Jervois

Jervois Global Limited

INTERIM CONDENSED FINANCIAL REPORT
FOR THE HALF-YEAR ENDED
30 JUNE 2023

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JERVOIS GLOBAL LIMITED AND CONTROLLED ENTITIES

Corporate Directory

Directors

Bryce Crocker (Chief Executive Officer)

Peter Johnston (Non-Executive Chairman)

Brian Kennedy (Non-Executive Director)

Michael Callahan (Non-Executive Director)

David Issroff (Non-Executive Director)

Daniela Chimisso Dos Santos (Non-Executive Director)

Company Secretary

Alwyn Davey

Principal Address and Registered Office

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

ABN

52 007 626 575

Auditors

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

Bankers

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

Share Register

Computershare Investor Services Pty Ltd

452 Johnston Street

Abbotsford, Victoria, 3067, Australia

Computershare Investor Services Inc

510 Burrard Street

Vancouver, BC, V6C 3B9, Canada

Stock Exchange Listing

Jervois Global Limited shares are listed or traded on the:

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

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") at the end of, or during, the six-month period ended 30 June 2023 (the "period").

1. Directors

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

Name	Role
Bryce Crocker	Chief Executive Officer
Peter Johnston	Non-Executive Chairman
Brian Kennedy	Non-Executive Director
Michael Callahan	Non-Executive Director
David Issroff	Non-Executive Director
Daniela Chimisso Dos Santos	Non-Executive Director

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 engineering for a refinery restart.

3. Review of operations

The total loss after tax of the consolidated entity attributable to the owners of the parent entity for the half-year ended 30 June 2023 was US$93.945 million (30 June 2022: profit after tax of US$2.854 million).

During the period, focus has been on the ongoing operations at Jervois Finland, progressing construction of, and underground mining at, the Idaho Cobalt Operations ("ICO") in the United States ("U.S."), prior to its suspension in late March 2023, and the engineering for the restart at the São Miguel Paulista ("SMP") nickel and cobalt refinery ("SMP Refinery") in São Paulo, Brazil.

The business has been impacted by the current cyclical weakness in the cobalt market and the Group has adjusted its priorities to ensure long-term resilience and sustainability across the asset base.

The key priorities for the period to 30 June 2023 and for the rest of the year include:

- Consolidate the Jervois Finland turnaround and continue to improve EBITDA and cash generation.
- Maximise restart optionality at ICO whilst ensuring the suspension phase remains cost effective.
- Advance debt and partnership funding options for SMP Refinery.
- Asset portfolio review and optimisation including divestiture of the Nico Young nickel-cobalt laterite project.
- Execute U.S. Government funded ICO drilling and complete domestic refinery studies; advance U.S. Government funding applications, including the Advanced Technology Vehicle Manufacturing loan for a U.S. cobalt refinery.

Management is focussed on ensuring the Company has a stable foundation for the medium- to long-term future of the Group. Even at current low cobalt prices, Jervois has a pathway to implement this strategy.

Capital raising

On 28 June 2023, the Company announced the launch of a US$50.0 million total capital raising (the "Capital Raising"), comprising:

- US$25.0 million Unsecured Convertible Notes ("Notes") maturing in July 2028, and which are convertible into Jervois ordinary shares ("Convertible Notes Offer"). The initial conversion price for the Notes represents a 40% premium to the Entitlement Offer Theoretical Ex Rights Price and the Notes carry a 6.5% per annum coupon; and
- US$25.0 million fully underwritten 1 for 3.34 accelerated non-renounceable entitlement offer (the "Entitlement Offer"), undertaken in parallel with the Convertible Notes Offer.

Net proceeds from the Capital Raising will strengthen Jervois' balance sheet, improve liquidity and working capital flexibility, with cash also being applied to debt reduction.

Jervois shares were issued under the Institutional Entitlement Offer on 7 July 2023, raising A$20.2 million (~US$13.5 million). The Institutional Entitlement Offer was supported by new and existing domestic and offshore institutional investors. The Retail Entitlement Offer closed on 18 July 2023 and raised a further A$17.2 million (~US$11.5 million).

The first tranche of the Notes was completed on 18 July 2023 with the receipt of US$19.9 million. The second tranche of the Notes (US$5.1 million) is anticipated to be issued following Jervois shareholder approval on 28 August 2023.

The Group expects the Notes will be classified as a compound financial instrument under AASB 9 – Financial Instruments, and expects a large portion of the Notes to be classified as a debt instrument within the Group's consolidated statement of financial position upon recognition.

Jervois Finland, Finland

Jervois Finland produces products for a range of markets including chemicals, catalysts and ceramics, powder metallurgy and batteries.

During 1H 2023, Jervois Finland produced 2,449 metric tonnes with challenging conditions during the period in relation to cost pressures from consumables and the current cyclical weakness in the cobalt market.

The Jervois Finland business achieved revenue during the period of US$114.259 million, a 42% decrease over the corresponding prior period, with this decrease driven by lower cobalt prices. This revenue was generated via cobalt sales volumes of 3,160 metric tonnes. Jervois Finland's Adjusted EBITDA [(i)] for 1H 2023 was negative US$7.748 million.

During the period, the Group commenced a Bankable Feasibility Study ("BFS") to expand cobalt refinery capacity at the Kokkola Industrial Park in Finland. Due to the U.S. Inflation Reduction Act and associated government support programmes, this has been redirected across for a greenfield cobalt refinery in the U.S. and the BFS is now expected be completed based on this new location. Jervois Finland's technical team and engineering and consulting company AFRY Finland Oy ("AFRY") have designed a BFS flowsheet for an initial refinery capacity of 6,000 metric tonnes per annum of contained cobalt in sulphate, the physical form required for the battery industry, including for electric vehicles.

AFRY will continue to provide specialist refinery expertise and leadership from Finland, but with the BFS to be run out of AFRY USA LLC. Jervois USA's team in Salmon, Idaho, will provide specialist support for the U.S. BFS across key areas such as environment and permitting, logistics, utilities, and construction readiness. Jervois Finland will continue to provide technical stewardship of the BFS.

(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), inventory write-downs to net realisable value (or reversals), study costs, certain derivative items, and one-off acquisition and integration costs.

Idaho Cobalt Operations, United States

The mine component of ICO's construction has been completed, with a successful start to underground stoping and more than 30,000 short tons of ore ready for processing.

Due to a depressed cobalt price, in late March 2023, Jervois announced its decision to suspend final construction and full concentrator commissioning at ICO. Continuing low cobalt prices were compounded by the current U.S. inflationary construction cost environment, particularly at ICO's remote location, which had proven challenging for the Group to manage effectively.

ICO's mineral resource and reserve is the largest and highest grade confirmed cobalt orebody in the U.S. and, when operational, will represent the country's only primary cobalt mine supply. Cobalt is a critical mineral as declared by the U.S. Government. Jervois determined that not mining ICO cobalt at cyclically low prices will preserve the optionality and inherent strategic value of ICO for shareholders and key stakeholders, including local communities and the State of Idaho. The Company also views not mining ICO at current prices as consistent with U.S. Government critical mineral policy objectives.

Jervois remains confident regarding the medium- and longer-term future of cobalt. The trajectory of structurally higher prices is expected to be increasingly influenced by rising cobalt demand from the energy transition, including electric vehicles. The Company's expectation is that Western cobalt purchasers will increasingly prefer cobalt from sources with high environmental, social, and governance ("ESG") credentials, particularly given the concentration of supply from the Democratic Republic of Congo and China.

Jervois is commencing work funded by the U.S. Department of Defense ("DoD") US$15.0 million funding (the "Agreement Funding") to advance U.S. cobalt supply chain security. The Agreement Funding is under the Manufacturing Capability Expansion and Investment Prioritization office of Industrial Base Policy using the U.S. Defense Production Act authorities and utilises funds from the Additional Ukraine Supplemental Appropriations Act.

Jervois' mineral resource drilling programme at ICO will be accelerated by the Agreement Funding. The drilling programme will define and expand ICO's RAM deposit existing cobalt resources and to delineate the adjacent Sunshine historic resource to modern geological standards.

The Agreement Funding will also fund a BFS for a cobalt refinery in the U.S. to be completed by a Jervois subsidiary delegated by Jervois Mining USA Limited. Preparation of Jervois' U.S. refinery BFS will be expedited by benefitting from efficiencies provided by the Company's efforts and work-in-progress on a cobalt refinery expansion BFS at Jervois Finland, as announced on 18 April 2023.

Jervois views the DoD's award as an indication of the importance to the U.S. Government of securing its cobalt supply chain. Accordingly, the Company continues to engage with the U.S. Department of Energy and the U.S. Export-Import Bank, the official export credit agency of the U.S., on further financing initiatives. Whilst there can be no assurance any additional funding will be received, Jervois believes U.S. Government support in developing a viable domestic cobalt supply chain is important given the energy transition and Jervois' expectation that Western cobalt purchasers will increasingly prefer cobalt from sources with Western ESG credentials, such as ICO.

The Company has safely completed ICO site demobilisation and total workforce, including contractors, has been ramped down to approximately 30 during suspension, which represents a fit-for-purpose workforce to maintain the site in compliance with its regulatory requirements and to execute the envisaged DoD programmes.

ICO continues to be a key part of delivering Jervois' strategy of acquiring and operating geopolitically strategic mining and critical mineral processing assets important to the energy transition and the defence industry.

Updated mineral reserve and resource estimate and drilling

In-fill and expansion drilling campaigns conducted throughout 2022 returned promising results which the Company has incorporated into an updated Mineral Resource Estimate ("MRE") for the RAM deposit, which was calculated in accordance with standards set forth in both the Australasian JORC Code 2012 ("JORC") and by the Canadian Institute of Mining ("CIM"). This updated JORC/CIM compliant MRE was released in April 2023.

São Miguel Paulista nickel and cobalt refinery, Brazil

Jervois has moderated the pace of restart of the SMP nickel and cobalt refinery in São Paulo, Brazil. First production is estimated to be 12 months from full mobilisation. The project cost guidance remains unchanged (R$345 million or ~US$65 million) with near-term costs minimised. Discussions with lenders and other interested parties continue to advance.

During the period, Jervois announced it has entered into a raw material supply agreement for the restart phase of SMP Refinery with Traxys Europe S.A. ("Traxys") for the supply of mixed nickel hydroxide ("MHP") from the Gordes nickel-cobalt facility in Turkey.

Jervois' supply agreement with Traxys is expected to provide a base load of MHP feed of up to approximately 25% of SMP Refinery's initial annual nickel feed requirement for the first three years of restarted operations. Jervois intends to initially restart SMP Refinery in a staged, capital efficient manner, below its prior 25,000 metric tonnes per annum nickel capacity. Expected initial refined production is 10,000 metric tonnes per annum of nickel and 2,000 metric tonnes per annum of cobalt, both in metal cathode form.

SMP Refinery is located within the São Paulo city limits with ready access to labour, utilities and services and is 120km via highway from the largest container port in Brazil (Port of Santos), ensuring it is well placed to serve domestic and export markets.

SMP Refinery previously produced 'Tocantins' nickel and cobalt products, which are well established domestically in Brazil and in key Western export markets such as Europe and Japan. The Company's commercial team are re-establishing nickel and cobalt customer relationships.

Nico Young nickel-cobalt project, Australia

As part of an ongoing portfolio review, Jervois has determined that it ought to consider purchase offers for the Nico Young nickel and cobalt project located in New South Wales. Jervois has commenced a divestment process.

During the period, Jervois completed an infill drilling campaign at Nico Young as part of work initiated towards a BFS. The drill programme comprised eighty-six drill holes totalling slightly over 3,000 metres and was designed to increase confidence in the mineral resource by converting portions of the Ardnaree deposit from the Inferred to Indicated category.

Environmental, Social, Governance and Compliance ("ESG")

Sustainability overview

In light of events in the first half of 2023, resilient leadership and consistent communication of Jervois' **core values and principles** have been crucial to navigating through change and staying true to purpose. The Company's focus on safe, inclusive working conditions has been unwavering and efforts to further embed ethical conduct and responsible, sustainable practices have continued. Throughout the period, transparency about challenges faced and plans to adapt have been fundamental to maintaining trust with stakeholders, including shareholders, employees, contractors, and communities where Jervois operates.

Jervois' **2022 Sustainability Report** was released on 30 June 2023 and reaffirms the Company's commitment to sustainability and the ways in which ESG performance is intrinsically linked with business success. Over the past six months, this foundation has been used as a basis to reflect on lessons learned and more effectively transform challenges into opportunities for greater resilience and continued progress toward sustainability goals.

Selected highlights are shared below.

Governance

Progressive integration of ESG matters within the roles and functions of Jervois' Board, senior management team, and through to operations continues to be a high priority.

Among key areas of progress within the period:

- Formalised inter-operation coordination across the full spectrum of the Group-wide ESG programme. This effort builds upon existing theme-specific working groups to embed ESG more meaningfully and strengthen ownership at all levels, broaden skills sets of individuals involved and create a pipeline for future leaders in the organisation.
- Finalised design of the SpeakUp Campaign, which is ready to launch at SMP with Jervois Finland to follow shortly thereafter. The online and hotline system will significantly strengthen in-house grievance mechanisms and support related efforts on diversity and inclusion, responsible supply chains, and ethics and compliance.
- Continued to advance development of expanded training curriculum on anti-corruption and bribery, diversity and inclusion and ethics and compliance more broadly.

Jervois believes that engagement in the global community and the Company's role in industry leadership is essential. In the first half of 2023, this included participation at the Cobalt Institute ("CI") Annual Cobalt Conference in Istanbul, Turkey and Jervois' continued role as Chair of CI's Responsible Sourcing and Sustainability Committee. The Company is also actively engaged in related working groups on ESG standards, the circular economy, and a range of other topics including expanding due diligence programmes to address broader environmental and human rights risks beyond OECD Due Diligence requirements for Responsible Mineral Supply Chains.

Health and safety

Work safely – all the time. This core principle is at the forefront of all Jervois activities. In the first six months of 2023, we maintained zero fatalities at all operations and a Lost Time Injury Frequency Rate of 0.0 at Jervois Finland and SMP and 3.8 at ICO and Total Reportable Incident Rate of 0.0 at Jervois Finland and SMP and 0.76 at ICO.

Contractor engagement was a strong area of focus throughout the period. In light of demobilisation activities at ICO, intensive measures were undertaken to put safety at the forefront, including through initial discussions on the suspension and its implications and risks, ongoing meetings and coordination with construction management and strong oversight by Jervois leadership. In parallel, early in the year SMP saw significant expansion of its OHS management systems as it moves towards future ISO 45001 certification and related onboarding and training of staff and contractors. Jervois Finland continued its track record of operational excellence and saw further improvements in OHS statistics, including zero lost time incidents, across the period.

Environment

Decarbonisation, climate risk resilience, and the circular economy continued to be in focus in the first six months of 2023. On the backdrop of Jervois Finland's 2035 net zero target for Scope 1 and 2 emissions, which was announced late in 2022, implementation of the carbon reduction roadmap accelerated. Immediate priorities include continued gains on energy efficiency and expansion of efforts to characterise Scope 3 emissions. Jervois has begun to leverage Jervois Finland's expertise in this space, with SMP initiating efforts to follow suit in climate action.

Robust environmental monitoring systems and procedures continue to be in place in all Jervois operations.

Three reportable incidents occurred in the first half of 2023. All cases involved close coordination with responsible authorities and appropriate actions implemented.

People

Fostering strong, positive relationships with employees, contractors, communities, governments, and the environment in jurisdictions where Jervois operates is one of the Company's highest priorities. SMP progressed its stakeholder engagement strategy, concluding initial mapping and outreach, including to employees and vulnerable groups within surrounding São Miguel. Through its process to advance a community benefits agreement process, ICO's strong, positive ties with a broad range of stakeholders proved to be important in building local understanding of the suspension, its implications and aims to restart. In Finland, Jervois Finland is a member of the Kokkola Industrial Park association, which has a common plan for stakeholder engagement with the communities. With a shared focus on environmental, safety improvements, and collaboration with schools and universities, specific programmes are in place to attract new workers to the industries in Kokkola.

Jervois' approach to diversity, equity and inclusion is detailed in its 2022 Sustainability Report. During the period, efforts to support inclusive workplaces received greater focus, including through assessment of potential metrics and indicators for both operations and our contractors and alongside efforts to strengthen our grievance mechanisms through the Company's SpeakUp Campaign, initiate development of related training programmes and review of related strategies.

In the first six months of 2023, we received no human rights related complaints through our whistleblower and grievance mechanisms and had zero significant disputes related to our workforce, local communities, or indigenous peoples.

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

4. Dividends paid or recommended

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

5. Significant changes in the state of affairs

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

6. Rounding of amounts

The amounts in the Directors' Report and financial statements have been rounded to the nearest thousands in accordance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

7. Events subsequent to reporting date

The capital raising announced on 28 June 2023 is outlined on page 3 of this report.

The Directors of the Company have not identified 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.

8. 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.

Dated at Melbourne this 18th day of August 2023.

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

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Peter Johnston
Chairman

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

As lead auditor for the review of the half-year financial report of Jervois Global Limited for the half-year ended 30 June 2023, I declare to the best of my knowledge and belief, there have been:

a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review;

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

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

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

Ernst & Young

Ernst & Young

Matthew A. Honey
Partner
18 August 2023

JERVOIS GLOBAL LIMITED AND CONTROLLED ENTITIES

Condensed Consolidated Statement of Financial Position

As at 30 June 2023

	Note	30 June 2023 US$'000	31 December 2022 US$'000
Current assets			
Cash and cash equivalents	9	32,181	152,647
Restricted cash	17	690	690
Trade and other receivables	10	29,176	45,191
Inventories	11	56,512	112,995
Financial assets at fair value through profit or loss	26	34	1,627
Other assets	12	3,431	5,248
Total current assets		**122,024**	**318,398**
Non-current assets			
Exploration and evaluation	13	5,060	4,696
Property, plant, and equipment	14	323,264	313,407
Intangible assets and goodwill	15	98,552	100,593
Reclamation deposits	17	8,176	7,995
Right-of-use asset	18	5,682	8,524
Deferred tax assets	7	2,795	-
Other assets	12	472	479
Total non-current assets		**444,001**	**435,694**
Total assets		**566,025**	**754,092**
Current liabilities			
Trade and other payables	19	34,659	57,503
Employee benefits	20	5,851	5,002
Borrowings	22	7,214	27,986
Asset retirement obligation	21	415	-
Lease liabilities	18	15,832	13,839
Income tax payable		235	574
Government grant		166	-
Total current liabilities		**64,372**	**104,904**
Non-current liabilities			
Deferred tax liabilities	7	-	6,249
Employee benefits	20	216	274
Borrowings	22	153,584	190,480
Asset retirement obligation	21	18,904	20,028
Lease liabilities	18	4,229	5,970
Contingent consideration	26	20,369	30,335
Total non-current liabilities		**197,302**	**253,336**
Total liabilities		**261,674**	**358,240**
Net assets		**304,351**	**395,852**
Equity			
Share capital	23	530,764	530,580
Reserves		15,843	13,583
Accumulated losses		(242,256)	(148,311)
Total equity attributable to equity holders of the Company		**304,351**	**395,852**

The above Condensed Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

JERVOIS GLOBAL LIMITED AND CONTROLLED ENTITIES

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the half-year ended 30 June 2023

	Note	30 June 2023 US$'000	30 June 2022 US$'000
Revenue	4	114,259	196,319
Cost of goods sold (i)		(146,378)	(168,070)
Gross (loss) / profit		**(32,119)**	**28,249**
Other income		142	26
Other gains / (losses)	5	8,374	(153)
General and administrative expenses	6(a)	(6,646)	(7,236)
Employee benefits expenses		(8,406)	(3,366)
Share-based payments	24	(1,285)	(1,846)
Business development costs		(45)	(2,625)
Other mine site costs	6(b)	(4,915)	-
Other expenses	6(c)	(1,877)	-
Depreciation and amortisation		(6,377)	(6,072)
Impairment of non-financial assets	16	(40,896)	-
(Loss) / gain on sale of fixed assets		(75)	1,481
Operating (loss) / profit		**(94,125)**	**8,458**
Interest income		816	3
Interest expense		(9,245)	(3,064)
Net financing costs		**(8,429)**	**(3,061)**
(Loss) / profit before income tax expense		**(102,554)**	**5,397**
Income tax benefit / (expense)	7	8,609	(2,543)
(Loss) / profit for the period		**(93,945)**	**2,854**
(Loss) / profit after income tax expense for the period attributable to the owners of Jervois Global Limited		**(93,945)**	**2,854**
Other comprehensive income / (loss):			
Items that may be subsequently reclassified to profit or loss:			
Exchange gain / (loss) arising on translation of foreign operations		1,175	(142)
Total other comprehensive income / (loss)		**1,175**	**(142)**
Total comprehensive (loss) / income for the period attributable to the owners of Jervois Global Limited		**(92,770)**	**2,712**
(Loss) / earnings per share for the period attributable to the owners of Jervois Global Limited			
Basic (loss) / earnings per share (US$ cents)	8	(4.52)	0.19
Diluted (loss) / earnings per share (US$ cents)	8	(4.52)	0.18
Weighted average ordinary shares outstanding:			
Basic (number of shares, '000s)		2,079,541	1,519,537
Diluted (number of shares, '000s)		2,079,541	1,574,442

(i) Cost of goods sold includes non-cash adjustments made to inventory for the lower of cost and net realisable value (refer to note 11).

The above Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Condensed Consolidated Statement of Changes in Equity

For the half-year ended 30 June 2023

	Issued capital US$'000	Share capital reserve US$'000	Share-based payment reserve US$'000	Foreign currency translation reserve US$'000	Accumulated losses US$'000	Total US$'000
Balance as at 1 January 2023	**530,580**	**1,568**	**10,090**	**1,925**	**(148,311)**	**395,852**
Total comprehensive income						
Loss for the period	-	-	-	-	(93,945)	(93,945)
Other comprehensive income						
Foreign currency translation differences for foreign operations	-	-	-	1,175	-	1,175
Total comprehensive loss for the period	**-**	**-**	**-**	**1,175**	**(93,945)**	**(92,770)**
Transactions with owners, recorded directly in equity						
Value of options and performance rights issued	-	-	1,285	-	-	1,285
Share-based payment transactions exercised	184	-	(200)	-	-	(16)
Balance as at 30 June 2023	**530,764**	**1,568**	**11,175**	**3,100**	**(242,256)**	**304,351**

The above Condensed Consolidated 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 half-year ended 30 June 2023

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

The above Condensed Consolidated 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 half-year ended 30 June 2023

	Note	30 June 2023 US$'000	30 June 2022 US$'000
Cash flows from operating activities			
Receipts from customers		140,522	194,107
Other income		141	26
Payments to suppliers and employees		(119,307)	(220,128)
Business development costs		-	(2,594)
Interest paid		(4,933)	(8,628)
Income taxes paid		(628)	(4,126)
Net cash inflow / (outflow) from operating activities		**15,795**	**(41,343)**
Cash flows from investing activities			
Interest received		811	6
Payments for property, plant, and equipment		(78,572)	(49,056)
Payments for exploration and evaluation		(365)	(51)
Proceeds from sale of fixed assets		394	1,230
Proceeds from government grants		167	-
Net cash outflow from investing activities		**(77,565)**	**(47,871)**
Cash flows from financing activities			
Proceeds from issue of shares		-	221
Share issue transaction costs		(55)	(846)
Transfer from funds held in escrow		-	56,250
Proceeds from borrowings		-	42,500
Repayment of loans and borrowings		(57,500)	-
Repayment of lease liability		(880)	(219)
Net cash (outflow) / inflow from financing activities		**(58,435)**	**97,906**
Net (decrease) / increase in cash and cash equivalents		**(120,205)**	**8,692**
Cash and cash equivalents at the beginning of the period		152,647	49,181
Effects of exchange rate changes on cash and cash equivalents		(261)	(313)
Cash and cash equivalents at the end of the period	9	**32,181**	**57,560**

The above Condensed Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

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 six-month period ended 30 June 2023 (the "period"). The financial statements are presented in United States dollars and the Company's functional currency is Australian dollars.

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 18 August 2023, in accordance with a Board resolution.

2. Basis of preparation

(a) Statement of compliance

These interim condensed consolidated financial statements for the six-month period ended 30 June 2023 have 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 2022. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. The annual consolidated financial statements comply with International Financial Reporting Standards, as issued by the IASB.

(b) Basis of measurement

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

(c) Going concern basis of accounting

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

For the six-month period ended 30 June 2023, the Group recorded a net loss after income tax of US$93.945 million (six-month period ended 30 June 2022: net profit of US$2.854 million) and had net assets of US$304.351 million (31 December 2022: US$395.852 million). The net loss after income tax for the period includes non-cash items including:

- Impairment of non-financial assets of US$40.896 million (30 June 2022: US$nil) (note 16)
- Charges for the lower of inventory cost and net realisable value of US$25.877 million (30 June 2022: US$nil)
- Share-based payment expenses of US$1.285 million (30 June 2022: US$1.846 million)

During the six-month period ended 30 June 2023, net cash inflow from operating activities was US$15.795 million (six-month period ended 30 June 2022: outflow of US$41.343 million), net cash outflow from investing activities was US$77.565 million (six-month period ended 30 June 2022: outflow of US$47.871 million) and net cash outflow from financing activities was US$58.435 million (six-month period ended 30 June 2022: inflow of US$97.906 million).

As at 30 June 2023, the Group had cash and cash equivalents of US$32.181 million (31 December 2022: US$152.647 million). As at 30 June 2023, the Group had total current assets of US$122.024 million (31 December 2022: US$318.398 million) and total current liabilities of US$64.372 million (31 December 2022: US$104.904 million), resulting in net current assets of US$57.652 million (31 December 2022: US$213.494 million).

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

- Subsequent to the period end, the Company was successful at raising additional equity capital to pursue its strategic business plans and objectives and enhance the Group's liquidity and balance sheet strength. Refer to note 30.
- The Directors have considered several key assumptions affecting the Group's cash flow requirements over the 12-month period from the date of signing the interim condensed consolidated financial statements. These include the economic environment in which the Group operates, including the outlook for commodity prices, forecast production volumes, and costs, as well as the regulatory environment in which the Group operates.
- The Directors have reviewed the Group's consolidated cash flow requirements for the 12-month period from the date of approving the interim condensed consolidated financial statements. Using analyst consensus commodity price assumptions (or an alternative risk adjusted scenario using current spot commodity prices), current cash reserves, forecast cash flows from the Group's operations, the receipt of the second tranche of the Unsecured Convertible Notes (US$5.1 million) which are anticipated to be issued following Jervois shareholder approval on or about 28 August 2023, and liquidity available through the Group's borrowings facilities are expected to be sufficient to meet the expenditure and other planned activities approved by the Board up to the date of approving interim condensed consolidated financial statements for the period, inclusive of current Board approved expenditures (which are approved progressively by the Board according to the projects' key milestones and stage gates) in relation to the Group's development projects at the São Miguel Paulista ("SMP") nickel and cobalt refinery ("SMP Refinery") in Brazil and the Idaho Cobalt Operations ("ICO") in the United States. The Board has reflected the related impact of the decision to suspend final construction and full concentrator commissioning at ICO in the consolidated cash flow requirements.
- Should the Group's financial position be adversely impacted by factors such as deterioration in the commodity price environment, the Group has options available to preserve cash and manage liquidity. These include, but are not limited to:
    - Reducing the Group's planned operating and capital expenditure across Jervois Finland, ICO and SMP Refinery,
    - Reducing corporate and overhead costs,
    - Additional drawdown from the secured revolving credit facility (to the extent available under the terms of the facility),
    - Reduction in the Group's planned exploration, research and development, and other planned capital projects,
    - Further deferral of the payment of the final tranche due under the purchase agreement for the outstanding lease liability for the acquisition of SMP Refinery,
    - Proceeds from the successful execution of strategic financing initiatives which may include the sale of certain assets, such as the Nico Young nickel-laterite project in New South Wales, Australia, or
    - Raising additional funding, either through debt, equity, or other strategic partnerships.

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

(d) Critical accounting judgements estimates and assumptions

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

In preparing the interim condensed consolidated financial statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimates were the same as those applied to the annual consolidated financial statements for the 12-month period ended 31 December 2022.

(e) New or amended Accounting Standards and Interpretations adopted

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

3. Summary of significant accounting policies

In preparing the interim condensed consolidated financial statements, the significant accounting policies were the same as those applied to the annual consolidated financial statements for the 12-month period ended 31 December 2022.

4. Segment reporting

The Group is organised into the following reportable segments: cobalt refining and advanced manufacturing in Finland, mine development in the United States of America, refining in Brazil and mineral exploration and evaluation in Australia. These segments are based on the internal reports that are reviewed and used by the Group'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 Group in reporting segments internally are the same as those used in the 31 December 2022 annual consolidated financial statements. The Group's operating segments are outlined below:

Australia	Includes Nico Young and other Australian tenement licenses held.
Brazil	Includes SMP Refinery, envisaged to restart 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 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.

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 Group's administration and financing functions are managed on a group basis and are included in "Other". Information regarding these segments is presented below:

6 months ended 30 June 2023	Australia US$'000	Brazil US$'000	Finland US$'000	USA US$'000	Other US$'000	Total US$'000
Revenue from external customers						
Type of goods or services:						
Sales of cobalt	-	-	114,259	-	-	114,259
Total revenue from contracts with customers	-	-	114,259	-	-	114,259
Timing of revenue recognition:						
At a point in time	-	-	114,259	-	-	114,259
Over time	-	-	-	-	-	-
Total revenue from contracts with customers	-	-	114,259	-	-	114,259
Other income	1	114	24	-	3	142
Segment expense	(74)	(4,518)	(122,031)	(11,551)	(5,115)	(143,289)
Adjusted EBITDA(i)	(73)	(4,404)	(7,748)	(11,551)	(5,112)	(28,888)
Other gains / (losses) (note 5)	-	-	9,966	(1,592)	-	8,374
Inventory write-down	-	-	(25,877)	-	-	(25,877)
Study costs	-	(45)	(407)	-	-	(452)
Impairment charge (note 16)	(100)	-	-	(40,796)	-	(40,896)
Loss on sale of fixed assets	-	-	-	(75)	-	(75)
Depreciation and amortisation	(2)	(1)	(5,642)	(671)	(61)	(6,377)
Interest income	-	13	1	134	668	816
Interest expense	-	(1,143)	(4,543)	(3,546)	(13)	(9,245)
Net foreign exchange gain / (loss)	-	-	6	(2)	62	66
Loss before income tax expense (segment result)	**(175)**	**(5,580)**	**(34,244)**	**(58,099)**	**(4,456)**	**(102,554)**
30 June 2023						
Segment assets	**5,127**	**36,948**	**248,768**	**272,776**	**2,406**	**566,025**
Segment liabilities	**(166)**	**(24,567)**	**(100,381)**	**(134,390)**	**(2,170)**	**(261,674)**

(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), inventory write-downs to net realisable value (or reversals), certain derivative items, study costs, and one-off integration costs.

6 months ended 30 June 2022	Australia US$'000	Brazil US$'000	Finland US$'000	USA US$'000	Other US$'000	Total US$'000
Revenue from external customers						
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(i)	(17)	(2,607)	26,854	(2,509)	(6,450)	15,271
Integration costs	-	-	(1,186)	-	-	(1,186)
Other losses (note 5)	-	-	-	(153)	-	(153)
Gain 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 gain / (loss)	-	33	(938)	(11)	33	(883)
(Loss) / profit before income tax expense (segment result)	**(28)**	**(3,801)**	**17,075**	**(1,400)**	**(6,449)**	**5,397**
31 December 2022						
Segment assets	**5,021**	**34,798**	**329,446**	**268,882**	**115,945**	**754,092**
Segment liabilities	**-**	**(24,055)**	**(180,397)**	**(151,761)**	**(2,027)**	**(358,240)**

(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.

Geographical information

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

	6 months ended 30 June 2023 Income US$'000	30 June 2023 Non-current assets US$'000	6 months ended 30 June 2022 Income US$'000	31 December 2022 Non-current assets US$'000
Australia	1	5,071	-	4,981
Brazil	114	36,697	-	32,048
Finland	114,283	135,784	196,340	139,182
United States of America	-	266,213	-	259,186
Other	3	236	5	297
Total	**114,401**	**444,001**	**196,345**	**435,694**

5. Other gains / (losses)

	6 months ended 30 June 2023 US$'000	6 months ended 30 June 2022 US$'000
Fair value loss on financial assets measured at fair value through profit or loss (note 26)	(1,592)	(153)
Fair value gain on financial liabilities measured at fair value through profit or loss (note 26)	9,966	-
Total other gains / (losses)	**8,374**	**(153)**

6. (a) General and administrative expenses

	6 months ended 30 June 2023 US$'000	6 months ended 30 June 2022 US$'000
Sales and marketing costs	(1,870)	(2,495)
Professional fees	(1,199)	(1,172)
Communication costs	(597)	(589)
Travel expenses	(455)	(645)
Insurance	(627)	(294)
Rent and leases	(388)	-
Net foreign exchange gain / (loss)	66	(883)
Other general and administrative expenses	(1,576)	(1,158)
Total general and administrative expenses	**(6,646)**	**(7,236)**

(b) Other mine site costs

	6 months ended 30 June 2023 US$'000	6 months ended 30 June 2022 US$'000
Mine site expenditure[(i)]	(2,690)	-
Mine site de-watering provision[(ii)]	(2,225)	-
Other mine site costs	**(4,915)**	**-**

(c) Other expenses

	6 months ended 30 June 2023 US$'000	6 months ended 30 June 2022 US$'000
Lease remeasurement[(iii)]	(1,200)	-
Environmental liability[(iv)]	(677)	-
Other expenses	**(1,877)**	**-**

(i) Mine site expenditure represents direct costs incurred at ICO during the suspension period, which are no longer capitalised to assets under construction.

(ii) The Company recorded a provision as at 30 June 2023 of US$2.225 million for estimated costs of de-watering and rehabilitating the ICO mine. These additional costs have arisen as a consequence of temporary storage of water in the mine to avoid the water management ponds overflowing.

(iii) During the period, the Company identified a lease remeasurement event in relation to its outstanding lease liability for the acquisition of SMP Refinery, reflecting the decision to defer payment of the final tranche due under the purchase agreement. As the related right-of-use asset was de-recognised in the prior period by way of acquisition, the related increase in future lease payments has been recorded directly to the profit or loss.

(iv) At 30 June 2023, the Company remeasured its environmental liability, which represents inherited obligations due to the acquisition of SMP Refinery. The related increase in estimated future remediation activities has been recorded directly to the profit or loss.

7. Tax

Income tax

	6 months ended 30 June 2023 US$'000	6 months ended 30 June 2022 US$'000
Current tax expense	(311)	(4,624)
Deferred tax benefit	8,920	2,081
Total income tax benefit / (expense)	**8,609**	**(2,543)**

Deferred tax

The deferred tax assets include an amount of US$19.256 million (31 December 2022: US$9.204 million) which reflects carried-forward tax losses relating to the Finland segment (note 4). The Finland segment has incurred the losses over the last two financial years. The Group has concluded that the deferred tax assets will be recoverable using the estimated future taxable income based on the approved budget and forecasts for the Finland segment. The Finland segment is expected to generate taxable income from 2024 onward. The losses can be carried forward for a period of ten years.

8. (Loss) / earnings per share

	6 months ended 30 June 2023 US$ (cents)	6 months ended 30 June 2022 US$ (cents)
Basic (loss) / earnings per share - cents	(4.52)	0.19
Diluted (loss) / earnings per share - cents	(4.52)	0.18

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

The calculation of basic (loss) / earnings per share and diluted (loss) / earnings per share for the six-month period 30 June 2023 was based on the loss attributable to ordinary equity holders of the Company of US$93.945 million (six-month period ended 30 June 2022: profit of US$2.854 million) and a weighted average number of ordinary shares outstanding during the six-month period ended 30 June 2023 of 2,079,540,515 (six-month period ended 30 June 2022: 1,519,536,908) and 2,079,540,515 (six-month period ended 30 June 2022: 1,574,441,960) for basic (loss) / earnings per share and diluted (loss) / earnings per share, respectively.

Employee options and other options granted as described in note 23 – Share capital have been included in the determination of diluted earnings per share to the extent they are dilutive.

9. Cash and cash equivalents

	30 June 2023 US$'000	31 December 2022 US$'000
Bank balances	32,181	152,647
Total cash and cash equivalents	**32,181**	**152,647**

10. Trade and other receivables

	30 June 2023 US$'000	31 December 2022 US$'000
Other receivables	6,033	18,888
GST and other tax receivable	2,054	3,999
Trade receivables	21,185	22,413
Allowance for expected credit losses	(96)	(109)
Trade receivables, net	21,089	22,304
Total trade and other receivables	**29,176**	**45,191**

11. Inventories

	30 June 2023 US$'000	31 December 2022 US$'000
Raw materials	8,099	33,159
Work in progress	10,097	1,790
Finished goods	30,441	69,766
Stores and consumables	7,875	8,280
Total inventories(i)	**56,512**	**112,995**

(i) Inventories are valued at the lower of weighted-average cost and net realisable value. At 30 June 2023, current inventory balances include a non-cash adjustment made to inventory for the lower of cost and net realisable value of US$25.877 million (31 December 2022: US$40.456 million).

12. Other assets

	30 June 2023 US$'000	31 December 2022 US$'000
Term deposits	110	79
Prepayments	2,933	5,169
Transaction costs	388	-
Security deposits	13	14
Deferred charges	459	465
Total other assets	**3,903**	**5,727**
Current	3,431	5,248
Non-current	472	479
Total other assets	**3,903**	**5,727**

13. Exploration and evaluation

	30 June 2023 US$'000	31 December 2022 US$'000
Opening balance	**4,696**	**4,933**
Expenditure incurred and capitalised	365	94
Foreign currency translation	(1)	(331)
Total exploration and evaluation	**5,060**	**4,696**

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.

14. Property, plant, and equipment

	Buildings, plant & equipment US$'000	Office equipment, furniture & fittings US$'000	Motor vehicles US$'000	Assets under construction US$'000	Total US$'000
30 June 2023					
Cost					
As at 1 January 2023	**67,857**	**241**	**937**	**253,191**	**322,226**
Additions for the period	2,996	-	49	47,743	50,788
Disposals for the period	(640)	-	(258)	-	(898)
Transfers(i)	-	-	-	(765)	(765)
Foreign currency translation	1,621	(5)	(1)	1,077	2,692
As at 30 June 2023	**71,834**	**236**	**727**	**301,246**	**374,043**
Depreciation and impairment					
As at 1 January 2023	**(8,301)**	**(193)**	**(325)**	**-**	**(8,819)**
Depreciation charge for the period	(2,707)	(16)	(101)	-	(2,824)
Impairment charges (note 16)	(100)	-	-	(40,246)	(40,346)
Disposals for the period	419	-	151	-	570
Foreign currency translation	642	(2)	-	-	640
As at 30 June 2023	**(10,047)**	**(211)**	**(275)**	**(40,246)**	**(50,779)**
Net book value: As at 30 June 2023	**61,787**	**25**	**452**	**261,000**	**323,264**

	Buildings, plant & equipment US$'000	Office equipment, furniture & fittings US$'000	Motor vehicles US$'000	Assets under construction US$'000	Total US$'000
31 December 2022					
Cost					
As at 1 January 2022	**38,317**	**303**	**605**	**91,586**	**130,811**
Additions through acquisition	25,818	1	-	6,823	32,642
Additions for the period	1,178	34	331	159,262	160,805
Transfers(i)	1,494	(83)	-	(4,406)	(2,995)
Disposals for the period	(140)	(15)	-	(172)	(327)
Foreign currency translation	1,190	1	1	98	1,290
As at 31 December 2022	**67,857**	**241**	**937**	**253,191**	**322,226**
Depreciation and impairment					
As at 1 January 2022	**(2,062)**	**(195)**	**(148)**	**-**	**(2,405)**
Depreciation charge for the period	(5,645)	(36)	(176)	-	(5,857)
Transfers	(33)	33	-	-	-
Disposals for the period	26	7	-	-	33
Foreign currency translation	(587)	(2)	(1)	-	(590)
As at 31 December 2022	**(8,301)**	**(193)**	**(325)**	**-**	**(8,819)**
Net book value: As at 31 December 2022	**59,556**	**48**	**612**	**253,191**	**313,407**

(i) Net transfers of US$0.765 million (31 December 2022: US$2.995 million) relates to transfers to intangible assets (note 15).

15. Intangible assets and goodwill

	Goodwill(ii)	Software	Commercial contracts	Total
	US$'000	US$'000	US$'000	US$'000
30 June 2023				
Cost				
As at 1 January 2023	**37,909**	**3,540**	**66,465**	**107,914**
Additions for the period	-	6	-	6
Transfers(i)	-	765	-	765
As at 30 June 2023	**37,909**	**4,311**	**66,465**	**108,685**
Amortisation and impairment				
As at 1 January 2023	**-**	**(435)**	**(6,886)**	**(7,321)**
Amortisation charge for the period	-	(214)	(2,598)	(2,812)
As at 30 June 2023	**-**	**(649)**	**(9,484)**	**(10,133)**
Net book value: As at 30 June 2023	**37,909**	**3,662**	**56,981**	**98,552**

	Goodwill(ii)	Software	Commercial contracts	Total
	US$'000	US$'000	US$'000	US$'000
31 December 2022				
Cost				
As at 1 January 2022	**37,909**	**663**	**66,465**	**105,037**
Additions through acquisition	-	8	-	8
Asset write-down	-	(130)	-	(130)
Transfers(i)	-	2,995	-	2,995
Foreign currency translation	-	4	-	4
As at 31 December 2022	**37,909**	**3,540**	**66,465**	**107,914**
Amortisation and impairment				
As at 1 January 2022	**-**	**(247)**	**(1,690)**	**(1,937)**
Amortisation charge for the period	-	(188)	(5,196)	(5,384)
As at 31 December 2022	**-**	**(435)**	**(6,886)**	**(7,321)**
Net book value: As at 31 December 2022	**37,909**	**3,105**	**59,579**	**100,593**

(i) Net transfers of US$0.765 million (31 December 2022: US$2.995 million) relates to transfers from property, plant, and equipment (note 14).

(ii) 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. Refer to note 16.

16. Impairment of non-financial assets

Summary of impairment losses

Non-financial assets (excluding goodwill)

ICO

The Group has considered whether impairment indicators exist that may require a formal estimate of its non-financial assets or CGUs' recoverable amounts compared to their carrying values. During the reporting period, it was assessed that indicators of impairment existed in relation to the ICO CGU due to the continuing low cobalt price and U.S. inflationary impacts on the construction costs. As a result a detailed estimate of the recoverable amount of the ICO CGU was undertaken using a fair value less cost of disposal approach.

Fair value is estimated based on a discounted cash flow approach using market consensus-based commodity price assumptions, estimated production volumes based on the reserves mine plan, capital costs, and operating costs, based on the CGU's latest life of mine ("LOM") plans. Where multiple investment options and economic input ranges exist, fair value may be determined from a combination of two or more scenarios that are weighted to provide a single fair value that is determined to be the most indicative. When plans and scenarios used to estimate fair value do not fully utilise the existing mineral resource for a CGU, and options exist for the future extraction and processing of all or part of those resources, an estimate of the value of unmined resources, in addition to an estimate of value of exploration potential, is included in the estimation of fair value.

The fair value estimates are considered to be Level 3 fair value measurements as they are derived from valuation techniques that include inputs that are not based on observable market data. The Group considers the inputs and the valuation approach to be consistent with the approach taken by market participants. Estimates of quantities of recoverable minerals, production levels, operating costs and capital requirements are sourced from the Group's planning and budgeting process, including LOM plans, latest short-term forecasts, and CGU-specific studies.

As a result of this formal estimate, it was concluded that the carrying amount of the ICO CGU exceeded its estimated recoverable amount of US$239.839 million and an impairment adjustment was required to assets under construction, a component of property, plant, and equipment, of US$40.246 million for the period ended 30 June 2023 (31 December 2022: US$nil). The impairment charge is primarily as a result of the continuing low cobalt prices and U.S. inflationary impacts on the construction costs. No impairment reversals were recognised during the period (30 June 2022: US$nil).

Other non-financial assets

There were no indicators of impairment in relation to the Group's exploration or evaluation assets during the period and therefore no formal estimate was performed for the period ended 30 June 2023 (30 June 2023: US$nil).

Total impairment losses recognised during the period are summarised below:

	Note	30 June 2023 US$'000	30 June 2022 US$'000
Assets under construction	14	(40,246)	-
Buildings, plant, and equipment	14	(100)	-
Right-of-use assets	18	(550)	-
Total impairment of non-financial assets		**(40,896)**	**-**

No impairment reversals were recognised during the period ended 30 June 2023 (30 June 2022: US$nil).

Goodwill

Goodwill of US$37.909 million is recognised in the Jervois Finland CGU following its acquisition on 1 September 2021 (note 15). A detailed estimate of the recoverable amount of this CGU was undertaken as at 30 June 2023 using a VIU approach. VIU calculations use post-tax cash flows, inclusive of working capital movements, which are based on financial projections approved by the Group covering a three-year period and specific tax rates applicable to the Jervois Finland CGU, being the basis of the Group's forecasting and planning processes. Cash flows beyond the projection are extrapolated to provide a maximum of 5 years of cash flows with adjustments where necessary to reflect changes in long-term operating conditions. A terminal value is calculated from year 6 onwards with a growth factor of zero. In addition, the Jervois Finland CGU has set a 2035 net zero greenhouse gas emissions target. Operating and capital expenditure associated with this initiative are, to the extent necessary, taken into account when determining the recoverable amount of the Jervois Finland CGU.

As a result of this formal estimate, it was concluded no impairment was required in relation to the Jervois Finland CGU as at 30 June 2023 (30 June 2022: US$nil).

Key assumptions

The determination of the ICO and Jervois Finland CGUs' recoverable amount is most sensitive to the following key assumptions:

- Commodity prices (including payability percentages applicable to intermediate products),
- Discount rate,
- Production and sales volumes,
- Operating costs and capital expenditure,
- Estimated reserves and resources (ICO only),
- Timing and cost of mine start-up (ICO only),
- Benefits expected to be available to eligible critical mineral producers (such as ICO) in the U.S. under applicable legislation (ICO only).

Commodity prices

Commodity prices are estimated with reference to external market forecasts, including equity analyst estimates, and reviewed at least annually. These estimates include observable market data, taking into account spot prices during the financial period and the Group's analysis of observable market forecasts for future periods. Forecast pricing for cobalt intermediate products (payability) is based on the Group's long-run expectations, commensurate with applicable cobalt prices applied in the forecast period. Where applicable, payability assumptions have been cross-checked against available historical pricing information.

	2023	2024	2025	2026	2027	2028+
Cobalt (US$ per pound)	18.3	22.3	24.0	22.2	22.8	24.0
Copper (US$ per pound)	4.0	4.0	4.0	4.0	4.0	3.8
Gold (US$ per ounce)	1,900	1,900	1,817	1,775	1,750	1,750

Discount rate

In determining the recoverable amount of CGUs, the future cash flows were discounted using rates based on the Group's estimated real after-tax weighted average cost of capital ("WACC"), with an additional premium applied having regard to the geographic location of, and specific risks associated with, the CGU. The WACC (real, post-tax) discount rates used were as follows:

	30 June 2023	31 December 2022
ICO CGU	8.6%	8.3%
Jervois Finland CGU	11.3%	10.3%

Production activity and operating and capital costs

Production activity and operating and capital cost assumptions are based on the Group's latest forecasts and longer-term plans, which include the recent decision to suspend final construction and full concentrator commissioning at ICO. These projections can include expected operating performance improvements reflecting the Group's objectives to maximise free cash flow and optimise operating and capital costs. These projections also include regulatory benefits associated with the policy environment in the United States expected to be available for critical mineral producers.

Sensitivity analysis

A reasonably possible change in the key assumptions used in estimating the recoverable amount of the ICO and Jervois Finland CGUs and their approximate impact on their respective recoverable amount, or in the case of ICO, would result in a higher / (lower) impairment charge, is set out as follows:

	Sensitivity	ICO US$'000	Jervois Finland US$'000
Increase / decrease in cobalt price	10%	± 33,000	± 61,000
Increase / decrease in discount rate	0.5%	± 4,000	± 19,000
Increase / decrease in operating costs	5%	± 13,000	± 43,000
Increase / decrease in refining volumes	3%	N/A	± 74,000
Increase in suspension period	12 months	+ 21,000	N/A

Note that each of the sensitivities above assumes that the specific assumption moves in isolation, whilst all other assumptions are held constant. In reality, a change in one of the aforementioned assumptions may accompany a change in another assumption which may have an offsetting impact. Action is taken by management to respond to adverse changes in economic assumptions that may mitigate the impact of any such change.

At 30 June 2023, the recoverable amount of the Jervois Finland CGU is 1.9 times the CGU's carrying value, comprising non-current assets (including goodwill) and net working capital. The Jervois Finland CGU is most sensitive to the cobalt price assumption. Cobalt prices can, however, be uncertain. To illustrate the sensitivity of this assumption, if the forecast cobalt price was to differ such that the expected cash flow forecasts for the Jervois Finland CGU were to decrease by approximately 30% across the forecast period, without implementation of mitigation plans and / or a commensurate deduction in the pricing of cobalt feed raw materials or other operating costs, the recoverable amount would be equal to the carrying amount.

17. Reclamation deposits

	30 June 2023 US$'000	31 December 2022 US$'000
Reclamation Performance Bond – surface surety	14,971	14,971
Reclamation Performance Bond – water treatment	25,137	25,137
Insured	**40,108**	**40,108**
In Trust:		
Restricted cash – U.S. Forest Service	690	690
Reclamation deposits – U.S. Bonds	8,176	7,995
Foreign currency translation	(154)	27
Total reclamation deposits	**8,712**	**8,712**

The U.S. Forest Service ("USFS") requires Jervois to place Reclamation Performance Bonds, which functions as a financial guarantee, in the collective amount of US$40.108 million (31 December 2022: US$40.108 million) in relation to surface disturbances from pre-construction activities and water treatment.

The underlying assets securing the bonds are US$8.022 million (31 December 2022: US$8.022 million) reclamation deposit on the statement of financial position as at 30 June 2023 and US$0.690 million (31 December 2022: US$0.690 million) in restricted cash on the statement of financial position as at 30 June 2023 reflecting cash security held directly with the USFS.

The surface portion of the Reclamation Performance Bond will be released upon meeting the reclamation requirements of the USFS at the end of the mine's life. The water treatment portion of the Reclamation Performance Bond will be released post-closure once the USFS has confirmed that required water treatment, if any, has been completed.

18. Right-of-use assets and lease liabilities

Movement in carrying amounts of right-of-use assets:

The carrying amount and movement of right-of-use assets recognised is as follows:

	Land and buildings US$'000	Plant and equipment US$'000	Office equipment US$'000	Motor vehicles US$'000	Total US$'000
As at 1 January 2023	**2,812**	**5,102**	**20**	**590**	**8,524**
Additions	27	303	-	54	384
Remeasurements	(26)	-	-	-	(26)
Disposals for the period	(383)	(1,161)	-	(365)	(1,909)
Depreciation expense	(417)	(255)	(4)	(65)	(741)
Impairment charges (note 16)	(550)	-	-	-	(550)
Reclassifications	865	(865)	-	-	-
Foreign currency translation	(1)	1	-	-	-
As at 30 June 2023	**2,327**	**3,125**	**16**	**214**	**5,682**

	Land and buildings US$'000	Plant and equipment US$'000	Office equipment US$'000	Motor vehicles US$'000	Total US$'000
As at 1 January 2022	**1,285**	**20,880**	**-**	**124**	**22,289**
Additions	2,179	5,378	25	556	8,138
Depreciation expense	(640)	(611)	(5)	(90)	(1,346)
Transfer(i)	-	(21,217)	-	-	(21,217)
Foreign currency translation	(12)	672	-	-	660
As at 31 December 2022	**2,812**	**5,102**	**20**	**590**	**8,524**

(i) Net reclassifications include US$nil (31 December 2022: US$32.642 million) relating to transfers to property, plant, and equipment as an addition through acquisition (note 14) and US$nil (31 December 2022: US$11.428 million) relating to transfers to asset retirement obligation as a liability assumed through acquisition (note 21).

Movement in carrying amounts of lease liabilities:

The carrying amount and movement of lease liabilities recognised is as follows:

	30 June 2023 US$'000	31 December 2022 US$'000
Balance at the beginning of the period	**19,809**	**19,257**
Additions	384	8,163
Remeasurements	910	-
Disposals	(2,010)	-
Accretion of interest	845	1,656
Lease payments	(1,081)	(9,925)
Foreign currency translation	1,204	658
Total lease liabilities	**20,061**	**19,809**
Current	15,832	13,839
Non-current	4,229	5,970
Total lease liabilities	**20,061**	**19,809**

Amounts recognised in profit or loss:

The following amounts were recognised in profit or loss related to leases:

	30 June 2023 US$'000	30 June 2022 US$'000
Depreciation expense relating to right-of-use assets	(741)	(639)
Impairment charges relating to right-of-use assets	(550)	-
Interest expense relating to lease liability	(274)	(914)
Expenses related to short-term leases	(386)	-
Expenses related to low-value leases	(2)	-
Total amounts recognised in profit or loss	**(1,953)**	**(1,553)**

Amounts recognised as cash flows:

The following amounts were recognised as cash flows related to leases:

	30 June 2023 US$'000	30 June 2022 US$'000
Interest relating to lease liability	(274)	(229)
Capital payments relating to lease liability	(808)	(219)
Payments related to short-term leases	(386)	-
Payments related to low-value leases	(2)	-
Total amounts recognised as cash flows	**(1,470)**	**(448)**

19. Trade and other payables

	30 June 2023 US$'000	31 December 2022 US$'000
Trade payables	21,550	34,920
Other payables	6,772	4,631
Accruals(i)	6,129	17,909
Tax payable (VAT/GST/Fuel Tax)	208	43
Total trade and other payables	**34,659**	**57,503**

(i) For the comparative period, accruals consisted primarily of items relating to the development of ICO.

20. Employee benefits

	30 June 2023 US$'000	31 December 2022 US$'000
Annual leave provision	2,533	2,417
Long service leave provision	184	238
Other employee entitlements	3,350	2,621
Total employee benefits	**6,067**	**5,276**
Current	5,851	5,002
Non-current	216	274
Total employee benefits	**6,067**	**5,276**

21. Asset retirement obligation

	30 June 2023 US$'000	31 December 2022 US$'000
Opening reclamation and closure cost balance	**20,028**	**7,746**
Liability assumed through acquisition	-	11,428
Reclamation activities during the period	(182)	-
Unwinding of discount	810	-
Movements in economic assumptions and timing of cash flows	(2,459)	366
Foreign currency translation	1,122	488
Closing reclamation and closure cost balance	**19,319**	**20,028**
Current	415	-
Non-current	18,904	20,028
Total asset retirement obligation	**19,319**	**20,028**

The Group's provision for site reclamation and closure consists of:

(i) ICO for surface disturbance due to construction activity. The discounted cash flows of the disturbance as at 30 June 2023 were US$9.572 million (31 December 2022: US$8.301 million) having incorporated current economic market assumptions for long-term inflation and a discount rate based on a U.S. Treasury Bond rate of 3.69%. Reclamation activities will primarily be initiated at the cessation of mining activities; however, some reclamation will occur concurrently where possible on areas no longer required for the mining operation.

(ii) SMP for future decommissioning of existing structures and environmental obligations inherited as part of the asset acquisition of SMP Refinery. The discounted cash flows of the decommissioning and environmental obligations as at 30 June 2023 were R$47.028 million (~US$9.732 million) (31 December 2022: R$61.943 million (~US$11.727 million)). Management have incorporated current economic market assumptions for long-term inflation and a discount rate based on a consensus long-term Special System for Settlement and Custody ("SELIC") rate of 9.25%. Environmental remediation activities have commenced, however the aggregate amount of expenditure incurred is not a significant component of the total outstanding estimated costs.

22. Borrowings

	Interest rate	Maturity date	Facility limit US$'000	30 June 2023 Carrying amount US$'000	31 December 2022 Carrying amount US$'000
Senior secured bonds[(i)]	12.5%	20-Jul-26	100,000	102,841	102,553
Secured revolving credit facility[(ii)]	SOFR+5%	31-Dec-24	150,000	57,957	115,913
Total borrowings				**160,798**	**218,466**

	30 June 2023 Carrying amount US$'000	31 December 2022 Carrying amount US$'000
Current	7,214	27,986
Non-current	153,584	190,480
Total borrowings	**160,798**	**218,466**

	Senior secured bonds[(i)] US$'000	Secured revolving credit facility[(ii)] US$'000
Opening balance at 1 January 2022	**101,933**	**57,856**
Movement in 2022		
Cash flows	101,000	57,500
Non-cash flows	(100,380)	557
Carrying amount at 31 December 2022	**102,553**	**115,913**
Movement in 2023		
Cash flows	(6,250)	(62,150)
Non-cash flows	6,538	4,194
Carrying amount at 30 June 2023	**102,841**	**57,957**

(i) On 20 July 2021 (the "Issue Date"), the Group completed settlement of a US$100.000 million senior secured bond facility. The bonds were issued by the Group'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 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 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 of 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 consolidated statement of financial position, 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 was for an initial maximum amount of US$75.000 million with a Facility end date of 31 December 2024. On 3 June 2022, the Borrowers increased the Facility's maximum amount up to US$150.000 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$75.000 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 2023, no Shortfall (31 December 2022: US$20.604 million) existed and therefore no amounts other than accrued interest of US$0.457 million (31 December 2022: US$0.913 million) have been classified as a current liability. At 30 June 2023, an amount of US$8.638 million (31 December 2022: US$nil) has been transferred into the Collection Accounts, as required by the terms of the Facility, as a result of a Shortfall arising at 31 May 2023. Per the terms of the Facility, the Borrowers may not, without the prior written consent of Mercuria, withdraw this amount from the Collection Accounts other than to prepay or repay Mercuria, should such a withdrawal cause a Shortfall to occur. This amount has been classified as a component of cash and cash equivalents at 30 June 2023. During the period, the Borrowers repaid a total of US$57.500 million of the Facility, with an additional US$8.638 million repaid in July 2023.

Annual interest payable on amounts drawn is SOFR + 5.0%. The Facility is secured against the shares in Jervois Finland and its assets and is guaranteed by Jervois. A maximum of US$50.000 million is permitted to be applied to intercompany loans made by the Company to the Borrowers, which may then be made available for use in the wider Group.

(iii) Borrowing costs relating to ICO of US$3.221 million (31 December 2022: US$13.120 million) have been capitalised in "Assets under construction" (note 14) during the period at an effective interest rate of 14.1%. Management have ceased capitalisation of borrowing costs at ICO effective 1 April 2023 due to the decision to suspend final construction and full concentrator commissioning at ICO.

(iv) Fees paid on the establishment of the senior secured bonds (US$2.850 million) and the secured revolving credit facility (upon establishment: US$1.319 million; upon execution of the Accordion increase: US$0.846 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.

23. Share capital

	30 June 2023 US$'000	31 December 2022 US$'000
Share capital	547,610	547,426
Costs of raising equity	(16,846)	(16,846)
Total share capital	**530,764**	**530,580**

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

	No of shares '000	US$'000
Opening balance at 1 January 2022	**1,517,806**	**375,910**
Movements in 2022		
Issue of ordinary shares – exercise of options	11,857	5,485
Issue of ordinary shares – placement	549,598	154,765
Less costs of raising equity		(5,580)
Closing share capital balance at 31 December 2022	**2,079,261**	**530,580**
Movements in 2023		
Issue of ordinary shares – exercise of options	559	184
Closing share capital balance at 30 June 2023	**2,079,820**	**530,764**

(ii) Movements in costs of raising equity:

	6 months to 30 June 2023 US$'000	12 months to 31 December 2022 US$'000
Opening balance	(16,846)	(11,266)
Costs incurred	-	(5,580)
Closing balance	**(16,846)**	**(16,846)**

(iii) Movements in share-based options to Directors and employees on issue:

	6 months to 30 June 2023 Number of options	12 months to 31 December 2022 Number of options
Balance at the beginning of the period	**76,964,500**	**91,178,500**
Granted	-	2,500,000
Forfeited	-	(5,602,086)
Exercised	-	(11,111,914)
Balance at the end of the period	**76,964,500**	**76,964,500**
Vested and exercisable at period end	46,714,500	38,592,000

Directors and 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, nil options were issued to Directors and employees of the Company. Further, nil options were exercised, forfeited or expired, thus bringing the total balance of options issued to Directors and employees to 76,964,500 as at 30 June 2023. During the period, 8,122,500 options vested.

Unissued shares under options to Directors and employees

As at 30 June 2023 unissued shares of the Company under option are:

Expiry date	Exercise price (A$)	Number of shares
01-Jul-23	$0.24	7,500,000
30-Sep-23	$0.23	5,000,000
30-May-24	$0.29	100,000
01-Jun-24	$0.18	2,500,000
18-Jun-24	$0.25	992,000
15-Aug-24	$0.18	2,500,000
30-Sep-24	$0.18	5,000,000
30-Sep-25	$0.25	5,000,000
15-Aug-27	$0.14	10,000,000
31-Mar-28	$0.09	8,122,500
18-Oct-28	$0.27	7,500,000
03-Jan-29	$0.23	6,000,000
28-Feb-29	$0.23	3,250,000
28-Feb-29	$0.44	500,000
08-Aug-29	$0.56	3,250,000
31-Aug-29	$0.55	1,000,000
31-Aug-29	$0.47	6,250,000
31-Mar-30	$0.54	2,500,000
Total		**76,964,500**

Once exercised, the option holder will be issued ordinary shares in the Company. Details of the terms and conditions of options granted under the Staff Option Plan as part of the Group's Long-Term Incentive Plan are outlined in the Remuneration Report of the Group's annual report as at 31 December 2022. 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 2023 Number of options	12 months to 31 December 2022 Number of options
Balance at the beginning of the period	**200,000**	**550,000**
Granted	-	-
Forfeited	-	-
Exercised	-	(350,000)
Balance at the end of the period	**200,000**	**200,000**
Vested and exercisable at period end	200,000	200,000

Options granted for services provided to the Company

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

During the period, nil options were issued to advisers to the Company in exchange for services rendered. Further, nil options were exercised, forfeited, or expired, thus the options issued to service providers over ordinary shares in the Company is 200,000 as at 30 June 2023.

Unissued shares under options for services provided

As at 30 June 2023 unissued shares of the Company under option are:

Expiry date	Exercise price (A$)	Number of shares
30-May-24	$0.29	200,000
Total		**200,000**

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:

	6 months to 30 June 2023 Number of options	12 months to 31 December 2022 Number of options
Balance at the beginning of the period	**3,159,750**	**4,504,500**
Granted	-	-
Forfeited	-	-
Exercised	-	-
Expired	(1,179,750)	(1,344,750)
Balance at the end of the period	**1,980,000**	**3,159,750**
Vested and exercisable at period end	1,980,000	3,159,750

Options granted as part of acquisitions

During the period, nil options were issued as part of any acquisitions. Further, nil options were exercised or forfeited and 1,179,750 options expired, thus bringing the options issued for acquisitions over ordinary shares in the Company to 1,980,000 as at 30 June 2023.

Unissued shares under options as part of the acquisitions

As at 30 June 2023 unissued shares of the Company under option are:

Expiry date	Exercise price (C$)	Number of shares
01-Oct-23	$0.53	1,980,000
Total		**1,980,000**

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

(vi) Movements in performance rights:

	6 months to 30 June 2023 Number of rights	12 months to 31 December 2022 Number of rights
Balance at the beginning of the period	**4,443,483**	**2,351,165**
Granted	19,593,040	3,159,903
Forfeited	(51,090)	(99,098)
Exercised	(673,407)	(968,487)
Balance at the end of the period	**23,312,026**	**4,443,483**
Vested and exercisable at period end	-	-

Performance rights granted:

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

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

During the period, 19,593,040 performance rights were issued to employees. Further, 673,407 performance rights were exercised, 51,090 were forfeited or expired, thus bringing the performance rights over ordinary shares in the Company to 23,312,026 as at 30 June 2023. During the period 673,407 performance rights vested.

Unissued shares under performance rights to Directors and employees

As at 30 June 2023 unissued shares of the Company under option are:

Expiry date	Exercise price (A$)	Number of shares
03-Apr-24	N/A	315,984
17-Feb-24	N/A	243,100
03-Apr-25	N/A	2,555,616
03-Apr-25	N/A	604,286
03-Apr-26	N/A	19,593,040
Total		**23,312,026**

24. Share-based payments

Recognised share-based payment expense

	6 months to 30 June 2023 US$'000	6 months to 30 June 2022 US$'000
Expense arising from equity settled share-based payment transactions	**(1,285)**	**(1,846)**

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
1-Apr-23	3-Apr-26	0.06	N/A	65.0%	Nil	2.94%	980[(i)]

(i) Equivalent to US$0.655 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.

25. Capital management

Jervois' capital structure consists of cash and cash equivalents, equity and debt. Jervois' financial objectives are to meet all financial obligations, continue to operate as a going concern so to provide positive shareholder value, pursue an optimal capital structure to minimise the cost of capital and maintain a strong balance sheet to leverage growth opportunities. Management carefully monitors cash flows to achieve these objectives. Jervois' strategy remains unchanged from the previous year.

26. 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 2023 US$'000	31 December 2022 US$'000
Financial assets at amortised cost		
Cash and cash equivalents	32,181	152,647
Term deposits	110	79
Restricted cash	690	690
Trade and other receivables	29,176	45,191
Total financial assets at amortised cost	**62,157**	**198,607**
Financial assets at fair value through profit or loss		
Call option	34	1,627
Financial liabilities at fair value through profit or loss		
Contingent consideration	20,369	30,335
Financial liabilities at amortised cost		
Trade and other payables	34,451	57,503
Senior secured bonds	102,841	102,553
Secured revolving credit facility	57,957	115,913
Lease liabilities	20,061	19,809
Total financial liabilities at amortised cost	**215,310**	**295,778**

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 2023	Level 1	Level 2	Level 3	Total
Financial assets				
Call option	-	-	34	**34**
Financial liabilities				
Contingent consideration	-	-	20,369	**20,369**

31 December 2022	Level 1	Level 2	Level 3	Total
Financial assets				
Call option	-	-	1,627	**1,627**
Financial liabilities				
Contingent consideration	-	-	30,335	**30,335**

The Group's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period. There were no transfers during the period between any of the levels.

Valuation techniques for Level 3 fair value measurements

Call option

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. As at 30 June 2023, the key inputs to the valuation include:

Input	Details	Relationship of input to fair value
Bond price	Price sourced from Bloomberg of US$90.84 million (31 December 2022: US$100.73 million)	The higher the bond price, the higher the fair value
Credit spread	Solved for a credit spread that results in a modelled bond fair value in line with the issuance price of the bond at valuation date (31 December 2022: no change)	The higher the credit spread, the lower the fair value
Risk-free rate curve	USD risk-free rate curve at valuation date, constructed from market observable quotes including SOFR-based interest rates (31 December 2022: no change)	The higher the risk-free rate curve, the lower the fair value
Volatility	Obtained from the USD SOFR swaption volatility surface at valuation date (31 December 2022: no change)	The higher the volatility, the higher the fair value

The call option was initially recognised at fair value of US$1.834 million at 31 December 2021, which has been subsequently revalued to US$0.034 million as at 30 June 2023 (31 December 2022: US$1.627 million). The movement in fair value for each reporting period has been recorded as an other gain / (loss) in the profit or loss.

Contingent consideration

The fair value of the Group's contingent consideration arrangement was initially 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. Subsequently, the Company moved to a discounted cash flow valuation approach, which is expected to produce a reasonable reflection of the fair value of the contingent consideration at each reporting period given the linear nature of the liability. As at 30 June 2023, the key inputs to the discounted cash flow valuation include:

Input	Details	Relationship of input to fair value
Forecast cobalt metal price (real)	US$18.30 / lb – US$24.00 / lb (31 December 2022: US$24.90 / lb – US$29.10 / lb)	The higher the cobalt metal forecast price, the higher the fair value (up to a maximum value)
Cobalt payability percentage	65% (31 December 2022: 75%)	The higher the cobalt payability percentage, the lower the fair value

Discount rate	10.09% (31 December 2022: 8.80%)	The higher the discount rate, the lower the fair value (up to a maximum value)

The contingent consideration was initially recognised at fair value of US$38.000 million at 31 December 2021, which has been subsequently revalued to US$20.369 million as at 30 June 2023 (31 December 2022: US$30.335 million). The movement in fair value for each reporting period has been recorded as an other gain / (loss) in the profit or loss.

Fair value of financial instruments at amortised cost

The fair value of the senior secured bonds is US$90.843 million as at 30 June 2023 (31 December 2022: US$100.730 million). Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

27. Commitments

6 months to 30 June 2023	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	2,215	547	-	**2,762**
Intangible assets	98	83	-	**181**

12 months to 31 December 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	29,899	1,371	-	**31,270**
Exploration expenditure	834	-	-	**834**
Intangible assets	16	-	-	**16**

Property, plant, and equipment

The commitments for property, plant, and equipment as at 31 December 2022 largely comprise of capital expenditure related to the development of ICO.

28. Contingencies

	30 June 2023 US$'000	31 December 2022 US $'000
Customs guarantees	1,151	1,273
Bank guarantees	71	73

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.

29. Related party transactions

Loans and other transactions with key management personnel

No loans have been made to key management personnel or their related entities.

30. Events after reporting period

On 28 June 2023, the Company announced the launch of a US$50.0 million total capital raising (the "Capital Raising"), comprising:

- US$25.0 million Unsecured Convertible Notes ("Notes") maturing in July 2028, and which are convertible into Jervois ordinary shares ("Convertible Notes Offer"). The initial conversion price for the Notes represents a 40% premium to the Entitlement Offer Theoretical Ex Rights Price and the Notes carry a 6.5% per annum coupon; and
- US$25.0 million fully underwritten 1 for 3.34 accelerated non-renounceable entitlement offer (the "Entitlement Offer"), undertaken in parallel with the Convertible Notes Offer.

Net proceeds from the Capital Raising will strengthen Jervois' balance sheet, improve liquidity and working capital flexibility, with cash also being applied to debt reduction.

Jervois shares were issued under the Institutional Entitlement Offer on 7 July 2023, raising A$20.2 million (~US$13.5 million). The Institutional Entitlement Offer was supported by new and existing domestic and offshore institutional investors. The Retail Entitlement Offer closed on 18 July 2023 and raised a further A$17.2 million (~US$11.5 million).

The first tranche of the Notes was completed on 18 July 2023 with the receipt of US$19.9 million. The second tranche of the Notes (US$5.1 million) is anticipated to be issued following Jervois shareholder approval on 28 August 2023.

The Group expects the Notes will be classified as a compound financial instrument under AASB 9 – Financial Instruments, and expects a large portion of the Notes to be classified as a debt instrument within the Group's consolidated statement of financial position upon recognition.

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

JERVOIS GLOBAL LIMITED AND CONTROLLED ENTITIES

Directors' Declaration

For the half-year ended 30 June 2023

1. In the opinion of the Directors of Jervois Global Limited (the "Company"):

   a) the interim condensed consolidated financial statements and notes set out on pages 9 to 40 are in accordance with the Corporations Act 2001, including:

      (i) giving a true and fair view of the Group's financial position as at 30 June 2023 and of its performance for the half-year ended on that date; and

      (ii) complying with Australian Accounting Standard AASB 134 – Interim Financial Reporting (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

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

   c) The Directors draw attention to note 2(a) to the interim condensed consolidated financial statements, which includes a statement of compliance with International Financial Reporting Standards.

Dated at Melbourne this 18th day of August 2023.

Signed in accordance with a resolution of the Directors:

P.B. Johnston.

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Peter Johnston
Chairman

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

Conclusion

We have reviewed the accompanying interim financial report of Jervois Global Limited (the Company) and its subsidiaries (collectively the Group), which comprises the condensed consolidated statement of financial position as at 30 June 2023, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

a. Giving a true and fair view of the consolidated financial position of the Group as at 30 June 2023 and of its consolidated financial performance for the half-year ended on that date; and

b. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

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

Directors' responsibilities for the interim financial report

The directors of the Company are responsible for the preparation of the interim 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 interim financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Building a better working world

Auditor's responsibilities for the review of the interim financial report

Our responsibility is to express a conclusion on the interim financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 June 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

Ernst & Young

Ernst & Young

Matthew A. Honey
Partner
Melbourne
18 August 2023