the consolidated statement of financial position and the amount of other tax losses and temporary differences not yet recognised. In such circumstances, some or all the carrying amounts of recognised deferred tax assets and liabilities may require adjustment, resulting in a corresponding credit or charge to profit or loss.

(f) New or amended Accounting Standards and Interpretations adopted

The Group 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. A summary of significant standards follows:

Amendments to AASB 9, AASB 7, AASB 4, AASB 16 and AASB 139 – Interest Rate Benchmark Reform – Phase 2

The amendment addresses issues that may affect financial reporting as a result of the reform of an interest rate benchmark, including the effects of changes to contractual cash flows or hedging relationships arising from the replacement of an interest rate benchmark with an alternative benchmark rate. The amendments provide practical relief from certain requirements in the standards relating to changes in the basis for determining contractual cash flows of financial assets, liabilities and lease liability and hedge accounting. The Company adopted this amendment to AASB effective 1 January 2021, and the impact is not material.

(g) Accounting Standards issued but not yet effective

A number of new and amended accounting standards and interpretations have been recently issued by the Australian Accounting Standards Board but not yet effective at 31 December 2021. These new or amended accounting standards and interpretations have not been early adopted and the Group is currently assessing the impact of the amendments to determine the impact they will have on the Group's accounting policy disclosures. These new and amended accounting standards will be adopted by the Group when they become effective.

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Notes to the consolidated financial statements For the year ended 31 December 2021

3. Summary of significant accounting policies

The accounting policies have been consistently applied by all entities included in the Group and are consistent with those applied in the prior year.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of the Company as at 31 December 2021 and the results of all subsidiaries for the year then ended.

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

Intercompany transactions, balances, and unrealised gains on transactions between entities in the Group 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.

Revenue recognition

The Group recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer.

For each contract with a customer, the Group: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the “expected value” or “most likely amount” method.

The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are initially recognised as deferred revenue in the form of a separate refund liability.

Sale of goods

Revenue from the sale of goods is recognised when the Group satisfies its performance obligations under its contract with the customer by transferring such goods to the customer’s control. Control is generally determined to be when risk and title to the goods passes to the customer.

Transfer of control is assessed in accordance with the terms of the customer contract, which typically occurs upon shipment of the product. Revenue is recognised upon receipt of the bill of lading when the goods are delivered for shipment under the contract terms.

Where contracts require the Group to deliver the product to the customer, revenue is not recognised until delivery has occurred, and the performance obligation has been satisfied under the contract terms.

Payment terms are generally 30 to 60 days.

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Rendering of services

Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price or an hourly rate.

Other income

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

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded by each entity in the Group at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. All differences are taken to the statement of profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the date of the initial transaction.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

Trade receivables represent outstanding customer balances less any provision for impairment at the end of a reporting period and are recorded when revenue is recognised. An assessment of the business model for managing the receivables is required to determine the appropriate classification and measurement. The business model pertaining to those receivables that do not contain provisional pricing features is to hold the assets to collect the contractual cash flows and as such, these financial assets are classified as at amortised cost. Other receivables are recognised at amortised cost, less any provision for impairment.

Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable.

Business combinations are initially accounted for on a provisional basis. The acquirer retrospectively adjusts the provisional amounts recognised and recognises additional benefits or liabilities during the measurement period based on new information obtained about the facts and circumstances that existed at acquisition date. The measurement period ends on either the earlier of (i) 12 months from the date of acquisition or (ii) when the acquirer receives all the information possible to determine fair value.

Where the business combination is achieved in stages, the group measures its previously held equity interest in the acquiree at the acquisition-date fair value and the difference between the fair value and the previous carrying amount is recognised in profit and loss.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree at full value; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

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Notes to the consolidated financial statements For the year ended 31 December 2021

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

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 Group's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not re-measured and settlement is accounted for in equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

After acquisition date, transactions with non-controlling interests that do not result in a loss of control are accounted for as transactions with equity owners of the Group. Any difference between the amount of the adjustment to the non-controlling interest and any consideration paid or received is recognised as a separate reserve within equity.

The assets, liabilities and contingent liabilities recognised at acquisition date are recognised at fair value.

Asset retirement obligation

The Group records a provision for the estimated future costs of site reclamation and closure of operating projects, which are discounted to net present value using the risk-free interest rate applicable to the future cash outflows. Estimates of future costs represent management's best estimate which incorporate assumptions on the effects of inflation for those future costs, movements in foreign exchange rates, other specific risks associated with the related liabilities.

A provision for reclamation and closure is re-measured at the end of each reporting period for changes in estimates and circumstances. Changes in estimates and circumstances include changes in legal or regulatory requirements, increased obligations arising from additional mining activities, changes to cost estimates and changes to the risk-free interest rate. A provision for site reclamation and closure cost obligations is accreted over time to reflect the unwinding of the discount with the accretion expense included in finance costs. Reclamation and closure cost obligations relating to mine development projects are initially recorded with a corresponding increase to the carrying amounts of related mining properties.

Inventories

Inventories are valued at the lower of weighted-average cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials: purchase cost on a weighted-average basis.
- Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs.

Initial cost of inventories includes the transfer of gains and losses on qualifying cash flow hedges, recognised in other comprehensive income, in respect of the purchases of raw materials.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

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Financial assets other than receivables

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless, an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all a financial asset, its carrying value is written off.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the Group intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Impairment of financial assets

The Group recognises a loss allowance for ECLs on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured based on the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For trade receivables, the Group applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised at the time of initial recognition of the receivables.

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Notes to the consolidated financial statements For the year ended 31 December 2021

Equity instruments

The Group subsequently measures all equity investments at fair value. Where management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the de-recognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in profit or loss, as applicable. Impairment losses (and the reversal of impairment losses) on equity investments measured at fair value through other comprehensive income are not reported separately from other changes in fair value.

Property, plant, and equipment

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

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

Buildings	5-50 years
Motor vehicles	5 years
Office equipment	4-20 years
Plant and equipment	4-40 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date. An item of property, plant, and equipment is derecognised upon disposal or when there is no future economic benefit to the Group. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Assets under construction

Expenditure is transferred from exploration and evaluation assets to assets under construction, which is a sub-category of property, plant, and equipment, once the work completed to date supports the future development of the property and such development receives appropriate approvals.

After transfer of the exploration and evaluation assets, all subsequent expenditure on the construction, installation or completion of infrastructure facilities is capitalised in assets under construction. Development expenditure is net of proceeds from the sale of ore extracted during the development phase to the extent that it is considered integral to the development of the mine. Any costs incurred in testing the assets to determine if they are functioning as intended are capitalised, net of any proceeds received from selling any product produced while testing. Where these proceeds exceed the cost of testing, any excess is recognised in profit or loss and other comprehensive income.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is reflected in profit or loss in the period in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Goodwill	Indefinite
Software	5-16 years
Commercial contracts	3-73 years

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Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category that is consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives are not amortised, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

An intangible asset is derecognised upon disposal (i.e. at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss.

Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether the contract conveys the right to control the use of an identified asset, the Group uses the definition of a lease under AASB 16.

At commencement on, or modification of, a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

The Group applies the practical expedient and elects, by class of underlying asset, not to separate non-lease components from lease components and instead accounts for each lease component and any associated non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group at the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case, the right-of-use asset will be depreciated over the useful life of the underlying asset which is determined on the same basis as those of property plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. After the commencement date, the lease liability is increased to reflect the accretion of interest and reduced for any lease payments made.

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Notes to the consolidated financial statements For the year ended 31 December 2021

Exploration and evaluation assets

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

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

The value of research and development tax incentives received in relation to exploration assets is recognised by deducting the grant when arriving at the carrying value of the asset. As any site moves into operational mode, exploration and evaluation assets are reclassified as mine properties and accordingly amortised using units of production method over the life of mine.

As site operations transition from the exploration stage to development of mining operations (i.e. construction stage), exploration and evaluation expenditures are reclassified as assets under construction. These exploration and evaluation assets are assessed for impairment prior to reclassification as assets under construction. Assets under construction are considered a subset of property, plant, and equipment and are depreciated accordingly as commercial production commences.

Financial liabilities

Financial liabilities are initially recognised at fair value, net of directly attributable transaction costs incurred. Financial liabilities are subsequently measured at amortised cost using the effective interest rate method.

Trade and other payables

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

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

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Employee benefits

Short-term employee benefits

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

Other long-term employee benefits

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

Share-based payments

Equity-settled share-based compensation benefits are provided to employees. Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. The cost of equity-settled transactions is measured at fair value on grant date. Fair value is independently determined using the 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 expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the Group receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions unless specifically identified in the grant. The vesting conditions comprise a service condition only.

The grant date fair value of equity-settled transactions is recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Fair value measurement

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

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

Issued capital

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

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Notes to the consolidated financial statements For the year ended 31 December 2021

Earnings / (loss) per share

Basic earnings / (loss) per share

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

Diluted earnings / (loss) per share

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

Goods and Services Tax ("GST") and other similar taxes

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

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

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

Income tax

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

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered, or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- When the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- When the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled, and it is probable that the temporary difference will not reverse in the foreseeable future.

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

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4. Segment reporting

The Group is organised into the following reportable segments: cobalt refining in Finland, mine development in the United States of America, mineral processing in Brazil and mineral exploration and evaluation in Australia. 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 2021 annual financial report.

Due to the impairment of the exploration assets to A$nil at 31 December 2020, Uganda was no longer considered a reportable segment during the current period. In addition, due to the acquisition of Jervois Finland (note 6), Finland was added as a reportable segment in the current period.

The Group's operating segments are outlined below:

Australia

Includes Nico Young and other Australian tenement licenses held.

Brazil

Includes the São Miguel Paulista ("SMP") refinery currently under lease in São Paulo, Brazil.

Finland

Includes the cobalt refining and specialty products business located in Kokkola, Finland.

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, corporate costs, including acquisition costs and financing costs. This is not a reportable segment.

Notes to the consolidated financial statements For the year ended 31 December 2021

The Chief Operating Decision Maker 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:

12 months to 31 December 2021	Australia	Brazil	Finland	USA	Other	Total
	A$'000	A$'000	A$'000	A$'000	A$'000	A$'000
Revenue from external customers						
Timing of revenue recognition:						
At a point in time	–	–	161,662	–	–	161,662
Over time	–	–	–	–	–	–
	–	–	161,662	–	–	161,662
Other income	–	–	12	118	447	577
Segment expense	(24)	(4,294)	(153,896)	(2,794)	(12,608)	(173,616)
Adjusted EBITDA(i)	(24)	(4,294)	7,778	(2,676)	(12,161)	(11,377)
Other gains	-	–	–	1,199	–	1,199
Gain on sale of fixed assets	9	–	–	872	–	881
Asset write-down	(441)	–	–	(1,843)	–	(2,284)
Impairment of exploration assets	(423)	–	–	–	–	(423)
Integration costs	–	–	(982)	–	–	(982)
Acquisition costs	–	–	–	–	(6,897)	(6,897)
Depreciation and amortisation	–	(1,014)	(4,441)	(277)	(17)	(5,749)
Interest income	–	1	1	–	–	2
Interest expense	–	(2,405)	(572)	–	–	(2,977)
Net foreign exchange (loss)/gain	–	–	(43)	70	(857)	(830)
Loss before income tax expense (segment result)	(879)	(7,712)	1,741	(2,655)	(19,932)	(29,437)
Segment assets	7,498	28,829	456,320	286,775	16,524	795,946
Segment liabilities	–	(24,683)	(202,114)	(157,533)	(3,496)	(387,826)

(i) Adjusted EBITDA represents earnings before interest, tax, depreciation, and amortisation ("EBITDA"), adjusted to exclude items which do not reflect the underlying performance of the Group's operations. Exclusions include gains (or losses) on sale of fixed assets, impairment charges (or reversals), certain derivative items, and one-off acquisition and integration costs.

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Revenues of approximately A$25.3 million and A$23.2 million are derived from two external customers, respectively.

6 months to 31 December 2020	Australia	Brazil	Uganda	USA	Other	Total
	A$'000	A$'000	A$'000	A$'000	A$'000	A$'000
Other income	–	–	–	27	256	283
Segment expense	(46)	–	–	(50)	(4,140)	(4,236)
Impairment	(236)	–	(20,553)	–	–	(20,789)
Depreciation and amortisation	–	(48)	–	(104)	(8)	(160)
Interest income	–	–	–	–	–	–
Interest expense	–	(114)	–	–	–	(114)
Net foreign exchange gain/(loss)	–	1,184	–	(192)	(115)	877
Loss before income tax expense (segment result)	(282)	1,022	(20,553)	(319)	(4,007)	(24,139)
Segment assets	8,135	31,847	57	75,439	43,987	159,465
Segment liabilities	–	(26,915)	–	(10,167)	(866)	(37,948)

Geographical information

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

	2021		2020	
	12 months to 31 December 2021 Income	12 months to 31 December 2021 Non-current assets	6 months to 31 December 2020 Income	6 months to 31 December 2020 Non-current assets
	A$'000	A$'000	A$'000	A$'000
Australia	–	7,584	256	9,799
Brazil	–	28,751	–	31,847
Finland	161,674	198,508	–	–
United States of America	1,317	125,576	27	73,179
Other	447	1,806	–	1,696
Total	163,438	362,224	283	116,521

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Notes to the consolidated financial statements For the year ended 31 December 2021

5. Right-of-use asset and lease liability

The carrying amount of the right-of-use asset recognised at 31 December 2021 and the movements during the twelve-month period ended 31 December 2021 in relation to the Refinery Lease is as follows:

	31 December 2021	31 December 2020
	A$'000	A$'000
Opening balance	31,847	–
Additions	624	31,895
Additions through acquisition (note 6)	1,472	–
Depreciation expense [(i)]	(1,216)	(48)
Foreign currency translation	(2,037)	–
Closing balance	30,690	31,847

(i) Right-of-use assets are depreciated using the straight-line method over the useful life of the related underlying asset, which is determined on the same basis as those of property, plant, and equipment.

The carrying amount of the lease liability recognised at 31 December 2021 and the movements during the twelve-month period ended 31 December 2021 is as follows:

	31 December 2021	31 December 2020
	A$'000	A$'000
Opening balance	26,915	–
Additions	639	27,985
Additions through acquisition (note 6)	1,462	–
Accretion of interest	2,417	114
Lease payments	(3,982)	–
Foreign currency translation	(934)	(1,184)
Closing balance	26,517	26,915

The following amounts were recognised in profit or loss during the twelve-month period ended 31 December 2021 in relation to leases:

	12 months to 31 December 2021	6 months to 31 December 2020
	A$'000	A$'000
Depreciation expense relating to right-of-use asset	(1,216)	(48)
Interest expense relating to lease liability	(2,417)	(114)
Unrealised foreign exchange gain relating to lease liability	–	1,184
Total	(3,633)	1,022

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The following amounts were recognised in the statement of cash flows during the twelve-month period ended 31 December 2021 in relation to the Refinery Lease:

	12 months to 31 December 2021	6 months to 31 December 2020
	A$'000	A$'000
Interest relating to lease liability	(2,417)	(3,910)
Capital payments relating to lease liability	(1,565)	–
Total	(3,982)	(3,910)

6. Acquisition of Freeport Cobalt

On 1 September 2021, Jervois acquired 100% of Freeport Cobalt by purchasing all the shares of Freeport Cobalt Oy and four affiliated entities (now referred to as "Jervois Finland") from Koboltti Chemicals Holdings Limited ("KCHL"). The acquisition is expected to increase the Group's market share and transform Jervois into a global, vertically integrated cobalt and nickel company of scale.

As of 31 December 2021, the provisional accounting for the acquisition of Jervois Finland was finalised, with the final cash consideration paid for the acquisition being revised down to A$232.3 million.

Details of the purchase consideration, the finalised net assets acquired, and goodwill are as follows:

	1 September 2021
	A$'000
Purchase consideration	
Cash paid	232,253
KCHL participation in equity raise (ii)	46,854
Contingent consideration (iii)	51,718
Total purchase consideration	**330,825**

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Notes to the consolidated financial statements For the year ended 31 December 2021

	Carrying value at acquisition date 1 September 2021	Fair value adjustments at acquisition date 1 September 2021	Fair value at acquisition date 1 September 2021
	A$'000	A$'000	A$'000
Cash and cash equivalents	27,282	–	27,282
Trade and other receivables (iv)	40,339	–	40,339
Inventories	130,672	–	130,672
Right-of-use asset	1,472	–	1,472
Property, plant, and equipment (iv)	38,105	12,728	50,833
Intangible assets (iv)	2	90,460	90,462
Other assets	676	–	676
Payables	(34,248)	–	(34,248)
Income tax payables	(2,045)	–	(2,045)
Lease liabilities	(1,462)	–	(1,462)
Net deferred tax liabilities	(3,769)	(20,638)	(24,407)
Other liabilities	(343)	–	(343)
Identifiable net assets acquired at fair value (iv)	196,681	82,550	279,231
Add: goodwill (iv)			51,594
Total purchase consideration			330,825

(i) Acquisition related costs

Acquisition-related costs of A$6.9 million are included in administrative expenses in profit or loss and in operating cash flows in the statement of cash flows.

(ii) KCHL participation in equity raise

To fund the acquisition of Jervois Finland, the Company entered into an underwriting agreement providing a fully underwritten A$313 million equity raising by issuance of new Jervois ordinary shares consisting of a ~A$87 million institutional placement and a ~A$226 million 1 for 1.56 accelerated pro-rata non-renounceable institutional and retail entitlement offer (the "Entitlement Offer"). KCHL committed to support the equity raising and sub-underwrite the Entitlement Offer, acquiring an equity position in the Company as a result.

(iii) Contingent consideration

The contingent consideration arrangement requires Jervois to pay up to US$40.0 million, payable in cash up to US$10.0 million per year based on Jervois Finland's financial performance from 2022 through to 2026, and through a "catch-up" amount based on Jervois Finland's aggregate financial performance during that period.

Contingent consideration payable increases linearly from a payment of US$0 million if Jervois Finland's EBITDA equals US$20.0 million or less to a payment of US$10.0 million if Jervois Finland's EBITDA equals more than the agreed target of US$40.0 million. The "catch-up" amount is quantified as the difference between (a) the sum of all contingent amounts already payable and (b) the sum that would have been payable if Jervois Finland's aggregate EBITDA over the period

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(2022 to 2026) were averaged out over the period. This remains subject to the overall maximum contingent consideration payment of US$40.0 million.

The fair value of the contingent consideration arrangement of A$52.3 million (US$38.0 million) as at 31 December 2021 was determined using the Monte Carlo simulation approach, based on two key profit drivers for the business, being the cobalt metal spot price and the cobalt payability percentage.

(iv) Identifiable net assets acquired at fair value

The fair value of trade and other receivables is A$40.3 million and includes trade receivables with a fair value of A$34.8 million. The gross contractual amount for trade receivables due is A$35.0 million, of which A$0.1 million has been provided for.

The fair value of property, plant, and equipment of A$50.8 million was determined using the cost and market approach. The cost approach involves the establishment of the gross current replacement cost of an asset, and then depreciating the cost over the asset's normal useful life to reflect its effective age, with due regard made to an estimated end-of-life residual value. This is commonly referred to as the depreciated replacement cost approach. The market approach was used to value adaptable and moveable assets such as mobile plant.

The fair value of intangible assets of A$90.5 million was determined using the multi-period excess earnings method ("MEEM") as well as the incremental cash flows method. The MEEM approach seeks to quantify the economic benefits that arise from having an agreement in place. The incremental cash flows approach seeks to quantify the economic benefits that arise from favourable terms in contracts.

The goodwill of A$52.2 million as at 31 December 2021 is attributable to the established downstream marketing and distribution platform, incorporating an established long-term customer base; the benefit associated with the long-term offtake from the third-party refinery, when compared with the costs associated with operating and maintaining owned refinery assets; and the fact that the Group acquired employees who are highly skilled, with unique expertise in cobalt production.

Differences with the above table is mainly due to foreign currency translation differences between 1 September 2021 and 31 December 2021.

(v) Revenue and profit contribution

Jervois Finland contributed revenues of A$161.7 million and net profit after tax of A$7.2 million to the Group for the period from 1 September 2021 to 31 December 2021. If the acquisition had occurred on 1 January 2021, consolidated revenue and consolidated net profit after tax of Jervois Finland for the period from 1 January 2021 to 31 December 2021 would have been A$394.0 million and A$13.6 million, respectively. These amounts have been calculated using the subsidiary's results and adjusting them for:

- differences in the accounting policies between the Group and the subsidiary (if any), and
- the additional depreciation and amortisation that would have been charged assuming the fair value adjustments to property, plant, and equipment and intangible assets had applied from 1 January 2021, together with the consequential tax effects.

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Notes to the consolidated financial statements For the year ended 31 December 2021

7. Other income

	12 months to 31 December 2021	6 months to 31 December 2020
	A$'000	A$'000
Sale of shares	–	191
Other	577	92
Total other income	577	283

8. Other gains

	12 months to 31 December 2021	6 months to 31 December 2020
	A$'000	A$'000
Net fair value gains on financial assets at fair value through profit or loss (note 27)	1,199	–
Total other gains	1,199	–

9. Expenses

	12 months to 31 December 2021	6 months to 31 December 2020
	A$'000	A$'000
Salaries and wages	6,419	760
Share-based payment expenses	4,234	1,373
Business development costs	4,316	154
Acquisition costs	6,897	–
Depreciation and amortisation	5,749	160
Asset write-down	2,284	–
Impairment of exploration assets	423	20,789
Interest expense	2,977	114
Total expenses	33,299	23,350

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10. Auditors' remuneration

	12 months to 31 December 2021	6 months to 31 December 2020
	A$'000	A$'000
(a) Fees to Ernst & Young (Australia)		
Fees for auditing the statutory financial report of the parent covering the Group and auditing the statutory financial reports of any controlled entities	210	168
Fees for other services		
– Tax compliance	19	22
– Others	392	–
Total fees to Ernst & Young (Australia)	621	190
(b) Fees to other overseas member firms of Ernst & Young (Australia)		
Fees for auditing the financial report of any controlled entities	334	9
Fees for other services:		
– Tax compliance	288	13
– Others	32	18
Total fees to overseas member firms of Ernst & Young (Australia)	654	40
Total fees to Ernst & Young	1,275	230
(c) Fees to other auditors	–	190

Fees for auditing the statutory financial report of the parent covering the Group and auditing the statutory financial reports of any controlled entities, related to when BDO was the auditor of the Group

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Notes to the consolidated financial statements For the year ended 31 December 2021

11. Income tax expense

	12 months to 31 December 2021	6 months to 31 December 2020
	A$'000	A$'000
Loss before tax from continuing operations	(29,437)	(24,139)
Income tax using the domestic corporation tax rate of 30%	(8,831)	(7,242)
Changes in income tax benefit due to:		
Effect of different tax rates in foreign jurisdictions	932	1,045
Effect of expenses that are not deductible in determining taxable income	1,642	412
Effect of temporary differences	(1,480)	4,830
Effect of deferred tax losses not brought to account	–	–
Other	428	–
Current period tax losses for which no deferred tax asset was recognised	7,737	955
Total income tax benefit/(expense) on pre-tax net profit	428	–
Current tax benefit/(expense)	2,980	–
Deferred tax benefit/(expense)	(3,408)	–
Total income tax benefit/(expense)	428	–

Unrecognised deferred tax assets

	12 months to 31 December 2021	6 months to 31 December 2020
	A$'000	A$'000
Unused tax losses for which no deferred tax asset has been recognised:		
Opening balance	53,242	35,072
True-up of prior year unused tax losses	4,459	17,215
Temporary differences	–	–
Current period tax losses for which no deferred tax asset was recognised	7,737	955
Potential tax benefit	65,438	53,242

The above potential tax benefit for tax losses has not been recognised in the statement of financial position. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed. There was nil (31 December 2020: nil) franking credit at year end.

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12. Loss per share

	12 months to 31 December 2021	6 months to 31 December 2020
	A$'000	A$'000
Loss for the period	(29,009)	(24,139)
Basic loss per share – cents	(2.73)	(3.44)
Diluted profit loss per share – cents	(2.73)	(3.44)

Basic loss and diluted loss per share

The calculation of basic loss per share and diluted loss per share for the twelve-month period ended 31 December 2021 was based on the loss attributable to ordinary equity holders of the Company of A$29.0 million (six-month period ended 31 December 2020: loss of A$24.1 million) and a weighted average number of ordinary shares outstanding during the twelve-month period ended 31 December 2021 of 1,063,880,999 (the six-month period ended 31 December 2020: 701,983,648).

Employee options and other options granted as described in note 28 have been included in the determination of diluted earnings per share to the extent they are dilutive.

13. Cash and cash equivalents

	31 December 2021	31 December 2020
	A$'000	A$'000
Bank balances	67,730	42,331
Total cash and cash equivalents	67,730	42,331

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Notes to the consolidated financial statements For the year ended 31 December 2021

14. Reconciliation of cash flows from operating activities

	12 months to 31 December 2021	6 months to 31 December 2020
	A$'000	A$'000
Cash flows from operating activities		
Loss for the period	(29,009)	(24,139)
Gain on sale of investments	–	(191)
Depreciation and amortisation	5,749	160
Share-based payments	4,234	1,373
Capitalised exploration expenditure written off during the period	423	20,789
Asset write-down	2,284	–
Gain/(loss) on sale of fixed assets	(881)	8
Fair value adjustment of embedded derivative	(1,199)	–
Other	1,016	(785)
Changes in working capital		
Increase in trade and other receivables	(11,129)	(11)
Increase in prepayments	(3,757)	(185)
Decrease in deposits	–	20
Increase in inventories	(17,673)	–
Increase in trade and other payables that relates to operating activities	8,121	301
Increase in income tax payable	2,781	–
Decrease in deferred tax payable	(3,579)	–
Increase in provisions	655	74
Net cash outflow from operating activities	(41,964)	(2,586)

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15. Trade and other receivables

	31 December 2021	31 December 2020
	A$'000	A$'000
Other receivables	41	44
GST and other tax receivable	4,535	6
Trade receivables	47,153	–
Allowance for expected credit losses	(194)	–
Trade receivables, net	46,959	–
Total trade and other receivables	51,535	50

16. Term deposits

	31 December 2021	31 December 2020
	A$'000	A$'000
Term deposits	116	116
Total term deposits	116	116

17. Inventories

	31 December 2021	31 December 2020
	A$'000	A$'000
Raw materials	32,833	–
Work in progress	1,981	–
Finished goods	115,674	78
Total inventories (i)	150,488	78

(i) Inventories are valued at the lower of weighted-average cost and net realisable value. At 31 December 2021, no inventory was held at net realisable value.

18. Security deposits

	31 December 2021	31 December 2020
	A$'000	A$'000
Security deposits	158	158
Total security deposits	158	158

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Notes to the consolidated financial statements For the year ended 31 December 2021

19. Exploration and evaluation

	31 December 2021	31 December 2020
	A$'000	A$'000
Opening balance	7,171	53,590
Expenditure incurred and capitalised	171	2,266
Foreign currency translation	–	(4,334)
Impairment (i)	(423)	(20,789)
Transfer to assets under construction (ii)	–	(22,018)
R&D tax offset recognised	(63)	(1,544)
Total exploration and evaluation	**6,856**	**7,171**

(i) Minor, non-core exploration and evaluation assets were impaired during the twelve-month period ended 31 December 2021. Due to the suspension of all exploration activities in Uganda as a result of ongoing COVID-19 risks, political and regulatory developments in-country and the drilling results to date (which do not meet mineralisation model expectations for copper-cobalt ore deposits), the Ugandan exploration and evaluation assets of A$20.6 million were impaired to A$nil at 31 December 2020.

(ii) As a result of the positive BFS completed in September 2020, the ICO exploration and evaluation asset was reclassified to assets under construction at 31 December 2020. See note 20.

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20. 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
31 December 2021					
Cost					
As at 1 January 2021	1,880	138	240	72,086	74,344
Additions through acquisition (note 6)	49,506	–	–	1,327	50,833
Additions for the period	138	11	564	49,017	49,730
Transfers	521	–	–	(793)	(272)
Disposals for the period	(45)	–	(53)	–	(98)
Asset write-down	(442)	(36)	–	(1,844)	(2,322)
Foreign currency translation differences	695	16	34	5,661	6,406
As at 31 December 2021	52,253	129	785	125,454	178,621
Depreciation and impairment					
As at 1 January 2021	(85)	(26)	(119)	–	(230)
Depreciation charge for the period	(2,033)	(34)	(64)	–	(2,131)
Disposals for the period	–	–	53	–	53
Asset write-down	8	30	–	–	38
Foreign currency translation differences	(110)	(13)	(10)	–	(133)
As at 31 December 2021	(2,220)	(43)	(140)	–	(2,403)
Net book value: As at 31 December 2021	50,033	86	645	125,454	176,218

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Notes to the consolidated financial statements For the year ended 31 December 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					
Cost					
As at 1 July 2020	1,986	148	254	56,991	59,379
Additions through acquisition	–	–	–	–	–
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 differences	(106)	(8)	(14)	(7,156)	(7,284)
As at 31 December 2020	1,880	138	240	72,086	74,344
Depreciation and impairment					
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

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21. Intangible assets and goodwill

	Goodwill [i]	Software	Commercial contracts	Total
	A$'000	A$'000	A$'000	A$'000
31 December 2021				
Cost				
As at 1 January 2021	–	592	–	592
Additions for the period	–	–	–	–
Additions through acquisition (note 6)	51,594	2	90,460	142,056
Transfers	–	272	–	272
Foreign currency translation differences	602	46	1,057	1,705
As at 31 December 2021	52,196	912	91,517	144,625
Amortisation and impairment				
As at 1 January 2021	–	(174)	–	(174)
Amortisation charge for the period	–	(151)	(2,251)	(2,402)
Foreign currency translation differences	–	(16)	(76)	(92)
As at 31 December 2021	–	(341)	(2,327)	(2,668)
Net book value: As at 31 December 2021	52,196	571	89,190	141,957

(i) Goodwill acquired through a business combination is allocated to the cash-generating unit ("CGU") or groups of CGUs that are expected to benefit from the related business combination and tested for impairment at the lowest level within the Group at which goodwill is monitored for internal management purposes. All goodwill intangible assets that have an indefinite life are tested annually for impairment, regardless of whether there has been an impairment trigger, or more frequently if events or changes in circumstances indicate a potential impairment. Management considers the smallest group of assets that independently generates cash flows, and whose cash flows is largely independent of the cash flows generated by other assets, to be the Jervois Finland business and thus the goodwill intangible asset is allocated to this CGU. A detailed estimate was determined of the recoverable amount of Jervois Finland as at 31 December 2021 using a Value In Use ("VIU") methodology and it was concluded that no impairment was required. The VIU is estimated based on discounted cash flows using market-based commodity price and exchange rate assumptions, estimated production volumes and operating costs based on current operating plans. The recoverable amount is most sensitive to movements in cobalt pricing.

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Notes to the consolidated financial statements For the year ended 31 December 2021

22. Reclamation deposits

	31 December 2021	31 December 2020
	A$'000	A$'000
Reclamation Performance Bond requirement	11,291	9,346
Insured	**11,291**	**9,346**
In Trust: US Treasury Securities including impact of foreign currency translation	2,656	2,813
Total reclamation deposits	**2,656**	**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$8.8 million (31 December 2020: US$7.2 million) in relation to surface disturbances from pre-construction activities.

The underlying asset securing this bond is the A$2.7 million (31 December 2020: A$2.8 million) reclamation deposit on the statement of financial position as at 31 December 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.

23. Deferred tax

The balance comprises temporary differences attributable to:

	31 December 2021	31 December 2020
	A$'000	A$'000
Right-of-use assets	(127)	–
Inventories	190	–
Accrued expenses	2,189	–
Property, plant, and equipment	(5,480)	–
Intangible assets	(17,864)	–
Other	101	(36)
Net deferred tax liabilities	(20,991)	(36)
Reflected in the statement of financial position as follows:		
Deferred tax assets:	3,009	–
Deferred tax liabiities:	(24,000)	(36)
Deferred tax liabilities, net	(20,991)	(36)

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24. Trade and other payables

	31 December 2021	31 December 2020
	A$'000	A$'000
Trade payables	31,221	150
Other payables	11,684	3
Accruals (i)	8,234	662
Deferred revenue	344	3
Tax payable (VAT/GST/Fuel Tax)	182	(7)
Total trade and other payables	51,665	811

(i) Accruals consist primarily of items relating to the development of ICO.

25. Employee benefits

	31 December 2021	31 December 2020
	A$'000	A$'000
Annual leave provision	3,345	134
Long service leave provision	302	19
Other employee entitlements	2,543	121
Total employee benefits	6,190	274
Current	5,831	255
Non-current	359	19
Total employee benefits	6,190	274

26. Asset retirement obligation

	31 December 2021	31 December 2020
	A$'000	A$'000
Opening reclamation and closure cost balance	9,808	10,861
Foreign currency translation	610	(1,179)
Movements in economic assumptions and timing of cash flows	245	126
Closing reclamation and closure cost balance	**10,663**	**9,808**

The Group's provision for site reclamation and closure relates to ICO and is for disturbance due to construction activity to date. Once mining activity has been advanced, 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 31 December 2021 were US$7.7 million or A$10.7 million. The discount used to determine the present value of the obligation was nil, based on a US Treasury Bond rate of 1.75% and an inflation rate which exceeded the US Treasury Bond rate. Reclamation activities will primarily be initiated at cessation of mining activities; however, some reclamation will happen concurrently where possible on areas no longer required for the mining operation.

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Notes to the consolidated financial statements For the year ended 31 December 2021

27. Borrowings

	Interest rate	Maturity date	Principal	31 December 2021 Carrying amount	31 December 2020 Carrying amount
	A$'000	A$'000	A$'000	A$'000	A$'000
Loans	N/A	N/A	N/A	–	104
Senior secured bonds (i)	12.5%	20-Jul-26	137,690	132,268	–
Secured revolving credit facility (ii)	LIBOR+5%	31-Dec-24	79,172	79,172	–
Total borrowings				211,440	104

	1 January 2021 Carrying amount	Cash flows	Non-cash flows	Foreign currency translation differences	31 December 2020 Carrying amount
	A$'000	A$'000	A$'000	A$'000	A$'000
Senior secured bonds (i)	–	–	131,108	1,160	132,268
Secured revolving credit facility (ii)	–	76,586	–	2,586	79,172
Total borrowings	–	76,586	131,108	3,746	211,440

(i) On 20 July 2021, the Company completed settlement of a US$100.0 million senior secured bond facility. The bonds were issued by the Company's wholly owned subsidiary, Jervois Mining USA Limited (the "Issuer"), and are administered by the bond trustee, Nordic Trustee AS. The coupon rate is 12.5% per annum, with interest payable bi-annually in arrears. The bonds contain an option for the issuer to call the bonds from year three until maturity.

Upon settlement, the proceeds of the bonds were deposited into an escrow account, whilst the first year's interest payment of US$12.5 million was deposited into a debt service account, both pursuant to the terms and conditions of the bond facility. These have been classified as "funds held in escrow" in the statement of financial position as at 31 December 2021.

Following the satisfaction of certain pre-disbursement conditions precedent, the proceeds are to be applied towards capital expenditures, operating costs and other costs associated with the construction of ICO and bringing it into production. The bonds have been classified as a current liability in the statement of financial position until satisfaction of the pre-disbursement conditions precedent results in drawdown of the bond proceeds from the escrow account.

The bond terms contain an option for the Issuer to call the bonds from year three until maturity. This call option gives rise to an embedded derivative, which has been separately valued from the bonds as the call option was not considered "closely related" to the host instrument. This resulted in the recognition of a separate asset in the statement of financial position as at 31 December 2021, classified as "financial assets at fair value through profit or loss".

(ii) On 28 October 2021, the Company's wholly owned subsidiaries, Jervois Suomi Holding Oy and Jervois Finland Oy (together, the "Borrowers"), entered into a secured revolving credit facility (the "Facility") with Mercuria Energy Trading SA ("Mercuria"), a wholly owned subsidiary of Mercuria Energy Group Limited.

Jervois Finland's Facility with Mercuria is for an initial maximum amount of US$75.0 million with a Facility end date of 31 December 2024. The Borrowers can draw to the lower of the maximum amount or 80% of the collateral value (referred to as the "Maximum Available Amount"), where collateral is defined as the value of the Borrowers' inventory and receivables subject to eligibility requirements and associated terms of the agreement. Where the amounts drawn exceed 110% of the Maximum Available Amount (the "Shortfall"), the Borrowers are required to prepay or repay any amount of the Facility to ensure that, following such payment, the Shortfall no longer exists. At 31 December 2021, there is no Shortfall and therefore the facility has been classified as a non-current liability.

Annual interest payable on amounts drawn is LIBOR + 5.0%. The Facility is secured against the shares in Jervois Finland and its assets and is guaranteed by Jervois. A maximum of US$50.0 million is permitted to be transferred out of the Jervois Finland group of companies for other general purposes in the wider Group. The Facility includes an uncommitted accordion (the "Accordion") for a further US$75.0 million. The Accordion is subject to the commitment of the lender and satisfaction of specific additional requirements related to the security package. As 31 December 2021, the Accordion is not yet activated.

(iii) Borrowing costs relating to ICO of A$7.8 million have been capitalised in "Assets under construction" (note 20) during the period at an effective interest rate of 14.1%.

(iv) Fees paid on the establishment of the senior secured bonds (A$3.9 million) and the secured revolving credit facility (A$1.8 million) are recognised as transaction costs of the facility. These fees are capitalised and amortised over the period of the facility to which they relate.

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28. Share capital

	31 December 2021	31 December 2020
	A$'000	A$'000
Share capital	529,814	211,700
Costs of raising equity	(15,604)	(2,763)
Total share capital	514,210	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	15,073	5,085
Issue of ordinary shares – placement	711,430	313,029
Less costs of raising equity	-	(12,841)
Closing share capital balance at 31 December 2021	1,517,806	514,210

(ii) Movements in costs of raising equity:

	12 months to 31 December 2021	6 months to 31 December 2020
	A$'000	A$'000
Opening balance	(2,763)	(1,773)
Costs incurred	(12,841)	(990)
Closing balance	(15,604)	(2,763)

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Notes to the consolidated financial statements For the year ended 31 December 2021

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

	12 months to 31 December 2021	6 months to 31 December 2020
	Number of options	Number of options
Balance at the beginning of the period	85,122,500	69,973,200
Granted	11,500,000	21,750,000
Forfeited	(1,750,000)	(5,800,700)
Exercised	(3,694,000)	(800,000)
Balance at the end of the period	91,178,500	85,122,500
Vested and exercisable at period end	35,156,000	30,100,000

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 11,500,000 options were issued to employees as part of the Company option plan, with 1,750,000 options forfeited and 1,000,000 exercised at an exercise price of A$0.20/share, 194,000 exercised at an exercise price of A$0.258/share and 2,500,000 exercised at an exercise price of A$0.10/share, thus bringing the options issued over ordinary shares in the Company to 91,178,500 as at 31 December 2021.

During the period, 7,500,000 options at an exercise price of A$0.19/share vested pursuant to the Company's option terms.

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Unissued shares under options to Directors and employees

As at 31 December 2021 unissued shares of the Company under option are:

Expiry date	Exercise price (A$)	Number of shares
30-Nov-22	$0.103	12,500,000
01-Jul-23	$0.248	7,500,000
30-Sep-23	$0.243	5,000,000
30-May-24	$0.398	100,000
01-Jun-24	$0.193	2,500,000
18-Jun-24	$0.258	2,306,000
15-Aug-24	$0.193	2,500,000
30-Sep-24	$0.193	5,000,000
30-Sep-25	$0.263	5,000,000
14-Aug-27	$0.153	750,000
15-Aug-27	$0.153	10,700,000
31-Mar-28	$0.103	9,572,500
18-Oct-28	$0.278	7,500,000
03-Jan-29	$0.243	6,000,000
28-Feb-29	$0.243	3,250,000
28-Feb-29	$0.453	500,000
08-Aug-29	$0.565	3,250,000
31-Aug-29	$0.555	1,000,000
31-Aug-29	$0.480	6,250,000
Total		91,178,500

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.

(iv) Movements in options for services:

	12 months to 31 December 2021	6 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

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Notes to the consolidated financial statements For the year ended 31 December 2021

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 financial year, no additional options were issued to advisers to the Company in exchange for services rendered. Nil options forfeited and nil exercised, thus bringing the options issued to service providers over ordinary shares in the Company to 550,000 as at 31 December 2021. Subsequent to the year end, 350,000 options were exercised.

Unissued shares under options granted for services

As at 31 December 2021 unissued shares of the Company under option are

Expiry date	Exercise price (A$)	Number of shares
31-May-24	$0.298	300,000
31-Mar-25	$0.153	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:

	12 months to 31 December 2021	6 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	(11,378,500)	(710,000)
Expired	(2,132,250)	(11,374,500)
Balance at the end of the period	4,504,500	18,015,250
Vested and exercisable at period end	4,504,500	18,015,250

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Options granted as part of the acquisitions

During the period, no new options were issued as part of any acquisitions. Nil options were forfeited, 11,378,500 were exercised and 2,132,250 expired, thus bringing the options issued for acquisitions over ordinary shares in the Company to 4,504,500 as at 31 December 2021.

Options outstanding as part of the acquisitions

As at 31 December 2021 unissued shares of the Company under option are:

Expiry date	Exercise price (C$)	Number of shares
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		4,504,500

The share options granted under the acquisitions 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. 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.

(vi) Movements in performance rights

	12 months to 31 December 2021	6 months to 31 December 2020
	Number of options	Number of options
Balance at the beginning of the period	–	–
Granted	2,351,165	–
Forfeited	–	–
Exercised	–	–
Expired	–	–
Balance at the end of the period	2,351,165	–
Vested at period end	–	–

Notes to the consolidated financial statements For the year ended 31 December 2021

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, 2,351,165 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 2,351,165 as at 31 December 2021.

Unissued shares under performance rights to Directors and employees

As at 31 December 2021 unissued shares of the Company under option are:

Expiry date	Exercise price (A$)	Number of rights
03-Apr-24	N/A	415,082
17-Feb-24	N/A	1,936,083
Total		2,351,165

(vii) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

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

(viii) Capital risk management

The consolidated entity's objectives when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital. Capital is regarded as total equity, as recognised in the statement of financial position, plus net debt. Net debt is calculated as total borrowings less cash and cash equivalents. In order to maintain or adjust the capital structure, the consolidated entity may adjust the number of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The consolidated entity would look to raise capital when an opportunity to invest in a business or company was seen as value adding relative to the current company's share price at the time of the investment. The consolidated entity is not actively pursuing additional investments in the short-term as it continues to integrate and grow its existing businesses in order to maximise synergies. The capital risk management policy remains unchanged from the 31 December 2020 annual report.

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29. Reserves and accumulated losses

Reserves

	31 December 2021	31 December 2020
	A$'000	A$'000
Share-based payments reserve	16,594	13,981
Foreign currency translation reserve	(976)	(8,702)
Share capital reserve	2,245	2,245
Total reserves	17,863	7,524

Share-based payments reserve

The share-based payments reserve is used to recognise the value of options issued but not exercised.

Foreign currency translation reserve

Exchange differences relating to the translation of the net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e. Australian dollars) are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve are reclassified to profit or loss on the disposal or partial disposal of the foreign operation.

Accumulated losses

	12 months to 31 December 2021	6 months to 31 December 2020
	A$'000	A$'000
Accumulated losses at the beginning of the year	(94,944)	(70,805)
Loss attributable to members of the Company	(29,009)	(24,139)
Transfer of financial assets reserve to retained earnings	–	–
Accumulated losses at the end of the period	(123,953)	(94,944)

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Notes to the consolidated financial statements For the year ended 31 December 2021

30. Share-based payments

Recognised share-based payment expense

	31 December 2021	31 December 2020
	A$'000	A$'000
Expense arising from equity settled share-based payment transactions [(i)]	(4,234)	(1,373)

(i) The full movement in the share-based payment reserve is made up of A$4.234 million (six-month period ended 31 December 2020: A$1.373 million) in relation to options issued to Directors and employees and A$nil (six-month period ended 31 December 2020: A$nil) in relation to options issued to service providers in professional fees.

Unexpired options at 31 December 2021 are as follows:

Grant date	Expiry date	Exercise price (A$)	Balance at start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance at 31 December 2021	Exercisable at 31 December 2021
13/12/2017	30/11/2022	0.10	15,000,000	Nil	(2,500,000)	Nil	12,500,000	12,500,000
31/05/2018	30/05/2024	0.30	400,000	Nil	Nil	Nil	400,000	400,000
19/06/2018	18/06/2024	0.26	2,500,000	Nil	(194,000)	Nil	2,306,000	2,306,000
01/10/2018	30/09/2023	0.24	5,000,000	Nil	Nil	Nil	5,000,000	5,000,000
02/11/2018	01/07/2023	0.25	7,500,000	Nil	Nil	Nil	7,500,000	7,500,000
01/06/2019	01/06/2024	0.19	2,500,000	Nil	Nil	Nil	2,500,000	Nil
14/08/2019	14/08/2027	0.10	750,000	Nil	Nil	Nil	750,000	Nil
14/08/2019	31/03/2025	0. 10	250,000	Nil	Nil	Nil	250,000	250,000
15/08/2019	15/08/2027	0. 15	11,700,000	Nil	(1,000,000)	Nil	10,700,000	Nil
15/08/2019	15/08/2024	0.19	2,500,000	Nil	Nil	Nil	2,500,000	2,500,000
01/10/2019	30/09/2024	0.19	5,000,000	Nil	Nil	Nil	5,000,000	5,000,000
01/04/2020	31/03/2028	0.10	10,822,500	Nil	Nil	(1,250,000)	9,572,500	Nil
01/10/2020	30/09/2025	0.26	5,000,000	Nil	Nil	Nil	5,000,000	Nil
19/10/2020	18/10/2028	0.28	7,500,000	Nil	Nil	Nil	7,500,000	Nil
26/11/2020	28/02/2029	0.24	3,250,000	Nil	Nil	Nil	3,250,000	Nil
26/11/2020	03/01/2029	0.24	6,000,000	Nil	Nil	Nil	6,000,000	Nil
01/03/2021	28/02/2029	0.45	Nil	1,000,000	Nil	(500,000)	500,000	Nil
12/07/2021	08/08/2029	0.57	Nil	750,000	Nil	Nil	750,000	Nil
12/07/2021	08/08/2029	0.57	Nil	2,500,000	Nil	Nil	2,500,000	Nil
01/09/2021	31/08/2029	0.56	Nil	1,000,000	Nil	Nil	1,000,000	Nil
01/09/2021	31/08/2029	0.48	Nil	6,250,000	Nil	Nil	6,250,000	Nil
		Total	85,672,500	11,500,000	(3,694,000)	(1,750,000)	91,728,500	35,456,000

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The fair value of the options is estimated at the date of grant using the Black-Scholes model, considering the terms and conditions upon which the options were granted. For the options granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows:

Grant date	Expiry date	Share price at grant date (A$)	Exercise price (A$)	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
							A$'000
1/03/2021	28/02/2029	0.49	0.45	70.6%	Nil	1.15%	347
12/07/2021	08/08/2029	0.57	0.57	69.0%	Nil	0.96%	1,273
1/09/2021	31/08/2029	0.49	0.56	68.5%	Nil	0.93%	319
1/09/2021	31/08/2029	0.49	0.48	68.5%	Nil	0.93%	2,065

The expected volatility is based on historical data and reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may not necessarily be the actual outcome.

31. Financial instruments

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

The Group holds the following financial instruments:

	31 December 2021	31 December 2020
	A$'000	A$'000
Financial assets at amortised cost		
Cash and cash equivalents	67,730	42,331
Term deposits	116	116
Funds held in escrow	156,244	–
Trade and other receivables	51,535	50
Total financial assets	275,625	42,497
Financial assets at fair value through profit or loss		
Call options	2,525	–
Financial liabilities at fair value through profit or loss		
Contingent consideration (note 6)	52,322	–
Financial liabilities at amortised cost		
Trade and other payables	51,665	811
Senior secured bonds	132,268	104
Loans	79,172	–
Lease liabilities	26,517	26,915
Other non-current financial liabilities	78	–
Total financial liabilities	289,700	27,830

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Notes to the consolidated financial statements For the year ended 31 December 2021

Fair value hierarchy

The Group uses various methods in estimating the fair value of a financial instrument. The different levels are as follows:

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

Level 2 Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices), or indirectly (i.e., derived from prices)

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

Fair value measurement

The categories within the fair value hierarchy of the Group's financial instruments carried at fair value are as follows:

31 December 2021	Level 1	Level 2	Level 3	Total
Financial assets				
Call options (note 27)	–	–	2,525	2,525
Financial liabilities				
Contingent consideration (note 6)	-	-	52,322	52,322

There were no transfers during the period between any of the levels.

Market risk

Foreign currency risk

Foreign exchange risk arises when future commercial transactions and recognised assets and liabilities are denominated in a currency that is not the entity's functional currency. The consolidated entity manages foreign currency risk by minimising the amounts of foreign currency required and buying foreign currency only at the time it is required.

Management monitors the exposure to currency risk on an ongoing basis. The Group operates internationally and is exposed to foreign exchange risk arising from various currencies, primarily with respect to the Australian Dollar ("AUD"), Euro ("EUR") and the United States Dollar ("USD"). Exposure to the Canadian Dollar, Brazilian Real ("BRL") and Ugandan Shilling are not material to the Group. The AUD carrying amounts of the Group's USD and EUR denominated financial assets and liabilities are as follows:

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	31 December 2021	31 December 2020
	A$'000	A$'000
Cash and cash equivalents	53,667	246
Funds held in escrow	156,244	-
Trade and other receivables	53,542	-
Trade and other payables	(45,708)	(197)
Borrowings	(211,440)	-
Net exposure	**6,305**	**49**

Exchange rates used

The following exchange rates were applied during the year relative to 1AUD:

	Average rate		Reporting date spot rate	
	12 months to 31 December 2021	6 months to 31 December 2020	31 December 2021	31 December 2020
CAD	0.94	0.95	0.92	0.98
USD	0.75	0.72	0.73	0.77
EUR	0.63	0.63	0.64	0.63
BRL	4.05	3.85	4.05	4.01

Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in the foreign exchange rate, with all other variables held constant, of the Group's profit before tax due to changes in the carrying value of the monetary assets and liabilities at the reporting date. The Group's exposure to foreign currency changes for all other currencies is not material.

	Effect on profit before tax 12 months to 31 December 2021	Effect on profit before tax 6 months to 31 December 2020
	A$'000	A$'000
Increase/(decrease) in foreign exchange rate - USD		
+10%	(2,905)	4
- 10%	2,905	(4)
Increase/(decrease) in foreign exchange rate - EUR		
+10%	2,377	–
- 10%	(2,377)	–

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Notes to the consolidated financial statements For the year ended 31 December 2021

Price risk

The Group is affected by the price volatility of cobalt. Jervois Finland's operating activities require the ongoing purchase and refinement of cobalt, and therefore require a continuous supply of raw cobalt materials. The Group is exposed to changes in the price of cobalt on its forecast raw cobalt materials purchases and the sale of finished cobalt products. The group is an unhedged producer and provides its shareholders with exposure to changes in the market price of cobalt. The Group's trade creditors have an exposure to the cobalt price related to the purchase of raw cobalt materials, with the impact of a change in the cobalt price on trade creditors set out below.

	Effect on profit before tax 12 months to 31 December 2021	Effect on profit before tax 6 months to 31 December 2020
	A$'000	A$'000
Increase/(decrease) in cobalt price		
+10%	(382)	–
- 10%	382	–

Interest rate risk

The Group is exposed to interest rate risk as entities in the Group borrow funds. The Group's exposure to interest rates on financial assets and financial liabilities are detailed below in the liquidity risk management section of this note.

Credit risk

Credit risk arises if there is a risk of default on a counterparty to which the Group holds financial assets. Management monitors the exposure to credit risk on an ongoing basis. The maximum exposure to credit risk on financial assets which have been recognised on the balance sheet are generally the carrying amount, net of any provisions.

The Group has treasury policies in place for deposit transactions to be conducted with financial institutions with a minimum credit rating. At the reporting date:

- Cash is held with Tier 1 financial institutions which all meet the Group's minimum credit rating required by the approved treasury policy; and
- Other receivables are not overdue or in default.

The Group does not require collateral in respect of financial assets.

The Group considers a financial asset in default when contractual payments are 90 days past due. Generally, trade receivables are written-off if past due for more than one year and are not subject to enforcement activity.

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Geographical information

The Group's maximum exposure to credit risk for trade and other receivables at the reporting date by geographical region was:

	Carrying amount	
	31 December 2021	31 December 2020
	A$'000	A$'000
Australia	40	44
Brazil	–	–
Finland	51,495	–
Uganda	–	–
United States	–	6
Other	–	–
	51,535	**50**

Counterparty information

The Group's maximum exposure to credit risk for trade and other receivables at the reporting date by type of counterparty was:

	Carrying amount	
	31 December 2021	31 December 2020
	A$'000	A$'000
Trade receivables	46,959	–
Other receivables	41	44
GST and other tax receivable	4,535	6
	51,535	50

The loss allowance as at 31 December 2021 was determined as follows for both trade receivables:

12 months to 31 December 2021	Current	More than 1 day past due	More than 30 days past due	More than 60 days past due	More than 90 days past due	Total
	A$'000	A$'000	A$'000	A$'000	A$'000	A$'000
Expected loss rate	0.30%	1.60%	3.60%	6.60%	10.60%	–
Gross carrying amount – trade receivables	43,483	3,570	21	79	–	47,153
Loss allowance	131	57	1	5	–	194

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Liquidity risk

The Group manages liquidity risk by maintaining adequate reserves and banking facilities by monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Group's trade and other payables of A$7.8 million are typically due on 7-45 days terms from the date of invoice.

The table below summarises the maturity profile of the Group's other financial liabilities based on contractual undiscounted payments:

12 months to 31 December 2021	Less than one year	Between one and five years	More than five years	Total
	A$'000	A$'000	A$'000	A$'000
Trade payables	31,221	–	–	31,221
Senior secured bonds	150,542	–	–	150,542
Secured revolving credit facility	4,081	91,416	–	95,497
Lease liabilities	10,220	15,879	418	26,517

6 months to 31 December 2020	Less than one year	Between one and five years	More than five years	Total
	A$'000	A$'000	A$'000	A$'000
Trade payables	150	–	–	150
Lease liabilities	13,195	13,720	–	26,915

Fair value of financial instruments

The fair value of the senior secured bonds is A$132.2 million as at 31 December 2021. The fair value of the secured revolving credit facility is approximate to its carrying value.

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

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32. Commitments

12 months to 31 December 2021	Less than one year	Between one and five years	More than five years	Total
	A$'000	A$'000	A$'000	A$'000
Property, plant, and equipment	66,927	–	–	66,927
Exploration expenditure	874	–	–	874
Intangible assets	2,588	–	–	2,588

6 months to 31 December 2020	Less than one year	Between one and five years	More than five years	Total
	A$'000	A$'000	A$'000	A$'000
Exploration expenditure	175	81	–	256

Exploration expenditure commitments

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

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

33. Contingencies

	31 December 2021	31 December 2020
	A$'000	A$'000
Customs guarantees	1,927	-
Bank guarantees	107	107

Customs guarantees

These customs guarantees are bank guarantees which are in place in relation to customs duties and fees on products sold to customers, payable by the Group, to local customs authorities. Provided the Group continues to make these payments in line with the requirements of each local authority, it is not envisaged that any of the parties who have been granted the guarantees will seek to redeem them.

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Notes to the consolidated financial statements For the year ended 31 December 2021

34. Related parties

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 uses 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 are conducted at arms-length terms.

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 31 December 2021 and 31 December 2020.

Due to the previously mentioned pause in Jervois' exploration activity in Uganda, the Great Rift contract for in-country exploration management services was terminated with an effective date of 19 February 2021.

	12 months to 31 December 2021	6 months to 31 December 2020
	A$'000	A$'000
Management services – Great Rift	43	169

Compensation of key management personnel of the Group

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

Non-Executive Director fees are paid within an aggregate limit which must not exceed A$250,000 (excluding mandatory superannuation) per annum or such other maximum as determined by the Company in a general meeting.

Executive remuneration is determined by aiming to ensure that it is competitive and reasonable, aligned with the consolidated entity's business objectives and acceptable to shareholders. The executive remuneration and reward framework has three components, being base pay and benefits (including superannuation), short-term incentives (which are entirely discretionary) and long-term incentives (which are entirely discretionary).

Other than the performance rights, none of the remuneration paid by the consolidated entity to its key management personnel during the reporting period was dependent on the satisfaction of a performance condition except for service conditions.

	12 months to 31 December 2021	6 months to 31 December 2020
	A$'000	A$'000
Short-term employee benefits	3,293	632
Post-employment benefits	296	26
Share-based payments	2,679	861
Total key management personnel compensation	6,268	1,519

The amounts disclosed above are the amounts recognised as an expense during the reporting period related to key management personnel.

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35. Parent entity information

As at, and throughout the financial year ended 31 December 2021, the parent entity of the Group was Jervois Global Limited. Information relating to the parent entity follows:

	12 months to 31 December 2021	6 months to 31 December 2020
	A$'000	A$'000
Results of parent entity		
Profit/(loss) for the period (i)	70,391	(1,859)
Total comprehensive income	70,391	(1,859)
Financial position of parent entity		
Current assets	14,566	42,268
Total assets	475,278	118,143
Current liabilities	3,458	14,042
Total liabilities	3,495	27,780
Net assets	471,783	90,363
Total equity of the parent entity comprising		
Share capital	451,986	146,714
Reserves	9,531	3,774
Retained earnings/(accumulated losses)	10,266	(60,125)
Total equity	471,783	90,363

(i) During the current year, the Group completed a restructure of its Canadian and United States based entities (see updated structure in note 36). This resulted in a non-cash gain on the novation of an interest bearing loan in the parent entity.

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity has provided guarantees in relation to the senior secured bonds and secured revolving credit facility of its subsidiaries. No liability is expected to arise from these guarantees.

Contingent liabilities

The parent entity had no contingent liabilities as at 31 December 2021 and 31 December 2020.

Significant accounting policies

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

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Notes to the consolidated financial statements
For the year ended 31 December 2021

36. Interest in subsidiaries

	Country of incorporation	31 December 2021	31 December 2020
Parent entity			
Jervois Global Limited (previously known as Jervois Mining Limited)	Australia		
Subsidiaries			
Hardrock Exploration Pty Ltd	Australia	100%	100%
Goldpride Pty Ltd	Australia	100%	100%
Nico Young Pty Ltd	Australia	100%	100%
Jervois Brasil Participacoes Limited	Brazil	100%	-
TZ Nico (1) Pty Ltd	Australia	100%	100%
TZ Nico (2) Pty Ltd	Australia	100%	100%
And the wholly owned subsidiary of TZ Nico (1) Pty Ltd and TZ Nico (2) Pty Ltd being:			
Tanzania Nickel Cobalt Ltd	Tanzania	100%	100%
M2 Cobalt Corp	Canada	-	100%
eCobalt Solutions Inc	Canada	-	100%
Formation Holdings Corp	Canada	-	100%
US Cobalt Inc	USA	-	100%
Essential Metals Corporation	USA	-	100%
Jervois Mining Canada Limited	Canada	100%	-
And the wholly owned subsidiaries of Jervois Mining Canada Limited being:			
Coronation Mines Ltd	Canada	100%	100%
Millennial Holding Corp	Canada	100%	100%
Minera Terranova S.A. de C.V	Mexico	100%	100%
1126302 B.C. Limited	Canada	100%	100%
And the wholly owned subsidiary of 1126302 B.C. Limited being:			
Eurasian Capital Limited	Uganda	100%	100%
Formation Holdings US, Inc.	USA	100%	100%
And the wholly owned subsidiary of Formation Holdings US Inc being:			
Jervois Mining USA Limited	USA	100%	100%
Jervois Suomi Holding Oy	Finland	100%	-
And the wholly owned subsidiaries of Jervois Suomi Holding Oy:			
Jervois Finland Oy	Finland	100%	-
Jervois Americas LLC	USA	100%	-
Jervois Europe GmbH	Germany	100%	-
Jervois Japan Inc	Japan	100%	-
Jervois Trading (Shanghai) Ltd	China	100%	-

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37. Events after reporting period

On 7 February 2022, the Company’s wholly owned subsidiary, Jervois Mining USA Limited, completed the first US$50.0 million drawdown of the US$100.0 million senior secured bond facility, with these funds to be used exclusively for ongoing construction of ICO.

On 9 March 2022, the Company's wholly owned subsidiary, Jervois Finland Oy, drew down an additional US$17.5 million under the secured revolving credit facility, with the funds expected on or around 14 March 2022.

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.

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Directors' Declaration

For the year ended 31 December 2021

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Directors' Declaration

1. In the opinion of the Directors of Jervois Global Limited ("the Company"):
   a) the consolidated financial statements and notes that are set out on pages 69 to 125 and the remuneration report, identified within the Directors' Report, are in accordance with the Corporations Act 2001, including:
      (i) giving a true and fair view of the Group's financial position as at 31 December 2021 and of its performance for the financial period ended on that date; and
      (ii) complying with Australian Accounting Standards (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.
2. The Directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the Chief Executive Officer and the Chief Financial Officer for the financial period ended 31 December 2021.
3. The Directors draw attention to note 2(a) to the consolidated financial statements, which includes a statement of compliance with International Financial Reporting Standards.

Signed in accordance with a resolution of the Directors:

Dated at Melbourne this 11th day of March 2022.

Signed in accordance with a resolution of the directors:

P. B. Johnston.

Peter Johnston
Chairman

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Independent Auditor’s Report

For the year ended 31 December 2021

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

Opinion

We have audited the financial report of Jervois Global Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 31 December 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 year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a. Giving a true and fair view of the consolidated financial position of the Group as at 31 December 2021 and of its consolidated financial performance for the year ended on that date; and

b. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

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1. Acquisition accounting for Jervois Finland

Why significant

On 1 September 2021, the Group completed the acquisition of Freeport Cobalt (now referred to as 'Jervois Finland'), a Finland-based cobalt refining and specialty products business consisting of a capacity sharing agreement with Umicore, long-term supplier contracts and a downstream cobalt products manufacturing facility.

In undertaking the acquisition accounting for Jervois Finland, the Group is required to measure the consideration transferred and the fair value of identifiable assets and liabilities acquired at the acquisition date as well as assess the existence of goodwill.

Total purchase consideration was A$331 million, including contingent consideration of A$52 million.

Accounting for this transaction is complex, requiring management to exercise judgement to determine the fair value of the identifiable assets and liabilities acquired.

Given the relative size of the acquisition and the significant judgement and estimation required to determine the fair values, we consider this a key audit matter.

Disclosure in relation to this acquisition can be found at Note 6 of the financial report.

How our audit addressed the key audit matter

In performing our procedures, we:

- Read the stock purchase agreement to understand of the key terms and conditions.
- Assessed the Group's determination that the acquisition was a business combination.
- Assessed the Group's determination of the acquisition date.
- Evaluated the Group's determination of the purchase consideration with reference to Australian Accounting Standards.
- Evaluated the qualifications, competence and objectivity of the Group's external experts used to determine fair value estimates of the identifiable assets and liabilities acquired.
- With the involvement of our valuation specialists, we considered:
  - The key forecast assumptions, such as discount rates, commodity prices and future operating revenues and costs used by the Group's external experts in their determination of the fair value of the identifiable assets and liabilities acquired.
  - The financial modelling methodology used by the Group's external expert to measure fair value, for consistency with the requirements of Australian Accounting Standards.
- Tested the working capital balances, including cash, inventory, trade receivables and payables at the acquisition date.
- Recalculated the amount of goodwill recognised as part of the purchase accounting.
- Assessed the adequacy of the disclosures included at Note 6 of the financial report.

2. Accounting for the Idaho Cobalt Operation capital expenditure

Why significant

During the year, there has been significant construction and commissioning activity at the Group's Idaho Cobalt Operations ('ICO') which included the following key projects:

- Mine portal development;
- Commissioning of the water treatment plant; and
- Construction activity for the tailings storage facility

From this activity A$34.4m of capital expenditure was capitalised to assets under construction under AASB 116 *Property, Plant and Equipment* ('AASB 116').

Accounting for the ICO expenditure was considered to be a key audit matter given the amount of the expenditure and the judgement required to determine if expenditure can be capitalised.

The Group's Property, Plant and Equipment disclosure can be found in Note 20 of the financial report.

How our audit addressed the key audit matter

In performing our procedures, we:

- Considered the status of the construction and commissioning activities at the ICO including the key projects.
- Tested, on a sample basis, that costs capitalised during the year ended 31 December 2021 met the recognition requirements of AASB 116 and amounts were accurately recorded, by vouching to invoices and other supporting documents that evidenced the amount and nature of the expenditure.
- Reviewed the ICO project's Cost-to-Complete report prepared by an external expert. We assessed the competence, qualifications and objectivity of the external expert.
- Assessed the adequacy of the Group's Property, Plant and Equipment disclosures note included at Note 20 of the financial report.

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Basis for opinion

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

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

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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Auditor's responsibilities for the audit of the financial report

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

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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Report on the audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the period ended 31 December 2021.

In our opinion, the Remuneration Report of Jervois Global Limited for the period ended 31 December 2021, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

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

Ernst & Young

Ernst & Young

Matthew A. Honey
Partner
Melbourne
11 March 2022

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Shareholder Information

For the year ended 31 December 2021

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Shareholder Information

As at 22 February 2022.

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

		Number of Shares	% of Total
1	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	296,194,358	19.49
2	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	134,955,700	8.88
3	CANADIAN REGISTER CONTROL\C	127,628,108	8.40
4	BNP PARIBAS NOMINEES PTY LTD SIX SIS LTD <DRP A/C>	107,929,373	7.10
5	KOBOLTTI CHEMICALS HOLDINGS LIMITED	106,306,363	7.00
6	CITICORP NOMINEES PTY LIMITED	80,516,387	5.30
7	BNP PARIBAS NOMS PTY LTD <DRP>	57,213,146	3.77
8	UBS NOMINEES PTY LTD	36,817,215	2.42
9	MCCUSKER HOLDINGS PTY LTD	30,000,000	1.97
10	MERRILL LYNCH (AUSTRALIA) NOMINEES PTY LIMITED	28,430,209	1.87
11	MR JOHN ALLAN NEWTON + MRS WANDA GAYE NEWTON <DRAWONE SUPER FUND A/C>	16,783,206	1.10
12	TR NOMINEES PTY LTD	12,000,000	0.79
13	DRAWONE PTY LTD <THE NEWTON INVESTMENT A/C>	11,762,490	0.77
14	MRS PAMELA JULIAN SARGOOD	10,100,000	0.66
15	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	9,846,809	0.65
16	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	9,674,235	0.64
17	BRIKEN NOMINEES PTY LTD <BRIKEN A/C>	8,998,984	0.59
18	NATIONAL NOMINEES LIMITED	8,535,523	0.56
19	327TH P & C NOMINEES PTY LTD <MASTERMAN SUPER FUND A/C>	8,000,000	0.53
20	SANDHURST TRUSTEES LTD <JMFG CONSOL A/C>	7,745,507	0.51
	Total	**1,109,437,613**	**73.02**

Voting rights of ordinary shares

On a show of hands one vote for each shareholder, and
On a poll, one vote for each fully paid ordinary share

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

Holding & Distribution	No. of Holders	Securities	%
1 to 1000	380	196,421	0.01
1001 to 5000	1,111	3,085,064	0.20
5001 to 10000	636	5,117,480	0.34
10001 to 1000000	1,890	67,408,018	4.44
1000001 and Over*	582	1,443,548,879	95.01
Total	4,599	1,519,355,862	100.00

*Includes the Canadian sub register.

Shareholdings of less than a marketable parcel

207 holders holding a total of 39,679 shares.

Unquoted Securities

96,365,651 Unlisted options and performance rights on issue.

Substantial holders in the Company are set out below:

		Ordinary shares
	Number held	% of total shares issued
AustralianSuper Pty Limited	**278,715,530**[1]	**18.40**
Perpetual Limited	**76,978,992**[2]	**5.07**
Koboltti Chemicals Holdings Limited	**106,306,363**[3]	**7**
Mercuria Asset Holdings (Hong Kong) Limited	**103,921,956**[4]	**6.86**

1 as disclosed on 2 September 2021

2 as disclosed on 25 January 2022

3 as disclosed on 1 September 2021

4 as disclosed on 6 September 2021

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Tenements as at the date of this Report

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Tenement Information
For the year ended 31 December 2021

Idaho Cobalt Operations – 100% Interest owned

Claim Name	County #	IMC #
SUN 1	222991	174156
SUN 2	222992	174157
SUN 3 Amended	245690	174158
SUN 4	222994	174159
SUN 5	222995	174160
SUN 6	222996	174161
SUN 7	224162	174628
SUN 8	224163	174629
SUN 9	224164	174630
SUN 16 Amended	245691	177247
SUN 18 Amended	245692	177249
Sun 19	277457	196394
SUN FRAC 1	228059	176755
SUN FRAC 2	228060	176756
TOGO 1	228049	176769
TOGO 2	228050	176770
TOGO 3	228051	176771
DEWEY FRAC Amended	248739	177253
Powder 1	269506	190491
Powder 2	269505	190492
LDC-1	224140	174579
LDC-2	224141	174580
LDC-3	224142	174581
LDC-5	224144	174583
LDC-6	224145	174584
LDC-7	224146	174585
LDC-8	224147	174586
LDC-9	224148	174587
LDC-10	224149	174588
LDC-11	224150	174589
LDC-12	224151	174590
LDC-13 Amended	248718	174591
LDC-14 Amended	248719	174592
LDC-16	224155	174594
LDC-18	224157	174596

Claim Name	County #	IMC #
LDC-20	224159	174598
LDC-22	224161	174600
LDC FRAC 1 Amended	248720	175880
LDC FRAC 2 Amended	248721	175881
LDC FRAC 3 Amended	248722	175882
LDC FRAC 4 Amended	248723	175883
LDC FRAC 5 Amended	248724	175884
RAM 1	228501	176757
RAM 2	228502	176758
RAM 3	228503	176759
RAM 4	228504	176760
RAM 5	228505	176761
RAM 6	228506	176762
RAM 7	228507	176763
RAM 8	228508	176764
RAM 9	228509	176765
RAM 10	228510	176766
RAM 11	228511	176767
RAM 12	228512	176768
RAM 13 Amended	245700	181276
RAM 14 Amended	245699	181277
RAM 15 Amended	245698	181278
RAM 16 Amended	245697	181279
Ram Frac 1 Amended	245696	178081
Ram Frac 2 Amended	245695	178082
Ram Frac 3 Amended	245694	178083
Ram Frac 4 Amended	245693	178084
HZ 1	224173	174639
HZ 2	224174	174640
HZ 3	224175	174641
HZ 4	224176	174642
HZ 5	224413	174643
HZ 6	224414	174644
HZ 7	224415	174645
HZ 8	224416	174646

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Claim Name	County #	IMC #
HZ 9	224417	174647
HZ 10	224418	174648
HZ 11	224419	174649
HZ 12	224420	174650
HZ 13	224421	174651
HZ 14	224422	174652
HZ 15	231338	178085
HZ 16	231339	178086
HZ 18	231340	178087
HZ 19	224427	174657
Z 20	224428	174658
HZ 21	224193	174659
HZ 22	224194	174660
HZ 23	224195	174661
HZ 24	224196	174662
HZ 25	224197	174663
HZ 26	224198	174664
HZ 27	224199	174665
HZ 28	224200	174666
HZ 29	224201	174667
HZ 30	224202	174668
HZ 31	224203	174669
HZ 32	224204	174670
HZ FRAC	228967	177254
JC 1	224165	174631
JC 2	224166	174632
JC 3	224167	174633
JC 4	224168	174634
JC 5 Amended	245689	174635
JC 6	224170	174636
JC FR 7	224171	174637
JC FR 8	224172	174638
JC 9	228054	176750
JC 10	228055	176751
JC 11	228056	176752

Claim Name	County #	IMC #
JC-12	228057	176753
JC-13	228058	176754
JC 14	228971	177250
JC 15	228970	177251
JC 16	228969	177252
JC 17	259006	187091
JC 18	259007	187092
JC 19	259008	187093
JC 20	259009	187094
JC 21	259010	187095
JC 22	259011	187096
CHELAN NO. 1 Amended	248345	175861
GOOSE 2 Amended	259554	175863
GOOSE 3	227285	175864
GOOSE 4 Amended	259553	175865
GOOSE 6	227282	175867
GOOSE 7 Amended	259552	175868
GOOSE 8 Amended	259551	175869
GOOSE 10 Amended	259550	175871
GOOSE 11 Amended	259549	175872
GOOSE 12 Amended	259548	175873
GOOSE 13	228028	176729
GOOSE 14 Amended	259547	176730
GOOSE 15	228030	176731
GOOSE 16	228031	176732
GOOSE 17	228032	176733
GOOSE 18 Amended	259546	176734
GOOSE 19 Amended	259545	176735
GOOSE 20	228035	176736
GOOSE 21	228036	176737
GOOSE 22	228037	176738
GOOSE 23	228038	176739
GOOSE 24	228039	176740
GOOSE 25	228040	176741
SOUTH ID 1 Amended	248725	175874

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Tenement Information
For the year ended 31 December 2021

Claim Name	County #	IMC #
SOUTH ID 2 Amended	248726	175875
SOUTH ID 3 Amended	248727	175876
SOUTH ID 4 Amended	248717	175877
SOUTH ID 5 Amended	248715	176743
SOUTH ID 6 Amended	248716	176744
South ID 7	306433	218216
South ID 8	306434	218217
South ID 9	306435	218218
South ID 10	306436	218219
South ID 11	306437	218220
South ID 12	306438	218221
South ID 13	306439	218222
South ID 14	306440	218223
OMS-1	307477	218904
Chip 1	248956	184883
Chip 2	248957	184884
Chip 3 Amended	277465	196402
Chip 4 Amended	277466	196403
Chip 5 Amended	277467	196404
Chip 6 Amended	277468	196405
Chip 7 Amended	277469	196406
Chip 8 Amended	277470	196407
Chip 9 Amended	277471	196408
Chip 10 Amended	277472	196409
Chip 11 Amended	277473	196410
Chip 12 Amended	277474	196411
Chip 13 Amended	277475	196412
Chip 14 Amended	277476	196413
Chip 15 Amended	277477	196414
Chip 16 Amended	277478	196415
Chip 17 Amended	277479	196416
Chip 18 Amended	277480	196417
Sun 20	306042	218133
Sun 21	306043	218134
Sun 22	306044	218135

Claim Name	County #	IMC #
Sun 23	306045	218136
Sun 24	306046	218137
Sun 25	306047	218138
Sun 26	306048	218139
Sun 27	306049	218140
Sun 28	306050	218141
Sun 29	306051	218142
Sun 30	306052	218143
Sun 31	306053	218144
Sun 32	306054	218145
Sun 33	306055	218146
Sun 34	306056	218147
Sun 35	306057	218148
Sun 36	306058	218149
Chip 21 Fraction	306059	218113
Chip 22 Fraction	306060	218114
Chip 23	306025	218115
Chip 24	306026	218116
Chip 25	306027	218117
Chip 26	306028	218118
Chip 27	306029	218119
Chip 28	306030	218120
Chip 29	306031	218121
Chip 30	306032	218122
Chip 31	306033	218123
Chip 32	306034	218124
Chip 33	306035	218125
Chip 34	306036	218126
Chip 35	306037	218127
Chip 36	306038	218128
Chip 37	306039	218129
Chip 38	306040	218130
Chip 39	306041	218131
Chip 40	307491	218895
DRC NW 1	307492	218847

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Claim Name	County #	IMC #
DRC NW 2	307493	218848
DRC NW 3	307494	218849
DRC NW 4	307495	218850
DRC NW 5	307496	218851
DRC NW 6	307497	218852
DRC NW 7	307498	218853
DRC NW 8	307499	218854
DRC NW 9	307500	218855
DRC NW 10	307501	218856
DRC NW 11	307502	218857
DRC NW 12	307503	218858
DRC NW 13	307504	218859
DRC NW 14	307505	218860
DRC NW 15	307506	218861
DRC NW 16	307507	218862
DRC NW 17	307508	218863
DRC NW 18	307509	218864
DRC NW 19	307510	218865
DRC NW 20	307511	218866
DRC NW 21	307512	218867
DRC NW 22	307513	218868
DRC NW 23	307514	218869
DRC NW 24	307515	218870
DRC NW 25	307516	218871
DRC NW 26	307517	218872
DRC NW 27	307518	218873
DRC NW 28	307519	218874
DRC NW 29	307520	218875
DRC NW 30	307521	218876
DRC NW 31	307522	218877
DRC NW 32	307523	218878
DRC NW 33	307524	218879
DRC NW 34	307525	218880
DRC NW 35	307526	218881
DRC NW 36	307527	218882

Claim Name	County #	IMC #
DRC NW 37	307528	218883
DRC NW 38	307529	218884
DRC NW 39	307530	218885
DRC NW 40	307531	218886
DRC NW 41	307532	218887
DRC NW 42	307533	218888
DRC NW 43	307534	218889
DRC NW 44	307535	218890
DRC NW 45	307536	218891
DRC NW 46	307537	218892
DRC NW 47	307538	218893
DRC NW 48	307539	218894
EBatt 1	307483	218896
EBatt 2	307484	218897
EBatt 3	307485	218898
EBatt 4	307486	218899
EBatt 5	307487	218900
EBatt 6	307488	218901
EBatt 7	307489	218902
EBatt 8	307490	218903
OMM-1	307478	218905
OMM-2	307479	218906
OMN-2	307481	218908
OMN-3	307482	218909
BTG-1	307471	218910
BTG-2	307472	218911
BTG-3	307473	218912
BTG-4	307474	218913
BTG-5	307475	218914
BTG-6	307476	218915
NFX 17	307230	218685
NFX 18	307231	218686
NFX 19	307232	218687
NFX 20	307233	218688
NFX 21	307234	218689

Tenement Information
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Claim Name	County #	IMC #
NFX 22	307235	218690
NFX 23	307236	218691
NFX 24	307237	218692
NFX 25	307238	218693
NFX 30	307243	218698
NFX 31	307244	218699
NFX 32	307245	218700
NFX 33	307246	218701
NFX 34	307247	218702
NFX 35	307248	218703
NFX 36	307249	218704
NFX 37	307250	218705
NFX 38	307251	218706
NFX 42	307255	218710
NFX 43	307256	218711
NFX 44	307257	218712
NFX 45	307258	218713
NFX 46	307259	218714
NFX 47	307260	218715
NFX 48	307261	218716
NFX 49	307262	218717

Australian Tenements

Description	Tenement number	Interest owned %
Ardnaree (NSW)	EL 5527	100.0
Thuddungra (NSW)	EL 5571	100.0
Nico Young (NSW)	EL 8698	100.0
Ardnaree Magnesite (NSW)	EL 8763	100.0
West Arunta (WA)	E80 4820	20.0
West Arunta (WA)	E80 4986	20.0
West Arunta (WA)	E80 4987	20.0

Uganda Exploration Licences

Description	Exploration Licence number	Interest owned %
Bujagali	EL1666	100.0
Bujagali	EL1682	100.0
Bujagali	EL1683	100.0
Bujagali	EL1665	100.0
Kilembe Area	EL1674	100.0
Kilembe Area	EL0012	100.0

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