



Jervois Global Limited

(ABN 52 007 626 575)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(Unaudited – Expressed in Australian Dollars)

For the three months ended 31 March 2022

JERVOIS GLOBAL LIMITED AND CONTROLLED ENTITIES

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JERVOIS GLOBAL LIMITED AND CONTROLLED ENTITIES
Condensed Consolidated Statement of Financial Position
As at 31 March 2022 (Unaudited)

	Note	31 March 2022 A\$'000	31 December 2021 A\$'000
Current assets			
Cash and cash equivalents	6	117,762	67,730
Funds held in escrow		76,421	156,244
Trade and other receivables	7	61,157	51,535
Prepayments		6,278	5,084
Term deposits		116	116
Inventories		152,332	150,488
Financial assets at fair value through profit or loss	15	2,449	2,525
Total current assets		416,515	433,722
Non-current assets			
Security deposits		148	158
Exploration and evaluation	8	6,886	6,856
Property, plant, and equipment	9	203,256	176,218
Intangible assets and goodwill	10	135,837	141,957
Reclamation deposits	11	2,416	2,656
Right-of-use asset		34,201	30,690
Deferred tax assets		3,170	3,009
Others		644	680
Total non-current assets		386,558	362,224
Total assets		803,073	795,946
Current liabilities			
Trade and other payables	12	50,341	51,665
Employee benefits	13	5,881	5,831
Borrowings	15	64,130	132,268
Lease liability		12,282	10,756
Income tax payable		3,458	4,951
Total current liabilities		136,092	205,471
Non-current liabilities			
Deferred tax liabilities		22,878	24,000
Employee benefits	13	352	359
Borrowings	15	164,244	79,172
Asset retirement obligation	14	10,339	10,663
Lease liability		18,079	15,761
Contingent consideration		50,725	52,322
Other non-current liabilities		75	78
Total non-current liabilities		266,692	182,355
Total liabilities		402,784	387,826
Net assets		400,289	408,120
Equity			
Share capital	17	514,892	514,210
Reserves		6,055	17,863
Accumulated losses		(120,658)	(123,953)
Total equity attributable to equity holders of the Company		400,289	408,120

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

Approved on behalf of the Board on 13 May 2022:

(signed) "Peter Johnston"

Peter Johnston, Director

(signed) "Bryce Crocker"

Bryce Crocker, Director

JERVOIS GLOBAL LIMITED AND CONTROLLED ENTITIES

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the three months ended 31 March 2022 and 31 March 2021 (Unaudited)

	Note	Three months ended 31 March 2022 A\$'000	Three months ended 31 March 2021 A\$'000
Revenue	4	145,053	-
Cost of goods sold		(123,266)	-
Gross profit		21,787	-
Other income		4	28
General and administrative expenses		(4,597)	(1,383)
Employee benefits expenses		(1,889)	(936)
Share-based payments	18	(1,295)	(1,121)
Business development costs		(1,773)	(340)
Depreciation and amortisation		(4,194)	(337)
Operating profit/(loss)		8,043	(4,089)
Interest income		1	-
Interest expense		(1,850)	(664)
Net financing costs		(1,849)	(664)
Profit/(loss) before income tax expense		6,194	(4,753)
Income tax expense		(2,899)	-
Profit/(loss) for the period		3,295	(4,753)
Profit/(loss) after income tax expense for the period attributable to the owners of Jervois Global Limited		3,295	(4,753)
Other comprehensive income:			
<i>Items that may be subsequently reclassified to profit or loss:</i>			
Exchange reserve arising on translation of foreign operations		(12,370)	(276)
Total other comprehensive loss		(9,075)	(5,029)
Total comprehensive loss for the period attributable to the owners of Jervois Global Limited		(9,075)	(5,029)
Earnings/(loss) per share for the year attributable to the owners of Jervois Global Limited			
Basic earnings/(loss) per share (A\$ cents)	5	0.217	(0.594)
Diluted earnings/(loss) per share (A\$ cents)	5	0.217	(0.594)
<i>Weighted average ordinary shares outstanding:</i>			
Basic and diluted (number of shares '000)		1,519,318	800,143

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

JERVOIS GLOBAL LIMITED AND CONTROLLED ENTITIES

Condensed Consolidated Statement of Changes in Equity

For the three months ended 31 March 2022 and 31 March 2021 (Unaudited)

	Issued capital A\$'000	Share capital reserve A\$'000	Share-based payment reserve A\$'000	Foreign currency translation reserve A\$'000	Retained earnings A\$'000	Total A\$'000
Balance as at 1 January 2022	514,210	2,245	16,594	(976)	(123,953)	408,120
Total comprehensive income						
Profit for the period	-	-	-	-	3,295	3,295
<i>Other comprehensive income</i>						
Foreign currency translation differences for foreign operations	-	-	-	(12,370)	-	(12,370)
Total comprehensive income for the period	-	-	-	(12,370)	3,295	(9,075)
Transactions with owners, recorded directly in equity						
Issue of ordinary shares	-	-	-	-	-	-
Costs of raising equity	-	-	-	-	-	-
Value of options issued	-	-	1,295	-	-	1,295
Share-based payment transactions exercised	682	-	(733)	-	-	(51)
Balance as at 31 March 2022	514,892	2,245	17,156	(13,346)	(120,658)	400,289

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

JERVOIS GLOBAL LIMITED AND CONTROLLED ENTITIES

Condensed Consolidated Statement of Changes in Equity

For the three months ended 31 March 2022 and 31 March 2021 (Unaudited)

	Issued capital A\$'000	Share capital reserve A\$'000	Share-based payment reserve A\$'000	Foreign currency translation reserve A\$'000	Retained earnings A\$'000	Total A\$'000
Balance as at 1 January 2021	208,937	2,245	13,981	(8,702)	(94,944)	121,517
Total comprehensive income						
Loss for the period	-	-	-	-	(4,753)	(4,753)
<i>Other comprehensive income</i>						
Foreign currency translation differences for foreign operations	-	-	-	(276)	-	(276)
Total comprehensive income for the period	-	-	-	(276)	(4,753)	(5,029)
Transactions with owners, recorded directly in equity						
Issue of ordinary shares	-	-	-	-	-	-
Costs of raising equity	-	-	-	-	-	-
Value of options issued	-	-	1,121	-	-	1,121
Share-based payment transactions exercised	2,795	-	(85)	-	-	2,710
Balance as at 31 March 2021	211,732	2,245	15,017	(8,978)	(99,697)	120,319

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

JERVOIS GLOBAL LIMITED AND CONTROLLED ENTITIES

Condensed Consolidated Statement of Cash Flows

For the three months ended 31 March 2022 and 31 March 2021 (Unaudited)

	Note	Three months ended 31 March 2022 A\$'000	Three months ended 31 March 2021 A\$'000
Cash flows from operating activities			
Receipts from customers		132,357	-
Sundry income		-	23
Payments to suppliers and employees		(133,816)	(1,729)
Business development costs		(1,739)	-
Interest paid		(10,081)	-
Income taxes paid		(4,953)	-
Net cash outflow from operating activities		(18,232)	(1,706)
Cash flows from investing activities			
Payments for property, plant, and equipment		(28,928)	(1,889)
Proceeds from sale of property, plant, and equipment		-	5
Payments for exploration and evaluation		(11)	(40)
Net cash outflow from investing activities		(28,939)	(1,924)
Cash flows from financing activities			
Proceeds from issue of shares		304	2,709
Share issue transaction costs		(1,164)	-
Proceeds from borrowings		101,858	-
Repayment of lease liability		-	(346)
Net cash inflow from financing activities		100,998	2,363
Net increase/(decrease) in cash and cash equivalents		53,827	(1,267)
Cash and cash equivalents at the beginning of the period		67,730	42,331
Effects of exchange rate changes on cash and cash equivalents		(3,795)	(25)
Cash and cash equivalents at the end of the period	6	117,762	41,039

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

JERVOIS GLOBAL LIMITED AND CONTROLLED ENTITIES
Notes to the Condensed Consolidated Interim Financial Statements
For the three months ended 31 March 2022 and 31 March 2021 (Unaudited)

1. Corporate information

The financial statements cover Jervois Global Limited as a consolidated entity consisting of Jervois Global Limited (“Jervois” or the “Company”) and the entities it controlled (together referred to as the “Group”) at the end of, or during, the three months ended 31 March 2022 (the “period”). The financial statements are presented in Australian dollars, which is Company’s functional and presentation currency.

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

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

2. Principal activities

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

3. Basis of preparation

a. Statement of compliance

The condensed consolidated interim financial statements are general purpose financial statements which have 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 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 2021. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards. The annual consolidated financial statements comply with International Financial Reporting Standards, as issued by the IASB.

The same accounting policies, presentation and methods of computation have 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 2021.

b. New or amended accounting standards

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

JERVOIS GLOBAL LIMITED AND CONTROLLED ENTITIES
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4. Segment reporting

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

The accounting policies used by the Company in reporting segments internally are the same as those used in the 31 December 2021 annual financial report. The Group's operating segments are outlined below:

<i>Australia</i>	Includes Nico Young and other Australian tenement licenses held.
<i>Brazil</i>	Includes the São Miguel Paulista ("SMP") refinery currently under lease in São Paulo, Brazil.
<i>Finland</i>	Includes the cobalt refining and specialty products business located in Kokkola, Finland ("Jervois Finland").
<i>United States of America</i>	Includes the Idaho Cobalt Operation ("ICO") cobalt-copper-gold mine under construction in Lemhi County outside of the town of Salmon, Idaho.
<i>Other</i>	Consists of non-core exploration not related to Australia and the United States, corporate costs, including acquisition costs and financing costs. This is not a reportable segment.

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

JERVOIS GLOBAL LIMITED AND CONTROLLED ENTITIES

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended 31 March 2022 and 31 March 2021 (Unaudited)

Three months ended 31 March 2022	Australia A\$'000	Brazil A\$'000	Finland A\$'000	USA A\$'000	Other A\$'000	Total A\$'000
<i>Revenue from external customers</i>						
Timing of revenue recognition:						
At a point in time	-	-	145,053	-	-	145,053
Over time	-	-	-	-	-	-
	-	-	145,053	-	-	145,053
Other income	-	-	1	-	3	4
Segment expense	(5)	(1,705)	(124,417)	(1,305)	(4,018)	(131,450)
Adjusted EBITDA ¹	(5)	(1,705)	20,637	(1,305)	(4,015)	13,607
Integration costs	-	-	(894)	-	-	(894)
Depreciation and amortisation	(24)	(263)	(3,801)	(103)	(3)	(4,194)
Interest income	-	-	1	-	-	1
Interest expense	(6)	(598)	(1,246)	-	-	(1,850)
Net foreign exchange loss	-	-	(399)	(20)	(57)	(476)
(Loss)/profit before income tax expense (segment result)	(35)	(2,566)	14,298	(1,428)	(4,075)	6,194
Segment assets	7,775	32,608	478,854	276,455	7,381	803,073
Segment liabilities	(251)	(28,358)	(221,101)	(151,038)	(2,036)	(402,784)

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 gains (or losses) on sale of fixed assets, impairment charges (or reversals), certain derivative items, and one-off acquisition and integration costs.

Three months ended 31 March 2021	Australia A\$'000	Brazil A\$'000	USA A\$'000	Other A\$'000	Total A\$'000
Other income	-	-	-	28	28
Segment expense	(42)	(149)	(43)	(2,760)	(2,994)
Depreciation and amortisation	-	(274)	(58)	(4)	(336)
Interest income	-	-	-	-	-
Interest expense	-	(664)	-	-	(664)
Net foreign exchange gain / (loss)	-	-	108	(895)	(787)
Loss before income tax expense (segment result)	(42)	(1,087)	7	(3,631)	(4,753)
Segment assets	8,172	28,606	78,705	41,928	157,411
Segment liabilities	-	(25,117)	(11,129)	(846)	(37,092)

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Geographical information

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

	2022		2021	
	31 March	31 March	31 March	31 March
	Income	Non-current assets	Income	Non-current assets
	A\$'000	A\$'000	A\$'000	A\$'000
Australia	-	7,600	20	10,357
Brazil	-	32,312	-	-
Finland	145,054	191,003	-	-
United States of America	-	155,643	18	95,353
Other	3	-	-	24,751
Total	145,057	386,558	38	130,461

5. Loss per share

	Three months ended 31 March 2022 A\$ (cents)	Three months ended 31 March 2021 A\$ (cents)
Earnings/(loss) per share		
Basic earnings/(loss) per share - cents	0.217	(0.594)
Diluted earnings/(loss) per share - cents	0.217	(0.594)

Basic loss and diluted loss per share

The calculation of basic loss per share and diluted loss per share for the three months ended 31 March 2022 was based on the profit attributable to ordinary equity holders of the Company of A\$3.3 million (three months ended 31 March 2021: loss of A\$4.8 million) and a weighted average number of ordinary shares outstanding during the three months ended 31 March 2022 of 1,519,318,046 (three months ended 31 March 2021: 800,143,137).

6. Cash and cash equivalents

	31 March 2022 A\$'000	31 December 2021 A\$'000
Bank balances	117,762	67,730
Total cash and cash equivalents	117,762	67,730

7. Trade and other receivables

	31 March 2022 A\$'000	31 December 2021 A\$'000
Other receivables	38	41
GST and other tax receivable	3,322	4,535
Trade receivables	58,068	47,153
Allowance for expected credit losses	(271)	(194)
Trade receivables, net	57,797	46,959
Total trade and other receivables	61,157	51,535

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8. Exploration and evaluation

	31 March 2022 A\$'000	31 December 2021 A\$'000
Opening balance	6,856	7,171
Expenditure incurred and capitalised	30	171
Foreign currency translation	-	-
Impairment ¹	-	(423)
R&D tax offset recognised	-	(63)
Total exploration and evaluation	6,886	6,856

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

9. Property, plant, and equipment

	Property, plant & equipment	Office equipment, furniture & fittings	Motor vehicles	Assets under construction	Total
	A\$'000	A\$'000	A\$'000	A\$'000	A\$'000
31 March 2022					
<i>Cost</i>					
As at 1 January 2022	52,253	129	785	125,454	178,621
Additions for the period	68	11	175	35,878	36,132
Transfers	442	-	-	(442)	-
Foreign currency translation differences	(1,102)	277	17	(5,660)	(6,468)
As at 31 March 2022	51,661	417	977	155,230	208,285
<i>Depreciation and impairment</i>					
As at 1 January 2022	(2,220)	(43)	(140)	-	(2,403)
Depreciation charge for the period	(1,810)	(20)	(49)	-	(1,879)
Foreign currency translation differences	(474)	(217)	(56)	-	(747)
As at 31 March 2022	(4,504)	(280)	(245)	-	(5,029)
Net book value:					
As at 31 March 2022	47,157	137	732	155,230	203,256
31 December 2021					
<i>Cost</i>					
As at 1 January 2021	1,880	138	240	72,086	74,344
Addition through acquisition	49,506	-	-	1,327	50,833
Additions for the period	138	11	564	49,017	49,730
Transfer	521	-	-	(793)	(272)
Disposals for the period	(45)	-	(53)	-	(98)
Asset write-down	(442)	(36)	-	(1,844)	(2,322)
Foreign currency translation differences	695	16	34	5,661	6,406
As at 31 December 2021	52,253	129	785	125,454	178,621

JERVOIS GLOBAL LIMITED AND CONTROLLED ENTITIES

Notes to the Condensed Consolidated Interim Financial Statements

For the three months ended 31 March 2022 and 31 March 2021 (Unaudited)

Depreciation and impairment

As at 1 January 2021	(85)	(26)	(119)	-	(230)
Depreciation charge for the period	(2,033)	(34)	(64)	-	(2,131)
Disposals for the period	-	-	53	-	53
Asset write-down	8	30	-	-	38
Foreign currency translation differences	(110)	(13)	(10)	-	(133)
As at 31 December 2021	(2,220)	(43)	(140)	-	(2,403)
Net book value:					
As at 31 December 2021	50,033	86	645	125,454	176,218

10. Intangible assets and goodwill

	Goodwill ¹	Software	Commercial contracts	Total
	A\$'000	A\$'000		A\$'000
31 March 2022				
<i>Cost</i>				
As at 1 January 2022	52,196	912	91,517	144,625
Foreign currency translation differences	(1,593)	(28)	(2,793)	(4,414)
As at 31 March 2022	50,603	885	88,723	140,211
<i>Amortisation and impairment</i>				
As at 1 January 2022	-	(341)	(2,327)	(2,668)
Amortisation charge for the period	-	(55)	(1,794)	(1,849)
Foreign currency translation differences	-	12	131	143
As at 31 March 2022	-	(384)	(3,990)	(4,374)
Net book value:				
As at 31 March 2022	50,603	501	84,733	135,837
31 December 2021				
<i>Cost</i>				
As at 1 January 2021	-	592	-	592
Additions for the period	-	-	-	-
Additions through acquisition	51,594	2	90,460	142,056
Transfers	-	272	-	272
Foreign currency translation differences	602	46	1,057	1,705
As at 31 December 2021	52,196	912	91,517	144,625
<i>Amortisation and impairment</i>				
As at 1 January 2021	-	(174)	-	(174)
Amortisation charge for the period	-	(151)	(2,251)	(2,402)
Foreign currency translation differences	-	(16)	(76)	(92)
As at 31 December 2021	-	(341)	(2,327)	(2,668)
Net book value:				
As at 31 December 2021	52,196	571	89,190	141,957

1. Goodwill acquired through a business combination is allocated to the cash-generating unit ("CGU") or groups of CGUs that are expected to benefit from the related business combination and tested for impairment at the lowest level within the Group at which goodwill is monitored for internal management purposes. All goodwill intangible assets that have an indefinite life are tested annually for impairment, regardless of whether there has been an

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impairment trigger, or more frequently if events or changes in circumstances indicate a potential impairment. Management considers the smallest group of assets that independently generates cash flows, and whose cash flows is largely independent of the cash flows generated by other assets, to be the Jervois Finland business and thus the goodwill intangible asset is allocated to this CGU. A detailed estimate was determined of the recoverable amount of Jervois Finland as at 31 December 2021 using a Value In Use (“VIU”) methodology and it was concluded that no impairment was required. The VIU is estimated based on discounted cash flows using market-based commodity price and exchange rate assumptions, estimated production volumes and operating costs based on current operating plans. The recoverable amount is most sensitive to movements in cobalt pricing.

11. Reclamation deposits

	31 March 2022	31 December 2021
	A\$'000	A\$'000
Reclamation Performance Bond requirement	11,747	11,291
Insured	11,747	11,291
In Trust:		
US Treasury Securities including impact of foreign currency translation	2,416	2,656
Total reclamation deposits	2,416	2,656

12. Trade and other payables

	31 March 2022	31 December 2021
	A\$'000	A\$'000
Trade payables	27,076	31,221
Other payables	8,698	11,684
Accruals ¹	13,888	8,234
Deferred revenue	334	344
Tax payable (VAT/GST/Fuel Tax)	345	182
Total trade and other payables	50,341	51,665

1. Accruals consist primarily of items relating to the development of ICO.

13. Employee benefits

	31 March 2022	31 December 2021
	A\$'000	A\$'000
Annual leave provision	3,524	3,345
Long service leave provision	300	302
Other employee entitlements	2,409	2,543
Total employee benefits	6,233	6,190
Current	5,881	5,831
Non-current	352	359
Total employee benefits	6,233	6,190

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14. Asset retirement obligation

	31 March 2022 A\$'000	31 December 2021 A\$'000
Opening reclamation and closure cost balance	10,663	9,808
Foreign currency translation	(324)	610
Movements in economic assumptions and timing of cash flows	-	245
Closing reclamation and closure cost balance	10,339	10,663

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

The undiscounted cash flows of the disturbance due to construction as at 31 March 2022 were US\$7.7 million or A\$10.3 million. The discount used to determine the present value of the obligation was nil, based on a US Treasury Bond rate of 1.75% and an inflation rate which exceeded the US Treasury Bond rate. Reclamation activities will primarily be initiated at cessation of mining activities; however, some reclamation will happen concurrently where possible on areas no longer required for the mining operation.

15. Borrowings

	Interest rate	Maturity date	Principal A\$'000	31 March 2022 Carrying amount A\$'000	31 December 2021 Carrying amount A\$'000
Senior secured bonds ¹	12.5%	20-Jul-26	133,486	128,259	132,268
Secured revolving credit facility ²	LIBOR+5%	31-Dec-24	100,115	100,115	79,172
Total borrowings				228,374	211,440

- On 20 July 2021 (the "Issue Date"), the Company completed settlement of a US\$100.0 million senior secured bond (the "Bonds"). The Bonds were issued by the Company's wholly owned subsidiary, Jervois Mining USA Limited (the "Issuer"), and are administered by the bond trustee, Nordic Trustee AS. The coupon rate is 12.5% per annum, with interest payable bi-annually in arrears.

Upon settlement, the proceeds of the Bonds were deposited into an escrow account, whilst the first year's interest payment of US\$12.5 million was deposited into a debt service account, both pursuant to the terms and conditions of the bond facility (the "Bond Terms"). On 7 February 2022, following the satisfaction of certain pre-disbursement conditions precedent, the Issuer completed the first US\$50.0 million drawdown from the escrow account. In addition, US\$6.25 million was drawn down from the debt service account in January 2022 to facilitate the first bi-annual interest payment. The balances in the escrow account and debt service account have been classified as "funds held in escrow" in the statement of financial position as at 31 March 2022 and 31 December 2021.

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

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

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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 for each redeemed Bond.

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

This call option gives rise to an embedded derivative, which has been separately valued from the Bonds as the call option was not considered "closely related" to the host instrument. This resulted in the recognition of a separate asset in the statement of financial position as at 31 March 2022, classified as "financial assets at fair value through profit or loss".

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

Jervois Finland's Facility with Mercuria is for an initial maximum amount of US\$75.0 million with a Facility end date of 31 December 2024. The Borrowers can draw to the lower of the maximum amount or 80% of the collateral value (referred to as the "Maximum Available Amount"), where collateral is defined as the value of the Borrowers' inventory and receivables subject to eligibility requirements and associated terms of the agreement. Where the amounts drawn exceed 110% of the Maximum Available Amount (the "Shortfall"), the Borrowers are required to prepay or repay any amount of the Facility to ensure that, following such payment, the Shortfall no longer exists. At 31 March 2022, there is no Shortfall and therefore the facility has been classified as a non-current liability.

Annual interest payable on amounts drawn is LIBOR + 5.0%. The Facility is secured against the shares in Jervois Finland and its assets and is guaranteed by Jervois. A maximum of US\$50.0 million is permitted to be transferred out of the Jervois Finland group of companies for other general purposes in the wider Group. The Facility includes an uncommitted accordion (the "Accordion") for a further US\$75.0 million. The Accordion is subject to the commitment of the lender and satisfaction of specific additional requirements related to the security package. As 31 March 2022, the Accordion is not yet activated.

3. Borrowing costs relating to ICO of A\$4.4 million have been capitalised in "Assets under construction" (note 9) during the period at an effective interest rate of 14.1%.
4. Fees paid on the establishment of the Bonds (A\$3.9 million) are recognised as transaction costs of the facility. These fees are capitalised and amortised over the period of the facility to which they relate.

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16. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities held by the Group as at 31 March 2022 and 31 December 2021:

	31 March 2022	31 December 2021
	A\$'000	A\$'000
Financial assets at amortised cost		
Cash and cash equivalents	117,762	67,730
Term deposits	116	116
Funds held in escrow	76,421	156,244
Trade and other receivables	61,157	51,535
Total financial assets at amortised cost	255,456	275,625
Financial assets at fair value through profit or loss		
Call options	2,449	2,525
Financial liabilities at fair value through profit or loss		
Contingent consideration	50,725	52,322
Financial liabilities at amortised cost		
Trade and other payables	50,341	51,665
Senior secured bonds	128,259	132,268
Loans	100,115	79,172
Lease liabilities	30,361	26,517
Other non-current financial liabilities	75	78
Total financial liabilities at amortised cost	309,151	289,700

Fair value measurement

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

31 March 2022	Level 1	Level 2	Level 3	Total
Financial liabilities				
Contingent consideration	-	-	50,725	50,725
31 December 2021				
Financial liabilities				
Contingent consideration	-	-	52,322	52,322

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

17. Share capital

	31 March 2022	31 December 2021
	A\$'000	A\$'000
Share capital	530,496	529,814
Costs of raising equity	(15,604)	(15,604)
Total share capital	514,892	514,210

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

	No of shares '000	A\$'000
Opening balance at 1 January 2022	1,517,806	514,210
Movements in 2022		
Issue of ordinary shares – exercise of options	1,945	682
Closing share capital balance at 31 March 2022	1,519,751	514,892

(ii) **Movements in costs of raising equity:**

	Three months to 31 March 2022 A\$'000	Twelve months to 31 December 2021 A\$'000
Opening balance	(15,604)	(2,763)
Costs incurred	-	(12,841)
Closing balance	(15,604)	(15,604)

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

	Three months to 31 March 2022 Number of options	Twelve months to 31 December 2021 Number of options
Balance at the beginning of the period	91,178,500	85,122,500
Granted	2,500,000	11,500,000
Forfeited	(2,200,000)	(1,750,000)
Exercised	(1,200,000)	(3,694,000)
Balance at the end of the period	90,278,500	91,178,500
Vested and exercisable at period end	34,606,000	35,156,000

Employee options granted

The principal focus of the Company option plan is to provide incentivised compensation aligned with creating shareholder value. The Company option plan offers individuals the opportunity to acquire options over fully paid ordinary shares in the Company. Share options granted under the plan carry no dividend or voting rights. When exercised, each option is convertible into one ordinary share subject to satisfying vesting conditions and performance criteria. The shares, when issued, rank pari passu in all respects with previously issued fully paid ordinary shares. Option holders cannot participate in new issues of capital which may be offered to shareholders prior to exercise.

During the period, an additional 2,500,000 options were issued to employees as part of the Company option plan, with 2,200,000 options forfeited, 500,000 exercised at an exercise price of A\$0.26/share and 700,000 exercised at an exercise price of A\$0.15/share, thus bringing the options issued over ordinary shares in the Company to 90,278,500 as at 31 March 2022.

During the period, nil options vested pursuant to the Company's option terms.

Unissued shares under options

As at 31 March 2022 unissued shares of the Company under option are:

Expiry date	Exercise price (A\$)	Number of shares
30-Nov-22	\$0.10	12,500,000
1-Jul-23	\$0.25	7,500,000
30-Sep-23	\$0.24	5,000,000
30-May-24	\$0.40	100,000
1-Jun-24	\$0.19	2,500,000

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18-Jun-24	\$0.26	1,806,000
15-Aug-24	\$0.19	2,500,000
30-Sep-24	\$0.19	5,000,000
30-Sep-25	\$0.26	5,000,000
15-Aug-27	\$0.15	10,000,000
31-Mar-28	\$0.10	8,122,500
18-Oct-28	\$0.28	7,500,000
3-Jan-29	\$0.24	6,000,000
28-Feb-29	\$0.24	3,250,000
28-Feb-29	\$0.45	500,000
8-Aug-29	\$0.57	3,250,000
31-Aug-29	\$0.56	1,000,000
31-Aug-29	\$0.48	6,250,000
31-Mar-30	\$0.55	2,500,000
Total		90,278,500

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

(iv) Movements in options for services:

	Three months to 31 March 2022	Twelve months to 31 December 2021
	Number of options	Number of options
Balance at the beginning of the period	550,000	550,000
Granted	-	-
Forfeited	-	-
Exercised	(350,000)	-
Balance at the end of the period	200,000	550,000
Vested and exercisable at period end	200,000	550,000

Options granted for services provided to the Company

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

During the period, no options were issued to advisers to the Company in exchange for services rendered. Nil options forfeited and 350,000 options exercised, thus the options issued to service providers over ordinary shares in the Company is 200,000 as at 31 March 2022.

Unissued shares under options for services provided

As at 31 March 2022 unissued shares of the Company under option are:

Expiry date	Exercise price (A\$)	Number of shares
30-May-24	\$0.345	200,000
Total		200,000

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Once exercised, the option holder will be issued ordinary shares in the Company. The options do not entitle the holder to participate in any share issue of the Company. No shares have been issued by the Company during the period as a result of the exercise of options.

(v) Movements in options granted as part of acquisitions:

	Three months to 31 March 2022	Twelve months to 31 December 2021
	Number of options	Number of options
Balance at the beginning of the period	4,504,500	18,015,250
Granted	-	-
Forfeited	-	-
Exercised	-	(11,378,500)
Expired	-	(2,132,250)
Balance at the end of the period	4,504,500	4,504,500
Vested and exercisable at period end	4,504,500	4,504,500

Options granted as part of acquisitions

During the period, no new options were issued as part of any acquisitions. Nil options were forfeited, nil options were exercised, and nil options were expired, thus bringing the options issued for acquisitions over ordinary shares in the Company to 4,504,500 as at 31 March 2022.

Unissued shares under options as part of the acquisitions

As at 31 March 2022 unissued shares of the Company under option are:

Expiry date	Exercise price (C\$)	Number of shares
28-Jun-22	\$0.71	1,344,750
28-Jun-23	\$0.61	1,179,750
01-Oct-23	\$0.53	1,980,000
Total		4,504,500

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

(vi) Movements in performance rights:

	Three months to 31 March 2022	Twelve months to 31 December 2021
	Number of rights	Number of rights
Balance at the beginning of the period	2,351,165	2,351,165
Granted	-	-
Forfeited	(99,098)	-
Exercised	(968,486)	-
Expired	-	-
Balance at the end of the period	1,283,581	2,351,165
Vested at period end	-	-

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Performance rights granted:

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

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

During the period, nil performance rights were issued to employees. 99,098 performance rights were forfeited, 968,486 performance rights were exercised and nil expired, thus bringing the performance rights over ordinary shares in the Company to 1,283,581 as at 31 March 2022.

Unissued shares under performance rights to Directors and employees

As at 31 March 2022 unissued shares of the Company under option are:

Expiry date	Exercise price (A\$)	Number of rights
03-Apr-24	N/A	315,984
17-Feb-24	N/A	967,597
Total		1,283,581

18. Share-based payments

Recognised share-based payment expense

	31 March 2022	31 March 2021
	A\$'000	A\$'000
Expense arising from equity settled share-based payment transactions	1,295	1,121

19. Related party transactions

Related party disclosure

The Company acquired a related party relationship between prior M2 Cobalt management personnel, Dr. Jennifer Hinton and Mr. Tom Lamb and an external services company Great Rift Geosciences ("Great Rift") via the M2 Cobalt merger. Acquired in September 2019, Jervois used Great Rift to provide Ugandan exploration management services including local administration and in-country management, accounting, payroll and treasury services, offices including a core shed and sample preparation area, employee accommodation, and exploration staffing. Dr. Jennifer Hinton and Mr. Tom Lamb are also principals and co-owners of Great Rift. The commercial arrangements with Great Rift were conducted on arms-length terms. Upon suspension of all exploration activities in Uganda, the relationship with Great Rift was terminated in February 2021. Amounts below represent payments to Great Rift (Canada) and Great Rift (Uganda) at which Dr. Hinton and Mr. Lamb are Directors. Payments made to Great Rift were solely for the in-country services outlined above. No loans have been made to key management personnel as of 31 March 2022.

	31 March 2022	31 March 2021
	A\$'000	A\$'000
Management services – Great Rift	-	43

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20. Events after reporting period

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