



**Jervois Global Limited**

**(ABN 52 007 626 575)**

**CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT**

**(Unaudited – Expressed in United States Dollars)**

**For the three and six months ended 30 June 2022**

**and 30 June 2021**

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**JERVOIS GLOBAL LIMITED AND CONTROLLED ENTITIES**  
**Condensed Consolidated Statement of Financial Position**  
**As at 30 June 2022 and 31 December 2021 (Unaudited)**

	Note	30 June 2022 US\$'000	31 December 2021 US\$'000
<b>Current assets</b>			
Cash and cash equivalents	8	57,560	49,181
Funds held in escrow	18	57,250	113,500
Trade and other receivables	9	49,131	37,428
Prepayments		3,356	3,692
Term deposits		80	84
Inventories	10	177,572	109,295
Financial assets at fair value through profit or loss	21	1,681	1,834
<b>Total current assets</b>		<b>346,630</b>	<b>315,014</b>
<b>Non-current assets</b>			
Security deposits		14	114
Exploration and evaluation	11	4,715	4,933
Property, plant, and equipment	12	186,662	128,406
Intangible assets and goodwill	13	100,423	103,100
Reclamation deposits	14	1,755	1,923
Right-of-use asset		23,699	22,289
Deferred tax assets		3,910	2,185
Others		426	494
<b>Total non-current assets</b>		<b>321,604</b>	<b>263,444</b>
<b>Total assets</b>		<b>668,234</b>	<b>578,458</b>
<b>Current liabilities</b>			
Trade and other payables	15	70,477	31,671
Employee benefits	16	5,035	4,235
Borrowings	18	54,137	101,933
Lease liability		8,641	7,811
Income tax payable		4,111	3,596
<b>Total current liabilities</b>		<b>142,401</b>	<b>149,246</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities		17,058	17,431
Employee benefits	16	241	261
Borrowings	18	148,042	57,500
Asset retirement obligation	17	8,315	7,746
Lease liability		12,898	11,446
Contingent consideration	21	38,000	38,000
Other non-current liabilities		-	56
<b>Total non-current liabilities</b>		<b>224,554</b>	<b>132,440</b>
<b>Total liabilities</b>		<b>366,955</b>	<b>281,686</b>
<b>Net assets</b>		<b>301,279</b>	<b>296,772</b>
<b>Equity</b>			
Share capital	19	376,399	375,910
Reserves		15,133	13,969
Accumulated losses		(90,253)	(93,107)
<b>Total equity attributable to equity holders of the Company</b>		<b>301,279</b>	<b>296,772</b>

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

Approved on behalf of the Board on 15 August 2022:

(signed) "Peter Johnston"

Peter Johnston, Director

(signed) "Bryce Crocker"

Bryce Crocker, Director

# JERVOIS GLOBAL LIMITED AND CONTROLLED ENTITIES

## Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the three and six months ended 30 June 2022 and 30 June 2021 (Unaudited)

		Three months ended 30 June 2022 US\$'000	Three months ended 30 June 2021 US\$'000	Six months ended 30 June 2022 US\$'000	Six months ended 30 June 2021 US\$'000
	Note				
Revenue	5	91,292	-	196,319	-
Cost of goods sold		(78,819)	-	(168,070)	-
<b>Gross profit</b>		<b>12,473</b>	-	<b>28,249</b>	-
Other income		23	93	26	114
Other loss	5	(153)	-	(153)	-
General and administrative expenses		(3,909)	(941)	(7,236)	(2,010)
Employee benefits expenses		(1,998)	(1,058)	(3,366)	(1,781)
Share-based payments	20	(908)	(585)	(1,846)	(1,452)
Business development costs		(1,341)	(2,163)	(2,625)	(2,426)
Depreciation and amortisation		(3,036)	(255)	(6,072)	(515)
Impairment of exploration assets		-	(4)	-	(5)
Gain / (loss) on sale of fixed assets		1,481	(12)	1,481	(12)
<b>Operating profit / (loss)</b>		<b>2,632</b>	(4,925)	<b>8,458</b>	(8,087)
Interest income		2	-	3	-
Interest expense		(1,725)	(468)	(3,064)	(981)
<b>Net financing costs</b>		<b>(1,723)</b>	(468)	<b>(3,061)</b>	(981)
<b>Profit / (loss) before income tax expense</b>		<b>909</b>	(5,393)	<b>5,397</b>	(9,068)
Income tax expense	6	(444)	-	(2,543)	-
<b>Profit / (loss) for the period</b>		<b>465</b>	(5,393)	<b>2,854</b>	(9,068)
<b>Profit / (loss) after income tax expense for the period attributable to the owners of Jervois Global Limited</b>		<b>465</b>	(5,393)	<b>2,854</b>	(9,068)
Other comprehensive income / (loss):					
<i>Items that may be subsequently reclassified to profit or loss:</i>					
Exchange gain arising on translation of foreign operations		(947)	415	(142)	(1,244)
<b>Total other comprehensive income / (loss)</b>		<b>(947)</b>	415	<b>(142)</b>	(1,244)
<b>Total comprehensive income / (loss) for the period attributable to the owners of Jervois Global Limited</b>		<b>(482)</b>	(4,978)	<b>2,712</b>	(10,312)
<b>Earnings / (loss) per share for the period attributable to the owners of Jervois Global Limited</b>					
Basic earnings / (loss) per share (US\$ cents)	7	0.03	(0.67)	0.19	(1.13)
Diluted earnings / (loss) per share (US\$ cents)	7	0.03	(0.67)	0.18	(1.13)
<i>Weighted average ordinary shares outstanding:</i>					
Basic (number of shares)		1,519,751	802,291	1,519,537	801,229
Diluted (number of shares)		1,576,172	802,291	1,574,442	801,229

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

# JERVOIS GLOBAL LIMITED AND CONTROLLED ENTITIES

## Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2022 and 30 June 2021 (Unaudited)

	Issued capital US\$'000	Share capital reserve US\$'000	Share-based payment reserve US\$'000	Foreign currency translation reserve US\$'000	Retained earnings US\$'000	Total US\$'000
<b>Balance as at 1 January 2022</b>	375,910	1,568	12,056	345	(93,107)	296,772
<b>Total comprehensive income</b>						
<b>Profit for the period</b>	-	-	-	-	2,854	2,854
<i>Other comprehensive income</i>						
Foreign currency translation differences for foreign operations	-	-	-	(142)	-	(142)
<b>Total comprehensive income for the period</b>	-	-	-	(142)	2,854	2,712
<b>Transactions with owners, recorded directly in equity</b>						
Issue of ordinary shares	-	-	-	-	-	-
Costs of raising equity	-	-	-	-	-	-
Value of options issued	489	-	(540)	-	-	(51)
Share-based payment transactions exercised	-	-	1,846	-	-	1,846
<b>Balance as at 30 June 2022</b>	376,399	1,568	13,362	203	(90,253)	301,279

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

# JERVOIS GLOBAL LIMITED AND CONTROLLED ENTITIES

## Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2022 and 30 June 2021 (Unaudited)

	Issued capital US\$'000	Share capital reserve US\$'000	Share-based payment reserve US\$'000	Foreign currency translation reserve US\$'000	Retained earnings US\$'000	Total US\$'000
<b>Balance as at 1 January 2021</b>	151,068	1,568	10,092	1,991	(71,234)	93,485
<b>Total comprehensive income</b>						
<b>Loss for the period</b>	-	-	-	-	(9,068)	(9,068)
<i>Other comprehensive income</i>						
Foreign currency translation differences for foreign operations	-	-	-	(1,244)	-	(1,244)
<b>Total comprehensive income for the period</b>	-	-	-	(1,244)	(9,068)	(10,312)
<b>Transactions with owners, recorded directly in equity</b>						
Issue of ordinary shares	1,959	-	-	-	-	1,959
Costs of raising equity	-	-	-	-	-	-
Value of options issued	-	-	1,452	-	-	1,452
Share-based payment transactions exercised	189	-	(64)	-	-	125
<b>Balance as at 30 June 2021</b>	153,216	1,568	11,480	747	(80,302)	86,709

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

# JERVOIS GLOBAL LIMITED AND CONTROLLED ENTITIES

## Condensed Consolidated Statement of Cash Flows

For the three months and six months ended 30 June 2022 and 30 June 2021 (Unaudited)

		Three months ended 30 June 2022 US\$'000	Three months ended 30 June 2021 US\$'000	Six months ended 30 June 2022 US\$'000	Six months ended 30 June 2021 US\$'000
Note					
	<b>Cash flows from operating activities</b>				
	Receipts from customers	98,274	-	194,107	-
	Sundry income	23	-	26	3
	Payments to suppliers and employees	(123,225)	(1,655)	(220,128)	(2,713)
	Business development costs	(1,335)	(1,361)	(2,594)	(1,624)
	Interest paid	(1,328)	-	(8,628)	(1)
	Income taxes paid	(539)	-	(4,126)	-
	<b>Net cash outflow from operating activities</b>	<b>(28,130)</b>	<b>(3,016)</b>	<b>(41,343)</b>	<b>(4,335)</b>
	<b>Cash flows from investing activities</b>				
	Interest received	6	-	6	-
	Payments for property, plant, and equipment	(28,111)	(2,244)	(49,056)	(3,759)
	Payments for exploration and evaluation	(51)	(14)	(51)	(41)
	Proceeds from sale of fixed assets	1,230	19	1,230	23
	R&D tax offset received for exploration assets	-	37	-	37
	<b>Net cash outflow from investing activities</b>	<b>(26,926)</b>	<b>(2,202)</b>	<b>(47,871)</b>	<b>(3,740)</b>
	<b>Cash flows from financing activities</b>				
	Proceeds from issue of shares	1	-	221	2,148
	Share issue transaction costs	(4)	-	(846)	-
	Transfer to funds held in escrow	25,000	-	56,250	-
	Proceeds from borrowings	-	-	42,500	-
	Repayment of lease liability	(219)	(840)	(219)	(1,114)
	<b>Net cash inflow from financing activities</b>	<b>24,778</b>	<b>(840)</b>	<b>97,906</b>	<b>1,034</b>
	<b>Net decrease in cash and cash equivalents</b>	<b>(30,278)</b>	<b>(6,058)</b>	<b>8,692</b>	<b>(7,041)</b>
	Cash and cash equivalents at the beginning of the period	88,224	31,199	49,181	32,604
	Effects of exchange rate changes on cash and cash equivalents	(386)	(171)	(313)	(593)
	<b>Cash and cash equivalents at the end of the period</b>	<b>57,560</b>	<b>24,970</b>	<b>57,560</b>	<b>24,970</b>

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

## JERVOIS GLOBAL LIMITED AND CONTROLLED ENTITIES

### Notes to the Financial Statements

#### For the three and six months ended 30 June 2022 and 30 June 2021

##### 1. Corporate information

The interim condensed 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 three and six-month period ended 30 June 2022 (the "period"). The financial statements are presented in United States dollars and the Company's functional currency is Australian dollars. Refer to Note 4 for further details.

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

##### 2. Principal activities

The principal activities of the Group during the period were cobalt refining, advanced chemical and powder manufacturing and associated commercial activities including product sales, in combination with mine construction and undertaking a refinery feasibility study.

##### 3. Basis of preparation

###### (a) Statement of compliance

This interim condensed consolidated financial report for the six-month period ended 30 June 2022 has been prepared in accordance with AASB 134 – Interim Financial Reporting and the Corporations Act 2001. This financial report also complies with IAS 34 – Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB"). These statements have been rounded to the nearest thousands in accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group's annual consolidated financial statements for year ended 31 December 2021. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. The annual consolidated financial statements comply with International Financial Reporting Standards, as issued by the IASB.

###### (b) Basis of measurement

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

###### (c) New or amended Accounting Standards and Interpretations adopted

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

## JERVOIS GLOBAL LIMITED AND CONTROLLED ENTITIES

### Notes to the Financial Statements

#### For the three and six months ended 30 June 2022 and 30 June 2021

#### 4. Summary of significant accounting policies

##### *Change in presentation currency*

The Directors elected to change the Group's presentation currency from Australian dollars ("A\$") to United States dollars ("US\$"). The financial report for the six-month period ended 30 June 2022 is the first financial report with results in US\$. The Directors believe that the change provides investors and other stakeholders with a clearer and more reliable understanding of the Group's global business performance as a whole and is more comparable to the Company's peers, many of which are presented in US\$. The change is accounted for retrospectively and, as such, comparative information has been restated in US\$.

The financial report has been restated to US\$ using the procedures below:

Foreign currency amount	Applicable exchange rate
Income and expenses	Average rate prevailing for the relevant period
Assets and liabilities	Period-end rate
Equity	Historical rate
Statement of cash flows	Average rate prevailing for the relevant period

The average rate used for the current period ended was A\$/US\$ 1:0.7193 (2021: 1:0.7709) and the period-end exchange rate used was A\$/US\$ 1:0.6891 (2021: 1:0.7256).

Where necessary, comparative information has been reclassified to achieve consistency in disclosure with period-end amounts and other disclosures.

#### 5. Segment reporting

The Group is organised into the following reportable segments: cobalt refining in Finland, mine development in the United States of America and 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. The Group's operating segments are outlined below:

<b>Australia</b>	Includes Nico Young and other Australian tenement licenses held.
<b>Brazil</b>	Includes the São Miguel Paulista ("SMP") nickel and cobalt refinery ("SMP Refinery") in São Paulo, Brazil.
<b>Finland</b>	Includes the cobalt refining and specialty products business located in Kokkola, Finland.
<b>United States of America</b>	Includes the Idaho Cobalt Operations ("ICO") cobalt-copper-gold mine under construction in Lemhi County outside of the town of Salmon, Idaho.
<b>Other</b>	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.

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:

# JERVOIS GLOBAL LIMITED AND CONTROLLED ENTITIES

## Notes to the Financial Statements

For the three and six months ended 30 June 2022 and 30 June 2021

3 months ended 30 June 2022	Australia US\$'000	Brazil US\$'000	Finland US\$'000	USA US\$'000	Other US\$'000	Total US\$'000
<i>Revenue from external customers</i>						
Type of goods or services:						
Sales of cobalt	-	-	91,292	-	-	91,292
Total revenue from contracts with customers	-	-	91,292	-	-	91,292
Timing of revenue recognition:						
At a point in time	-	-	91,292	-	-	91,292
Over time	-	-	-	-	-	-
Total revenue from contracts with customers	-	-	91,292	-	-	91,292
Other income	-	-	20	-	3	23
Segment expense	(18)	(1,359)	(79,450)	(1,564)	(3,507)	(85,898)
Adjusted EBITDA <sup>(i)</sup>	(18)	(1,359)	11,862	(1,564)	(3,504)	5,417
Integration costs	-	-	(539)	-	-	(539)
Other loss <sup>(ii)</sup>	-	-	-	(153)	-	(153)
Profit on sale of fixed assets	-	-	-	1,481	-	1,481
Depreciation and amortisation	(3)	(136)	(2,753)	(128)	(16)	(3,036)
Interest income	-	-	-	-	2	2
Interest expense	(2)	(468)	(1,249)	(6)	-	(1,725)
Net foreign exchange loss	-	33	(649)	4	74	(538)
<b>(Loss)/profit before income tax expense (segment result)</b>	(23)	(1,930)	6,672	(366)	(3,444)	909
<b>Segment assets</b>	5,412	22,141	418,993	214,161	7,527	668,234
<b>Segment liabilities</b>	(224)	(19,824)	(225,018)	(120,076)	(1,813)	(366,955)

# JERVOIS GLOBAL LIMITED AND CONTROLLED ENTITIES

## Notes to the Financial Statements

For the three and six months ended 30 June 2022 and 30 June 2021

6 months ended 30 June 2022	Australia US\$'000	Brazil US\$'000	Finland US\$'000	USA US\$'000	Other US\$'000	Total US\$'000
<i>Revenue from external customers</i>						
Type of goods or services:						
Sales of cobalt	-	-	196,319	-	-	196,319
Total revenue from contracts with customers	-	-	196,319	-	-	196,319
Timing of revenue recognition:						
At a point in time	-	-	196,319	-	-	196,319
Over time	-	-	-	-	-	-
Total revenue from contracts with customers	-	-	196,319	-	-	196,319
Other income	-	-	21	-	5	26
Segment expense	(17)	(2,607)	(169,486)	(2,509)	(6,455)	(181,074)
Adjusted EBITDA <sup>(i)</sup>	(17)	(2,607)	26,854	(2,509)	(6,450)	15,271
Integration costs	-	-	(1,186)	-	-	(1,186)
Other loss <sup>(ii)</sup>	-	-	-	(153)	-	(153)
Profit on sale of fixed assets	-	-	-	1,481	-	1,481
Depreciation and amortisation	(4)	(327)	(5,505)	(202)	(34)	(6,072)
Interest income	-	-	1	-	2	3
Interest expense	(7)	(900)	(2,151)	(6)	-	(3,064)
Net foreign exchange loss	-	33	(938)	(11)	33	(883)
<b>(Loss)/profit before income tax expense (segment result)</b>	<b>(28)</b>	<b>(3,801)</b>	<b>17,075</b>	<b>(1,400)</b>	<b>(6,449)</b>	<b>5,397</b>
<b>Segment assets</b>	<b>5,412</b>	<b>22,141</b>	<b>418,993</b>	<b>214,161</b>	<b>7,527</b>	<b>668,234</b>
<b>Segment liabilities</b>	<b>(224)</b>	<b>(19,824)</b>	<b>(225,018)</b>	<b>(120,076)</b>	<b>(1,813)</b>	<b>(366,955)</b>

(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.

(ii) Net fair value loss on financial assets at fair value through profit or loss (see Note 18).

# JERVOIS GLOBAL LIMITED AND CONTROLLED ENTITIES

## Notes to the Financial Statements

For the three and six months ended 30 June 2022 and 30 June 2021

3 months ended 30 June 2021	Australia US\$'000	Brazil US\$'000	USA US\$'000	Other US\$'000	Total US\$'000
Other income	-	-	80	12	92
Segment expense	(43)	(1,075)	(581)	(3,908)	(5,607)
Depreciation and amortisation	-	(198)	(53)	(4)	(255)
Interest income	-	-	-	-	-
Interest expense	-	(468)	-	-	(468)
Net foreign exchange gain	-	-	(79)	923	844
<b>Loss before income tax expense (segment result)</b>	<b>(43)</b>	<b>(1,741)</b>	<b>(633)</b>	<b>(2,977)</b>	<b>(5,394)</b>
<b>Segment assets</b>	<b>6,128</b>	<b>24,536</b>	<b>64,816</b>	<b>25,225</b>	<b>120,705</b>
<b>Segment liabilities</b>	<b>-</b>	<b>(21,581)</b>	<b>(10,650)</b>	<b>(1,824)</b>	<b>(34,055)</b>

6 months ended 30 June 2021	Australia US\$'000	Brazil US\$'000	USA US\$'000	Other US\$'000	Total US\$'000
Other income	-	-	80	33	113
Segment expense	(76)	(1,190)	(614)	(6,040)	(7,920)
Depreciation and amortisation	-	(410)	(98)	(7)	(515)
Interest income	-	-	-	-	-
Interest expense	-	(981)	-	-	(981)
Net foreign exchange gain	-	-	4	231	235
<b>Loss before income tax expense (segment result)</b>	<b>(76)</b>	<b>(2,581)</b>	<b>(628)</b>	<b>(5,783)</b>	<b>(9,068)</b>
<b>Segment assets</b>	<b>6,128</b>	<b>24,536</b>	<b>64,816</b>	<b>25,225</b>	<b>120,705</b>
<b>Segment liabilities</b>	<b>-</b>	<b>(21,581)</b>	<b>(10,650)</b>	<b>(1,824)</b>	<b>(34,055)</b>

### Geographical information

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

	3 months ended 30 June 2022 Income US\$'000	6 months ended 30 June 2022 Income US\$'000	30 June 2022 Non- current assets US\$'000	3 months ended 30 June 2021 Income US\$'000	6 months ended 30 June 2021 Income US\$'000	30 June 2021 Non- currents assets US\$'000
Australia	-	-	5,237	-	-	6,214
Brazil	-	-	23,707	-	-	24,356
Finland	91,312	196,440	142,947	-	-	-
United States of America	-	-	149,713	80	80	63,414
Other	3	5	-	13	34	1,344
<b>Total</b>	<b>91,315</b>	<b>196,345</b>	<b>321,604</b>	<b>93</b>	<b>114</b>	<b>95,328</b>

# JERVOIS GLOBAL LIMITED AND CONTROLLED ENTITIES

## Notes to the Financial Statements

### For the three and six months ended 30 June 2022 and 30 June 2021

#### 6. Income tax expense

	6 months ended 30 June 2022 US\$'000	6 months ended 30 June 2021 US\$'000
<b>Income taxes</b>		
Current tax expense	(4,624)	-
Deferred tax benefit	2,081	-
<b>Total</b>	<b>(2,543)</b>	<b>-</b>

#### 7. Earnings / (loss) per share

	3 months ended 30 June 2022 US\$ (cents)	3 months ended 30 June 2021 US\$ (cents)	6 months ended 30 June 2022 US\$ (cents)	6 months ended 30 June 2021 US\$ (cents)
<b>Earnings / (loss) per share</b>				
Basic earnings / (loss) per share - cents	0.03	(0.67)	0.19	(1.13)
Diluted earnings / (loss) per share - cents	0.03	(0.67)	0.18	(1.13)

#### Basic earnings / (loss) and diluted earnings / (loss) per share

The calculation of basic earnings / (loss) per share and diluted earnings / (loss) per share for the three months ended 30 June 2022 was based on the profit attributable to ordinary equity holders of the Company of US\$0.5 million (three months ended 30 June 2021: loss of US\$5.4 million) and a weighted average number of ordinary shares outstanding during the three months ended 30 June 2022 of 1,519,750,961 (three months ended 30 June 2021: 802,291,030) and 1,576,171,540 (six-month period ended 30 June 2021: 802,291,030) for basic earnings / (loss) per share and diluted earnings / (loss) per share, respectively.

The calculation of basic earnings / (loss) per share and diluted earnings / (loss) per share for the six months ended 30 June 2022 was based on the profit attributable to ordinary equity holders of the Company of US\$2.9 million (six months ended 30 June 2021: loss of US\$9.1 million) and a weighted average number of ordinary shares outstanding during the six months ended 30 June 2022 of 1,519,536,908 (six months ended 30 June 2021: 801,229,016) and 1,574,441,960 (six-month period ended 30 June 2021: 801,229,016) for basic earnings / (loss) per share and diluted earnings / (loss) per share, respectively.

Employee options and other options granted as described in Note 19 – Share capital have been included in the determination of diluted earnings per share to the extent they are dilutive.

#### 8. Cash and cash equivalents

	30 June 2022 US\$'000	31 December 2021 US\$'000
Bank balances	57,560	49,181
<b>Total cash and cash equivalents</b>	<b>57,560</b>	<b>49,181</b>

## JERVOIS GLOBAL LIMITED AND CONTROLLED ENTITIES

### Notes to the Financial Statements

For the three and six months ended 30 June 2022 and 30 June 2021

#### 9. Trade and other receivables

	30 June 2022 US\$'000	31 December 2021 US\$'000
Other receivables	28	29
GST receivable	12,786	3,293
Trade receivables	36,486	34,247
Allowance for expected credit losses	(169)	(141)
Trade receivables, net	36,317	34,106
<b>Total trade and other receivables</b>	<b>49,131</b>	<b>37,428</b>

#### 10. Inventories

	30 June 2022 US\$'000	31 December 2021 US\$'000
Raw materials	74,207	17,074
Work in progress	7,323	1,439
Finished goods	88,563	84,011
Stores and consumables	7,479	6,771
<b>Total inventories<sup>(i)</sup></b>	<b>177,572</b>	<b>109,295</b>

(i) Inventories are valued at the lower of weighted-average cost and net realisable value. At 30 June 2022, no inventories were held at net realisable value.

#### 11. Exploration and evaluation

	30 June 2022 US\$'000	31 December 2021 US\$'000
Opening balance	4,933	5,523
Expenditure incurred and capitalised	51	129
Foreign currency translation	(269)	(354)
Impairment <sup>(i)</sup>	-	(318)
R&D tax offset recognised	-	(47)
<b>Total exploration and evaluation</b>	<b>4,715</b>	<b>4,933</b>

The Group's accounting policy is to capitalise expenditure on exploration and evaluation on an area of interest basis. The recoverability of the carrying amounts of exploration and evaluation assets is dependent on the successful development and commercial exploitation or sale of the respective area of interest.

(i) Minor, non-core exploration and evaluation assets were impaired during the twelve-month period ended 31 December 2021.

# JERVOIS GLOBAL LIMITED AND CONTROLLED ENTITIES

## Notes to the Financial Statements

For the three and six months ended 30 June 2022 and 30 June 2021

### 12. Property, plant, and equipment

	Property, plant & equipment	Office equipment, furniture & fittings	Motor vehicles	Assets under construction	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
<b>30 June 2022</b>					
<i>Cost</i>					
<b>As at 1 January 2022</b>	38,317	303	605	91,586	130,811
Additions for the period	271	35	203	60,574	61,083
Disposals for the period	(46)	-	-	-	(46)
Transfer	549	-	-	(549)	-
Asset write-down	-	-	-	(1)	(1)
Foreign currency translation	(26)	(2)	-	(39)	(67)
<b>As at 30 June 2022</b>	39,065	336	808	151,571	191,780
<i>Depreciation and impairment</i>					
<b>As at 1 January 2022</b>	(2,062)	(195)	(148)	-	(2,405)
Depreciation charge for the period	(2,635)	(28)	(77)	-	(2,740)
Disposals for the period	26	-	-	-	26
Asset write-down	-	-	-	-	-
Foreign currency translation	1	-	-	-	1
<b>As at 30 June 2022</b>	(4,670)	(223)	(225)	-	(5,118)
<b>Net book value:</b>					
<b>As at 30 June 2022</b>	34,395	113	583	151,571	186,662
<b>31 December 2021</b>					
<i>Cost</i>					
<b>As at 1 January 2021</b>	1,484	186	172	55,396	57,238
Additions through acquisition	36,296	83	-	971	37,350
Additions for the period	104	7	423	37,271	37,805
Transfer	392	-	-	(596)	(204)
Disposals for the period	(34)	-	(40)	-	(74)
Asset write-down	(332)	(27)	-	(1,456)	(1,815)
Foreign currency translation	407	54	50	-	511
<b>As at 31 December 2021</b>	38,317	303	605	91,586	130,811
<i>Depreciation and impairment</i>					
<b>As at 1 January 2021</b>	(386)	(124)	(97)	-	(607)
Depreciation charge for the period	(1,516)	(26)	(48)	-	(1,590)
Disposals for the period	-	-	40	-	40
Asset write-down	6	23	-	-	29
Foreign currency translation	(166)	(68)	(43)	-	(277)
<b>As at 31 December 2021</b>	(2,062)	(195)	(148)	-	(2,405)
<b>Net book value:</b>					
<b>As at 31 December 2021</b>	36,255	108	457	91,586	128,406

# JERVOIS GLOBAL LIMITED AND CONTROLLED ENTITIES

## Notes to the Financial Statements

For the three and six months ended 30 June 2022 and 30 June 2021

### 13. Intangible assets and goodwill

	Goodwill <sup>(i)</sup>	Software	Commercial contracts	Total
	US\$'000	US\$'000	US\$'000	US\$'000
<b>30 June 2022</b>				
<i>Cost</i>				
<b>As at 1 January 2022</b>	37,909	663	66,465	105,037
Additions for the period	-	-	-	-
Transfer	-	-	-	-
<b>As at 30 June 2022</b>	37,909	663	66,465	105,037
<i>Amortisation and impairment</i>				
<b>As at 1 January 2022</b>	-	(248)	(1,690)	(1,938)
Amortisation charge for the period	-	(79)	(2,597)	(2,676)
<b>As at 30 June 2022</b>	-	(327)	(4,287)	(4,614)
<b>Net book value:</b>				
<b>As at 30 June 2022</b>	37,909	336	62,178	100,423
<b>31 December 2021</b>				
<i>Cost</i>				
<b>As at 1 January 2021</b>	-	457	-	457
Additions through acquisition	37,909	2	66,465	104,376
Additions for the period	-	-	-	-
Transfer	-	204	-	204
<b>As at 31 December 2021</b>	37,909	663	66,465	105,037
<i>Amortisation and impairment</i>				
<b>As at 1 January 2021</b>	-	(134)	-	(134)
Amortisation charge for the period	-	(113)	(1,690)	(1,803)
<b>As at 31 December 2021</b>	-	(247)	(1,690)	(1,937)
<b>Net book value:</b>				
<b>As at 31 December 2021</b>	37,909	416	64,775	103,100

- (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.

## JERVOIS GLOBAL LIMITED AND CONTROLLED ENTITIES

### Notes to the Financial Statements

For the three and six months ended 30 June 2022 and 30 June 2021

#### 14. Reclamation deposits

	30 June 2022 US\$'000	31 December 2021 US\$'000
Reclamation Performance Bond requirement	8,800	8,800
<b>Insured</b>	<b>8,800</b>	<b>8,800</b>
In Trust: U.S. Treasury Securities	1,755	1,923
<b>Total reclamation deposits</b>	<b>1,755</b>	<b>1,923</b>

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 2021: US\$8.8 million) in relation to surface disturbances.

The underlying asset securing this bond is the US\$1.8 million (31 December 2021: US\$1.9 million) reclamation deposit on the statement of financial position as at 30 June 2022. The Reclamation Performance Bond will be released upon meeting the reclamation requirements. Underground development requires posting of financial assurances for long-term water treatment post-closure. Jervois is currently engaging with the USFS on the applicable financial assurance requirements.

#### 15. Trade and other payables

	30 June 2022 US\$'000	31 December 2021 US\$'000
Trade payables	56,368	22,674
Other payables	2,499	2,635
Accruals <sup>(i)</sup>	10,677	5,980
Deferred revenue	-	250
Tax payable (VAT/GST/Fuel Tax)	933	132
<b>Total trade and other payables</b>	<b>70,477</b>	<b>31,671</b>

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

#### 16. Employee benefits

	30 June 2022 US\$'000	31 December 2021 US\$'000
Annual leave provision	2,718	2,429
Long service leave provision	206	220
Other employee entitlements	2,352	1,847
<b>Total employee benefits</b>	<b>5,276</b>	<b>4,496</b>
Current	5,035	4,235
Non-current	241	261
<b>Total employee benefits</b>	<b>5,276</b>	<b>4,496</b>

## JERVOIS GLOBAL LIMITED AND CONTROLLED ENTITIES

### Notes to the Financial Statements

#### For the three and six months ended 30 June 2022 and 30 June 2021

##### 17. Asset retirement obligation

	30 June 2022 US\$'000	31 December 2021 US\$'000
Opening reclamation and closure cost balance	7,746	7,562
Movements in economic assumptions and timing of cash flows	569	184
<b>Closing reclamation and closure cost balance</b>	<b>8,315</b>	<b>7,746</b>

The Group's provision for site reclamation and closure relates to ICO and is for disturbance due to construction activity to date. Upon initiation of mining activity, a provision for legal obligations for environmental remediation, reclamation, and decommissioning at the end of the mine life will be established.

The undiscounted cash flows of the disturbance due to construction as at 30 June 2022 were US\$8.3 million. The discount used to determine the present value of the obligation was nil, based on a US Treasury Bond rate of 2.95% and a prima facie inflation rate which exceeded the US Treasury Bond rate and, as such, the inflation rate was adjusted to that which is inherently priced into the long-term government bond. Reclamation activities will primarily be initiated at cessation of construction activities; however, some reclamation will happen concurrently where possible on areas no longer required for the mining operation.

##### 18. Borrowings

	Interest rate	Maturity date	Principal US\$'000	30 June 2022 Carrying amount US\$'000	31 December 2021 Carrying amount US\$'000
Senior secured bonds <sup>(i)</sup>	12.5%	20-Jul-26	100,000	102,179	101,933
Secured revolving credit facility <sup>(ii)</sup>	LIBOR+5%	31-Dec-24	150,000	100,000	57,500
<b>Total borrowings</b>				<b>202,179</b>	<b>159,433</b>

- (i) On 20 July 2021 (the "Issue Date"), the Company completed settlement of a US\$100.0 million senior secured bond (the "Bonds"). 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.

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 (the "Bond Terms"). On 7 February 2022, following the satisfaction of certain pre-disbursement conditions precedent, the Issuer completed the first US\$50.0 million drawdown from the escrow account. In addition, US\$6.25 million was drawn down from the debt service account in January 2022 to facilitate the first bi-annual interest payment. The balances in the escrow account and debt service account have been classified as "funds held in escrow" in the statement of financial position, being US\$57.25 million as at 30 June 2022 (31 December 2021: US\$113.5 million).

Drawn 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 undrawn proceeds of the Bonds remain classified as a current liability in the statement of financial position until satisfaction of the pre-disbursement conditions precedent results in the second drawdown from the escrow account.

The Bond Terms contain an option for the Issuer to call the Bonds from year three (defined in the Bond Terms as the "First Call Date") until maturity. The Issuer may redeem all or some of the outstanding Bonds on any business day from and including: (i) the Issue Date to, but not including, the First Call Date at a price equal to the "Make Whole Amount" (see below); (ii) the First Call Date to, but not including, the interest payment date in January 2025 at a price equal to 107.81% of the nominal amount for each redeemed Bond; (iii) the interest payment date in January 2025 to, but not including, the interest payment date in July 2025 at a price equal to 104.69% of the

## JERVOIS GLOBAL LIMITED AND CONTROLLED ENTITIES

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#### For the three and six months ended 30 June 2022 and 30 June 2021

nominal amount for each redeemed Bond; (iv) the interest payment date in July 2025 to, but not including, the interest payment date in January 2026 at a price equal to 101.56% of the nominal amount for each redeemed Bond; and (v) the interest payment date in January 2026 to, but not including, the maturity date at a price equal to 100% of the nominal amount for each redeemed Bond.

In addition, the Issuer has the option of calling the Bonds between the Issue Date and the First Call Date for an amount defined in the Bond Terms as the "Make Whole Amount". The Make Whole Amount means an amount equal to the sum of the present value on the call option repayment date of: (a) 107.81% of the nominal amount of the redeemed Bonds as if such payment originally had taken place on the First Call Date; and (b) the remaining interest payments of the redeemed Bonds, less any accrued and unpaid interest on the redeemed Bonds as at the call option repayment date, to the First Call Date, where the present value shall be calculated by using a discount rate of 0.97%.

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 30 June 2022, 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. The Facility with Mercuria was for an initial maximum amount of US\$75.0 million with a Facility end date of 31 December 2024. On 3 June 2022, the Borrowers increased the Facility's maximum amount from US\$75.0 million to US\$150.0 million through the execution of the Accordion Increase, as contemplated in the Facility agreement effective 28 October 2021.

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, calculated monthly (reduced to 70% for eligible inventory in Finland exceeding US\$75.0 million) and 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 30 June 2022, 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.

- (iii) Borrowing costs relating to ICO of US\$6.5 million have been capitalised in "Assets under construction" (Note 12) during the period (2021: US\$nil) at an effective interest rate of 14.1% (2021: US\$nil).
- (iv) Fees paid on the establishment of the Bonds (US\$2.8 million) and the Facility (US\$1.3 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.

#### 19. Share capital

	30 June 2022	31 December 2021
	US\$'000	US\$'000
Share capital	387,665	387,176
Costs of raising equity	(11,266)	(11,266)
<b>Total share capital</b>	<b>376,399</b>	<b>375,910</b>

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## Notes to the Financial Statements

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

	No of shares '000	US\$'000
<b>Opening balance at 1 January 2021</b>	791,303	151,068
<b>Movements in 2021</b>		
Issue of ordinary shares – exercise of options	15,073	3,817
Issue of ordinary shares – placement	711,430	230,444
Less costs of raising equity	-	(9,419)
<b>Closing share capital balance at 31 December 2021</b>	1,517,806	375,910
<b>Movements in 2022</b>		
Issue of ordinary shares – exercise of options	1,945	489
Issue of ordinary shares – placement	-	-
Less costs of raising equity	-	-
<b>Closing share capital balance at 30 June 2022</b>	1,519,751	376,399

(ii) Movements in costs of raising equity:

	6 months to 30 June 2022 US\$'000	12 months to 31 December 2021 US\$'000
Opening balance	(11,266)	(1,847)
Costs incurred	-	(9,419)
<b>Closing balance</b>	<b>(11,266)</b>	<b>(11,266)</b>

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

	6 months to 30 June 2022 Number of options	12 months to 31 December 2021 Number of options
Balance at the beginning of the period	91,178,500	85,122,500
Granted	2,500,000	11,500,000
Forfeited	(2,200,000)	(1,750,000)
Exercised	(1,200,000)	(3,694,000)
<b>Balance at the end of the period</b>	<b>90,278,500</b>	<b>91,178,500</b>
Vested and exercisable at period end	37,106,000	35,156,000

**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.

## JERVOIS GLOBAL LIMITED AND CONTROLLED ENTITIES

### Notes to the Financial Statements

#### For the three and six months ended 30 June 2022 and 30 June 2021

During the period, an additional 2,500,000 options at an exercise price of A\$0.55/share were issued to employees as part of the Company option plan, with 2,200,000 options forfeited, 500,000 exercised at an exercise price of A\$0.30/share and 700,000 exercised at an exercise price of A\$0.15/share, thus bringing the options issued over ordinary shares in the Company to 90,278,500 as at 30 June 2022.

#### *Unissued shares under options*

As at 30 June 2022 unissued shares of the Company under option are:

Expiry date	Exercise price (A\$)	Number of shares
30-Nov-22	\$0.10	12,500,000
01-Jul-23	\$0.25	7,500,000
30-Sep-23	\$0.24	5,000,000
30-May-24	\$0.30	100,000
01-Jun-24	\$0.19	2,500,000
18-Jun-24	\$0.26	1,806,000
15-Aug-24	\$0.19	2,500,000
30-Sep-24	\$0.19	5,000,000
30-Sep-25	\$0.26	5,000,000
15-Aug-27	\$0.15	10,000,000
31-Mar-28	\$0.10	8,122,500
18-Oct-28	\$0.28	7,500,000
03-Jan-29	\$0.24	6,000,000
28-Feb-29	\$0.24	3,250,000
28-Feb-29	\$0.45	500,000
08-Aug-29	\$0.57	3,250,000
31-Aug-29	\$0.56	1,000,000
31-Aug-29	\$0.48	6,250,000
31-Mar-30	\$0.55	2,500,000
<b>Total</b>		<b>90,278,500</b>

Once exercised, the option holder will be issued ordinary shares in the Company. Details of the terms and conditions of options granted under the Staff Option Plan as part of the Group's Long-Term Incentive Plan are outlined in the Remuneration Report of the Group's annual report as at 31 December 2021. The options do not entitle the holder to participate in any share issue of the Company.

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

	6 months to 30 June 2022 Number of options	12 months to 31 December 2021 Number of options
Balance at the beginning of the period	550,000	550,000
Granted	-	-
Forfeited	-	-
Exercised	(350,000)	-
<b>Balance at the end of the period</b>	<b>200,000</b>	<b>550,000</b>
<b>Vested and exercisable at period end</b>	<b>200,000</b>	<b>550,000</b>

#### *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.

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#### For the three and six months ended 30 June 2022 and 30 June 2021

The shares, when issued, rank pari passu in all respects with previously issued fully paid ordinary shares. Option holders cannot participate in new issues of capital which may be offered to shareholders prior to exercise.

During the period, no options were issued to advisers to the Company in exchange for services rendered. Nil options forfeited and 350,000 exercised, thus the options issued to service providers over ordinary shares in the Company is 200,000 as at 30 June 2022.

#### *Unissued shares under options for services provided*

As at 30 June 2022 unissued shares of the Company under option are:

Expiry date	Exercise price (A\$)	Number of shares
30-May-24	\$0.30	200,000
<b>Total</b>		<b>200,000</b>

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:**

	6 months to 30 June 2022 Number of options	12 months to 31 December 2021 Number of options
Balance at the beginning of the period	4,504,500	18,015,250
Granted	-	-
Forfeited	-	-
Exercised	-	(11,378,500)
Expired	(1,344,750)	(2,132,250)
<b>Balance at the end of the period</b>	<b>3,159,750</b>	<b>4,504,500</b>
<b>Vested and exercisable at period end</b>	<b>3,159,750</b>	<b>4,504,500</b>

#### *Options granted as part of acquisitions*

During the period, no new options were issued as part of any acquisitions. Nil options were forfeited, nil were exercised and 1,344,750 expired, thus bringing the options issued for acquisitions over ordinary shares in the Company to 3,159,750 as at 30 June 2022.

#### *Unissued shares under options as part of the acquisitions*

As at 30 June 2022 unissued shares of the Company under option are:

Expiry date	Exercise price (C\$)	Number of shares
28-Jun-23	\$0.61	1,179,750
01-Oct-23	\$0.53	1,980,000
<b>Total</b>		<b>3,159,750</b>

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

## JERVOIS GLOBAL LIMITED AND CONTROLLED ENTITIES

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

	6 months to 30 June 2022 Number of rights	12 months to 31 December 2021 Number of rights
Balance at the beginning of the period	2,351,165	2,351,165
Granted	2,555,616	-
Forfeited	(99,098)	-
Exercised	(968,487)	-
Expired	-	-
<b>Balance at the end of the period</b>	<b>3,839,197</b>	<b>2,351,165</b>
<b>Vested at period end</b>	<b>-</b>	<b>-</b>

**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, 2,555,616 performance rights were issued to employees. 99,098 performance rights were forfeited, nil expired and 968,487 performance rights were exercised, thus bringing the performance rights over ordinary shares in the Company to 3,839,197 as at 30 June 2022.

**Unissued shares under performance rights to Directors and employees**

As at 30 June 2022 unissued shares of the Company under option are:

Expiry date	Exercise price (A\$)	Number of rights
03-Apr-24	N/A	315,984
17-Feb-24	N/A	967,597
03-Apr-25	N/A	2,555,616
<b>Total</b>		<b>3,839,197</b>

# JERVOIS GLOBAL LIMITED AND CONTROLLED ENTITIES

## Notes to the Financial Statements

For the three and six months ended 30 June 2022 and 30 June 2021

### 20. Share-based payments

#### Recognised share-based payment expense

	6 months to 30 June 2022 US\$'000	6 months to 30 June 2021 US\$'000
Expense arising from equity settled share-based payment transactions	(1,846)	(1,452)

#### Share options

The fair value of the options is estimated at the date of grant using the Black-Scholes option pricing model, considering the terms and conditions upon which the options were granted. For the options granted during the period, 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
07-Jan-22	31-Mar-30	0.60	0.55	66.8%	Nil	1.65%	1,038 <sup>(i)</sup>

(i) Equivalent to US\$0.743 million at grant date.

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.

#### Performance rights

The fair value of the performance rights is estimated at the date of grant using the Monte Carlo simulation option pricing model, considering the terms and conditions upon which the performance rights were granted. For the performance rights granted during the period, 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
12-Apr-22	3-Apr-25	0.86	N/A	65.0%	Nil	2.52%	1,712 <sup>(i)</sup>

(i) Equivalent to US\$1.273 million at grant date.

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 performance rights is indicative of future trends, which may not necessarily be the actual outcome.

## JERVOIS GLOBAL LIMITED AND CONTROLLED ENTITIES

### Notes to the Financial Statements

#### For the three and six months ended 30 June 2022 and 30 June 2021

#### 21. 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:*

	30 June 2022 US\$'000	31 December 2021 US \$'000
<b>Financial assets at amortised cost</b>		
Cash and cash equivalents	57,560	49,181
Term deposits	80	84
Funds held in escrow	57,250	113,500
Trade and other receivables	49,131	37,428
<b>Total financial assets</b>	<b>164,021</b>	<b>200,193</b>
<b>Financial assets at fair value through profit or loss</b>		
Call options	1,681	1,834
<b>Financial liabilities at fair value through profit or loss</b>		
Contingent consideration	38,000	38,000
<b>Financial liabilities at amortised cost</b>		
Trade and other payables	70,477	31,671
Senior secured bonds	96,084	96,084
Secured revolving credit facility	100,000	57,500
Lease liabilities	21,539	19,257
Other non-current financial liabilities	-	56
<b>Total financial liabilities</b>	<b>288,100</b>	<b>204,568</b>

#### 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:

30 June 2022	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Call option (Note 18)	-	-	1,681	1,681
<b>Financial liabilities</b>				
Contingent consideration	-	-	38,000	38,000

## JERVOIS GLOBAL LIMITED AND CONTROLLED ENTITIES

### Notes to the Financial Statements

For the three and six months ended 30 June 2022 and 30 June 2021

31 December 2021	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Call option (Note 18)	-	-	1,834	1,834
<b>Financial liabilities</b>				
Contingent consideration	-	-	38,000	38,000

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

#### Valuation techniques for Level 3 fair value measurements

The fair value of the Group's embedded call option was determined using the Bermudan option pricing model, which was estimated through calculating the difference between the option-inclusive and exclusive valuation based on an estimated credit spread. Where available, the Group applied reliably sourced inputs, such as the bond price, risk free rate and volatility data.

The fair value of the Group's contingent consideration arrangement 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.

## 22. Commitments

6 months to 30 June 2022	Less than one year US\$'000	Between one and five years US\$'000	More than five years US\$'000	Total US\$'000
Property, plant, and equipment	40,116	-	-	40,116
Exploration expenditure	407	-	-	407
Intangible assets	1,152	-	-	1,152
12 months to 31 December 2021	Less than one year US\$'000	Between one and five years US\$'000	More than five years US\$'000	Total US\$'000
Property, plant, and equipment	48,562	-	-	48,562
Exploration expenditure	634	-	-	634
Intangible assets	1,878	-	-	1,878

## 23. Contingencies

	30 June 2022 US\$'000	31 December 2021 US\$'000
Customs guarantees	1,202	1,398
Bank guarantees	80	78

#### 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.

## JERVOIS GLOBAL LIMITED AND CONTROLLED ENTITIES

### Notes to the Financial Statements

#### For the three and six months ended 30 June 2022 and 30 June 2021

##### 24. Related party transactions

The Company acquired a related party relationship between prior M2 Cobalt management personnel, Dr. Jennifer Hinton and Mr. Tom Lamb and an external services company Great Rift Geosciences ("Great Rift") via the M2 Cobalt merger. Acquired in June 2019, Jervois used Great Rift to provide Ugandan exploration management services including local administration and in-country management, accounting, payroll and treasury services, offices including a core shed and sample preparation area, employee accommodation, and exploration staffing.

Dr. Jennifer Hinton and Mr. Tom Lamb are also principals and co-owners of Great Rift. The commercial arrangements with Great Rift were conducted on arms-length terms. Upon suspension of all exploration activities in Uganda, the relationship with Great Rift was terminated in February 2021. Amounts below represent payments to Great Rift (Canada) and Great Rift (Uganda) at which Dr. Hinton and Mr. Lamb are Directors. Payments made to Great Rift were solely for the in-country services outlined above. No loans have been made to key management personnel as of 30 June 2022.

	6 months to 30 June 2022 US \$'000	6 months to 30 June 2021 US\$'000
Management services – Great Rift	-	32

##### 25. Events after reporting period

On 15 July 2022, the Company's wholly owned subsidiary, Jervois Brasil Participacoes Ltda, closed the acquisition of SMP Refinery from Companhia Brasileira de Alumínio. Total consideration paid for the acquisition is agreed at R\$125.0 million in cash, payable in tranches. The Company paid the initial R\$15.0 million payment in late 2020 when the acquisition was publicly announced and a further R\$47.5 million on closing, in accordance with the terms of the purchase agreement. The remaining R\$62.5 million is to be paid on the earlier to occur of commencement of commercial production at SMP Refinery and June 2023, per the purchase agreement, which Jervois expects to be June 2023 based on SMP Refinery's current restart schedule. The transaction is expected to be treated as an asset acquisition and accounted for under AASB 116 – Property, Plant and Equipment.

Upon satisfaction of the pre-disbursement conditions precedent, on 20 July 2022, the Company's wholly owned subsidiary, Jervois Mining USA Limited, completed the second 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. Subsequent to 30 June 2022, the total proceeds of the Bonds will be classified as a non-current liability in the statement of financial position.

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.