



Jervois Mining USA Limited

FINANCIAL STATEMENTS

For the year ended 31 December 2023

JERVOIS MINING USA LIMITED

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JERVOIS MINING USA LIMITED

Director's Report

The Director presents this report, together with the financial statements, of Jervois Mining USA Limited (the "Company") for the year ended 31 December 2023.

1. Director

The sole Director of the Company during the whole of the financial period and up to the date of this report was:

Name	Role
Bryce Crocker	Chief Executive Officer

2. Principal activity

The principal activity of the Company during the year was mine construction.

3. Principal address

1309 S Challis St,
Salmon, Idaho,
83467-5453,
United States of America ("United States" or "U.S.")

4. Dividends paid or recommended

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

5. Significant changes in the state of affairs

Refer to the review of operations for information on the significant changes in the state of affairs of the Company.

6. Review of operations

The net loss after tax of the Company for the year ended 31 December 2023 was US\$178.780 million (31 December 2022: loss of US\$78.552 million).

During Q1 2023, the mine component of ICO's construction was completed, with a successful start to ore removal and more than 30,000 short tons of ore ready for processing.

In late March 2023, Jervois announced a decision to suspend final construction and full concentrator commissioning at Idaho Cobalt Operations ("ICO") due to continuing low cobalt prices and the U.S. inflationary impacts on construction costs.

Jervois safely completed site demobilisation at ICO and the total workforce, including contractors, was ramped down to approximately 30 full time employees, which represents a fit-for-purpose workforce to maintain the site in compliance with its regulatory requirements and execute the exploration programmes funded by the Department of Defense ("DoD") and detailed below.

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

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 resulting from the energy transition, including EVs. The Company's expectation is that Western cobalt purchasers will increasingly prefer cobalt from sources with Western ESG credentials, particularly given the concentration of supply from the Democratic Republic of the Congo and China.

During 2023, Jervois Mining USA Limited entered into a Technology Investment Agreement with the DoD, allowing Jervois to undertake mineral resource drilling and a Bankable Feasibility Study ("BFS") for a U.S.-based cobalt refinery, funded by a DoD US\$15.0 million award (the "Agreement Funding") to advance U.S. cobalt supply chain security. The Agreement Funding is under

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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 program at ICO has been accelerated by the Agreement Funding, with drilling complete at the adjacent Sunshine historic resource and exploration to further define and expand ICO's RAM deposit underway.

The Agreement Funding will also fund a BFS for a cobalt refinery in the U.S. to be completed by Formation Holdings US, Inc. the parent of Jervois Mining USA Limited.

Jervois views the DoD's award as an indication of the importance to the U.S. Government of securing its cobalt supply chain. Accordingly, Jervois continues to engage with the U.S. Department of Energy and EXIM, 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.

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 energy transition.

In April 2023, an updated JORC/Canadian Institute of Mining ("CIM") compliant Mineral Resource Estimate ("MRE") was completed. An updated MRE for the RAM deposit is presented below at a cut-off grade ("CoG") of 0.20% Co that has been selected for current reporting, due to a revised evaluation of anticipated mining and processing costs. The current ICO mineral resource estimation work incorporates revised geological modelling that more accurately represents Co-Cu mineralisation within the RAM deposit. The revised modelling approach, along with modified resource categorisation criteria, has resulted in a minor decrease in tonnage (-11%) of the 2023 total Measured and Indicated ("M&I") resources relative to the 2020 MRE. However, these changes have also resulted in corresponding increases in Co and Cu grades of +6% and +12%, respectively.

ICO Underground Constrained 2023 MRE @ 0.20% Co CoG¹

Classification	Tonnes	Co (%)	Co (lbs)	Cu (%)	Cu (lbs)	Au (g/t)	Au (Oz)
Measured	460,000	0.70	7,100,000	1.16	11,800,000	0.783	11,500
Indicated	3,320,000	0.50	36,500,000	0.79	58,000,000	0.504	54,000
M&I	3,780,000	0.52	43,600,000	0.84	69,800,000	0.538	65,500
Inferred	1,590,000	0.51	18,000,000	0.92	32,300,000	0.645	33,000

Subsequent to the period end, in April 2024, an inaugural JORC/CIM compliant MRE for the Sunshine deposit was released. The Sunshine deposit, along with the RAM deposit, is part of ICO. The MRE for the Sunshine deposit is presented below at a series of CoGs including 0.25% Co CoG, which has been selected for current reporting of the Sunshine MRE.

2024 Sunshine Inferred MRE²

Co Cut-off (%)	Tonnes	Co (%)	Co (lbs)	Cu (%)	Cu (lbs)	Au (g/t)	Au (Oz)
0.15	750,000	0.41	6,770,000	0.78	13,010,000	0.46	11,110
0.20	620,000	0.46	6,280,000	0.71	9,750,000	0.48	9,550
0.25	520,000	0.50	5,750,000	0.68	7,770,000	0.49	8,210
0.30	400,000	0.57	5,030,000	0.57	5,010,000	0.51	6,550
0.35	320,000	0.63	4,470,000	0.50	3,540,000	0.52	5,330

¹ 19 April 2023 "Updated RAM resource-opportunity to extend ICO mine life". In accordance with listing rule 5.23.2, the Company confirms it is not aware of any new information or data that materially affects the information included in the relevant market announcement referred to above and that the assumptions contained therein continue to apply and have not materially changed.

² 11 April 2024 "Jervois completed maiden JORC Resource for Sunshine at ICO, USA (Updated)". In accordance with listing rule 5.23.2, the Company confirms it is not aware of any new information or data that materially affects the information included in the relevant market announcement referred to above and that the assumptions contained therein continue to apply and have not materially changed.

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The table below provides a consolidated Mineral Resource Statement for ICO, including its RAM MRE reported current on 19 April 2023 and its inaugural Sunshine MRE reported current on 31 March 2024. The Sunshine and RAM deposits are wholly contained within Jervois' contiguous claims group as part of ICO.

ICO Consolidated Mineral Resource Statement

		Metric tonnes	Co (%)	Co (lbs)	Cu (%)	Cu (lbs)	Au (g/t)	Au (Oz)
RAM ^{3,4}								
	Measured	460,000	0.70	7,100,000	1.16	11,800,000	0.783	11,500
	Indicated	3,320,000	0.50	36,500,000	0.79	58,000,000	0.504	54,000
RAM								
	Inferred	1,590,000	0.51	18,000,000	0.92	32,300,000	0.645	33,000
Sunshine ⁵								
	Inferred	520,000	0.50	5,750,000	0.68	7,770,000	0.493	8,200
Totals								
	M&I	3,780,000	0.52	43,600,000	0.84	69,800,000	0.538	65,500
	Inferred	2,110,000	0.51	23,200,000	0.86	40,000,000	0.608	41,300

Business risks:

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

Suspended operations:

ICO is currently suspended which entails minimal operations to maintain the site in an appropriate and safe manner and in accordance with environmental requirements. There is a risk that, during suspended operations, the existing infrastructure, buildings, and systems may deteriorate and may require significant refurbishment or may not be able to be re-commissioned in the future. Any restart of ICO is dependent on the cobalt commodity price, sufficient financial capacity of the Company or its ultimate parent to complete the construction and commissioning of ICO and transition to operations. If a restart of ICO is not achieved efficiently and cost effectively, this may impact the profitability and future earnings of the operations of the Company including in a materially adverse way from the performance as expected.

Future earnings may not be as expected:

To the extent that the actual results achieved by the Company are different than those anticipated, there is a risk that the profitability and future earnings of the operations of the Company may differ (including in a materially adverse way) from the performance as expected.

Cobalt prices:

A significant proportion of the Company's future product sales are expected to be based on prices linked to the quoted prices for cobalt. Changes in the quoted price of cobalt impact the Company's sales, profitability, cash flow, and working capital requirements. Rapid or material adverse movements in the quoted price of cobalt may lead to financial losses and may adversely impact the liquidity of the Company.

Geology:

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

³ See ASX announcement "Updated RAM resource - opportunity to extend ICO mine life" dated 19 April 2023. In accordance with ASX listing rule 5.23.2, Jervois confirms it is not aware of any new information or data that materially affects the information included in the relevant market announcements referred to above and that the assumptions contained therein continue to apply and have not materially changed.

⁴ RAM Constrained MRE estimated at CoG of 0.20% Co.

⁵ Sunshine Constrained MRE estimated at CoG of 0.25% Co.

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

Drill spacing – the orebody has been drilled on a nominal 200ft sectional spacing, however the central zone which is the first to be mined has been infilled to a 70ft spacing. Establishing surface drilling platforms is difficult due to the steep terrain, as such the Company is executing an infill drilling programme from underground. Initial planned stopes have been infill drilled to 70ft spacing for ore definition and grade control.

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

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

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

Grade estimation – with increased drilling density completed in 2022, ICO continues to improve its grade estimation techniques to better reflect drill results and underground observations. As the drill intercept density increases via underground drilling, conditional simulation methods may be employed to further enhance grade definition.

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

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

No assurance can be given that any particular level of recovery of minerals will in fact be realised or that identified mineral resources will ever qualify as a commercially mineable (or viable) deposit which can be legally and economically exploited. In addition, the grade of mineralisation which may ultimately be mined may differ from that indicated by drilling results and such differences could be material. Production can be affected by such factors as permitting regulations and requirements, weather, environmental factors, unforeseen technical difficulties, unusual or unexpected geological formations and work interruptions. The estimated mineral resources at ICO should not be interpreted as assurances of commercial viability or of the profitability of any future operations. Moreover, certain sections of the mineral resources are reported at an "inferred" level. Inferred mineral resources have a substantial degree of uncertainty as to their existence, and economic and legal feasibility. Accordingly, there is no assurance that inferred mineral resources reported herein will ever be upgraded to a higher category. Investors are cautioned not to assume that part or all of an inferred mineral resource exists or is economically or legally mineable.

The Company has undertaken an additional infill drilling at ICO in order to increase the confidence in the mineral resource and mineral reserve estimates. The outcome of the drilling may result in an updated mine plan being prepared to take into account any changes to classification, tonnes and metal grades and may result in the operations at ICO reaching commercial production later than currently expected. Initial ore development during 2022 has positively confirmed those areas of the resource model that have been intersected.

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Mining:

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

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

Infrastructure, logistics and transportation:

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

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

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

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

Permitting:

Permitting risks include demonstrating the effectiveness of the pump-back system/groundwater capture zone prior to initiating mining activities below the water table, the ability of the water treatment plant to meet agency compliance, and the submittal and approval of various plans to the relevant agencies and the uncertainty in obtaining the necessary approval by these agencies.

In addition, there is risk around the outcome of the Point of Compliance issued by the State of Idaho regarding groundwater quality threshold levels for the project. There is risk around the uncertainty of regulatory or rule changes by the State of Idaho or the United States federal government during construction and/or operations that may apply to the site.

Procurement, construction, and execution:

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

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

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

Commissioning:

Catastrophic failure of equipment in the initial start-up and commissioning phase, technical difficulties in achieving expected recoveries and concentrate qualities expected in the concentrate flowsheet during start-up activities, and the ability to attract and retain adequate workforce through the start-up commissioning and operations phase of the project could impact project cost and schedule.

Marketing:

The cobalt at ICO is contained within cobaltite, a mineral composed of cobalt, arsenic, and sulphur. The ICO cobalt concentrate therefore contains elevated arsenic, as the arsenic cannot be separated from cobalt using conventional sulphide flotation methods. The marketability of the ICO concentrate is more limited due to the arsenic which requires specialised and safe

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extraction. Any delay or reduction in sales of the ICO cobalt concentrate could adversely affect the Company's future cash flow and overall profitability.

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

Global operating footprint and International Conflicts:

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

The Director confirms that they have considered all currently known impacts related to the Conflicts and related sanctions when preparing the financial statements.

Commodity prices:

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

The development of the Company's ICO project is dependent on the future prices of cobalt and copper. As ICO enters commercial production, the Company's profitability will be significantly affected by changes in the market prices of cobalt and copper.

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

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

Reliance on management:

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

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Financing risks:

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

Environmental risks and other regulatory requirements:

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

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

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

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

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

Influence of third-party stakeholders:

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

Insurance:

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

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

Should such liabilities arise, they could reduce or eliminate future profitability and result in increasing costs and a decline in the value of the securities of the Company. If the Company is unable to fully fund the cost of remedying an environmental problem, it might be required to suspend operations or enter costly interim compliance measures pending completion of a permanent

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remedy. The lack of, or insufficiency of, insurance coverage could adversely affect the Company's future cash flow and overall profitability.

Competition risk in the market in which the Company operates:

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

Community and stakeholder relations:

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

Climate change risks:

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

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

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

Operations are subject to human error:

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

Pre-existing environmental liabilities:

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

Project delay:

The Company will require further investment to complete construction at ICO. There are a number of risks inside and outside its control, such as availability of suitable financing, technical risk, infrastructure and logistics constraints, construction delays, cost overruns, insufficient labour skills or resources, delays in confirmatory permitting to move into the commissioning and operating

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phases, or any other regulatory matters. Once complete, and given the risks outlined previously, there is no guarantee the results of ICO will be sufficient to offset such capital expenditures and generate adequate investor return.

Licenses, permits, and titles:

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

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

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

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

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

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

This could materially and adversely affect its business, results of operations, financial conditions, or prospects. The ICO project will require certain permits through remaining construction and commissioning.

Land title:

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

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

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

7. Events subsequent to the reporting date

Subsequent to the period end, in April 2024, an inaugural JORC/CIM compliant MRE for the Sunshine deposit was released. The Sunshine deposit, along with the RAM deposit, is part of ICO. The MRE for the Sunshine deposit is presented above in the review of operations.

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Apart from the matter outlined above, the Director of the Company has not identified any subsequent events in the interval between the end of the financial period and the date of this report, which would be material or unusual in nature, and likely to significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

8. Likely developments and expected results of operations

The Company has suspended final construction and full concentrator commissioning and temporarily placed the operations at ICO into care and maintenance. The Company plans to continue to complete the construction of ICO and transition toward commercial production once the cobalt price rises, which the Company expects to occur in the medium and longer term as demand from the world's energy transition, including electric vehicles, increases.

9. Indemnity and insurance of officers

The Company has indemnified the Director of the Company for costs incurred, in their capacity as a Director, for which they may be held personally liable, except where there is a lack of good faith. During the financial year, the Company paid a premium in respect of a contract to insure the Directors and executives of the Company against a liability to the extent permitted by regulation. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

10. Going concern basis of accounting

The 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.

The Company holds a Letter of Comfort issued by Jervois under the approval of the Board of Directors, that states that Jervois accepts the responsibility for arranging to provide sufficient financial assistance to the Company as and when it is needed to enable the Company to continue its operations and fulfil all of its financial obligations for a period of not less than one year from the date of signing of these financial reports.

The Director is satisfied with the commitment and ability of the Company's ultimate parent to provide ongoing financial support and believes that the going concern basis of accounting is appropriate (see note 2(c) of the financial statements).

11. Indemnity of auditor

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

Signed in accordance with a resolution of the Director:

Dated at Melbourne this 24th day of April 2024.



Bryce Crocker
Director

JERVOIS MINING USA LIMITED**Statement of Profit or Loss and Other Comprehensive Income****For the year ended 31 December 2023**

		31 December 2023	31 December 2022
	Note	US\$'000	US\$'000
Corporate and administrative expenses	4(a)	(2,535)	(3,246)
Employee benefits expenses	4(b)	(7,269)	(6,358)
Suspension and other site costs	4(c)	(7,917)	-
Depreciation and amortisation	4(d)	(2,831)	(682)
Impairment charge	11	(133,633)	(72,041)
Other (expenses) / income	4(e)	(1,255)	1,270
Operating loss		(155,440)	(81,057)
Net finance costs	5	(23,340)	2,505
Loss before income tax		(178,780)	(78,552)
Income tax expense	18	-	-
Loss for the year after income tax		(178,780)	(78,552)
Total other comprehensive income		-	-
Total comprehensive loss for the period		(178,780)	(78,552)

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

JERVOIS MINING USA LIMITED
Statement of Financial Position
As at 31 December 2023

	Note	31 December 2023 US\$'000	31 December 2022 US\$'000
Current assets			
Cash and cash equivalents	7	6,065	6,128
Funds held in escrow	14, 16	690	690
Trade and other receivables		1,109	-
Prepayments		983	1,070
Receivables with other group entities	23	6,796	7,363
Inventories		90	142
Financial assets at fair value through profit or loss	14	155	1,627
Total current assets		15,888	17,020
Non-current assets			
Property, plant, and equipment	9	119,821	209,876
Intangible assets	10	709	112
Exploration and evaluation	8	30	-
Total non-current assets		120,560	209,988
Total assets		136,448	227,008
Current liabilities			
Trade and other payables	13	5,025	33,014
Employee benefits		500	639
Payables with other group entities	23	2,720	462
Borrowings	14	6,250	6,469
Lease liabilities	12	889	1,939
Total current liabilities		15,384	42,523
Non-current liabilities			
Payables with other group entities	23	227,436	128,632
Borrowings	14	97,010	96,084
Lease liabilities	12	2,766	5,060
Asset retirement obligation	17	9,998	8,299
Total non-current liabilities		337,210	238,075
Total liabilities		352,594	280,598
Net liabilities		(216,146)	(53,590)
Equity			
Share capital	19	122,708	122,708
Reserves	20	(17)	(16,241)
Accumulated losses	20	(338,837)	(160,057)
Total equity attributable to equity holders of the Company		(216,146)	(53,590)

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

JERVOIS MINING USA LIMITED
Statement of Changes in Equity
For the year ended 31 December 2023

	Share capital US\$'000	Accumulated losses US\$'000	Contributed equity reserve US\$'000	Group re- organisation reserve US\$'000	Total US\$'000
Balance as at 1 January 2023	122,708	(160,057)	368	(16,609)	(53,590)
Loss for the period	-	(178,780)	-	-	(178,780)
Share-based payment contribution	-	-	310	-	310
Intercompany loan forgiveness	-	-	15,914	-	15,914
Balance as at 31 December 2023	122,708	(338,837)	16,592	(16,609)	(216,146)

	Share capital US\$'000	Accumulated losses US\$'000	Contributed equity reserve US\$'000	Group re- organisation reserve	Total US\$'000
Balance as at 1 January 2022	122,708	(81,505)	-	(24,813)	16,390
Loss for the period	-	(78,552)	-	-	(78,552)
Share-based payment contribution	-	-	368	-	368
Fair value adjustment on payables with other group entities	-	-	-	8,204	8,204
Balance as at 31 December 2022	122,708	(160,057)	368	(16,609)	(53,590)

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

JERVOIS MINING USA LIMITED
Statement of Cash Flows
For the year ended 31 December 2023

		31 December 2023	31 December 2022
	Note	US\$'000	US\$'000
Cash flows from operating activities			
Other income		-	10
Payments to suppliers and employees		(15,778)	(9,107)
Interest paid	15(b)	(3,539)	(156)
Net cash outflow from operating activities	15(a)	(19,317)	(9,253)
Cash flows from investing activities			
Interest received		139	83
Payments for exploration and evaluation		(1,434)	-
Payments for property, plant, and equipment		(75,938)	(111,363)
Interest paid and capitalised to property, plant, and equipment	15(b)	(9,375)	(12,500)
Proceeds from government grants		2,300	-
Proceeds from sale of fixed assets		1,254	1,250
Net cash outflow from investing activities		(83,054)	(122,530)
Cash flows from financing activities			
Proceeds from other group entities	15(b)	103,842	30,941
Payments to other group entities – reclamation deposits	16	-	(6,256)
Transfer to restricted cash – other	16	-	(690)
Transfer from funds held in escrow		-	113,500
Repayment of lease liability – principal		(1,535)	(363)
Net cash inflow from financing activities		102,307	137,132
Net (decrease) / increase in cash and cash equivalents		(64)	5,349
Cash and cash equivalents at the beginning of the period		6,128	779
Cash and cash equivalents at the end of the period	7	6,065	6,128

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

JERVOIS MINING USA LIMITED
Notes to the Financial Statements
For the year ended 31 December 2023

1. Corporate information

The financial statements cover Jervois Mining USA Limited (the “Company”) at the end of, or during, the twelve months ended 31 December 2023 (the “period”). The financial statements are presented in United States dollars, which is Company’s functional and presentation currency. The financial statements were authorised for issue on 24 April 2024 accordance with a resolution of the Director.

2. Basis of preparation

(a) Statement of compliance

The financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (“AASB”), adopted by the Australian Accounting Standards Board. The financial statements comply with International Financial Reporting Standards (“IFRS”) and interpretations adopted by the International Accounting Standards Board. These financial statements have been rounded to the nearest thousands.

(b) Basis of measurement

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

(c) Going concern basis of accounting

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

During the period, the Company recorded a net loss after income tax expense of US\$178.780 million (31 December 2022: loss of US\$78.552 million) and had negative equity of US\$216.146 million (31 December 2022: negative equity of US\$53.590 million). The net loss after income tax expense includes non-cash items including:

- Impairment of non-financial assets of US\$133.633 million (31 December 2022: US\$72.041 million); and
- Share-based payments expenses of US\$0.310 million (31 December 2022: US\$0.368 million).

During the period, net cash outflow from operating activities was US\$19.317 million (31 December 2022: outflow of US\$9.253 million), net cash outflow from investing activities was US\$83.054 million (31 December 2022: outflow of US\$122.530 million), and net cash inflow from financing activities was US\$102.307 million (31 December 2022: inflow of US\$137.132 million).

As at 31 December 2023, the Company had cash and cash equivalents of US\$6.065 million (31 December 2022: US\$6.128 million). As at 31 December 2023, the Company had total current assets of US\$15.888 million (31 December 2022: US\$17.020 million) and total current liabilities of US\$15.384 million (31 December 2022: US\$42.523 million), resulting in net current asset position of US\$0.504 million (31 December 2022: net current liability position of US\$25.503 million).

The Company holds a Letter of Comfort issued by Jervois Global Limited (“Jervois”), the ultimate parent of the Company, under the approval of the Board of Directors, that states that Jervois accepts the responsibility for arranging to provide sufficient financial assistance to the Company as and when it is needed to enable the Company to continue its operations and fulfil all of its financial obligations for a period of not less than one year from the date of signing of these financial reports.

JERVOIS MINING USA LIMITED
Notes to the Financial Statements
For the year ended 31 December 2023

The Director is satisfied with the commitment and ability of the Company's ultimate parent to provide ongoing financial support, and believes that the going concern basis of accounting is appropriate for the following reasons:

- The Director has considered the financial position and performance of Jervois in addition to its strategic business plan and objectives, which include the decision to suspend final construction of ICO and enter a period of planned care and maintenance.
- The Director has assessed the Company's cash flow requirements for the next 12-month period from the date of approving the financial statements. The Company's consolidated cash flow forecasts use analyst consensus commodity price assumptions, current cash reserves, forecast cash flows from the Company's operations, liquidity available through wider Group borrowings facilities, consideration of economic and regulatory environmental factors in which the Company operates, various scenario analyses and related cost reduction initiatives. The Company's cash flow forecasts have been incorporated into Jervois' consolidated group cash flow forecasts, which the Director has also reviewed. The Director has considered other material developments which affect the cash flow forecasts of Jervois and arising during the period subsequent to 31 December 2023 and to the date of this report.

The ability of Jervois to execute its strategic business plans, objectives and to be able to provide ongoing financial support to the Company, including the ability to restart the construction and commissioning of ICO, is influenced by:

- Further reducing Jervois' planned operating and capital expenditure across Jervois Finland, ICO and SMP Refinery, as well as reducing corporate and overhead costs,
- Additional drawdown from the Jervois Finland secured revolving credit facility (to the extent available under the terms of the facility),
- Reduction in the Jervois' planned exploration (and associated site support), research and development, and other planned capital projects,
- Proceeds from the successful execution of strategic financing initiatives which may include the sale of certain assets,
- Raising additional funding, either through debt, equity, or other strategic partnerships, or
- Pursuing other potential avenues for external support, including governmental programmes, particularly in the United States. This may include grants, tax incentives, or other forms of financial assistance.

Jervois' financial statements for the year ended 31 December 2023, authorised for issue on 18 March 2024, note a number of conditions that raise doubt as to its ability successfully execute its strategic business plans and objectives, including those listed above and refinancing the Jervois Finland secured revolving credit facility due 31 December 2024, which resulted in material uncertainty on Jervois' ability to remain a going concern.

Should Jervois, the ultimate parent of the Company, be unable to successfully execute its strategic business plans and objectives, including those listed above and refinancing the Jervois Finland secured revolving credit facility due 31 December 2024, during the forecast period to an extent that would adversely impact its ability to provide the Company with sufficient financial assistance, a material uncertainty exists in regards to the ability of the Company to continue as a going concern and, therefore, whether it will be able to realise its assets and extinguish its liabilities in the normal course of business and at the amounts stated in the financial report. There can be no assurance that the Company will be able to otherwise obtain or access additional funding when required, or that the terms associated with the funding will be acceptable to the Director. If the Company is unable to access additional funding, it may be required to take further actions to reduce the Company's financial commitments, which could adversely affect its business, financial condition, and operating results.

No adjustments have been made to the recoverability and classification of recorded assets amounts or the amounts and classification of liabilities that might be necessary if the Company does not continue as a going concern.

JERVOIS MINING USA LIMITED
Notes to the Financial Statements
For the year ended 31 December 2023

(d) Critical accounting judgements, estimates and assumptions

The preparation of the 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.

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

Recoverable amount – fair value less costs of disposal calculations

The determination of the ICO CGU recoverable amount requires management to incorporate key estimates and assumptions with performing fair value less costs of disposal (“FVLCD”) calculations. A change in one or more of these estimates or assumptions used could result in a material change of the estimated FVLCD calculation and impact the Company’s assessment against its recoverable amount.

Fair value – call option

The valuation of the Company’s call option (note 14) includes a number of assumptions, including bond price, credit spread and volatility. A change in one or more of these assumptions used could result in a material change of the estimated fair value of the call option.

Asset retirement obligation

The Company records a provision for the estimated future costs of site reclamation and closure of operating projects, which are discounted to net present value using the risk-free interest rate applicable to the future cash outflows. Judgement is used to estimate future costs which incorporate assumptions on the effects of inflation on those future costs, the expected timing of future cash flows, movements in foreign exchange rates, and other specific risks associated with the related liabilities. Where a change in estimate or economic assumption occurs, the corresponding increase or decrease to the provision will be reflected in the carrying value of the related asset, where applicable. Alternatively, the change is recognised directly in consolidated statement of profit or loss.

Leases

Lease term

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

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

JERVOIS MINING USA LIMITED
Notes to the Financial Statements
For the year ended 31 December 2023

Incremental borrowing rate

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

Purchase option

Where lease contracts include a purchase option, judgement is applied in evaluating the likelihood of exercising the purchase option. That is, consideration is given to all relevant factors that create an economic incentive to exercise the purchase option. Where lease contracts have a purchase option payable in stages, judgement is applied to determine the timing of these payments, based on contractual obligations, if the purchase option is reasonably certain to be exercised by the Company.

Taxation

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

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

(e) New or amended Accounting Standards and Interpretations adopted

The Company has adopted all the new or amended Accounting Standards and Interpretations issued by the Australian Standards and Interpretations Board that are mandatory for the current reporting period. The adoption of these amendments did not have a significant impact on the Company.

(f) Accounting Standards issued but not yet effective

A number of new and amended Accounting Standards and Interpretations have been recently issued by the Australian Accounting Standards Board but are not yet effective at 31 December 2023. The Company will adopt any such amendments, if applicable, when they become effective. Their impact on future periods have been considered, however, is not considered material to the Company.

Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current

This amendment specifies the requirements for classifying liabilities as current or non-current, clarifying:

- What is meant by a right to defer settlement,
- That a right to defer must exist at the end of the reporting period,
- That classification is unaffected by the likelihood that an entity will exercise its deferral rights
- That only if any embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

JERVOIS MINING USA LIMITED
Notes to the Financial Statements
For the year ended 31 December 2023

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively. The Company is currently assessing the impact the amendments will have on current practice and whether existing loan agreements. However, the Company does not expect these amendments will have a material impact on amounts currently recognised in the financial statements.

3. Summary of material accounting policies

The accounting policies have been consistently applied by the Company and are consistent with those applied in the prior year.

Other income

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

Cash and cash equivalents

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

Trade, other and inter-group receivables

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

Financial assets other than receivables

Investments and other financial assets

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

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

Financial assets at fair value through profit or loss

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

Financial assets at fair value through other comprehensive income

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

JERVOIS MINING USA LIMITED
Notes to the Financial Statements
For the year ended 31 December 2023

Property, plant, and equipment

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

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

Buildings	6-30 years
Plant and equipment	3-12 years

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

Assets under construction

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

After transfer of the exploration and evaluation assets, all subsequent expenditure on the construction, installation or completion of infrastructure facilities is capitalised in assets under construction. Development expenditure is net of proceeds from the sale of ore extracted during the development phase to the extent that it is considered integral to the development of the mine. Any sales proceeds earned in testing the assets to determine if they are functioning as intended are recognised in profit or loss and other comprehensive income.

Intangible assets

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

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

Software	5 years
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Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category that is consistent with the function of the intangible assets.

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

JERVOIS MINING USA LIMITED
Notes to the Financial Statements
For the year ended 31 December 2023

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

Impairment of non-financial assets

At each reporting date, the Company assesses whether there is an indication that an individual asset or CGU may be impaired. If an indication exists, the Company performs a detailed assessment of the non-financial asset's recoverable amount to determine whether it exceeds the asset's carrying amount. The recoverable amount is the higher of an asset or CGU's fair value less costs of disposal ("FVLCD") or VIU. Where an asset or CGU is determined to be impaired, the amount is recognised in the carrying amount of the asset with the related expense included in profit or loss.

At each reporting date, the Company considers whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed if there has been a change in the assumptions used to determine the asset or CGU's recoverable amount since the last impairment loss was recognised. An impairment reversal is limited to the lesser of the amount that would not cause the carrying amount to exceed its recoverable amount or the value that would have been determined (net of depreciation) had no impairment loss been recognised.

Government grants

The Company presents government grants received related to assets by deducting the value of the grant in arriving at the carrying amount of the asset in which it is intended to compensate.

Asset retirement obligation

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

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

Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether the contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease under AASB 16 Leases. At commencement on, or modification of, a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

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

JERVOIS MINING USA LIMITED
Notes to the Financial Statements
For the year ended 31 December 2023

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

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

Short-term and low-value leases

The Company elects to apply the short-term and low-value lease recognition exemption to its short-term leases (i.e., those with a lease term of less than 12 months and do not contain a purchase option) and low-value (i.e., those with an underlying asset value that is considered low-value). Related lease payments are recognised as an expense on a straight-line basis over the lease term.

Trade and other payables

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

Financial liabilities other than payables

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

Borrowing costs

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

Employee benefits

Short-term employee benefits

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

Other long-term employee benefits

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

JERVOIS MINING USA LIMITED
Notes to the Financial Statements
For the year ended 31 December 2023

Fair value measurement

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

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

Issued capital

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

Income tax

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

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

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

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

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4. Expenses

(a) Corporate and administrative expenses

	31 December 2023	31 December 2022
	US\$'000	US\$'000
Communication expenses	(290)	(476)
Licensing Fees	(152)	(152)
Legal and professional	(473)	(233)
Insurance	(1,310)	-
Corporate recharges	-	(1,200)
Other administrative expenses	(310)	(1,185)
Total corporate and administrative expenses	(2,535)	(3,246)

(b) Employee benefits expense

	31 December 2023	31 December 2022
	US\$'000	US\$'000
Salaries, wages, and other employee benefits	(6,055)	(5,733)
Defined contribution plan	(286)	(257)
Termination benefits	(618)	-
Share-based payments	(310)	(368)
Total employee benefits expenses	(7,269)	(6,358)

(c) Suspension and other site costs

	31 December 2023	31 December 2022
	US\$'000	US\$'000
Site maintenance costs	(5,288)	-
Rent and leases	(941)	-
Mine de-watering expenses	(1,688)	-
Total suspension and other site costs	(7,917)	-

(d) Depreciation and amortisation

	31 December 2023	31 December 2022
	US\$'000	US\$'000
Property, plant, and equipment	(1,800)	(267)
Right-of-use assets	(793)	(308)
Intangible assets	(238)	(107)
Total depreciation and amortisation	(2,831)	(682)

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(e) Other (expenses) / income

	31 December 2023	31 December 2022
	US\$'000	US\$'000
Gain on sale or disposal of fixed assets	222	1,480
Net fair value loss on financial assets at FVTPL	(1,472)	(207)
Net foreign exchange loss	(6)	(13)
Other income	1	10
Total other (expense) / income	(1,255)	1,270

5. Net finance costs

	31 December 2023	31 December 2022
	US\$'000	US\$'000
Interest income	139	83
Interest on borrowings	(26,650)	-
Interest on asset retirement obligations	(175)	-
Interest on lease liabilities	(414)	(156)
Other financing gain	3,760	2,578
Net finance costs	(23,340)	2,505

6. Auditor's remuneration

	31 December 2023	31 December 2022
	US\$'000	US\$'000
Fees to Ernst & Young ("EY") (Australia)		
Auditing the statutory financial report	61	87
Total fees to EY (Australia)	61	87
Fees to overseas member firms of EY (Australia)		
Fees for other services:		
- Tax compliance	21	-
Total fees to overseas member firms of EY (Australia)	21	-
Total fees to EY	82	87

7. Cash and cash equivalents

	31 December 2023	31 December 2022
	US\$'000	US\$'000
Bank balances	6,065	6,128
Total cash and cash equivalents	6,065	6,128

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8. Exploration and Evaluation

	31 December 2023 US\$'000	31 December 2022 US\$'000
Opening balance	-	-
Expenditure incurred and capitalised	1,512	-
Less: Reimbursement of expenditure	(1,482)	-
Total exploration and evaluation	30	-

During the current period, the Company completed a drilling campaign at its Sunshine deposit located in Idaho, United States. The drilling campaign direct expenditure and associated Jervois programme supervision and administration is fully refundable under the U.S. Department of Defense funding agreement.

9. Property, plant, and equipment

	Land and buildings US\$'000	Plant and equipment US\$'000	Assets under construction US\$'000	Right of use assets US\$'000	Total US\$'000
31 December 2023					
<i>Cost</i>					
As at 1 January 2023	1,007	2,021	272,960	7,362	283,350
Additions for the period	-	267	48,013	-	48,280
Disposals	(297)	(517)	(283)	(3,042)	(4,139)
Remeasurements	-	-	1,524	418	1,942
Reclassifications	17,299	5,449	(23,583)	-	(835)
As at 31 December 2023	18,009	7,220	298,631	4,738	328,598
<i>Accumulated depreciation and impairment</i>					
As at 1 January 2023	(153)	(972)	(72,041)	(308)	(73,474)
Depreciation charge for the period	(1,226)	(574)	-	(793)	(2,593)
Impairment charge	-	-	(133,083)	(550)	(133,633)
Disposals	-	234	-	689	923
As at 31 December 2023	(1,379)	(1,312)	(205,124)	(962)	(208,777)
Net book value:					
As at 31 December 2023	16,630	5,908	93,507	3,776	119,821

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	Land and buildings US\$'000	Plant and equipment US\$'000	Assets under construction US\$'000	Right of use assets US\$'000	Total US\$'000
31 December 2022					
<i>Cost</i>					
As at 1 January 2022	664	1,337	113,999	-	116,000
Additions for the period	343	730	158,961	7,362	167,396
Disposals	-	(46)	-	-	(46)
As at 31 December 2022	1,007	2,021	272,960	7,362	283,350
<i>Accumulated depreciation and impairment</i>					
As at 1 January 2022	(143)	(741)	-	-	(884)
Depreciation charge for the period	(10)	(257)	-	(308)	(575)
Impairment charge	-	-	(72,041)	-	(72,041)
Disposals	-	26	-	-	26
As at 31 December 2022	(153)	(972)	(72,041)	(308)	(73,474)
Net book value:					
As at 31 December 2021	854	1,049	200,919	7,054	209,876

10. Intangible assets

	Software US\$'000	Total US\$'000
31 December 2023		
<i>Cost</i>		
As at 1 January 2023	457	457
Reclassifications	835	835
As at 31 December 2023	1,292	1,292
<i>Accumulated amortisation</i>		
As at 1 January 2023	(345)	(345)
Amortisation charge for the period	(238)	(238)
As at 31 December 2023	(583)	(583)
Net book value:		
As at 31 December 2023	709	709
31 December 2022		
<i>Cost</i>		
As at 1 January 2022	457	457
As at 31 December 2022	457	457
<i>Accumulated amortisation</i>		
As at 1 January 2022	(238)	(238)
Amortisation charge for the period	(107)	(107)
As at 31 December 2022	(345)	(345)
Net book value:		
As at 31 December 2022	112	112

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11. Impairment of non-financial assets

(a) Summary of impairment losses

	31 December 2023	31 December 2022
	US\$'000	US\$'000
Property, plant, and equipment	(133,083)	(72,041)
Right-of-use assets	(550)	-
Total depreciation and amortisation	(133,633)	(72,041)

(i) ICO CGU

The Company 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 persisting low cobalt prices aligned to downgrades in analyst consensus forecasts, leading to the reassessment of the mine suspension period, United States inflationary impacts on the construction costs, and the market capitalisation deficit of its ultimate parent. As a result, a detailed estimate of the recoverable amount of the ICO CGU was undertaken using a FVLCD approach.

Fair value is estimated based on a DCF 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") plan. 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 Company 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 Company'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\$117.715 million (31 December 2022: US\$178.185 million) and an impairment adjustment was required to assets under construction, a component of property, plant, and equipment, of US\$133.083 million for the period ended 31 December 2023 (31 December 2022: US\$72.041 million). The impairment charge is primarily as a result of the persisting low cobalt prices and downgrades in analyst consensus forecasts, extension of the mine suspension period (31 December 2022: continuing low cobalt prices and U.S. inflationary impacts on the construction costs).

(ii) Other non-financial assets

The Company recognised other impairment charges on right-of-use assets during the period of US\$0.550 million (31 December 2022: impairment charge: US\$nil).

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(b) Key assumptions and estimates

The determination of ICO as a CGU's 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,
- Timing and cost of mine start-up
- Direct benefits expected to be available to eligible critical mineral producers in the United States under applicable legislation.

(i) Commodity prices

Commodity prices are sourced from independent external market forecasts, including investment bank estimates, and reviewed at least annually. Forecast pricing for cobalt intermediate products (payability) is based on the Company's expectations, commensurate with applicable cobalt prices applied in the forecast period. Where applicable, payability assumptions have been cross-checked against available historical pricing information.

31 December 2023	2024	2025	2026	2027	2028	2029+
Cobalt (US\$ per pound)	15.0	19.7	18.1	20.0	21.2	20.0
Copper (US\$ per pound)	3.7	4.0	4.1	4.0	3.9	3.9
Gold (US\$ per ounce)	1,938	1,900	1,850	1,792	1,711	1,700

31 December 2022	2023	2024	2025	2026	2027	2028+
Cobalt (US\$ per pound)	22.9	24.1	24.5	23.2	21.4	23.6
Copper (US\$ per pound)	3.5	3.5	3.6	3.5	3.4	3.4
Gold (US\$ per ounce)	1,698	1,664	1,585	1,547	1,485	1,505

(ii) Discount rate

In determining the recoverable amount of the ICO CGU, the future cash flows were discounted using rates based on the Company'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 ICO CGU. The WACC (real, post-tax) discount rate used was 8.2% (31 December 2022: 8.3%).

(iii) Other key estimates and assumptions

Production activity and operating and capital cost assumptions are based on the Company'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 Company'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.

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(c) Sensitivity analysis

A reasonably possible change in the key assumptions used in estimating the recoverable amount of the ICO CGU and would result in a higher / (lower) impairment charge is set out as follows:

		31 December 2023	31 December 2022
	Sensitivity	US\$'000	US\$'000
Increase / decrease in cobalt price	10%	± 29,000	± 33,000
Increase / decrease in discount rate	0.5%	± 3,000	± 4,000
Increase / decrease in operating costs	5% (2022: 10%)	± 14,000	± 25,000
Increase in suspension period	+ 12 months	+ 20,000	+ 21,000

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.

With the exception of the ICO CGU and right-of-use assets, which was impaired during the year, management believes that currently there are no reasonably possible changes to assumptions that would lead to an impairment for any non-financial assets not impaired during the year.

12. Lease liabilities

(a) Movement in carrying amounts of lease liabilities:

	31 December 2023	31 December 2022
	US\$'000	US\$'000
Opening balance	6,999	-
Additions	-	7,362
Remeasurements	200	-
Disposals	(2,010)	-
Accretion of interest	414	156
Lease payments	(1,948)	(519)
Closing balance	3,655	6,999
Current	889	1,939
Non-current	2,766	5,060
Total lease liabilities	3,655	6,999

(b) Amounts recognised in profit or loss:

	31 December 2023	31 December 2022
	US\$'000	US\$'000
Depreciation expense relating to right-of-use assets	(793)	(308)
Interest expense relating to lease liability	(414)	(156)
Impairment charges	(550)	-
Lease expense – short term	(903)	-
Lease expenses – low value	(38)	-
Total amounts recognised in profit or loss	(2,698)	(464)

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(c) Amounts recognised as cash flows:

	31 December 2023 US\$'000	31 December 2022 US\$'000
Interest relating to lease liability	(414)	(156)
Capital payments relating to lease liability	(1,535)	(363)
Lease payment – short-term	(903)	-
Lease payment – low value	(38)	-
Total amounts recognised as cash flows	(2,890)	(519)

13. Trade and other payables

	31 December 2023 US\$'000	31 December 2022 US\$'000
Trade payables	2,280	14,888
Other payables	1,434	1,730
Accruals ⁽ⁱ⁾	1,311	16,396
Total trade and other payables	5,025	33,014

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

14. Borrowings

31 December 2023	Interest rate	Maturity date	Facility limit US\$'000	Facility utilised US\$'000	Facility unutilised US\$'000	Carrying value US\$'000
Senior secured bonds ⁽ⁱ⁾	12.5%	20-Jul-26	100,000	100,000	-	103,260
Total borrowings						103,260

31 December 2022	Interest rate	Maturity date	Facility limit US\$'000	Facility utilised US\$'000	Facility unutilised US\$'000	Carrying value US\$'000
Senior secured bonds ⁽ⁱ⁾	12.5%	20-Jul-26	100,000	100,000	-	102,553
Total borrowings						102,553

(i) On 20 July 2021 (the "Issue Date"), the Company (the "Issuer") completed settlement of a US\$100.000 million senior secured bond facility. The bonds are administered by the bond trustee, Nordic Trustee AS. The coupon rate is 12.5% per annum, with interest payable bi-annually in arrears.

Upon settlement, the proceeds of the Bonds were deposited into an escrow account, whilst the first year's interest payments, totalling US\$12.500 million, was deposited into a debt service account, both pursuant to the terms and conditions of the bond facility (the "Bond Terms"). In February 2022 and July 2022, and following the satisfaction of certain pre-disbursement conditions present, the Issuer completed the first and second drawdowns, respectively, from the escrow account. In addition, the funds held in the debt service account were drawn down in January 2022 and July 2022 to facilitate the first and second bi-annual interest payments, respectively. The balances, if any, in the escrow account and debt service account have been classified as "funds held in escrow" in the consolidated statement of financial position. Drawn proceeds are to be applied towards capital expenditures, operating costs and other costs associated with the construction of ICO and bringing it into production.

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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) Borrowing costs relating to ICO of US\$9.375 million (31 December 2022: US\$13.120 million) have been capitalised in “Assets under construction” (note 9) during the period at an effective interest rate of 14.1% in relation to the senior secured bonds. Additionally, borrowing costs under amounts payable to other group entities have been capitalised of US\$nil million (31 December 2022: US\$2.652 million) and US\$nil million (31 December 2022: US\$3.786 million) at an interest rate of SOFR + 4% and LIBOR + 4 bps, respectively.
- (iii) Fees paid on the establishment of the Bonds (US\$2.850 million) are recognised as transaction costs of the facility. These fees are capitalised and amortised over the period of the facility to which they relate.

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15. Cash flow information

(a) Reconciliation of cash flows from operating activities

	31 December 2023	31 December 2022
	US\$'000	US\$'000
Cash flows from operating activities		
Loss for the period	(178,780)	(78,552)
<i>Adjustments for:</i>		
Share-based payments	310	368
Depreciation and amortisation	2,831	682
Impairment of non-financial assets	133,633	72,041
Gain on sale or disposal of fixed assets	(222)	(1,480)
Net fair value loss on financial assets at FVTPL	1,472	207
Other financing gain	(3,760)	(2,578)
Net finance costs – non-cash	23,700	-
Other	(345)	(144)
Total adjustments	157,619	69,096
<i>Changes in working capital:</i>		
Decrease / (increase) in prepayments	88	(309)
Decrease / (increase) in inventories	52	(127)
Increase in trade and other payables	1,843	-
(Decrease) / increase in employee benefits	(139)	639
Net changes in working capital	1,844	203
Net cash outflow from operating activities	(19,317)	(9,253)

(b) Summary of total interest paid

	31 December 2023	31 December 2022
	US\$'000	US\$'000
Borrowings	(12,500)	(12,500)
Lease liabilities	(414)	(156)
Total interest paid	(12,914)	(12,656)
Cash flows from operating activities	(3,539)	(156)
Cash flows from investing activities	(9,375)	(12,500)
Total interest paid	(12,914)	(12,656)

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(c) Movement in liabilities arising from financing activities

	1 January 2023 US\$'000	Cash flows US\$'000	Fair value adjustments US\$'000	Lease additions US\$'000	Other ⁽ⁱ⁾ US\$'000	31 December 2023 US\$'000
Current						
Borrowings	6,469	-	-	-	(219)	6,250
Embedded derivatives	1,627	-	(1,472)	-	-	155
Lease liabilities	1,939	(1,535)	-	-	485	889
Payables to other group entities	462	-	-	-	2,258	2,720
Non-current						
Borrowings	96,084	-	-	-	926	97,010
Lease liabilities	5,060	-	-	-	(2,294)	2,766
Payables to other group entities	128,632	104,072	-	-	(5,268)	227,436
Total	240,273	102,537	(1,472)	-	(4,112)	337,226

	1 January 2022 US\$'000	Cash flows US\$'000	Fair value adjustments US\$'000	Lease additions US\$'000	Other ⁽ⁱ⁾ US\$'000	31 December 2022 US\$'000
Current						
Borrowings	101,933	-	-	-	(95,464)	6,469
Embedded derivatives	1,834	-	(207)	-	-	1,627
Lease liabilities	-	(363)	-	2,302	-	1,939
Payables to other group entities	200	-	-	-	262	462
Non-current						
Borrowings	-	-	-	-	96,084	96,084
Lease liabilities	-	-	-	5,060	-	5,060
Payables to other group entities	101,508	31,731	-	-	(4,607)	128,632
Total	205,475	31,368	(207)	7,362	(3,725)	240,273

(i) Other non-cash movements

Borrowings (including payables to other group entities) and lease liabilities

Included in "other" non-cash movements is the effect of reclassifications for current and non-current portions of borrowings, including lease liabilities due to the passage of time; lease remeasurements and disposals during the period; and the effect of accrued but not yet paid interest. The Company classifies interest paid as cash flows from operating activities, with the exception of those amounts capitalised as a borrowing cost, which are instead classified as cash flows from investing activities.

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16. Reclamation deposits

	31 December 2023	31 December 2022
	US\$'000	US\$'000
Reclamation Performance Bond – surface surety requirement	14,971	14,971
Reclamation Performance Bond – water treatment requirement	25,137	25,137
Insured	40,108	40,108
<i>In Trust:</i>		
Funds held in escrow – U.S. Forest Service	690	690
Reclamation deposits – U.S. Bonds	8,016	7,995
Foreign currency translation	6	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 Company’s ultimate parent has taken out insurance with a third-party to satisfy the requirements of the USFS in relation to Reclamation Performance Bonds. The underlying assets securing these bonds reflect cash collateral required under the insurance agreement which, as at 31 December 2023, totalled US\$8.712 million (31 December 2022: US\$8.022 million). These reclamation deposits have been funded by other Group entities and therefore are reflected in the Company’s intercompany balances. In addition, the Company has deposited cash security of US\$0.690 million (31 December 2022: US\$0.690 million) directly with the USFS, which is reflected in the statement of financial position as funds held in escrow.

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.

17. Asset retirement obligation

	31 December 2023	31 December 2022
	US\$'000	US\$'000
Mine rehabilitation	9,998	8,299
Total asset retirement obligations	9,998	8,299

Mine rehabilitation relates to ICO for surface disturbance due to construction activity. The discounted cash flows of the disturbance incorporate current economic market assumptions for long-term inflation and a discount rate based on a U.S. Treasury Bond rate of 3.88% (31 December 2022: 3.59%). 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.

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(a) Movement in asset retirement obligations

	31 December 2023	31 December 2022
	US\$'000	US\$'000
Opening balance	8,299	7,727
Movements in economic assumptions and timing of cash flows	1,524	572
Unwinding of discount	175	-
Closing balance	9,998	8,299

18. Tax

(a) Reconciliation of income tax expense to profit / (loss) before tax

	31 December 2023	31 December 2022
	US\$'000	US\$'000
Loss before income tax expense	(178,780)	(78,552)
Corporation tax rate:	26.8%	26.8%
Income tax benefit at domestic corporation tax rate	47,913	21,052
Changes in income tax due to:		
Effect of expenses that are non-deductible	35,450	19,336
Effect of temporary differences	4,219	(9)
Current period tax losses for which deferred tax assets were not recognised	8,244	1,725
Total income tax expense	-	-

(b) Movement in deferred tax

	31 December 2023	31 December 2022
	US\$'000	US\$'000
Prepayments	(263)	(287)
Right-of-use assets	(1,012)	(1,890)
Lease liabilities	979	1,876
Asset retirement obligation	162	130
Other accruals and provisions	134	171
Net deferred tax asset / (liability)	-	-

A deferred tax asset is only recognised to the extent that it offsets a deferred tax liability. Unrecognised deferred tax assets related to temporary differences as at 31 December 2023 were US\$39.099 million (31 December 2022: US\$19.307 million).

JERVOIS MINING USA LIMITED
Notes to the Financial Statements
For the year ended 31 December 2023

(c) Unused tax losses for which no deferred tax asset has been recognised

	31 December 2023 US\$'000	31 December 2022 US\$'000
Opening balance	22,295	21,894
Current period tax losses for which no deferred tax asset was recognised	8,244	1,725
True-up of prior period unused tax losses	1,878	(1,324)
Total potential tax benefit	32,417	22,295

The above potential tax benefit for tax losses has not been recognised in the statement of financial position. The Company is a U.S. tax resident. The benefit of these tax losses, which may be carried forward indefinitely, will only be obtained if the entity to which the tax losses relate derives future assessable income of a nature and of an amount sufficient to enable the benefit from the deduction to be realised, and if that entity continues to comply with the conditions for deductibility imposed by the relevant law, subject to no changes in tax legislation occurring that would adversely impact the realisation of those potential deductions.

19. Share capital

	31 December 2023 US\$'000	31 December 2022 US\$'000
Share capital	122,708	122,708

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

	No of shares '000	US\$'000
Opening balance at 1 January 2022	400	122,708
Movements in 2022		
Nil	-	-
Closing share capital balance at 31 December 2022	400	122,708
Movements in 2023		
Nil	-	-
Closing share capital balance at 31 December 2023	400	122,708

Fully paid ordinary shares carry one vote per share and carry the right to dividends.

20. Reserves and accumulated losses

Reserves

	31 December 2023 US\$'000	31 December 2022 US\$'000
Group re-organisation reserve	(16,609)	(16,609)
Contributed equity reserve	16,592	368
Total reserves	(17)	(16,241)

JERVOIS MINING USA LIMITED
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For the year ended 31 December 2023

The Company's re-organisation reserve reflects a fair value gain due to below market interest rates related to payables with other group entities of US\$8.204 million recorded during the period ended 31 December 2022 offset with a loss on novation of receivables with other group entities of US\$24.813 million recorded during the period ended 31 December 2021.

The Company's contributed equity reserve reflects the following:

- Share-based payment charges for services rendered during the period in which the award is expected to be settled in the equity of the Company's ultimate parent, Jervois Global Limited. The Company is not obligated to settle these transactions.
- The Company received a signed letter from its parent which has waived accrued interest (nominal) on its interest-bearing intercompany loans during the current period. Accordingly, the Company has recorded an intercompany forgiveness, which is accounted for as an equity contribution, totalling US\$15.915 million for the period (31 December 2022: US\$nil).

Accumulated losses

	31 December 2023	31 December 2022
	US\$'000	US\$'000
Accumulated losses at the beginning of the year	(160,057)	(81,505)
Loss attributable to the Company	(178,780)	(78,552)
Accumulated losses at the end of the period	(338,837)	(160,057)

21. Share-based payments

Recognised share-based payment expense

	31 December 2023	31 December 2022
	US\$'000	US\$'000
Expense arising from equity settled share-based payment transactions	(310)	(368)

Movements in share-based payment options on issue:

	31 December 2023	31 December 2022
	Number of options	Number of options
Balance at the beginning of the period	3,250,000	3,250,000
Balance at the end of the period	3,250,000	3,250,000
Vested and exercisable at the end of the period	-	-

The weighted average remaining contractual life of options outstanding as at 31 December 2023 was 5.61 years (31 December 2022: 6.61 years).

Employee options granted

The option plan is administered by Jervois, the ultimate parent of the Company. The principal focus of the option plan is to provide incentivised compensation aligned with creating shareholder value. The option plan offers individuals the opportunity to acquire options over fully paid ordinary shares in Jervois. Share options granted under the plan carry no dividend or voting rights. When exercised, each option is convertible into one ordinary share in Jervois 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 of Jervois. 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 employees. Nil options were forfeited, expired, or exercised, thus bringing the options issued over ordinary shares in Jervois to 3,250,000 as at 31 December 2023.

JERVOIS MINING USA LIMITED
Notes to the Financial Statements
For the year ended 31 December 2023

Unissued shares under options to employees

As at 31 December 2023 unissued shares of Jervois under option are:

Expiry date	Exercise price (A\$)	Number of shares
8-Apr-2029	0.57	3,250,000

Once exercised, the option holder will be issued ordinary shares in Jervois. The options do not entitle the holder to participate in any share issue of Jervois.

Movements in performance rights:

	31 December 2023	31 December 2022
	Number of rights	Number of rights
Balance at the beginning of the period	70,110	-
Granted	2,265,481	70,110
Balance at the end of the period	2,335,591	70,110
Vested and exercisable at the end of the period	-	-

Employee performance rights granted

The performance rights plan is administered by Jervois, the ultimate parent of the Company. The principal focus of the performance rights plan is to align the economic interests of the Company's employees with that of the Group by providing them an opportunity, through the performance rights, to acquire an increased proprietary interest in Jervois. When exercised, each performance right is convertible into one ordinary share in Jervois subject to satisfying vesting conditions and performance criteria.

During the period, 2,265,481 performance rights were issued to employees. Nil performance rights were forfeited, expired, or exercised thus bringing the performance rights over ordinary shares in the Jervois to 2,335,591 as at 31 December 2023.

Unissued shares under performance rights to employees

As at 31 December 2023 unissued shares of Jervois under option are:

Expiry date	Exercise price (A\$)	Number of shares
03-Apr-2025	N/A	70,110
03-Apr-2026	N/A	2,265,481
Total		2,335,591

The fair value of the performance rights is estimated at the date of grant using both the Monte Carlo and Black-Scholes 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
01-Apr-2023	03-Apr-2026	0.06	N/A	65.0%	Nil	2.94%	113 ⁽ⁱ⁾

(i) Equivalent to US\$0.075 million at grant date.

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

JERVOIS MINING USA LIMITED
Notes to the Financial Statements
For the year ended 31 December 2023

22. Financial instruments

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

The Company holds the following financial instruments:

	31 December 2023	31 December 2022
	US\$'000	US\$'000
Financial assets at amortised cost		
Cash and cash equivalents	6,065	6,128
Funds held in escrow	690	690
Receivables with other group entities	6,796	7,363
Trade and other receivables	1,109	-
Total financial assets at amortised cost	14,660	14,181
Financial assets at fair value through profit or loss		
Call options	155	1,627
Financial liabilities at amortised cost		
Trade and other payables	5,025	33,014
Payables with other group entities	230,156	129,094
Senior secured bonds	103,260	102,553
Lease liabilities	3,655	6,999
Total financial liabilities at amortised cost	342,096	271,660

Fair value hierarchy

The Company 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 Company's financial instruments carried at fair value are as follows:

31 December 2023	Level 1	Level 2	Level 3	Total
Financial assets	-	-	155	155
Call option				
31 December 2022	Level 1	Level 2	Level 3	Total
Financial assets	-	-	1,627	1,627
Call option				

JERVOIS MINING USA LIMITED
Notes to the Financial Statements
For the year ended 31 December 2023

Valuation techniques to determine Level 3 fair value measurements

The fair value of the Group's embedded call option was determined using the Bermudan option pricing model, which was estimated through calculating the difference between the option-inclusive and exclusive valuation based on an estimated credit spread. The key inputs to the valuation include:

Input	Details	Relationship of unobservable input to fair value
Bond price	Price sourced from Bloomberg 31 December 2023: US\$95.793 million 31 December 2022: US\$100.730 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 to methodology	The higher the credit spread, the lower the fair value
Risk free rate	USD risk-free rate curve at valuation date 31 December 2022: no change to methodology	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 to methodology	The higher the volatility, the higher the fair value

The movement in fair value for each reporting period has been recorded as an unrealised fair value gain / (loss) on financial assets at fair value through profit or loss, as a component of other income, in the consolidated statement of profit or loss. There were no transfers during the period between any of the levels.

Market risk

Foreign currency risk

Foreign currency risk involves the risk that the fair value or future cash flows of a financial instrument (asset or liability) will fluctuate because of changes in foreign exchange rates. The Company operates primarily within the United States, and the Company is not exposed to material foreign exchange risk.

Interest rate risk

The Company's exposure to the risk of changes in market interest rates primarily relates to external and intercompany borrowings. The Company's interest rate exposure together with the effective interest rate for each class of financial assets and financial liabilities at the reporting date is summarised below.

	2023			2022		
	Carrying amount US\$'000	Effective Interest rate	Interest rate	Carrying amount US\$'000	Effective Interest rate	Interest rate
Financial liabilities						
<i>Fixed interest</i>						
Borrowings	96,084	14.1%	12.5%	96,084	14.1%	12.5%
<i>Floating interest</i>						
Intercompany payables	179,734	9.31%	SOFR+4%	83,780	6.29%	SOFR+4%
Intercompany payables	46,033	9.88%	LIBOR+4 bps	44,852	9.14%	LIBOR+4 bps
Total exposure	321,851			224,716		

The Company's interest rate risk exposure to other financial assets and financial liabilities is not considered material.

JERVOIS MINING USA LIMITED
Notes to the Financial Statements
For the year ended 31 December 2023

Sensitivity analysis

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

	Effect on profit before tax 12 months to 31 December 2023		Effect on profit before tax 12 months to 31 December 2022	
	US\$'000	US\$'000	US\$'000	US\$'000
	+ 50 bps	- 50 bps	+ 100 bps	- 100 bps
Intercompany payables				
SOFR	(855)	855	(492)	492
LIBOR	(96)	96	(451)	451

The Company notes that interest charges on intercompany payables have been capitalised as a borrowing cost for the period ended 31 December 2023 (note 14(iii)).

Credit risk

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

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

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

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

The Company's trade and other receivables are materially comprised as follows:

- Receivables from other group entities, which are payable on demand. The Company's maximum exposure to credit risk for receivables from other group entities as at 31 December 2023 is US\$6.796 million (31 December 2022: US\$7.363 million).
- Receivables from Government departments. The Company's maximum exposure to credit risk for receivables from Government departments as at 31 December 2023 is US\$1.106 million (31 December 2022: US\$nil).

The Company's expected credit loss on the above balances is not considered material.

JERVOIS MINING USA LIMITED
Notes to the Financial Statements
For the year ended 31 December 2023

Liquidity risk

The Company manages liquidity risk by maintaining adequate reserves and banking facilities, by monitoring forecast and actual cash flows, and matching the maturity profiles of financial assets and liabilities.

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

31 December 2023	Less than one year	Between one and five years	More than five years	Total
	US\$'000	US\$'000	US\$'000	US\$'000
Trade and other payables	2,280	-	-	2,280
Payables with other group entities	2,720	-	227,436	230,156
Senior secured bonds	12,500	125,000	-	137,500
Lease liabilities	1,188	3,094	-	4,282

31 December 2022	Less than one year	Between one and five years	More than five years	Total
	US\$'000	US\$'000	US\$'000	US\$'000
Trade and other payables	14,888	-	-	14,888
Payables with other group entities	462	-	128,632	129,094
Senior secured bonds	12,500	137,500	-	150,000
Lease liabilities	2,469	5,833	-	8,302

Fair value of financial instruments at amortised cost

The fair value of financial instruments at amortised cost are approximate to their fair value except for the following:

	31 December 2023		31 December 2022	
	Carrying amount	Fair value	Carrying amount	Fair value
	US\$'000	US\$'000	US\$'000	US\$'000
Financial instrument				
Senior secured bonds ⁽ⁱ⁾	103,260	95,793	102,553	100,730
Payables to parent ⁽ⁱⁱ⁾	227,436	203,663	128,632	126,930
Total	330,696	299,456	231,185	227,660

(i) The fair value measurement of senior secured bonds is a level 1 valuation. Fair values are determined by reference to quoted market prices.

(ii) The fair value measurement of payables to parent is a level 3 valuation. Fair values are determined using a discounted cash flow model that uses the market interest rates applicable to the related intercompany agreements.

JERVOIS MINING USA LIMITED
Notes to the Financial Statements
For the year ended 31 December 2023

23. Related parties

	31 December 2023 US\$'000	31 December 2022 US\$'000
Current assets		
Receivables from ultimate parent ⁽ⁱ⁾	-	1,038
Receivables from parent ⁽ⁱ⁾	72	-
Receivables from related parties ⁽ⁱ⁾	6,724	6,325
Total related party receivables	6,796	7,363
Current liabilities		
Payables to ultimate parent ⁽ⁱ⁾	1,294	-
Payables to parent ⁽ⁱ⁾	482	-
Payables to related parties ⁽ⁱ⁾	944	462
Total related party payables	2,720	462
Non-current liabilities		
Payables to parent ⁽ⁱⁱ⁾⁽ⁱⁱⁱ⁾	227,436	128,632

(i) The balances are interest free.

(ii) The balances bear interest at a rate of SOFR plus 4% per annum and LIBOR plus 4 bps per annum (31 December 2022: SOFR plus 4% per annum and LIBOR plus 4 bps per annum) and will mature between 2041 and 2042.

(iii) Includes other financing gain of US\$3.760 million at 31 December 2023 (31 December 2022: US\$2.578 million) in relation to change in expected cash flow of the payables to the parent.

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year.

	31 December 2023 US\$'000	31 December 2022 US\$'000
Related party transactions		
Intercompany forgiveness ⁽ⁱ⁾	15,915	-
Interest expense ⁽ⁱⁱ⁾	(16,664)	-
Total related party transactions	(749)	-

(i) The Company received a signed letter from its parent which has waived accrued interest (nominal) on its interest-bearing intercompany loans during the current period. Accordingly, the Company has recorded an intercompany forgiveness, which is accounted for as an equity contribution (note 20), totalling US\$15.915 million for the period (31 December 2023: US\$nil).

(ii) The Company has capitalised to ICO US\$2.487 million (31 December 2022: ICO US\$6.438 million) in borrowing costs relating to amounts payable to other group entities (note 14(iii)).

Jervois has provided guarantees in relation to the senior secured bonds of the Company.

Compensation of key management personnel of the Company

	31 December 2023 US\$'000	31 December 2022 US\$'000
Short-term employee benefits	320	367
Post-employment benefits	68	48
Share-based payments	300	368
Total key management personnel compensation	688	783

JERVOIS MINING USA LIMITED
Notes to the Financial Statements
For the year ended 31 December 2023

24. Commitments

31 December 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	1,434	-	-	1,434

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	25,300	398	-	25,698

25. Capital management

The Company's capital structure consists of cash and cash equivalents, equity, and debt. The Company's 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. The Company's strategy remains unchanged from the prior year.

26. Contingencies

The Company had no contingent liabilities as at 31 December 2023 and 31 December 2022.

27. Interest in subsidiaries

The Company has no interests in subsidiaries as at 31 December 2023 and 31 December 2022.

28. Events after the reporting period

Subsequent to the period end, in April 2024, an inaugural JORC/Canadian Institute of Mining ("CIM") compliant Mineral Resource Estimate ("MRE") for the Sunshine deposit was released. The Sunshine deposit, along with the RAM deposit, is part of ICO. The MRE for the Sunshine deposit is presented in the review of operations in the Director's Report.

Apart from the matter outlined above, the Director of the Company has not identified any subsequent events in the interval between the end of the financial period and the date of this report, which would be material or unusual in nature, and likely to significantly affect the operations of the Company, the results of those operations, or the state of affairs of the Company in future financial years.

JERVOIS MINING USA LIMITED
Independent Auditor's Report
For the year ended 31 December 2023

Director's Declaration

1. In the opinion of the Director of Jervois Mining USA Limited ("the Company"):
 - a) the financial statements and notes that are set out on pages 11 to 45:
 - (i) giving a true and fair view of the Company's financial position as at 31 December 2023 and of its performance for the financial period ended on that date; and
 - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations); and
 - b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. The Director draws attention to note 2(a) to the financial statements, which includes a statement of compliance with International Financial Reporting Standards.
3. The Director confirms that the financial statements for the period 1 January up to and including 31 December 2023 have, to the best of the Director's knowledge, been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company, and that the Director's Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties the Company faces.

Signed in accordance with a resolution of the Director:

Dated at Melbourne this 24th day of April 2024.



Bryce Crocker
Director



**Building a better
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Independent auditor's report to the director of Jervois Mining USA Limited

Opinion

We have audited the financial report of Jervois Mining USA Limited (the Company), which comprises the statement of financial position as at 31 December 2023, the statement of profit and loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of material accounting policy information, and the director's declaration.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of the Company as at 31 December 2023, and its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards.

Basis for opinion

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

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

Material uncertainty related to going concern

We draw attention to Note 2(c) in the financial report, which describes the principal conditions that raise doubt about the Company's ability to continue as a going concern. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

The directors are responsible for the other information. The other information is the directors' report accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

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

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

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and for such internal control as the directors determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial report

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

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

- ▶ Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- ▶ Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



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

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

Ernst & Young

Ernst & Young
Melbourne
24 April 2024