Jervois

Jervois Global Limited

(ABN 52 007 626 575)

CONDENSED CONSOLIDATED INTERIM FINANCIAL REPORT

FOR THE HALF-YEAR ENDED

30 JUNE 2024

Contents

Corporate Directory

Directors

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

Company Secretary

Alwyn Davey

Principal Address and Registered Office

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

ABN

52 007 626 575

Auditors

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

Bankers

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

Share Register

Computershare Investor Services Pty Ltd

452 Johnston Street
Abbotsford, Victoria, 3067, Australia

Computershare Investor Services Inc

510 Burrard Street
Vancouver, BC, V6C 3B9, Canada

Stock Exchange Listing

Jervois Global Limited shares are listed or traded on the:

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

The Directors present their report, together with the condensed consolidated interim financial statements, on the consolidated entity consisting of Jervois Global Limited ("Jervois" or the "Company") and the entities it controlled (together referred to as the "Group") at the end of, or during, the six-month period ended 30 June 2024 (the "period").

1. Directors

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

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

2. Principal activities

The principal activities of the Group during the period were cobalt chemical and powder production, refining, and asset maintenance.

3. Review of operations

The total loss after tax of the consolidated entity attributable to the owners of the parent entity for the half-year ended 30 June 2024 was US$22.4 million (30 June 2023: US$93.9 million).

Across the period, the Group continued to focus on initiatives to ensure its business remains financially stable at historically low cobalt prices and through the commodity cycle.

Priorities were advanced across the following areas with key milestones achieved:

- Maximise margin at Jervois Finland and deliver operational improvements:
  - Five consecutive quarters of positive Adjusted EBITDA achieved at Jervois Finland.
  - Positive cash flow from operations at Jervois Finland (before interest payments) across the six-month period.
- Debt restructuring and equity financing opportunities to strengthen the balance sheet:
  - Third party partnering and lender engagement through the period including due diligence across all assets of the Group.
  - Agreed covenant waivers and deferral of interest under the Idaho Cobalt Operations ("ICO") Senior Secured Bonds with the majority, controlling holder (the "Holder").
  - After the period end, the debt under the Jervois Finland Secured Revolving Credit Facility was assigned from Mercuria Energy Trading S.A. to the Holder.
- Execute the ICO drilling programme and U.S. cobalt refinery Bankable Feasibility Study ("BFS"), both fully refundable under the United States ("U.S.") Department of Defense ("DoD") Defence Production Act ("DPA") Title III US$15.0 million funding agreement ("DoD Agreement Funding"):
  - Surface drilling completed at the Sunshine deposit with an updated Mineral Resource Estimate ("MRE") published.
  - Underground extensional drilling programme completed at the RAM deposit with results from four holes published after the period end.

- Non-binding Memorandum of Understanding signed with Global Tungsten & Powders LLC ("GTP") to evaluate GTP making a minority investment in the proposed U.S. cobalt refinery.
- Two sites shortlisted for location of the proposed refinery, in Pennsylvania and Louisiana.

Jervois Finland

Selected results for the period 1H 2024 are presented below:

• Average cobalt price[1]:	US$12.22 per lb	(1H 2023: US$15.37 per lb)
• Revenue:	US$76.8 million	(1H 2023: US$114.2 million)
• Cash flow from operations:	US$0.7 million	(1H 2023: US$33.2 million)
• Adjusted EBITDA[2]:	US$0.9 million	(1H 2023: -US$7.7 million)
• Cobalt sales volume:	2,402 mt	(1H 2023: 3,160 mt)
• Cobalt production volume:	2,341 mt	(1H 2023: 2,449 mt)

During the period, Jervois Finland produced 2,341 metric tonnes ("mt") of refined cobalt products amid challenging conditions caused by current cyclical market weakness.

The Jervois Finland business achieved revenue during the period of US$76.8 million, a 33% decrease over the corresponding 2023 half year, with this reduction principally driven by lower cobalt prices. Cobalt sales volumes was 2,402 mt. Jervois Finland's Adjusted EBITDA for the period was US$0.9 million, representing a continuation of positive Adjusted EBITDA despite an average quoted cobalt price of US$12.22 per lb during the period.

To reflect subdued market conditions, sales volume guidance for the 2024 calendar year has been revised lower to 5,100 mt to 5,400 mt (down from 5,300 mt to 5,600 mt). Production levels are expected be broadly consistent with sales volumes. Jervois Finland maintains optionality to increase sales back to the 6,250 mt per annum contracted capacity with Umicore when the cobalt market recovers.

The accounting value of physical cobalt inventories reduced by US$8.8 million from US$40.7 million at 31 December 2023 to US$31.9 million at 30 June 2024. This represented a reduction from 1,297 mt and ~78 days at 31 December 2023 to 1,158 mt and ~69 days at 30 June 2024 (based on a normalised 6,000 mt annual production rate). Jervois is continuing to execute an inventory management strategy aligned to a near-term target range of 90 days or less, in a manner that balances commercial, liquidity, and risk management objectives.

Jervois U.S.

Idaho Cobalt Operations, Idaho, U.S.

During the period, Jervois completed the initial four holes in the DoD Agreement Funding underground extensional drilling programme on the RAM deposit as well as releasing the inaugural MRE for its Sunshine resource.

Results from the initial four drillholes of Jervois' RAM extensional drilling campaign under its DoD Agreement Funding have yielded positive indication of resource extension both along strike and at depth. Drillhole JU24-097 provides especially positive indication of the potential for extension within the RAM deposit with its significant mineralisation and width representing the deepest intersection of the Main Mineral Horizon to date at ICO. Additionally, the development of significant Hanging Wall intercepts across 2024 extensional drilling provides further opportunity for cobalt resource growth potential at ICO.

[1] Source: Fastmarkets Metal Bulletin Standard Grade (Low).
[2] Adjusted EBITDA represents earnings before interest, tax, depreciation, and amortisation ("EBITDA"), adjusted to exclude items which do not reflect the underlying performance of the Group's operations. Exclusions include fair value gains (or losses) on certain derivative items, study costs, one-off acquisition, integration, and business development costs, inventory write-downs to net realisable value (or reversals), impairment charges (or reversals) of non-financial assets, and gains (or losses) on the sale of fixed assets.

Jervois continued to work with its primary regulator, the U.S. Forest Service, during the period on recommencing underground activities. Other activities in the period focussed on continued care and maintenance at ICO, including water treatment and management of other environmental obligations.

U.S. cobalt refinery study

Progress continued on the U.S. cobalt refinery BFS being conducted with AFRY USA LLC. The proposed cobalt refinery has a design capacity of 6,000 mt per annum of cobalt in sulphate form, suitable for electric vehicles; the facility is expected to supply sufficient cobalt for approximately 1.2 million electric vehicles per annum. The cobalt refinery BFS is fully refundable through the DoD Agreement Funding.

During the period Jervois signed a non-binding explorative memorandum of understanding with GTP to jointly evaluate GTP making a minority equity investment in the proposed U.S. cobalt refinery.

GTP is an existing cobalt customer of Jervois and is expected to provide recycling feedstock for the U.S. refinery as part of its potential equity investment. In addition, Jervois' U.S. cobalt refinery could potentially be co-located at GTP's existing facilities in Towanda, Pennsylvania. As outlined previously, Jervois' two short listed sites are in Pennsylvania and Louisiana.

São Miguel Paulista ("SMP") nickel and cobalt refinery, Brazil

Partner finance opportunities for SMP were progressed across the period, with due diligence and site visits undertaken by third parties.

The restart of SMP remains paused while the Company is continuing to evaluate funding options with existing capital providers and third parties.

Jervois notes that key Western markets for electrolytic nickel remain tight, particularly in relation to the demand for non-Chinese, non-Russian nickel products. The recent announcement by BHP of the planned closure of its Kwinana refinery in Western Australia is favourable for physical premia. SMP is expected to be well positioned to participate in these key markets should Jervois be successful in restarting the facility. SMP previously produced 'Tocantins' nickel and cobalt products, which are well established domestically in Brazil and in key Western export markets such as Europe and Japan.

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

Nico Young nickel-cobalt project, New South Wales, Australia

In light of recent volatility affecting nickel markets, particularly producers in Australia subject to competition from surging production in Indonesia, Jervois has ended the formal divestment process for Nico Young. Jervois has historically invested >A$20 million in Nico Young. It is a strategic future source of Western nickel and cobalt should differential ESG and pricing standards be applied by either customers or governments in the future.

Environmental, Social, Governance and Compliance (“ESG”)

Sustainability overview

Jervois’ continued commitment to sustainability remains, particularly as demand continues to escalate for responsibly sourced, sustainably produced cobalt and nickel products. Throughout the first half of 2024, the Jervois team strived to maintain trust and open communications with our shareholders, employees, contractors, and communities in which we operate. Underpinned by our core values and principles, promotion of safe working conditions, environmentally responsible practices, and a positive workplace culture continued to be of paramount importance.

In light of growing ESG due diligence requirements across the globe, we continued to advance efforts across the Group to strengthen our responsible supply chain management processes for both mineral and non-mineral supply chains, including through efforts to further embed human rights. Our second Modern Slavery Statement was filed with regulators, and on our website during the period. Our 2023 Sustainability Report will be released shortly and will detail our progress in the previous financial year.

Governance

Our ESG performance continued to be driven through the leadership of our Board and the senior management team. Our ESG and Compliance Committee met quarterly during the period, co-chaired by our CEO and Group Manager – ESG and comprised of key members of our senior management team.

Among key areas of progress within the period:

- A main focus was on water and waste management, including recycling, remediation, treatment, and monitoring processes.
- Conducted site visits of a key supplier in the Democratic Republic of the Congo with the aim of deepening Jervois’ due diligence, including in light of recent reports on the industry related to environmental practices and supplier management. Improvements noted since 2022 site assessments ranged from new carbon reduction strategies, improved coordination on environmental management, expanded contractor management efforts, and extensive community development programmes, among others.

Jervois believes that engagement in the global community is essential to ensuring that responsible, ethical practises become the hallmarks of cobalt and nickel supply chains. In the first half of 2024, the Company’s Group Manager – ESG, Dr. Jennifer Hinton, represented Jervois on invitation by the Executive Vice-President of the European Commission (“EC”), Mr. Maroš Šefčovič, to the "Clean Transition Dialogue on Critical Raw Materials" held in Brussels of 23 February 2024.

Jervois also actively participated at the Cobalt Institute (“CI”) Annual Cobalt Congress in New York from 13-14 May 2024, followed by two days of extensive outreach to policy makers in the U.S. Senate and House of Representatives in Washington, DC. Jervois continued to Chair the CI Responsible Sourcing and Sustainability Committee and actively engaged in related working groups on ESG standards, the circular economy, and a range of other topics.

Health and safety

Work safely – all the time. This core principle is at the forefront of all Jervois activities. In the first six months of 2024, we maintained zero fatalities at all operations and a Lost Time Injury Frequency Rate (“LTIFR”) of 5.37 at Jervois Finland, 0.0 at SMP and 0.0 at ICO and a Total Recordable Incident Rate (“TRIR”) of 2.15 at Jervois Finland, 0.0 at SMP and 10.93 at ICO.

All operations continue to diligently implement their occupational health and safety systems, including through ongoing engagement, communication and training of the workforce. Given the suspension of activities at ICO, intensive measures continued to be in place in response to the reduced number of workers on site.

Environment

Robust environmental management systems continue to be in place in all Jervois operations. Against the backdrop of its December 2023 Gold Medal EcoVadis rating, Jervois Finland continued to leverage its mature environmental programme, continuing its strong focus on energy efficiency, water, and waste recycling. Preparations for its next Life Cycle Assessment are underway.

ICO priorities during the period included water management and ongoing operations of the water treatment plant, completing commissioning of the groundwater capture and pumpback system, and continued execution of the surface and groundwater monitoring programme. ICO continues ongoing engagement with stakeholders and regulators while operations are suspended.

SMP's comprehensive soil and groundwater remediation system and groundwater monitoring programme continues to perform well, and, in the period, it additionally completed a comprehensive investigation of water supply alternatives, including exploring opportunities for recycling and reduced consumption.

People

Fostering strong, positive relationships with employees, contractors, communities, governments, and the environment in jurisdictions in which we operate is one of our highest priorities. The Group continues to be supporting open and transparent communications with our workforce, contractors, and the host communities in which we operate.

Given Jervois' emphasis on human rights, efforts continue to be underway to expand our human rights and environmental due diligence in our business and supply chains. In the first six-months of 2024, we received zero human rights-related complaints through our whistleblower and grievance mechanisms and had zero significant disputes related to our workforce, local communities or indigenous peoples.

4. Dividends paid or recommended

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

5. Significant changes in the state of affairs

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

6. Rounding of amounts

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

7. Events subsequent to reporting date

On 9 May 2024, Jervois agreed with the majority, controlling holder (the "Holder") of its ICO Senior Secured Bonds (the "Bonds") a waiver of all financial covenants (the "Initial Waiver") until 20 July 2024. After the period-end, in agreement with the Holder and implemented on 23 July 2024, the Initial Waiver of all financial covenants, along with a deferral of the interest payment with respect to the Bonds due on 22 July 2024, was extended to 20 August 2024, 30 August 2024, 6 September and most recently to 15 October 2024 (the "Extended Waivers"). At this time, other than the Initial Waiver and the Extended Waivers, which included deferral of the interest payment, there are no changes to the terms of the Bonds, including coupon, security, or guarantee arrangements. The Bonds also continue in the ordinary course to be subject to no principal repayment until the end of their existing five-year term in July 2026.

On 26 July 2024, the Company announced that the debt under the Secured Revolving Credit Facility (the "Facility") provided by Mercuria Energy Trading S.A. ("Mercuria") to Jervois Finland has been transferred by Mercuria to the Holder of the Bonds (the "Lender"). The Facility continues to be secured against the assets and working capital in Jervois Finland, and the shares in Jervois Finland owned by Jervois. The Facility continues to have an unsecured parent guarantee from Jervois. There were no changes to the terms of the Facility. Concurrent to the Extended Waivers, Jervois agreed with the Holder to waive all financial covenants and collection account balances for the Facility to those dates mentioned above.

On 6 September 2024, the Group entered into an agreement to modify the Facility whereby the Lender has made available to the Group a term loan tranche (the "Term Loan") in the amount of US$7.5 million together with continuation of waivers of financial covenants and other requirements of the Facility. The Group anticipates drawing down on the Term Loan in the short-term, providing the Group with additional liquidity for general operations. The Facility (including the Term Loan) matures on 31 December 2024. As part of the Term Loan, the Lender receives additional security for the Facility, including a pledge over the shares of Jervois Brasil and a second lien on the assets currently secured to the Bonds. Similarly, Jervois has agreed to grant a second lien on the Facility security package in favour of the Bonds.

On 31 July 2024, the Company announced its results from the first four drillholes as part of its extensional drilling programme at its ICO RAM deposits in Idaho, U.S. These drilling results complement those obtained at its 100%-owned Sunshine deposit.

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

8. Lead auditor's independence declaration

A copy of the auditor's independence declaration, as required under section 307C of the Corporations Act 2001, is set out immediately after this Directors' Report.

Dated at Melbourne this 13th day of September 2024.

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

P. B. Johnston.

Peter Johnston
Chairman

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

As lead auditor for the review of the half-year financial report of Jervois Global Limited for the half-year ended 30 June 2024, I declare to the best of my knowledge and belief, there have been:

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

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

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

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

Ernst & Young

Ernst & Young

BJ Pollock
Partner
13 September 2024

JERVOIS GLOBAL LIMITED AND CONTROLLED ENTITIES

Condensed consolidated statement of profit or loss and other comprehensive income
For the half-year ended 30 June 2024

	Note	30 June 2024	30 June 2023
		US$'000	US$'000
Revenue	4	76,849	114,259
Cost of goods sold	5(a)	(82,009)	(146,378)
Gross loss		**(5,160)**	**(32,119)**
Corporate and administrative expenses	5(b)	(10,603)	(14,815)
Suspension and other site costs	5(c)	(2,215)	(8,380)
Business development costs		(890)	(45)
Depreciation and amortisation	5(d)	(7,639)	(6,377)
Impairment and write-downs	14(a)	-	(40,896)
Other income / (expenses)	5(e)	15,963	8,507
Loss before interest and income tax		**(10,544)**	**(94,125)**
Interest income		315	816
Interest expense	6	(12,427)	(9,245)
Net finance costs		**(12,112)**	**(8,429)**
Loss before income tax		**(22,656)**	**(102,554)**
Income tax benefit		251	8,609
Loss for the year after income tax		**(22,405)**	**(93,945)**
Loss after income tax attributable to the owners of: Jervois Global Limited		**(22,405)**	**(93,945)**
Other comprehensive income			
Items that may be subsequently reclassified to the profit or loss:			
Exchange reserve arising on translation of foreign operations		(1,932)	1,175
Total other comprehensive (loss) / income		**(1,932)**	**1,175**
Total comprehensive loss for the period attributable to the owners of: Jervois Global Limited		**(24,337)**	**(92,770)**
Loss per share (cents)			
Basic and diluted loss per share	7	(0.83)	(4.52)

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

JERVOIS GLOBAL LIMITED AND CONTROLLED ENTITIES
Condensed consolidated statement of financial position
As at 30 June 2024

	Note	30 June 2024	31 December 2023
		US$'000	US$'000
Current assets			
Cash and cash equivalents		21,349	45,368
Funds held in escrow		690	690
Trade and other receivables	8	21,793	19,254
Inventories	9	39,614	48,969
Financial assets at fair value through profit or loss	17	5	155
Other assets	10	2,518	3,886
Total current assets		**85,969**	**118,322**
Non-current assets			
Exploration and evaluation	11	5,221	5,291
Property, plant, and equipment	12	180,092	189,972
Intangible assets, including goodwill	13	93,379	96,254
Reclamation deposits		8,022	8,016
Deferred tax assets		4,124	3,797
Other assets	10	433	375
Total non-current assets		**291,271**	**303,705**
Total assets		**377,240**	**422,027**
Current liabilities			
Trade and other payables		19,036	19,709
Employee benefits		5,967	5,441
Borrowings	16	66,300	68,139
Lease liabilities	16	1,405	1,411
Asset retirement obligations	15	368	427
Income tax payable		426	39
Government grant		167	170
Financial liabilities through profit or loss	17	1,618	7,844
Total current liabilities		**95,287**	**103,180**
Non-current liabilities			
Employee benefits		237	250
Borrowings	16	98,070	96,084
Lease liabilities	16	17,249	19,595
Asset retirement obligations	15	17,006	20,329
Financial liabilities through profit or loss	17	2,845	12,620
Total non-current liabilities		**135,407**	**148,878**
Total liabilities		**230,694**	**252,058**
Net assets		**146,546**	**169,969**
Equity			
Share capital	18	554,070	553,992
Other reserves	19	15,678	16,774
Accumulated losses		(423,202)	(400,797)
Total equity attributable to equity holders of the Company		**146,546**	**169,969**

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

JERVOIS GLOBAL LIMITED AND CONTROLLED ENTITIES

Condensed consolidated statement of changes in equity
For the half-year ended 30 June 2024

	Note	Issued capital	Other reserves	Accumulated losses	Total
		US$'000	US$'000	US$'000	US$'000
Balance as at 1 January 2024		**553,992**	**16,774**	**(400,797)**	**169,969**
Total comprehensive loss					
Loss for the period		-	-	(22,405)	(22,405)
Other comprehensive income					
Foreign currency translation differences for foreign operations		-	(1,932)	-	(1,932)
Total comprehensive loss for the period		**-**	**(1,932)**	**(22,405)**	**(24,337)**
Transactions with owners, recorded directly in equity					
Share-based payments expense	19	-	914	-	914
Share-based payment transactions exercised	19	78	(78)	-	-
Balance as at 30 June 2024		**554,070**	**15,678**	**(423,202)**	**146,546**

	Note	Issued capital	Other reserves	Accumulated losses	Total
		US$'000	US$'000	US$'000	US$'000
Balance as at 1 January 2023		**530,580**	**13,583**	**(148,311)**	**395,852**
Total comprehensive loss					
Loss for the period		-	-	(93,945)	(93,945)
Other comprehensive income					
Foreign currency translation differences for foreign operations		-	1,175	-	1,175
Total comprehensive loss for the period		**-**	**1,175**	**(93,945)**	**(92,770)**
Transactions with owners, recorded directly in equity					
Share-based payments expense	19	-	1,285	-	1,285
Share-based payment transactions exercised	19	184	(200)	-	(16)
Balance as at 30 June 2023		**530,764**	**15,843**	**(242,256)**	**304,351**

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

JERVOIS GLOBAL LIMITED AND CONTROLLED ENTITIES

Condensed consolidated statement of cash flows

For the half-year ended 30 June 2024

	30 June 2024	30 June 2023
	US$'000	US$'000
Cash flows from operating activities		
Receipts from customers	76,138	140,522
Other income	142	141
Payments to suppliers and employees	(88,088)	(119,307)
Business development costs	(2,042)	-
Interest paid	(9,397)	(4,933)
Income tax paid	(50)	(628)
Proceeds from government grants	1,024	-
Total cash outflow from operating activities	**(22,273)**	**15,795**
Cash flows from investing activities		
Interest received	321	811
Payments for exploration and evaluation	(131)	(365)
Payments for property, plant, and equipment	(5,384)	(78,572)
Proceeds from the sale of property, plant, and equipment	-	394
Proceeds from government grants	4,158	167
Total cash outflow from investing activities	**(1,036)**	**(77,565)**
Cash flows from financing activities		
Share issue transaction costs	-	(55)
Repayment of borrowings	(46)	(57,500)
Repayment of lease liabilities – principal	(696)	(880)
Total cash outflow from financing activities	**(742)**	**(58,435)**
Net decrease in cash and cash equivalents	**(24,051)**	**(120,205)**
Cash and cash equivalents at the beginning of the period	45,368	152,647
Effects of exchange rate changes on cash and cash equivalents	32	(261)
Total cash and cash equivalents at the end of the period	**21,349**	**32,181**

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

INTRODUCTION

1. CORPORATE INFORMATION

The condensed consolidated interim financial statements cover Jervois Global Limited as a consolidated entity consisting of Jervois Global Limited ("Jervois" or the "Company") and the entities it controlled (together referred to as the "Group") at the end of, or during, the six-month period ended 30 June 2024 (the "period"). The condensed consolidated interim financial statements are presented in United States dollars, and the Company's functional currency is Australian dollars.

Jervois is a listed public company limited by shares, incorporated in Australia, with a registered office at:

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

2. BASIS OF PREPARATION

(a) Statement of compliance

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

The condensed consolidated interim financial statements do not include all the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2023. The annual consolidated financial statements comply with International Financial Reporting Standards, as issued by the IASB.

The same accounting policies, presentation, and methods of computation been followed in these condensed consolidated interim financial statements as were applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2023 with the exception of those described in Note 2(e) and Note 3.

(b) Basis of measurement

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

During the period, the Group recorded a net loss after income tax of US$22.405 million (six-month period ended 30 June 2023: net loss after income tax of US$93.945 million) and had net assets of US$146.546 million (31 December 2023: US$169.969 million).

During the period, net cash outflow from operating activities was US$22.273 million (six-month period ended 30 June 2023: inflow of US$15.795 million), net cash outflow from investing activities was US$1.036 million (six-month period ended 30 June 2023: outflow of US$77.565 million) and net cash outflow from financing activities was US$0.742 million (six-month period ended 30 June 2023: outflow of US$58.435 million).

As at 30 June 2024, the Group had cash and cash equivalents of US$21.349 million (31 December 2023: US$45.368 million). As at 30 June 2024, the Group had total current assets of US$85.969 million (31 December 2023: US$118.322 million) and total current liabilities of US$95.287 million (31 December 2023: US$103.180 million), resulting in net current liabilities of US$9.318 million (31 December 2023: net current assets US$15.142 million).

To continue as a going concern, the Group requires the generation of sufficient funds from operating activities, the continued support of its lenders (including covenant waivers and interest deferral, as required) and the successful execution of the recapitalisation plan described below which is expected to provide the Group with additional liquidity.

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

Cash flows from operations

- The Directors have assessed the Group's consolidated cash flow requirements for the 12-month period from the date of approving the condensed consolidated interim financial statements. The Group's consolidated cash flow forecasts use commodity prices sourced from independent external market forecasts, including investment bank estimates, current cash reserves, forecast cash flows from the Group's operations, liquidity available through the Group's borrowings facilities (subject to refinancing or extending the Secured Revolving Credit Facility that matures on 31 December 2024), consideration of economic and regulatory environmental factors in which the Company operates, various scenario analyses, and related cost reduction initiatives.

Financing facilities

- As at 30 June 2024, the Group's financing facilities comprised a US$150.000 million Secured Revolving Credit Facility (the "Facility") maturing on 31 December 2024, US$100.000 million Senior Secured Bonds (the "Bonds"), and US$25.000 million of Unsecured Convertible Notes (the "Notes"). The amounts drawn as at 30 June 2024 are disclosed in note 16.
- On 26 July 2024, the debt under the Facility was assigned from Mercuria Energy Trading S.A. ("Mercuria") to the majority, controlling holder of the Bonds (the "Lender"). Since this date, the Lender has granted a waiver (and certain waiver extensions) of financial covenants and certain potential cross-defaults under the Bonds, agreed to defer the semi-annual interest payment on the Bonds, and granted a waiver (and certain waiver extensions) of the financial covenants and the Collection Accounts Required Balance requirement under the Facility to 6 September 2024 (collectively the "Waivers").
- On 6 September 2024, the Group received extensions of the Waivers until the later of 15 October 2024, or as extended at the Lender's discretion, or such other date contemplated by a transaction support agreement in relation to a proposed recapitalisation, in circumstances where Jervois and the Lender enter into such an agreement.
- On 6 September 2024, the Group entered into an agreement to modify the Facility whereby the Lender has made available to the Group a term loan tranche (the "Term Loan") in the amount of US$7.500 million together with continuation of waivers of financial covenants and other requirements of the Facility. The Group anticipates drawing down on the Term Loan in the short-term, providing the Group with additional liquidity for general operations. The Facility (including the Term Loan) matures on 31 December 2024.

Recapitalisation plan

- Based on the Group's forecast cash flows and available financing facilities, the Group requires additional funding to achieve its strategic business plans and objectives and be able to pay its debts as and when they fall due.
- Jervois continues to work with its providers of both debt and equity capital, and third parties, on potential transactions (the "Recapitalisation Plan") to strengthen its balance sheet.
- The Recapitalisation Plan is expected to include debt and equity initiatives to provide the Group with additional liquidity and a balanced capital structure.
- Jervois requires the ongoing support of the Group's lenders with respect to further waivers of financial covenants and certain other requirements of the Bonds and the Facility until such time as the parties can agree terms.
- The status of these potential transactions, including an assessment of the probability of successful execution, are supportive of the going concern basis of accounting.
- Should the Group's financial position be adversely impacted by factors such as continued deterioration in the commodity price environment, or the inability to access additional funding on terms acceptable to the Directors, the Group has options available to further preserve cash and manage liquidity. These include, but are not limited to:
    - Further reducing the Group's planned operating and capital expenditure,
    - Negotiating additional liquidity support measures and/or other forms of relief from lenders,
    - 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.

However, should Jervois be unable to successfully execute the Recapitalisation Plan as described above, including to refinance or extend the Facility (including the Term Loan) by 31 December 2024, or implement alternative funding measures during the forecast period, a material uncertainty exists in regard to the ability of the Group to continue to operate as a going concern and, therefore, whether it will be able to realise its assets an extinguish its liabilities in the normal course of business and at the amounts stated in the financial statements. There can be no assurance that the Group will be able to obtain or access additional funding when required, or that the terms associated with the funding will be acceptable to the Directors. If the Group is unable to obtain such additional funding, it may be required to reduce the scope of its operations, which could adversely impact its business, financial condition, and operating results.

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

(d) Principles of consolidation

The condensed consolidated interim financial statements comprise the financial statements of the Company and its subsidiaries as at 30 June 2024. Control is achieved when the Group is exposed to, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income, and expenses of a subsidiary acquired or disposed of during the year are included in the Group's consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest, and other components of equity, whilst any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

(e) New or amended Accounting Standards and Interpretations

The Group 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 and their impact on the Group, where significant, are discussed below.

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, and
- 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.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and have been applied retrospectively. The Group has assessed the impact this amendment has on existing loan agreements and has determined that its Notes no longer meet the definition of a non-current liability. Accordingly, the Group has classified its Notes as a current liability for the current period and retrospectively for the comparative period in accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*. The impact upon adoption of this amendment is presented below.

30 June 2024	Prior to amendment	Adjustment	Post amendment
	US$'000	US$'000	US$'000
Current liabilities			
Borrowings	50,297	16,003	66,300
Non-current liabilities			
Borrowings	114,073	(16,003)	98,070
Total	**164,370**	-	**164,370**

31 December 2023	Prior to amendment	Adjustment	Post amendment
	US$'000	US$'000	US$'000
Current liabilities			
Borrowings	53,598	14,541	68,139
Non-current liabilities			
Borrowings	110,625	(14,541)	96,084
Total	**164,223**	-	**164,223**

(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 were not yet effective at 30 June 2024. The Group will adopt any such amendments, if applicable, when they become effective. Their impact on future periods have been considered, however, with the exception of those discussed below, is not considered material to the Group.

AASB 18 Presentation and Disclosure in Financial Statements

The key presentation and disclosure requirements established by this Standard are:

- The presentation of newly defined subtotals in the statement of profit or loss,
- The disclosure of management-defined performance measured, and
- Enhanced requirements for grouping information (i.e., aggregation and disaggregation).

The Standard is effective for annual reporting period beginning on or after 1 January 2027 and must be applied retrospectively. The Group is currently assessing the impact the Standard will have upon adoption.

3. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the condensed consolidated interim financial statements requires management to make their judgements, estimates and assumptions that affect the reported amounts in the condensed consolidated interim 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 ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and is 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 condensed consolidated interim financial statements can be found in the following notes to the condensed consolidated interim financial statements:

Reference	Description
Note 2(c)	Going concern basis of accounting
Note 14	Recoverable amount – value-in-use and fair value less costs of disposal calculations

PERFORMANCE

4. SEGMENT INFORMATION

(a) Segment reporting

The Group is organised into the following reportable segments: cobalt refining and advanced manufacturing in Finland, mine development in the United States of America ("United States"), refining in Brazil and mineral exploration and evaluation in Australia. These segments are based on the internal reports that are reviewed and used by the Group's Chief Executive Officer (the "Chief Operating Decision Maker") in assessing performance and in determining the allocation of resources.

The accounting policies used by the Group in reporting segments internally are the same as those used in the 31 December 2023 annual consolidated financial statements. The Group's operating segments are outlined below:

Segment	Description
Australia	Includes Nico Young and other Australian tenement licenses held.
Brazil	Includes the São Miguel Paulista nickel and cobalt refinery ("SMP Refinery"), envisaged to restart in the future in São Paulo, Brazil.
Finland	Includes the cobalt refining and specialty products business located in Kokkola, Finland.
United States	Includes the Idaho Cobalt Operations ("ICO") cobalt-copper-gold mine in Lemhi County outside of the town of Salmon, Idaho.
Other	Consists of non-core exploration not related to Australia and the United States, corporate costs, including acquisition costs and financing costs. This is not a reportable segment.

The Chief Operating Decision Maker monitors the expenditure outlays of each segment for the purpose of cost control and making decisions about resource allocation. The Group's administration and financing functions are managed on a group basis and are included in "Other". Information regarding these segments is presented below.

(b) Segment performance, segment assets, and segment liabilities

Six months to 30 June 2024	Note	Australia	Brazil	Finland	United States	Other	Total
		US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Revenue from external customers							
Type of goods or services:							
Sales of cobalt		-	-	76,849	-	-	76,849
Total revenue from contracts with external customers		-	-	76,849	-	-	76,849
Timing of revenue recognition:							
At a point in time		-	-	76,849	-	-	76,849
Over time		-	-	-	-	-	-
Total revenue from contracts with external customers		-	-	76,849	-	-	76,849
Other income		-	348	9	-	3	360
Segment expense		-	(1,439)	(75,953)	(5,345)	(4,336)	(87,073)
Adjusted EBITDA[1]		**-**	**(1,091)**	**905**	**(5,345)**	**(4,333)**	**(9,864)**
Fair value gain / (loss)	5(e)	-	-	9,775	(150)	6,213	15,838
Business development costs		-	-	-	-	(890)	(890)
Inventory write-down	9	-	-	(7,833)	-	-	(7,833)
Loss on sale of fixed assets		-	-	-	(1)	-	(1)
Other losses		-	-	(230)	-	-	(230)
Depreciation and amortisation	5(d)	(4)	(1)	(5,737)	(1,797)	(100)	(7,639)
Interest income		1	-	1	241	72	315
Interest expense	6	-	(1,085)	(2,875)	(6,949)	(1,518)	(12,427)
Net foreign exchange (loss) / gain		-	(1)	(354)	481	(51)	75
Loss before income tax expense (segment result)		**(3)**	**(2,178)**	**(6,348)**	**(13,520)**	**(607)**	**(22,656)**
30 June 2024							
Segment assets		5,254	31,605	206,701	132,044	1,636	377,240
Segment liabilities		(166)	(22,223)	(66,586)	(121,961)	(19,758)	(230,694)

[1] Adjusted EBITDA represents earnings before interest, tax, depreciation, and amortisation ("EBITDA"), adjusted to exclude items which do not reflect the underlying performance of the Group's operations. Exclusions include fair value gains (or losses) on certain derivative items, study costs, one-off acquisition, integration, and business development costs, inventory write-downs to net realisable value (or reversals), impairment charges (or reversals) of non-financial assets, and gains (or losses) on the sale of fixed assets.

Six months to 30 June 2023	Note	Australia	Brazil	Finland	United States	Other	Total
		US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Revenue from external customers							
Type of goods or services:							
Sales of cobalt		-	-	114,259	-	-	114,259
Total revenue from contracts with external customers		-	-	114,259	-	-	114,259
Timing of revenue recognition:							
At a point in time		-	-	114,259	-	-	114,259
Over time		-	-	-	-	-	-
Total revenue from contracts with external customers		-	-	114,259	-	-	114,259
Other income		1	114	24	-	3	142
Segment expense		(74)	(4,518)	(122,031)	(11,551)	(5,115)	(143,289)
Adjusted EBITDA[1]		**(73)**	**(4,404)**	**(7,748)**	**(11,551)**	**(5,112)**	**(28,888)**
Fair value gain / (loss)	5(e)	-	-	9,966	(1,592)	-	8,374
Study costs		-	(45)	(407)	-	-	(452)
Inventory write-down	9	-	-	(25,877)	-	-	(25,877)
Impairment charge	14(a)	(100)	-	-	(40,796)	-	(40,896)
Loss on sale of fixed assets		-	-	-	(75)	-	(75)
Depreciation and amortisation	5(d)	(2)	(1)	(5,642)	(671)	(61)	(6,377)
Interest income		-	13	1	134	668	816
Interest expense	6	-	(1,143)	(4,543)	(3,546)	(13)	(9,245)
Net foreign exchange gain / (loss)		-	-	6	(2)	62	66
Loss before income tax expense (segment result)		**(175)**	**(5,580)**	**(34,244)**	**(58,099)**	**(4,456)**	**(102,554)**
31 December 2023							
Segment assets		5,329	38,132	222,067	138,336	18,163	422,027
Segment liabilities		-	(27,394)	(76,712)	(122,995)	(24,957)	(252,058)

[1] Adjusted EBITDA represents earnings before interest, tax, depreciation, and amortisation ("EBITDA"), adjusted to exclude items which do not reflect the underlying performance of the Group's operations. Exclusions include fair value gains (or losses) on certain derivative items, study costs, one-off acquisition, integration, and business development costs, inventory write-downs to net realisable value (or reversals), impairment charges (or reversals) of non-financial assets and gains (or losses) on the sale of fixed assets.

(c) Geographical information

The Group operates in the below principal geographical areas.

	Six months to 30 June 2024 Income	As at 30 June 2024 Non-current Assets	Six months to 30 June 2023 Income	As at 31 December 2023 Non-current Assets
	US$'000	US$'000	US$'000	US$'000
Australia	-	5,197	1	5,272
Brazil	348	30,638	114	37,275
Finland	86,633	127,904	124,249	131,830
United States	-	126,877	-	129,137
Other	6,216	655	3	191
Total	**93,197**	**291,271**	**124,367**	**303,705**

5. EXPENSES

(a) Cost of sales

	Note	Six months ended 30 June 2024	Six months ended 30 June 2023
		US$'000	US$'000
Employee benefits expense	5(f)	9,222	9,450
Inventory write-downs to net realisable value		7,833	25,877
Site production costs		64,954	111,051
Total cost of sales		**82,009**	**146,378**

(b) Corporate and administrative expenses

	Note	Six months ended 30 June 2024	Six months ended 30 June 2023
		US$'000	US$'000
Employee benefits expense	5(f)	6,085	9,691
Sales and marketing costs		1,613	1,870
Professional fees		936	1,199
Insurance		546	627
Travel		271	455
I.T. and communication		574	200
Other corporate and administrative costs		578	773
Total corporate and administrative expenses		**10,603**	**14,815**

(c) Suspension and other site costs

	Note	Six months ended 30 June 2024	Six months ended 30 June 2023
		US$'000	US$'000
Site maintenance costs	(i)	2,865	3,842
Leases		368	436
Site de-watering expense	(ii)	(109)	2,225
Lease remeasurement (gain) / loss	(iii)	(249)	1,200
Environmental liability remeasurement (gain) / loss	(iv)	(660)	677
Total suspension and other site costs		**2,215**	**8,380**

(i) Site maintenance costs

Site maintenance costs represent direct costs incurred at ICO during the suspension period, and at SMP Refinery, which are not eligible for capitalisation. These include, but are not limited to, costs incurred in maintaining facilities in good working order.

(ii) Site de-watering expense

The Group incurred costs of de-watering and rehabilitating the ICO mine during the period.

(iii) Lease remeasurement

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

(iv) Environmental liability

The Group remeasured its environmental liability, which represents inherited obligations due to the acquisition of SMP Refinery.

(d) Depreciation and amortisation

	Note	Six months ended 30 June 2024	Six months ended 30 June 2023
		US$'000	US$'000
Property, plant, and equipment	12	4,119	2,824
Right-of-use assets	12	630	741
Intangible assets	13	2,890	2,812
Total depreciation and amortisation		**7,639**	**6,377**

(e) Other income / (expenses)

	Six months ended 30 June 2024	Six months ended 30 June 2023
	US$'000	US$'000
Loss on sale or disposal of fixed assets	(1)	(75)
Fair value loss on financial assets at FVTPL[1]	(150)	(1,592)
Fair value gain on financial liabilities at FVTPL[1]	15,988	9,966
Net foreign exchange gain	75	66
Expected credit losses	(309)	-
Other income	360	142
Total other income / (expenses)	**15,963**	**8,507**

[1] FVTPL represents financial assets or liabilities measured at fair value through profit or loss ("FVTPL").

(f) Employee benefits expense

	Note	Six months ended 30 June 2024	Six months ended 30 June 2023
		US$'000	US$'000
Salaries, wages, and other employee benefits		14,014	17,462
Defined contribution plan		320	394
Termination benefits		59	-
Share-based payments	20	914	1,285
Total employee benefits expense		**15,307**	**19,141**
Cost of sales	5(a)	9,222	9,450
Corporate and administrative expenses	5(b)	6,085	9,691
Total employee benefits expense		**15,307**	**19,141**

6. INTEREST EXPENSE

	Six months ended 30 June 2024	Six months ended 30 June 2023
	US$'000	US$'000
Interest on borrowings	10,952	7,856
Interest on asset retirement obligations	590	810
Interest on lease liabilities	885	579
Total interest expense	**12,427**	**9,245**

7. LOSS PER SHARE

	Six months ended 30 June 2024	Six months ended 30 June 2023
	US$'000	US$'000
Loss before income tax	22,656	102,554
Basic loss per share (cents)	0.83	4.52
Diluted loss per share (cents)	0.83	4.52
Weighted average number of ordinary shares used in calculating basic loss per share	2,702,598,585	2,079,540,515
Weighted average number of dilutive securities outstanding[1]	-	-
Weighted average number of ordinary shares used in calculating diluted loss per share	2,702,598,585	2,079,540,515

[1] Employee options and other options granted have been included in the determination of diluted earnings per share to the extent that they are dilutive. Those options that are deemed anti-dilutive could potentially dilute basic earnings per share in future periods.

WORKING CAPITAL

8. TRADE AND OTHER RECEIVABLES

	Note	30 June 2024	31 December 2023
		US$'000	US$'000
Trade receivables		17,766	14,388
Allowance for expected credit losses		(326)	(17)
Trade receivables, net		**17,440**	**14,371**
Other receivables	(i)	2,453	3,203
Tax receivables[1]		1,900	1,680
Total trade and other receivables		**21,793**	**19,254**

[1] Includes sales and other tax receivables but excludes income tax.

(i) Other receivables

Other receivables include mark-to-market adjustments totalling US$2.337 million (31 December 2023: US$2.968 million) related to feed purchases received and provisionally invoiced and represents a net receivable for the Group.

9. INVENTORIES

	30 June 2024	31 December 2023
	US$'000	US$'000
Raw materials	1,216	5,554
Work in progress	3,922	818
Finished goods	26,721	34,337
Stores and consumables	7,755	8,260
Total inventories	**39,614**	**48,969**

Net realisable value

Inventories are valued at the lower of weighted-average cost and net realisable value. Finished goods, including the comparative period, are carried at their net realisable value. For the six months ended 30 June 2024, the Group recognised a cumulative impact of non-cash adjustments made to inventory for the lower of cost and net realisable value of US$7.833 million (six-month period ended 30 June 2023: US$25.877 million).

10. OTHER ASSETS

	30 June 2024	31 December 2023
	US$'000	US$'000
Term deposits	111	113
Prepayments	2,407	3,773
Security deposits	93	14
Deferred charges	340	361
Total other assets	**2,951**	**4,261**
Current	2,518	3,886
Non-current	433	375
Total other assets	**2,951**	**4,261**

RESOURCE ASSETS AND LIABILITIES

11. EXPLORATION AND EVALUATION

	Note	30 June 2024	31 December 2023
		US$'000	US$'000
Opening balance		**5,291**	**4,696**
Expenditure incurred and capitalised		89	2,087
Less: Reimbursement of expenditure	(i)	(31)	(1,483)
Foreign currency translation		(128)	(9)
Total exploration and evaluation		**5,221**	**5,291**

(i) Sunshine drilling campaign

During the period, the Group 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 United States Department of Defense ("DoD") funding agreement. There are no unfulfilled conditions or contingencies attached to these grants.

12. PROPERTY, PLANT, AND EQUIPMENT

30 June 2024	Land and buildings	Plant and equipment	Assets under construction	Right-of-use assets	Total
	US$'000	US$'000	US$'000	US$'000	US$'000
Cost	39,064	52,807	276,766	7,308	375,945
Accumulated depreciation and impairment	(2,747)	(16,847)	(173,875)	(2,384)	(195,853)
Net book value	**36,317**	**35,960**	**102,891**	**4,924**	**180,092**

31 December 2023	Land and buildings	Plant and equipment	Assets under construction	Right-of-use assets	Total
	US$'000	US$'000	US$'000	US$'000	US$'000
Cost	40,101	55,451	278,356	7,329	381,237
Accumulated depreciation and impairment	(1,692)	(13,803)	(173,875)	(1,895)	(191,265)
Net book value	**38,409**	**41,648**	**104,481**	**5,434**	**189,972**

(a) Movement in carrying amounts of property, plant, and equipment

Six months to 30 June 2024	Note	Land and buildings	Plant and equipment	Assets under construction	Right-of-use assets	Total
		US$'000	US$'000	US$'000	US$'000	US$'000
Cost						
Balance as at 1 January 2024		40,101	55,451	278,356	7,329	381,237
Additions for the period		4	-	3,698	262	3,964
Less: Reimbursement of expenditure	(ii)	-	-	(4,061)	-	(4,061)
Disposals for the period		-	-	-	(267)	(267)
Reclassifications or transfers	(i)	-	122	(122)	-	-
Foreign currency translation		(1,041)	(2,766)	(1,105)	(16)	(4,928)
Balance as at 30 June 2024		39,064	52,807	276,766	7,308	375,945
Accumulated depreciation and impairment						
Balance as at 1 January 2024		(1,692)	(13,803)	(173,875)	(1,895)	(191,265)
Depreciation charge for the period	5(d)	(1,057)	(3,062)	-	(630)	(4,749)
Disposals for the period		-	-	-	133	133
Foreign currency translation		2	18	-	8	28
Balance as at 30 June 2024		(2,747)	(16,847)	(173,875)	(2,384)	(195,853)
Net book value as at 30 June 2024		**36,317**	**35,960**	**102,891**	**4,924**	**180,092**

Twelve months to 31 December 2023	Note	Land and buildings	Plant and equipment	Assets under construction	Right-of-use assets	Total
		US$'000	US$'000	US$'000	US$'000	US$'000
Cost						
Balance as at 1 January 2023		21,796	47,239	253,191	9,613	331,839
Additions for the period		67	267	52,242	1,347	53,923
Less: Reimbursement of expenditure	(ii)	-	-	(1,151)	-	(1,151)
Disposals for the period		(317)	(792)	(282)	(3,572)	(4,963)
Reclassifications or transfers	(i)	17,954	7,707	(26,600)	-	(939)
Foreign currency translation		601	1,030	956	(59)	2,528
Balance as at 31 December 2023		40,101	55,451	278,356	7,329	381,237
Accumulated depreciation and impairment						
Balance as at 1 January 2023		(121)	(8,698)	-	(1,089)	(9,908)
Depreciation charge for the period	5(d)	(1,474)	(5,730)	-	(1,437)	(8,641)
Impairment charge	14(a)	-	(100)	(173,875)	(550)	(174,525)
Disposals for the period		-	334	-	1,113	1,447
Foreign currency translation		(97)	391	-	68	362
Balance as at 31 December 2023		(1,692)	(13,803)	(173,875)	(1,895)	(191,265)
Net book value as at 31 December 2023		**38,409**	**41,648**	**104,481**	**5,434**	**189,972**

(i) Transfers to intangible assets

Net transfers of US$nil (31 December 2023: US$0.939 million) relate to transfers to intangible assets (note 13) from assets under construction, a component of property, plant, and equipment.

(ii) RAM extensional drilling campaign

During the period, the Group continued its extensional drilling campaign at its ICO RAM deposit located in Idaho, United States. The drilling campaign direct expenditure and associated Jervois programme supervision and administration is fully refundable under the United States DoD funding agreement. There are no unfulfilled conditions or contingencies attached to these grants.

13. INTANGIBLE ASSETS

30 June 2024	Goodwill	Software	Commercial contracts	Total
	US$'000	US$'000	US$'000	US$'000
Cost	37,909	5,015	66,465	109,389
Accumulated amortisation	-	(1,331)	(14,679)	(16,010)
Net book value	**37,909**	**3,684**	**51,786**	**93,379**

31 December 2023	Goodwill	Software	Commercial contracts	Total
	US$'000	US$'000	US$'000	US$'000
Cost	37,909	5,002	66,465	109,376
Accumulated amortisation	-	(1,041)	(12,081)	(13,122)
Net book value	**37,909**	**3,961**	**54,384**	**96,254**

Goodwill

Goodwill acquired through a business combination is allocated to the cash generating unit ("CGU") or groups of CGUs that are expected to benefit from the related business combination and tested for impairment at the lowest level within the Group at which goodwill is monitored for internal management purposes. All goodwill and intangible assets that have an indefinite life are tested annually for impairment, regardless of whether there has been an impairment trigger, or more frequently if events or changes in circumstances indicate a potential impairment. Management considers the smallest group of assets that independently generates cash flows, and whose cash flows is largely independent of the cash flows generated by other assets, to be the Jervois Finland business and thus the goodwill asset is allocated to this CGU.

(a) Movement in carrying amounts of intangible assets

Six months to 30 June 2024	Note	Goodwill	Software	Commercial contracts	Total
		US$'000	US$'000	US$'000	US$'000
Cost					
Balance as at 1 January 2024		37,909	5,002	66,465	109,376
Additions for the period		-	26	-	26
Foreign currency translation		-	(13)	-	(13)
Balance as at 30 June 2024		37,909	5,015	66,465	109,389
Accumulated amortisation					
Balance as at 1 January 2024		-	(1,041)	(12,081)	(13,122)
Amortisation charge for the period	5(d)	-	(292)	(2,598)	(2,890)
Foreign currency translation		-	2	-	2
Balance as at 30 June 2024		-	(1,331)	(14,679)	(16,010)
Net book value as at 30 June 2024		**37,909**	**3,684**	**51,786**	**93,379**

12 months to 31 December 2023	Note	Goodwill	Software	Commercial contracts	Total
		US$'000	US$'000	US$'000	US$'000
Cost					
Balance as at 1 January 2023		37,909	3,540	66,465	107,914
Additions for the period		-	523	-	523
Reclassifications or transfers	(i)	-	939	-	939
Balance as at 31 December 2023		37,909	5,002	66,465	109,376
Accumulated amortisation					
Balance as at 1 January 2023		-	(435)	(6,886)	(7,321)
Amortisation charge for the period	5(d)	-	(605)	(5,195)	(5,800)
Foreign currency translation		-	(1)	-	(1)
Balance as at 31 December 2023		-	(1,041)	(12,081)	(13,122)
Net book value as at 31 December 2023		**37,909**	**3,961**	**54,384**	**96,254**

(i) Transfers to property, plant, and equipment

Net transfers of US$nil (31 December 2023: US$0.939 million) relate to transfers from assets under construction, and component of property, plant, and equipment (note 12).

14. IMPAIRMENT OF NON-FINANCIAL ASSETS

CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

Recoverable amount – value-in-use and fair value less costs of disposal calculations

The determination of the Group's CGUs and Nico Young (exploration and evaluation asset) recoverable amounts require management to incorporate key estimates and assumptions when performing value-in-use ("VIU") and 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 VIU or FVLCD calculation and impact the Group's assessment against its recoverable amount.

(a) Summary of impairment losses

Total impairment and asset write-downs during the period are laid out below.

	Note	Six months ended 30 June 2024	Six months ended 30 June 2023
		US$'000	US$'000
Assets under construction	12, (i)	-	40,246
Plant and equipment	12, (v)	-	100
Right-of-use assets	12, (v)	-	550
Total impairment and write-downs		**-**	**40,896**

The Group has considered whether impairment indicators exist that may require a formal estimate of its non-financial assets or CGUs' recoverable amounts compared to their carrying values.

(i) ICO CGU

During the six-month period ended 30 June 2024, it was assessed that indicators of impairment existed in relation to the ICO CGU due to the market capitalisation deficit of Jervois and extension of the forecast mine suspension period. Therefore, a detailed estimate of the recoverable amount of the ICO CGU was undertaken using a FVLCD approach at 30 June 2024. As a result of the formal estimate, it was concluded that no impairment was required for the six-month period ended 30 June 2024.

During the six-month period ended 30 June 2023, it was assessed that indicators of impairment existed in relation to the ICO CGU due to continuing low cobalt prices and the United States inflationary impacts on construction costs, which underpinned the decision to suspend final construction and full concentrator commissioning at the mine. At this time, a detailed estimate of the recoverable amount of the ICO CGU was undertaken using a FVLCD approach and it was concluded that the carrying amount of the ICO CGU exceeded its estimated recoverable amount of US$239.839 million as at 30 June 2023, and impairment adjustments were required to assets under construction, a component of property, plant, and equipment, totalling US$40.246 million for the six-month period ended 30 June 2023. The impairment charge was primarily due to continuing low cobalt prices and the United States inflationary impacts on construction costs, which underpinned the decision to suspend final construction and full concentrator commissioning at the mine.

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") plans. Where multiple investment options and economic input ranges exist, fair value may be determined from a combination of two or more scenarios that are weighted to provide a single fair value that is determined to be the most indicative. When plans and scenarios used to estimate fair value do not fully utilise the existing mineral resource for a CGU, and options exist for the future extraction and processing of all or part of those resources, an estimate of the value of unmined resources, in addition to an estimate of value of exploration potential, is included in the estimation of fair value.

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

(ii) Jervois Brasil CGU

During the six-month period ended 30 June 2024, it was assessed that indicators of impairment existed in relation to the Jervois Brasil CGU due to the market capitalisation deficit of Jervois and deferral of the SMP Refinery start-up. Therefore, a detailed estimate of the recoverable amount of the Jervois Brasil CGU was undertaken using a VIU approach at 30 June 2024. As a result of the formal estimate, it was concluded that no impairment was required for the six-month period ended 30 June 2024 (six-month period ended 30 June 2023: impairment charge: US$nil).

The VIU calculations use post-tax cash flows, inclusive of working capital movements, which are based on financial projections approved by the Group covering a five-year period and specific tax rates applicable to the Jervois Brasil CGU. A terminal value is calculated from year six onwards with a growth rate of zero.

(iii) Jervois Finland CGU

Goodwill of US$37.909 million is recognised in the Jervois Finland CGU following its acquisition on 1 September 2021. During the six-month period ended 30 June 2024, it was assessed that indicators of impairment existed in relation to the Jervois Finland CGU due to the market capitalisation deficit of Jervois. Therefore, a detailed estimate of the recoverable amount of the Jervois Finland CGU was undertaken using a VIU approach at 30 June 2024. As a result of the formal estimate, it was concluded that the estimated recoverable amount of the Jervois Finland CGU exceeded its carrying amount and no impairment was required for the six-month period ended 30 June 2024 (six-month period ended 30 June 2023: impairment charge: US$nil).

The VIU calculations use post-tax cash flows, inclusive of working capital movements, which are based on financial projections approved by the Group covering a three-year period and specific tax rates applicable to the Jervois Finland CGU, being the basis of the Group's forecasting and planning processes. Cash flows beyond the projection are extrapolated to provide a maximum of five years of cash flows with adjustments where necessary to reflect changes in long-term operating conditions. A terminal value is calculated from ear six onwards with a growth factor or zero. In addition, the Jervois Finland CGU has set a 2035 net zero greenhouse gas emissions target. The Group did not identify any material adverse financial reporting impacts in reaching this target, which have not otherwise been incorporated not projections.

(iv) Exploration and evaluation

Nico Young

During the six-month period ended 30 June 2024, it was assessed that indicators of impairment existed in relation to the Group's Nico Young area of interest. Therefore, a detailed estimate of the recoverable amount of the Group's Nico Young exploration and evaluation assets was undertaken using a FVLCD approach, which incorporated Level 3 fair value measurements including an estimate of the value of unmined resources, as well as resource multiples, at 30 June 2024. As a result of the formal estimate, it was concluded that the estimated recoverable amount of the Group's exploration and evaluation assets exceeded its carrying amount and no impairment was required for the six-month period ended 30 June 2024 (six-month period ended 30 June 2023: impairment charge: US$nil).

Other exploration and evaluation

No impairment charges in relation to the Group's other exploration and evaluation assets were recognised during the six-month period ended 30 June 2024 (six-month period ended 30 June 2023: impairment charge: US$nil).

(v) Other non-financial assets

The Group did not identify indicators of impairment in relation to the Group's other non-financial assets on items of property, plant, and equipment (six-month period ended 30 June 2023: impairment charge: US$0.100 million) or right-of-use assets (six-month period ended 30 June 2023: impairment charge: US$0.550 million) for the period ended 30 June 2024.

(vi) Impairment reversals

No impairment reversals were recognised during the period ended 30 June 2024 (six-month period ended 30 June 2023: US$nil).

(b) Key assumptions and estimates

The Group has determined that the recoverable amount calculations are most sensitive to changes in the following estimates and assumptions:

Key estimates and assumptions	Applicable to ICO	Applicable to Jervois Brasil	Applicable to Jervois Finland
Commodity prices, including payability percentages applicable to intermediate products	Yes	Yes	Yes
Discount rates	Yes	Yes	Yes
Production, sales, and refining volumes	Yes	Yes	Yes
Operating and capital expenditure	Yes	Yes	Yes
Estimated reserves and resources	Yes	No	No
Timing and cost of mine / refinery start-up	Yes	Yes	No
Direct benefits expected to be available to eligible critical mineral producers in the United States under applicable legislation	Yes	No	No

(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 Group'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.

30 June 2024	2024	2025	2026	2027	2028	2029+
Cobalt (US$ per pound)	12.6	12.6	18.1	19.8	21.2	20.0
Copper (US$ per pound)	4.0	4.0	4.3	4.3	4.3	4.0
Gold (US$ per ounce)	2,200	2,200	2,063	1,975	1,963	1,850
Nickel (US$ per pound)	7.7	7.7	8.0	8.0	8.5	8.5

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

(ii) Discount rates

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

	30 June 2024	30 June 2023
ICO CGU	7.8%	8.6%
Jervois Brasil CGU	10.1%	N/A
Jervois Finland CGU	9.3%	11.3%

(iii) Other key estimates and assumptions

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

(c) Sensitivity analysis

The Group's sensitivity to a reasonably possible change in the key estimates and assumptions used in determining the recoverable amount of the ICO CGU and Jervois Finland CGU (as applicable) and the consequential impact on their respective recoverable amount, or in the case of the ICO CGU for the comparative period, would result in a higher / (lower) impairment charge, is laid out below.

30 June 2024	Sensitivity	ICO	Jervois Finland
		US'000	US'000
Increase / decrease in cobalt price	10%	± 26,000	± 75,000
Increase / decrease in discount rates	0.5%	± 3,000	± 21,000
Increase / decrease in operating costs	5%	± 12,000	± 17,000
Increase / decrease in refining volumes	3%	N/A	± 25,000
Increase in suspension period	+ 6 months	± 2,000	N/A

30 June 2023	Sensitivity	ICO	Jervois Finland
		US'000	US'000
Increase / decrease in cobalt price	10%	± 33,000	± 61,000
Increase / decrease in discount rates	0.5%	± 4,000	± 19,000
Increase / decrease in operating costs	5%	± 13,000	± 43,000
Increase / decrease in refining volumes	3%	N/A	± 30,000
Increase in suspension period	+ 12 months	± 21,000	N/A

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.

The recoverable amount of the ICO CGU and Jervois Finland CGU is 1.0 times and 1.9 times, respectively, their carrying value, which comprises non-current assets (including goodwill, as applicable) and net working capital. Each of these CGUs is most sensitive to the cobalt price assumption. Cobalt prices, however, can be uncertain. To illustrate the sensitivity of this assumption, if the forecast cobalt price was to differ such that the expected cash flow forecasts for each of these CGUs were to decrease by 1% for the ICO CGU or 23% for the Jervois Finland CGU, without implementation of mitigation plans and / or a commensurate deduction in the pricing of cobalt feed raw materials or other operating costs, the recoverable amount would be equal to the carrying amount.

15. ASSET RETIREMENT OBLIGATIONS

(a) Summary of asset retirement obligations

	Note	30 June 2024	31 December 2023
		US$'000	US$'000
Mine rehabilitation	(i)	9,770	9,998
Refinery decommissioning	(ii)	3,121	4,873
Environmental liability	(iii)	4,473	5,875
Oher rehabilitation		10	10
Total asset retirement obligations		**17,374**	**20,756**
Current		368	427
Non-current		17,006	20,329
Total asset retirement obligations		**17,374**	**20,756**

(i) Mine rehabilitation

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 United States Treasury Bond rate of 4.36% (31 December 2023: 3.88%). Reclamation activities will primarily be initiated at the cessation of mining activities; however, some reclamation will occur concurrently, where possible, on areas no longer required for the mining operation.

(ii) Refinery decommissioning

Refinery decommissioning relates to SMP Refinery for surface disturbance due to structural assets. The discounted cash flows of the disturbance incorporate current economic market assumptions for long-term inflation and a discount rate based on a consensus long-term Special System for Settlement and Custody ("SELIC") rate of 9.50% (31 December 2023: 8.34%). Reclamation activities will primarily be initiated at the cessation of operating activities.

(iii) Environmental liability

The environmental liability represents inherited obligations due to the acquisition of SMP Refinery. The discounted cash flows of the disturbance incorporate current economic market assumptions for long-term inflation and a discount rate that is consistent with those applied for the refinery decommissioning mentioned in (ii) above. Environmental remediation activities have commenced; however, the aggregate amount of expenditure incurred is not a significant component of the total outstanding estimated cash flows.

(b) Movement in asset retirement obligations

	30 June 2024	31 December 2023
	US$'000	US$'000
Opening balance	**20,756**	**20,028**
Reclamation activities during the period	(200)	(393)
Movements in economic assumptions and cash flows	(2,334)	(1,357)
Unwinding of discount	590	1,445
Foreign currency translation	(1,438)	1,033
Closing balance	**17,374**	**20,756**

CAPITAL STRUCTURE AND FINANCIAL RISK MANAGEMENT

The Company's financial objectives are to generate positive shareholder investment returns via cashflow generation, meet all financial obligations, continue to operate as a going concern so to underpin positive shareholder value, pursue an optimal capital structure to minimise the cost of capital, and maintain a strong balance sheet to leverage growth opportunities. Capital is regarded as total equity, as recognised in the consolidated statement of financial position, plus net debt. Net debt is calculated as total interest-bearing loans and borrowings, including lease liabilities, less cash and cash equivalents. Management carefully monitors cash flows to achieve these objectives. The Company's strategy remains unchanged from the previous year.

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, and 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.

16. NET DEBT

	30 June 2024	31 December 2023
	US$'000	US$'000
Current debt		
Senior Secured Bonds	5,564	7,176
Secured Revolving Credit Facility	44,733	45,178
Unsecured Convertible Notes	16,003	14,541
Supplier finance	-	1,244
Lease liabilities	1,405	1,411
Total current debt	**67,705**	**69,550**
Non-current debt		
Senior Secured Bonds	98,070	96,084
Lease liabilities	17,249	19,595
Total non-current debt	**115,319**	**115,679**
Total debt	**183,024**	**185,229**
Less: Cash and cash equivalents	(21,349)	(45,368)
Net debt	**161,675**	**139,861**

(a) Borrowing facilities

30 June 2024	Note	Interest rate	Maturity date	Facility limit	Facility utilised	Facility unutilised	Carrying value
				US$'000	US$'000	US$'000	US$'000
Senior Secured Bonds	(i)	12.5%	20-Jul-26	100,000	100,000	-	103,634
Secured Revolving Credit Facility	(ii)	SOFR[1] + 5.0%	31-Dec-24	150,000	44,105	105,895	44,733
Unsecured Convertible Notes – Tranche 1	(iii)	6.5%	20-Jul-28	19,900	19,900	-	13,053
Unsecured Convertible Notes – Tranche 2	(iii)	6.5%	30-Aug-28	5,100	5,100	-	2,950
Total				**275,000**	**169,105**	**105,895**	**164,370**

[1] Secured Overnight Financing Rate ("SOFR").

31 December 2023	Note	Interest rate	Maturity date	Facility limit	Facility utilised	Facility unutilised	Carrying value
				US$'000	US$'000	US$'000	US$'000
Senior Secured Bonds	(i)	12.5%	20-Jul-26	100,000	100,000	-	103,260
Secured Revolving Credit Facility	(ii)	SOFR + 5.0%	31-Dec-24	150,000	44,105	105,895	45,178
Unsecured Convertible Notes – Tranche 1	(iii)	6.5%	20-Jul-28	19,900	19,900	-	11,888
Unsecured Convertible Notes – Tranche 2	(iii)	6.5%	30-Aug-28	5,100	5,100	-	2,653
Supplier finance	(iv)	3.15%	N/A	1,244	1,244	-	1,244
Total				**276,244**	**170,349**	**105,895**	**164,223**

(i) Senior Secured Bonds

On 20 July 2021 (the "Issue Date"), the Group completed settlement of the US$100.000 million Bonds. The Bonds were issued by the Group's wholly owned subsidiary, Jervois Mining USA Limited (the "Issuer"), and are administered by the bond trustee, Nordic Trustee AS. The coupon rate is 12.5% per annum, with interest payable bi-annually in arrears.

The Bond Terms contain an option for the Issuer to call the Bonds from year three (defined in the Bond Terms as the "First Call Date") until maturity. The Issuer may redeem all or some of the outstanding Bonds on any business day from and including:

i. The Issue Date to, but not including, the First Call Date at a price equal to the "Make Whole Amount" (see below);
ii. The First Call Date to, but not including, the interest payment date in January 2025 at a price equal to 107.81% of the nominal amount for each redeemed Bond;
iii. The interest payment date in January 2025 to, but not including, the interest payment date in July 2025 at a price equal to 104.69% of the nominal amount for each redeemed bond;
iv. The interest payment date in July 2025 to, but not including, the interest payment date in January 2026 at a price equal to 101.56% of the nominal amount for each redeemed bond; and
v. The interest payment date in January 2026 to, but not including, the maturity date at a price equal to 100% of the nominal amount of each redeemed bond.

In addition, the Issuer has the option of calling the Bonds between the Issue Date and the First Call Date for an amount defined in the Bond Terms as the "Make Whole Amount". The Make Whole Amount means an amount equal to the sum of the present value on the call option repayment date of: (a) 107.81% of the nominal amount of the redeemed Bonds as if such payment originally had taken place on the First Call Date; and (b) the remaining interest payments of the redeemed Bonds, less any accrued and unpaid interest on the redeemed Bonds as at the call option repayment date, to the First Call Date, where the present value shall be calculated by using a discount rate of 0.97%. This call option gives rise to an embedded derivative, which has been separately valued from the Bonds as the call option was not considered "closely related" to the host instrument. This resulted in the recognition of a separate asset in the consolidated statement of financial position, classified as "financial assets at fair value through profit or loss".

Fees paid on the establishment of the Bonds of US$2.850 million have been capitalised as transaction costs of the facility and are amortised over the period to which they relate.

The financial covenants associated with the Bonds include minimum Issuer liquidity, a minimum liquidity to total debt ratio, and a minimum total equity to total assets ratio to be complied with at all times. As is customary in such financing agreements, breach of these financial covenants could result in the amounts drawn becoming due and payable on demand.

The Bonds have been subject to events (including waivers of financial covenants) after the reporting period (refer to note 24).

(ii) Secured Revolving Credit Facility

On 28 October 2021, the Company's wholly owned subsidiaries, Jervois Suomi Holding Oy and Jervois Finland Oy (together, the "Borrowers"), entered into the Facility agreement with Mercuria, a wholly owned subsidiary of Mercuria Energy Group Limited. Jervois Finland's Facility with Mercuria was for an initial maximum amount of US$75.000 million with a Facility end date of 31 December 2024. On 3 June 2022, the Borrowers increased the Facility's maximum amount up to US$150.000 million through the execution of the Accordion Increase, as contemplated in the Facility agreement effective 28 October 2021.

The Borrowers can draw to the lower of the maximum amount or 80% of the collateral value (referred to as the "Maximum Available Amount"), where collateral is defined as the value of the Borrowers' inventory and receivables, calculated monthly (reduced to 70% for eligible inventory in Finland exceeding US$75.000 million) and subject to eligibility requirements and associated terms of the agreement. Where the amounts drawn exceed 110% of the Maximum Available Amount (the "Shortfall"), the Borrowers are required, upon receipt of a Shortfall notice, to prepay or repay any amount of the Facility to ensure that, following such payment, the Shortfall no longer exists. As at 30 June 2024, the drawn amount exceeded the Maximum Available Amount by US$11.262 million (31 December 2023: US$nil) and therefore a potential Shortfall existed at that date. No Shortfall notice has been issued to the Borrowers in respect of this amount.

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

Fees paid on the establishment of the Facility of US$1.319 million, in addition to fees paid upon execution of the Accordion increase of US$0.846 million, have been capitalised as transaction costs of the facility and are amortised over the period to which they relate.

The financial covenants associated with the Facility include a minimum liquidity to total debt ratio, and a minimum total equity to total assets ratio to be complied with at all times. As is customary in such financing agreements, breach of these financial covenants could result in the amounts drawn becoming due and payable on demand.

The Facility has been subject to events (including waivers of financial covenants) after the reporting period (refer to note 24).

(iii) Unsecured Convertible Notes

On 28 June 2023, Jervois (the "Issuer") entered into a Subscription Agreement for the issuance of 250 Unsecured Convertible Notes for US$25.000 million. The Notes were issued in two tranches, represented by Tranche 1 of US$19.900 million and Tranche 2 of US$5.100 million, being completed on 20 July 2023 and 31 August 2023, respectively. The coupon rate is 6.5% per annum, with interest payable quarterly in arrears, with settlement in cash or payment in kind ("PIK"), at the option of the Company. Where elected, PIK interest is capitalised quarterly and added to the outstanding principal of the Notes.

The Notes are convertible into ordinary shares of the Issuer at the option of the holder, subject to maximum voting power limits. The initial conversion price for the Notes is A$0.0905, representing a 40% premium to the Theoretical Ex-Rights Price of A$0.0646, expressed in United States dollars. The conversion price is subject to adjustments in accordance with customary adjustment rules and other reconstructions of equity. At any time after the fourth anniversary date, the Issuer may deliver a redemption notice to the investors, subject to certain criterion.

The option to convert the Notes gives rise to an embedded derivative, which has been separately valued as the option was not considered "closely related" to the host instrument. This resulted in the recognition of a separate liability in the consolidated statement of financial position, classified as "financial liabilities at fair value through profit or loss".

As the Notes have been issued in a currency other than Jervois' functional currency, the carrying amount of the Notes is classified as a current liability on the statement of financial position. However, in the event that the Notes are converted prior to their maturity date, the extinguishment of the Company's obligation on that date will be through equity settlement.

Fees paid on the establishment of the Notes of US$1.458 million have been capitalised as transaction costs of the facility and are amortised over the period to which they relate.

(iv) Supplier finance

During the prior period, Jervois (the "Borrower") entered into agreements with Hunter Premium Funding Limited ("Hunter") to premium finance certain annual insurance policies. Under the terms of the agreements, Hunter agreed to wholly settle the Borrower's obligations with its intermediary insurer and provide the Borrower with extended payment terms represented by ten monthly instalments commencing from the respective application date. These instalments further incorporate an interest charge at a flat rate of 3.15%. As at 30 June 2024, the Group's outstanding obligations under supplier finance agreements is US$nil (31 December 2023: US$1.244 million). As at 30 June 2024, the Group has recognised an insurance prepayment, related to these supplier finance arrangements, of US$0.408 million (31 December 2023: US$1.380).

17. FINANCIAL INSTRUMENTS

	30 June 2024	31 December 2023
	US$'000	US$'000
Financial assets		
Financial assets at amortised cost:		
Cash and cash equivalents	21,349	45,368
Funds held in escrow	690	690
Term deposits	111	113
Trade and other receivables	21,793	19,254
Total financial assets at amortised cost	**43,943**	**65,425**
Financial assets at fair value through profit or loss:		
Call option	5	155
Total financial assets	**43,948**	**65,580**
Financial liabilities		
Financial liabilities at amortised cost:		
Trade and other payables	19,036	19,709
Senior Secured Bonds	103,634	103,260
Secured Revolving Credit Facility	44,733	45,178
Unsecured Convertible Notes	16,003	14,541
Supplier finance	-	1,244
Lease liabilities	18,654	21,006
Total financial liabilities at amortised cost	**202,060**	**204,938**
Financial liabilities at fair value through profit or loss:		
Conversion options	1,618	7,844
Contingent consideration	2,845	12,620
Total financial liabilities	**206,523**	**225,402**

Fair value hierarchy

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

Level 1	Quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2	Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices), or indirectly (i.e., derived from prices)
Level 3	Inputs for the assets or liability that are not based on observable market data (unobservable inputs)

Fair value measurement

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

30 June 2024	Note	Level 1	Level 2	Level 3	Total
		US$'000	US$'000	US$'000	US$'000
Financial assets					
Call option	(i)	-	-	5	5
Total		**-**	**-**	**5**	**5**
Financial liabilities					
Conversion options	(ii)	-	-	1,618	1,618
Contingent consideration	(iii)	-	-	2,845	2,845
Total		**-**	**-**	**4,463**	**4,463**

31 December 2023	Note	Level 1	Level 2	Level 3	Total
		US$'000	US$'000	US$'000	US$'000
Financial assets					
Call option	(i)	-	-	155	155
Total		**-**	**-**	**155**	**155**
Financial liabilities					
Conversion options	(ii)	-	-	7,844	7,844
Contingent consideration	(iii)	-	-	12,620	12,620
Total		**-**	**-**	**20,464**	**20,464**

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

(i) Call option

The fair value of the Group's embedded call option was determined using the Bermudan option pricing model, which was estimated through calculating the difference between the option-inclusive and exclusive valuation based on an estimated credit spread. For the period ended 30 June 2024 the key inputs to the valuation include:

Input	Details	Relationship of input to fair value
Bond price	Price sourced from Bloomberg 30 June 2024: US$88.766 million 31 December 2023: US$95.793 million	The higher the bond price, the higher the fair value.
Credit spread	Solved for a credit spread those results in a modelled bond fair value in-line with the issuance price of the bond at valuation date	The higher the credit spread, the lower the fair value
Risk-free rate curve	USD risk-free rate curve at valuation date	The higher the risk-free rate curve, the lower the fair value
Volatility	Obtained from the USD SOFR swaption volatility surface at valuation date	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 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.

(ii) Conversion options

The fair value of the Group's conversion options on the Notes was determined using a customised valuation model, which included determining the value of the embedded option by estimating and subtracting the bond floor from the full value of the convertible note. The conversion options were initially measured at the respective issue dates, being 20 July 2023 and 31 August 2023. For the period ended 30 June 2024 the key inputs to the valuation include:

Input	Details	Relationship of input to fair value
Credit spread	Reliance on Jervois issuances (i.e., Bonds) with available market pricing, adjusted for the difference in tenor by referencing the United States Composite bond index 30 June 2024: 2,096 bps – 2,127 bps 31 December 2023: 1,370 bps – 1,387 bps	The higher the credit spread, the higher the fair value
Equity volatility	52-week volatility rate, calculated from historical Jervois share price movements at valuation date 30 June 2024: 100.76% 31 December 2023: 107.17%	The higher the equity volatility, the higher the fair value
USD/AUD FX rate	Market observable FX spot and forward rates 30 June 2024: 1.499 31 December 2023: 1.468	The higher the USD/AUD FX rate, the lower the fair value
Interest rate	USD SOFR swaption volatility surface at valuation date 30 June 2024: 4.2% 31 December 2023: 3.6%	The higher the interest rate, the lower the fair value
Risk-free rate curve	USD risk-free rate curve at valuation date, including SOFR-based interest rates	The higher the interest rate, the lower the fair value

The movement in fair value for each reporting period has been recorded as an unrealised fair value gain on financial liabilities at fair value through profit or loss, as a component of other income, in the consolidated statement of profit or loss.

(iii) Contingent consideration

On 1 September 2021, Jervois acquired 100% of Freeport Cobalt by purchasing all the shares of Freeport Cobalt Oy and four affiliated entities (now referred to as "Jervois Finland") from Koboltti Chemicals Holdings Limited.

The Group's contingent consideration arrangement derived from this acquisition requires Jervois to pay up to US$40.000 million, payable in cash up to US$10.000 million per year based on Jervois Finland's financial performance from 2022 through to 2026, and through a "catch-up" amount based on Jervois Finland's aggregate financial performance during that period. Contingent consideration payable increases linearly from a payment of US$nil if Jervois Finland's EBITDA equals US$20.000 million or less to a payment of US$10.000 million if Jervois Finland's EBITDA equals more than the agreed target of US$40.000 million. The "catch-up" amount is quantified as the difference between (a) the sum of all contingent amounts already payable and (b) the sum that would have been payable if Jervois Finland's aggregate EBITDA over the period (2022 to 2026) were averaged out over the period. This remains subject to the overall maximum contingent consideration payment of US$40.000 million.

The fair value of the Group's contingent consideration arrangement was determined using a DCF valuation, which is expected to produce a reasonable reflection of the fair value of the contingent consideration at each reporting period given the linear nature of the liability. For the period ended 30 June 2024 the key inputs to the valuation include:

Input	Details	Relationship of input to fair value
Forecast cobalt metal price (real)	30 June 2024: US$12.60 – US$18.07 per pound 31 December 2023: US$18.83 – US$22.60 per pound	The higher the forecast cobalt metal price, the higher the fair value (up to a maximum value)
Cobalt payability percentage	30 June 2024: 57% - 60% 31 December 2023: 60%	The higher the cobalt payability percentage, the lower the fair value
Discount rate	30 June 2024: 10.3% 31 December 2023: 10.0%	The higher the discount rate, the lower the fair value (up to a maximum value)

The movement in fair value for each reporting period has been recorded as an unrealised fair value gain on financial liabilities at fair value through profit or loss, as a component of other income, in the consolidated statement of profit or loss.

Fair value of financial instruments at amortised cost

As at 28 June 2024, being the last working day of the period, the fair value of the Bonds is US$88.766 million (31 December 2023: US$95.793 million) and the fair value of the Notes was US$11.896 million (31 December 2023: US$14.522 million).

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

18. ISSUED CAPITAL

	30 June 2024	31 December 2023
	US$'000	US$'000
Share capital	572,673	572,595
Costs of raising equity	(18,603)	(18,603)
Total share capital	**554,070**	**553,992**

(a) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of, and amounts paid, on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital. On a show of hands, every member present at a meeting in person, or by proxy, shall have one vote and upon a poll each share shall have one vote.

(b) Movements in fully paid ordinary shares on issue

	No. Shares '000	US$'000
Balance as at 1 January 2023	**2,079,261**	**530,580**
Movements:		
Issue of ordinary shares – exercise of options	559	184
Issue of ordinary shares – placement	622,701	24,985
Less: Costs of raising equity		(1,757)
Balance as at 31 December 2023	**2,702,521**	**553,992**
Movements:		
Issue of ordinary shares – exercise of rights	243	78
Balance as at 30 June 2024	**2,702,764**	**554,070**

19. OTHER RESERVES

	Share capital	Share-based payments	Foreign currency translation	Total other reserves
	US$'000	US$'000	US$'000	US$'000
Balance as at 1 January 2024	**1,568**	**12,399**	**2,807**	**16,774**
Other comprehensive income				
Foreign currency translation differences for foreign operations	-	-	(1,932)	(1,932)
Transactions with owners, recorded directly in equity				
Share-based payments expense	-	914	-	914
Share-based payment transactions exercised	-	(78)	-	(78)
Balance as at 30 June 2024	**1,568**	**13,235**	**875**	**15,678**

	Share capital	Share-based payment	Foreign currency translation	Total other reserves
	US$'000	US$'000	US$'000	US$'000
Balance as at 1 January 2023	**1,568**	**10,090**	**1,925**	**13,583**
Other comprehensive income				
Foreign currency translation differences for foreign operations	-	-	1,175	1,175
Transactions with owners, recorded directly in equity				
Share-based payments expense	-	1,285	-	1,285
Share-based payment transactions exercised	-	(200)	-	(200)
Balance as at 30 June 2023	**1,568**	**11,175**	**3,100**	**15,843**

(a) Nature and purpose of other reserves

Share capital reserve

The share capital reserve reflects the fair value of options deemed to have been issued to existing option holders at the time of Jervois' acquisition of eCobalt Solutions in July 2019.

Share-based payment reserve

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

Foreign currency translation reserve

Exchange differences arising on translation of foreign controlled operations are recognised in other comprehensive income and accumulated in a separate reserve within equity. Exchange differences previously accumulated in the foreign currency translation reserve are reclassified to profit or loss on the disposal, or partial disposal, of the foreign operation.

20. SHARE-BASED PAYMENTS

	Six months to 30 June 2024	Six months to 30 June 2023
	US$'000	US$'000
Expense arising from equity settled share-based payment transactions[1]	914	1,285
Total share-based payments expense	**914**	**1,285**

[1] The full movement in the share-based payment reserve represents options and performance rights issued to Directors and employees.

Movements in performance rights

	Six months to 30 June 2024	Twelve months to 31 December 2023
	No. Rights	No. Rights
Balance at the beginning of the period	**23,222,371**	**4,443,483**
Granted	186,562,556	19,593,040
Forfeited	-	(140,745)
Exercised	(243,100)	(673,407)
Expired	(315,984)	-
Balance at the end of the period	**209,225,843**	**23,222,371**
Vested and exercisable at period end	-	-

Performance rights granted

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	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
		A$	A$				A$'000
03/05/2024	03/04/2027	0.015	N/A	70.0%	Nil	3.96%	1,866[1]

[1] Equivalent to US$1.230 million at grant date.

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

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

Unissued shares under performance rights to Directors and employees

30 June 2024 Expiry date	Exercise price	Number of shares
	A$	
03/04/2025	N/A	2,465,961
01/08/2025	N/A	604,286
03/04/2026	N/A	19,593,040
03/04/2027	N/A	186,562,556
Total		**209,225,843**

OTHER

21. COMMITMENTS

30 June 2024	Less than one year	Between one and five years	More than five years	Total
	US$'000	US$'000	US$'000	US$'000
Property, plant, and equipment	2,030	435	-	2,465
Total	**2,030**	**435**	**-**	**2,465**

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
Property, plant, and equipment	3,571	435	-	4,006
Total	**3,571**	**435**	**-**	**4,006**

22. CONTINGENCIES

	Note	30 June 2024	31 December 2023
		US$'000	US$'000
Customs guarantees	(i)	1,055	1,116
Bank guarantees		102	69
Total contingencies		**1,157**	**1,185**

(i) Customs guarantees

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

23. RELATED PARTIES

Loans or transactions with key management personnel

No loans or transactions have occurred with key management personnel or their related parties.

24. EVENTS AFTER THE REPORTING PERIOD

On 9 May 2024, Jervois agreed with the majority, controlling holder (the "Holder") of its ICO Senior Secured Bonds (the "Bonds") a waiver of all financial covenants (the "Initial Waiver") until 20 July 2024. After the period-end, in agreement with the Holder and implemented on 23 July 2024, the Initial Waiver of all financial covenants, along with a deferral of the interest payment with respect to the Bonds due on 22 July 2024, was extended to 20 August 2024, 30 August 2024, 6 September and most recently to 15 October 2024 (the "Extended Waivers"). Other than the Initial Waiver and the Extended Waivers, which included deferral of the interest payment, there are no changes to the terms of the Bonds, including coupon, security, or guarantee arrangements. The Bonds also continue in the ordinary course to be subject to no principal repayment until the end of their existing five-year term in July 2026.

On 26 July 2024, the Company announced that the debt under the Secured Revolving Credit Facility (the "Facility") provided by Mercuria Energy Trading S.A. ("Mercuria") to Jervois Finland has been transferred by Mercuria to the Holder of the Bonds (the "Lender"). The Facility continues to be secured against the assets and working capital in Jervois Finland, and the shares in Jervois Finland owned by Jervois. The Facility continues to have an unsecured parent guarantee from Jervois. There were no changes to the terms of the Facility. Concurrent to the Extended Waivers, Jervois agreed with the Holder to waive all financial covenants and collection account balances for the Facility to those dates mentioned above.

On 6 September 2024, the Group entered into an agreement to modify the Facility whereby the Lender has made available to the Group a term loan tranche (the "Term Loan") in the amount of US$7.500 million together with continuation of waivers of financial covenants and other requirements of the Facility. The Group anticipates drawing down on the Term Loan in the short-term, providing the Group with additional liquidity for general operations. The Facility (including the Term Loan) matures on 31 December 2024. As part of the Term Loan, the Lender receives additional security for the Facility, including a pledge over the shares of Jervois Brasil and a second lien on the assets currently secured to the Bonds. Similarly, Jervois has agreed to grant a second lien on the Facility security package in favour of the Bonds.

On 31 July 2024, the Company announced its results from the first four drillholes as part of its extensional drilling programme at its ICO RAM deposits in Idaho, U.S. These drilling results complement those obtained at its 100%-owned Sunshine deposit.

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

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

1. The condensed consolidated interim financial statements and notes that are set out on pages 11 to 48 are in accordance with the Corporations Act 2001, including:

    a. giving a true and fair view of the Group's consolidated financial position as at 30 June 2024 and of its consolidated financial performance for the period ended on that date; and

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

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

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

Dated at Melbourne this 13th day of September 2024.

Signed in accordance with a resolution of the Directors:

P. B. Johnston.

Peter Johnston
Chairman

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

Conclusion

We have reviewed the accompanying interim financial report of Jervois Global Limited (the Company) and its subsidiaries (collectively the Group), which comprises the condensed consolidated statement of financial position as at 30 June 2024, the condensed consolidated statement of profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

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

a. Giving a true and fair view of the consolidated financial position of the Group as at 30 June 2024 and of its consolidated financial performance for the half-year ended on that date; and

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

Basis for conclusion

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

Material uncertainty related to going concern

We draw attention to Note 2(c) in the financial report, which indicates that the Group incurred a net loss of US$22.4 million and a cash outflow from operations of US$22.3 million during the half year ended 30 June 2024 and, as of that date, the Group's current liabilities exceeded its current assets by US$9.3 million. These conditions along with the other factors outlined in Note 2(c) indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Directors' responsibilities for the interim financial report

The directors of the Company are responsible for the preparation of the interim financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the interim financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Our responsibility is to express a conclusion on the interim financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 30 June 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

Ernst & Young

Ernst & Young

BJ Pollock

BJ Pollock
Partner
Melbourne
13 September 2024