# JUPITER MINES LIMITED

ABN 51 105 991 740

21st September 2012

**The Manager**
Company Announcements Office
Australian Stock Exchange Limited
Level 4, 20 Bridge Street
SYDNEY NSW 2000

Via ASX Online

**RE: Annual Report 2012**

Please find attached the Annual Report for Jupiter Mines Limited for the year ending 30th June 2012.

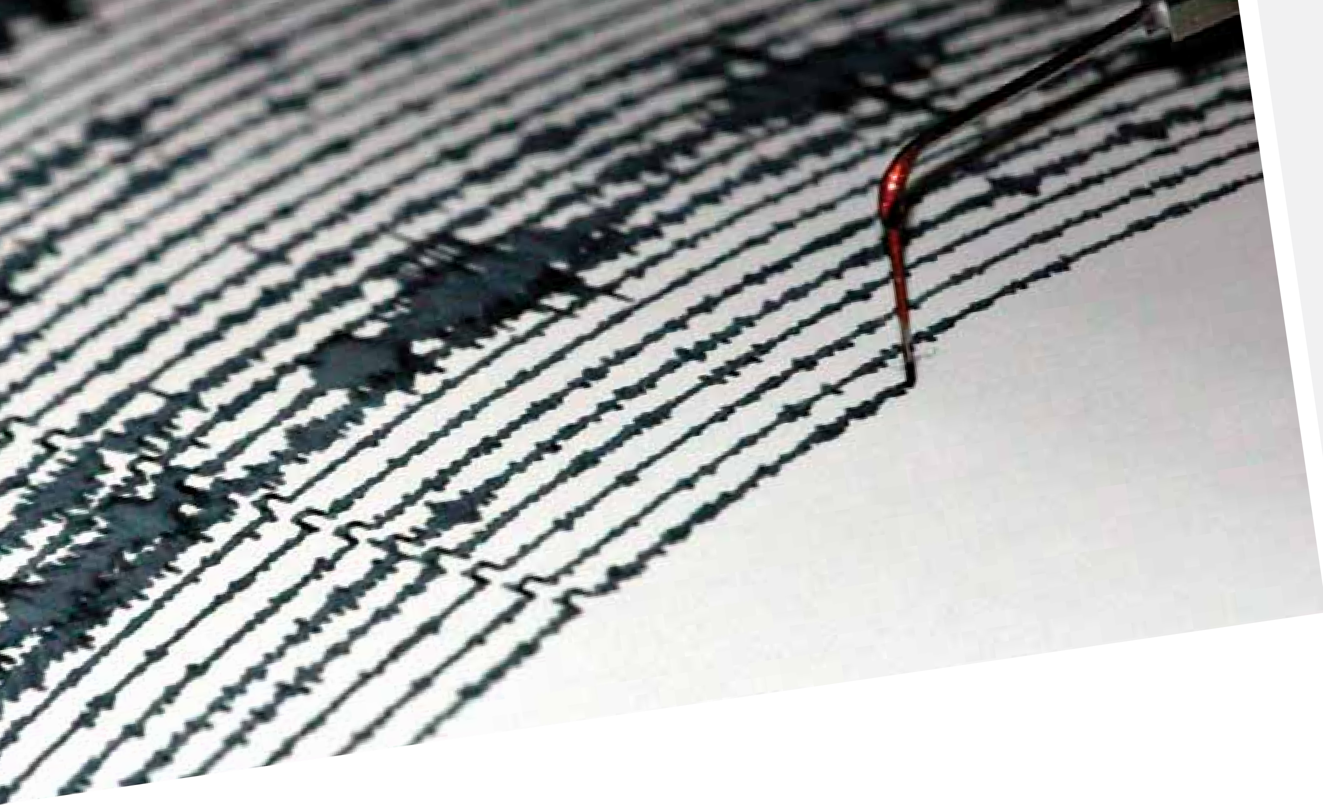
For and on behalf of the Directors of Jupiter Mines Limited.

Yours Sincerely

**Matt Finkelstein**
**Company Secretary & CFO**

# Jupiter Mines Limited

Annual Report 2012



# Corporate Directory

Jupiter Mines Limited shares are listed on the Australian Securities Exchange (ASX).

The ASX code is JMS.

### Australian Business Number

**51 105 991 740**

## DIRECTORS

**Brian Gilbertson**
(Non-executive Chairman)

**Paul Murray**
(Non-executive Director)

**Priyank Thapliyal**
(Non-executive Director)

**Mr Soo-Cheol Shin**
(Non-executive Director)

**Andrew Bell**
(Non-executive Director)

## EXECUTIVES

**Greg Durack**
Chief Executive Officer

**Matt Finkelstein**
Company Secretary and Chief Financial Officer

### Principal Office

Level 42
108 St Georges Terrace
Perth WA 6000

Telephone: (08) 9346 5500
Facsimile: (08) 9481 5933
Email: info@jupitermines.com

### Share Registry

Link Market Services
Level 2, 178 St Georges Terrace
Perth WA 6000

Telephone: 1300 554 474
Fax: (02) 9287 0303
Email: registrars@linkmarketservices.com.au
Website: www.linkmarketservices.com.au

### Independent Auditors

Grant Thornton
Level 1, 10 Kings Park Road
West Perth WA 6005

Telephone: (08) 9480 2000
Facsimile: (08) 9322 7787
Email: info.wa@au.gt.com
Website: www.grantthornton.com.au

# Contents

# Chairman's Letter

## Dear Shareholders,

The financial year ending 30 June 2012 has seen significant progress in its major projects, and I am pleased to present the review of activities.

The past year saw significant activity across the Company's major projects, with construction well advanced on the Tshipi Manganese Project, and the work streams progressing well on the Central Yilgarn Iron Projects' Feasibility Studies.

Throughout the course of the year there were a number of Board and Management changes. In March 2012 Mr Sun Moon Woo resigned as a Non-Executive Director of Jupiter following his decision to retire as Managing Director of POSCO Australia, Jupiter's largest shareholder. Mr Soo-Cheol Shin, the new Managing Director of POSCO Australia was then welcomed to the Jupiter Board as a Non-Executive Director, and we look forward to his involvement in the Company's future growth. The Board thanks Mr Woo for his contribution to the Company and being a very large part of building the strong relationship with POSCO.

In June 2012 Managing Director and Chief Executive Officer, Mr Richard Mehan, gave notice of his resignation, the Board also thanks Mr Mehan for his contribution. Mr Greg Durack, the Chief Operating Officer of Jupiter was appointed as the Chief Executive Officer.

In November 2011, Jupiter's 49.9% owned joint venture Tshipi é Ntle Manganese Mining (Pty) Ltd appointed Mr Finn Behnken as Chief Executive Officer and Mr Brendan Robinson as Chief Financial Officer.

In respect to progress on the Company's major projects, a ground breaking ceremony for the Tshipi Borwa Project was conducted in September 2011, and was attended by local politicians and community representatives. The construction and mining pre-strip is proceeding to plan and budget, and first manganese production is expected in the December quarter of 2012. The Tshipi Project, once reaching a steady state production rate, should be a lowest quartile producer for many years to come.

In the Central Yilgarn on the Mt Mason DSO Hematite Project, a resource upgrade was announced in January 2012 to 5.90mt at 60.1% Fe, with work continuing on optimisation of the feasibility study and securing a Port solution.

The Mt Ida Magnetite Project feasibility study work streams are proceeding well with delivery of the feasibility study expected in June 2013. The drilling program at Mt Ida was completed in June 2012, and to date 465 holes totalling 99,308 metres of RC and diamond drilling have been invested in the Project. On the 4th of September 2012, the Company announced a significant resource increase and upgrade to indicated category (86%) of the Central Zone to 1.23 billion tonnes at 29.79% Fe, a 132 per cent increase over the maiden inferred resource, 530 million tonnes at 31.94% Fe, announced in early 2011. The Northern and Southern Zones were also drill tested, and will also increase the overall resource; the modelling is expected to be completed in December 2012.

On 19 July 2012 the Company announced that it would source up to approximately $125 million through capital raising to support the development of its manganese and iron ore assets in South Africa and Australia, which was completed in two tranches. Firstly, a $40 million private placement was made to Netherlands-based institutional investor Stichting Pensioenfonds ABP. In addition, Jupiter undertook a rights issue on a 5 for 19 basis, and the total of $36 million was raised and 225,001,339 shares placed. The remaining 316,271,853 shortfall shares may be placed within 3 months of the closing date of the offer.

For Mt Ida and Mt Mason to be developed, access to Port infrastructure is of great importance, and so the Western Australian Government's announcement in early 2012, that Esperance was to be the preferred port for iron ore expansion for the Yilgarn, was welcome news. Jupiter will fully participate in the process outlined by the Port, and where possible look for opportunities to drive and expedite an outcome.

The past year has been a very busy one for Jupiter, and the year ahead will see further progress, at Tshipi and the Central Yilgarn, as we grow the Steel Feed Corporation strategy.

Yours Faithfully

**Jupiter Mines Limited**

**Brian Gilbertson**
*Chairman*

**Jupiter Mines Limited ("Jupiter" or the "Company") continued to focus on the development of its iron and manganese projects in pursuit of its long term Steel Feed Corporation ("SFC") strategy.**

**Significant progress was achieved during the year across the Company's major project areas in Australia, at the Central Yilgarn Iron Project ("CYIP"), and in South Africa at the Tshipi Kalahari Manganese Project.**

**Following success in these core projects, Jupiter is set to evolve from an exploration and development company to a producing company.**

## TSHIPI KALAHARI MANGANESE PROJECT

Jupiter has a 49.9% interest in Tshipi é Ntle Manganese Mining (Tshipi). Tshipi owns two manganese projects in the Kalahari Manganese fields, namely Tshipi Borwa and Tshipi Bokone, adjacent to the operating Mamatwan and Wessels mines respectively.

Tshipi's flagship project, Tshipi Borwa, is presently being developed as a new standalone open-pit manganese mine. Tshipi Borwa is located in the Southern portion of the Kalahari Manganese Field, the largest manganese bearing geological formation in the world.

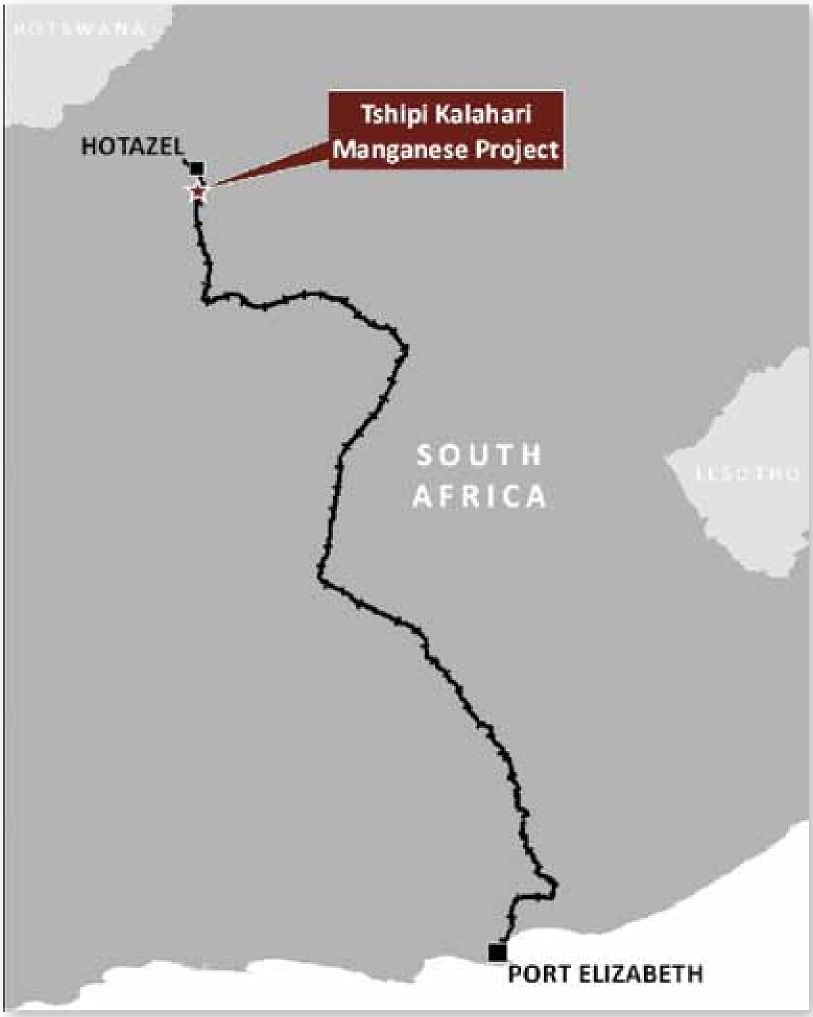



***Figure 1. Tshipi Kalahari Manganese Project Location Map***

Tshipi Borwa will mine the ore body that is contiguous to, and a direct extension of, the Mamatwan ore body which has been mined for over 46 years. As such the Tshipi Borwa Mine is expected to produce a comparable product that has been tried and tested in the global manganese markets.

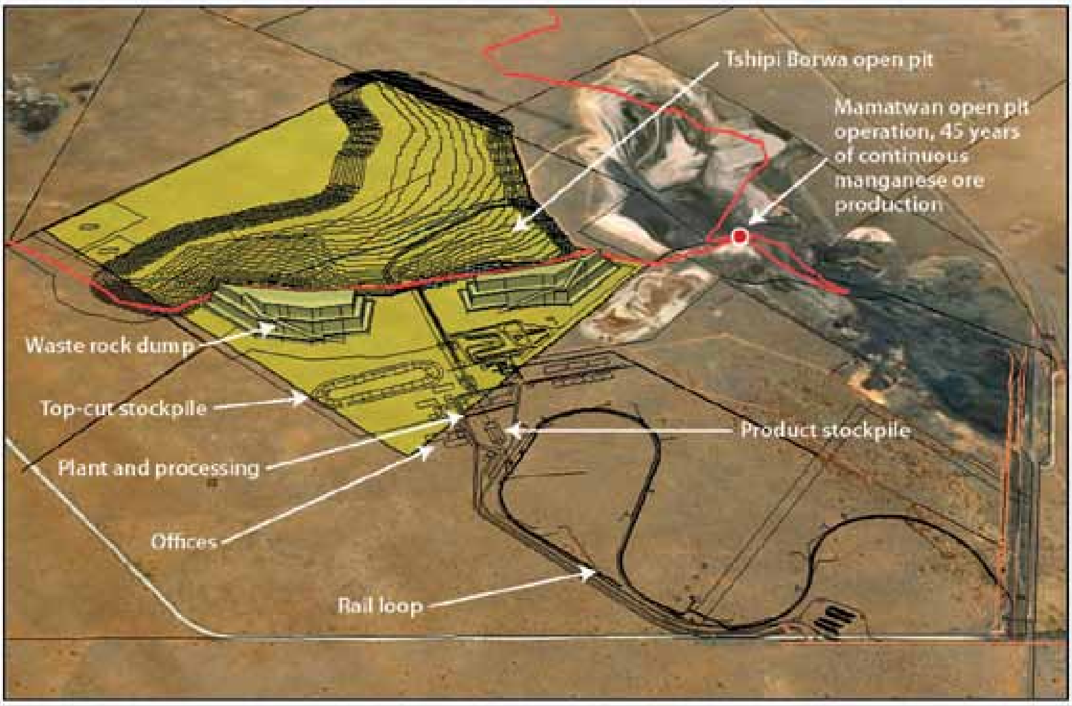



*Figure 2. Tshipi Borwa – Surface Infrastructure*

Tshipi Bokone is an exploration property located in the northern portion of the Kalahari Manganese Field.

## TSHIPI BORWA

Significant progress on the development of Tshipi Borwa has been made during the year; the project remains on target for first ore delivery during the 2nd half of 2012.

*Figure 3. Tshipi Borwa – Aerial View*

On 14 September 2011, Tshipi held a ground breaking ceremony for the Tshipi Borwa Mine. The ceremony was attended by local politicians and community representatives and created significant goodwill and expectation among the local stakeholders. It is anticipated that the mining operations will employ approximately 400 people. In addition, numerous other jobs will be created from associated services and business opportunities which will be specifically aimed at local development in the Northern Cape, South Africa's most impoverished province.

In late October Tshipi awarded the final major construction contract for Tshipi Borwa, being the Opening Pit Mining Contract. This was awarded to Aveng Moolmans (ASX announcement 31 October 2011), one of Africa's largest open pit mining contractors, for 54 months. Site mobilisation commenced shortly after the appointment.

During November Tshipi appointed Finn Behnken and Brendan Robinson as CEO and CFO respectively (ASX announcement 10 November 2011).

Pre-strip mining, which has started in late November 2011, progressed to a pit depth of over 40 meters by 30 June 2012. It is anticipated first ore will be reached within another 30 meters.

*Figure 4. Tshipi Borwa – Blast Hole Drilling in Progress*

*Figure 5. Tshipi Borwa – Pit Taking Shape*

Construction for the mine progressed well during the year, with several of the major mine components including the rail siding and load out station due for commissioning during the 3rd quarter of 2012. The process plant foundation and structure preparation are well advanced, and concrete works have commenced. The staff housing and offices have been completed.

*Figure 6. Tshipi Borwa – Plant Power*

*Figure 7. Tshipi Borwa – Employee Housing*

Good progress was made during the year with Transnet, the national rail logistics provider. Rail contract negotiations between Tshipi and Transnet commenced in May of 2012, and formal contracts to secure rail allocation to Port Elizabeth are expected to be signed during the 3rd quarter of 2012.

***Figure 8. Tshipi Borwa – Rail Tamping***

***Figure 9. Tshipi Borwa – Rail Loop Aerial***

The capital budget for the construction of Tshipi Borwa remains in line with forecasts. Total expenditure for the year has been approximately R555 million ($66 million) while a further R1.1 billion ($130 million) has been committed. Jupiter has contributed its pro-rate share of 49.9% of the amounts listed above.

It is anticipated that, upon reaching a steady state production rate, the Tshipi Project will be a lowest cost quartile producer and that first production will be in the second half of 2012.

## TSHIPI BOKONE

Exploration activities at Tshipi Bokone have temporarily put on hold as Tshipi management focus their attention at bringing Tshipi Borwa on line. It is anticipated activities at Bokone will restart during 2013.

## CENTRAL YILGARN IRON PROJECTS

### *Mount Ida and Mount Mason*

The Central Yilgarn Iron Project ("CYIP") area is located 130km by road northwest of the town of Menzies. The CYIP consists of one smaller DSO project – Mount Mason DSO Hematite Project, and the flagship long life magnetite Project – Mount Ida Magnetite Project

Both projects plan to leverage off existing infrastructure in the region including the Leonora to Esperance railway line, and the Port of Esperance.

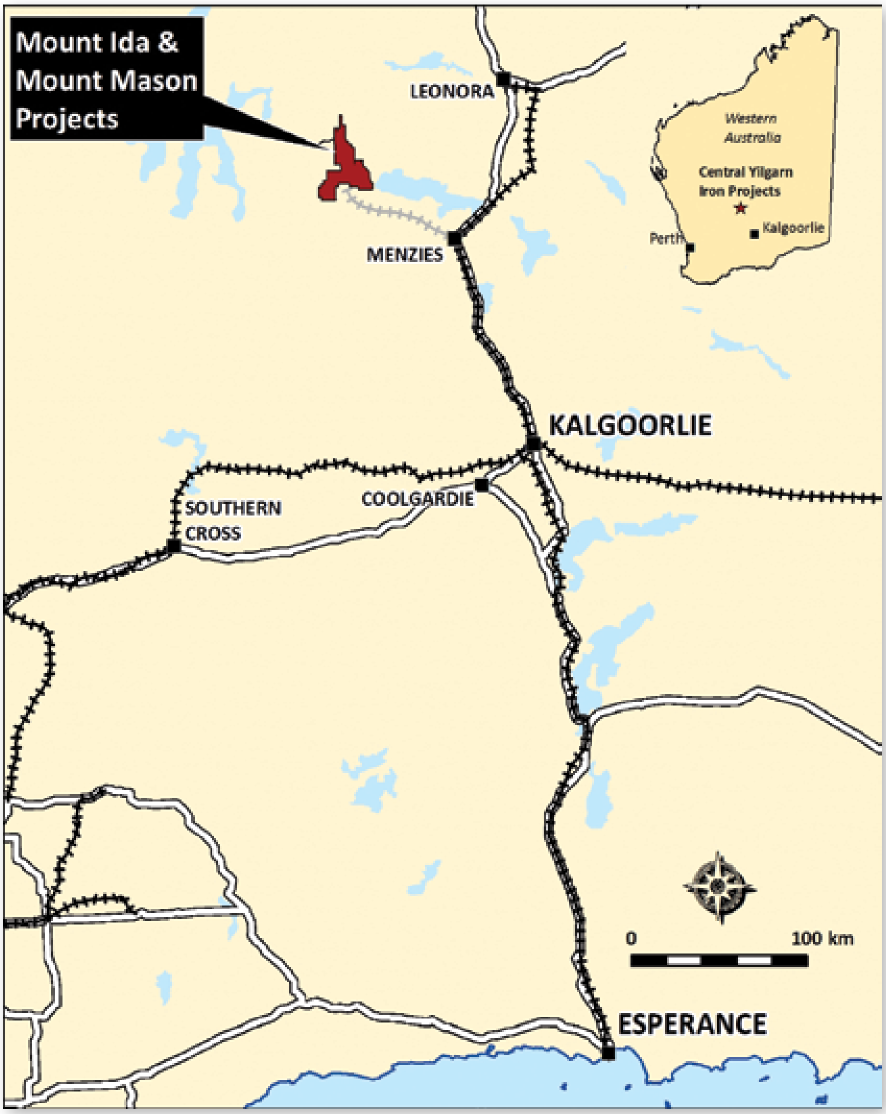



*Figure 10. CYIP Project Location Map*

## MOUNT IDA MAGNETITE PROJECT

The flagship Mount Ida Magnetite Project has the potential to be a tier one magnetite mine with substantially long mine life, creating significant positive cash flows, and further establishing Jupiter in the Central Yilgarn region.

Jupiter undertook, and has significantly progressed, the Mount Ida Feasibility Study during the year (ASX announcement 27 June 2011). The feasibility study is based on annual production of 10 million tonnes of magnetite concentrate grading +68% per cent Fe. It is proposed that the concentrate will be transported along the existing railway from Menzies to the Port of Esperance on Western Australia's south coast.

During the year, Mount Ida's infill drill programme was completed. It comprised of 202 RC and diamond holes, for a total of 67,357 meters. The data from this infill programme, combined with existing data will enable a re-estimation and upgrade in the confidence of the previously released Mount Ida Central Zone Inferred Resource estimate of 530 million tonnes @ 31.94%Fe (ASX announcement 19 January 2011), the results of which are due for release during the 3rd quarter of 2012.

***Figure 11. Mount Ida – Drill Core***

Jupiter also completed an additional 43 RC drill holes for a total of 12,646 meters, along a further 4kms of strike to test the continuity of the northern and southern extensions to the Mount Ida Central lodes. Geological modelling has commenced over these areas and resource modelling will be undertaken following the completion of the Mount Ida Central Zone resource re-estimate. This modelling will enable a maiden Inferred Resource estimate to be completed over an additional 4km strike length of the Mount Ida BIF.

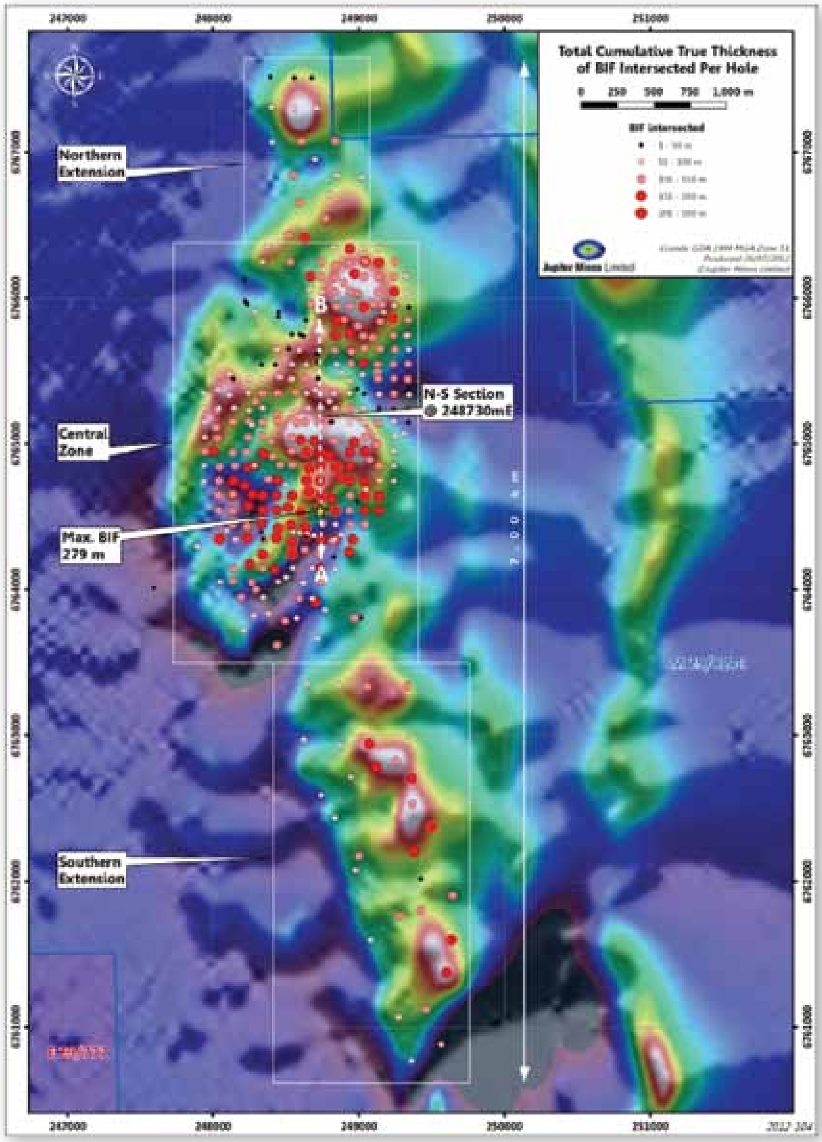



*Figure 12. Mount Ida – Drill Hole Location Plan Showing Cumulative BIF Thickness in Drill Holes*

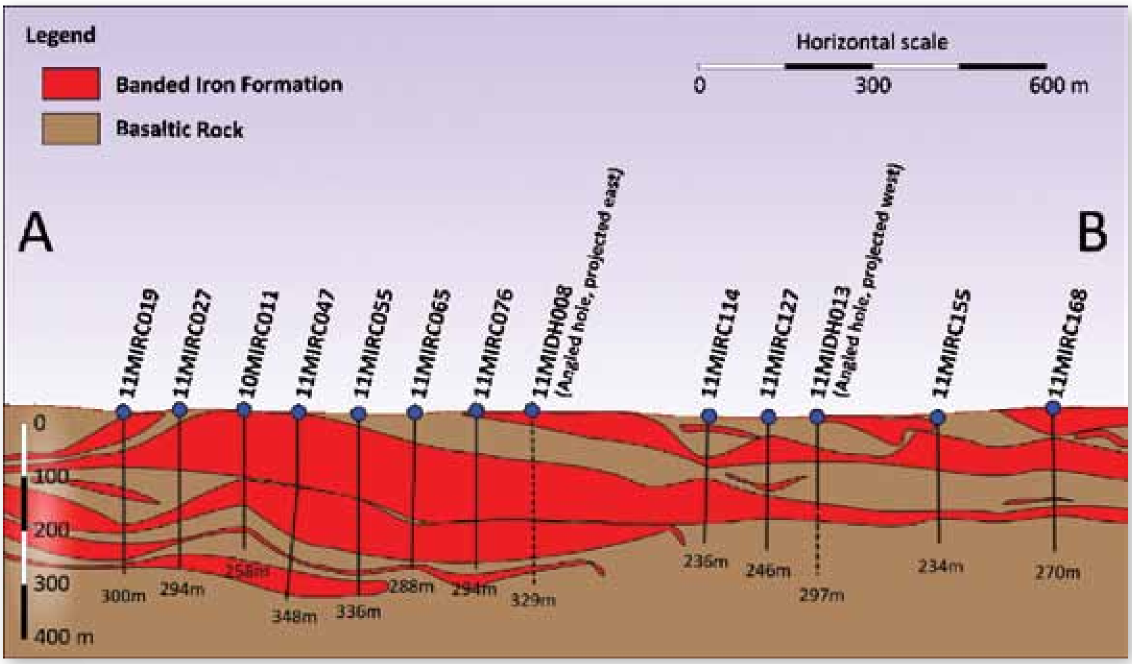



*Figure 13. Mount Ida Central Zone Long Section 248730m E (Looking West)*

*Table 1. Mount Ida Central Zone Section 248730me Cumulative BIF Intersections*

| Hole ID | BIF Thickness (m) | Head Fe% | Mass Recovery (wt%) | DTC Fe % | DTC SiO2 % | DTC Al2O3 % | DTC S % | DTC P % | DTC LOI% |
|---|---|---|---|---|---|---|---|---|---|
| 10MIRC011 | 136 | 30.70 | 40.70 | 64.71 | 9.73 | 0.026 | 0.034 | 0.02 | -2.80 |
| 11MIRC019 | 104 | 28.44 | 32.70 | 65.14 | 8.41 | 0.07 | 0.25 | 0.02 | -2.78 |
| 11MIRC027 | 138 | 31.84 | 35.90 | 65.13 | 9.19 | 0.02 | | 0.02 | -2.90 |
| 11MIRC047 | 261 | 31.67 | 38.60 | 68.93 | 4.14 | 0.01 | 0.16 | 0.01 | -3.07 |
| 11MIRC055 | 267 | 33.87 | 43.0 | 68.72 | 4.45 | 0.02 | 0.07 | 0.01 | -3.15 |
| 11MIRC065 | 213 | 34.73 | 45.1 | 68.84 | 4.29 | 0.01 | 0.02 | 0.01 | -3.09 |
| 11MIRC076 | 200 | 35.51 | 46.60 | 68.84 | 4.41 | 0.02 | 0.03 | 0.01 | -3.20 |
| 11MIDH008 | 188 | 35.92 | 52.2 | 64.34 | 10.32 | 0.02 | 0.03 | 0.02 | -2.85 |
| 11MIRC114 | 79 | 30.44 | 37.60 | 67.77 | 5.06 | 0.06 | 0.15 | 0.01 | -2.90 |
| 11MIRC127 | 98 | 29.31 | 28.8 | 66.73 | 5.65 | 0.17 | 0.38 | 0.02 | -2.13 |
| 11MIDH013 | 41 | 27.33 | 30.9 | 67.59 | 4.98 | 0.11 | 0.90 | 0.01 | -2.84 |
| 11MIRC155 | 74 | 32.27 | 46.30 | 64.37 | 10.03 | 0.065 | 0.2 | 0.02 | -2.65 |
| 11MIRC168 | 73 | 35.60 | 50.1 | 63.6 | 10.95 | 0.02 | 0.18 | 0.02 | -2.63 |

***Note:*** *Assays are based on length weighted average - uncut assays. Five (5) metre composite samples used for DTR with XRF assays. Sample analyses by X-Ray Fluorescence Spectrometry (XRF) at ALS in Perth. Loss On Ignition (LOI) values determined using Thermo-gravimetric Analyses at 1000° C.*

*Table 2. Section 248730me Drill Hole Collars*

| Hole ID | MGA E | MGA N | RL (AHD) | Depth (m) | Dip | Azimuth |
|---|---|---|---|---|---|---|
| 10MIRC011 | 2487561 | 6764454 | 529 | 258 | -90° | |
| 11MIRC019 | 248735 | 6764248 | 524 | 300 | -90° | |
| 11MIRC027 | 2487400 | 6764346 | 533 | 294 | -90° | |
| 11MIRC047 | 248737 | 6764545 | 526 | 348 | -90° | |
| 11MIRC055 | 248741 | 6764648 | 520 | 336 | -90° | |
| 11MIRC065 | 248738 | 6764745 | 521 | 288 | -90° | |
| 11MIRC076 | 248740 | 6764851 | 527 | 294 | -90° | |
| 11MIDH008 | 248737 | 6764944 | 526 | 329 | -70° | 083° |
| 11MIRC114 | 248740 | 6765245 | 517 | 236 | -90° | |
| 11MIRC127 | 248740 | 6765347 | 515 | 246 | -90° | |
| 11MIDH013 | 248721 | 6765445 | 514 | 297 | -60° | 278° |
| 11MIRC155 | 248730 | 6765337 | 514 | 234 | -90° | |
| 11MIRC168 | 248731 | 676583 | 530 | 264 | -90° | |

***Note:*** *Drill Hole coordinate projection; GDA94, MGA Zone 51.*

The metallurgical test work program of the Feasibility Study is well advanced; high pressure grinding roles (HPGR) test work has been completed with the ore demonstrating a consistent response to the HPGR process. Significant size reduction at low energy consumption has been achieved. Pilot plant test work commenced during June 2012, and all the test work programs for the Feasibility Study are scheduled to be completed during the September quarter.

Process flow sheet and layouts have been finalised, with process plant capital estimation well advanced. Mine layout, including waste dumps, tailings management facility, process plant and supporting infrastructure are all undergoing optimisation.

Infrastructure service providers for the gas lateral pipeline and power station have been identified and commissioned to undertake the key components of the Feasibility Study. Planning is in process to undertake the geotechnical sampling for the key infrastructure sites, and to commence the water exploration drill program.

Initial baseline environmental and heritage surveys were conducted in preparation for the Mount Ida project approvals processes, as required under Western Australian mining and environmental approvals legislation.

*Figure 14. Mount Ida – Heritage Survey*

Flora, fauna and indigenous heritage surveys were completed for the mine pit development areas, and will be similarly refined and updated as the Mount Ida project infrastructure layout and associated service corridors for water, gas, road and rail are identified, assessed and finalised.

The Mt Ida project will be referred to the Commonwealth Government for assessment under the Environmental Protection and Biodiversity Conservation Act 1999, and during 2013 it will be referred to the Environmental Protection Authority of Western Australia (EPA) to determine the level of assessment under the requirements of the Environmental Protection Act 1986.

The operational focus for the remainder of 2012 will be on completion of the Feasibility Study work streams.

## MOUNT MASON DSO HEMATITE PROJECT

The Mount Mason DSO Hematite Project has the potential to be a near term, low CAPEX project with a short payback period and strong positive cash flows.

A resource infill drilling programme was completed during July 2011, the results of which were included in an updated resource model (ASX Announcement 30 January 2012)

*Table 3. Mount Mason Mineral Resource Statement Reported At A Cut-Off Grade of Fe>55%**

| Classification | Tonnes | Fe% | SiO2% | Al2O3% | P% | S% | CaO% | MgO% | LOI% |
|---|---|---|---|---|---|---|---|---|---|
| Measured | 4,800,000 | 60.3 | 7.37 | 2.90 | 0.05 | 0.01 | 0.03 | 0.04 | 2.63 |
| Indicated | 1,080,000 | 59.4 | 10.41 | 3.47 | 0.06 | 0.01 | 0.03 | 0.05 | 2.55 |
| Inferred | 320,000 | 58.4 | 14.10 | 4.37 | 0.08 | 0.01 | 0.03 | 0.06 | 2.88 |
| Total Measured + Indicated | 5,900,000 | 60.1 | 7.92 | 3.01 | 0.05 | 0.01 | 0.03 | 0.04 | 2.62 |

***Note:*** *The effective date of the Mineral Resource Statement is 22 December 2011. The Mineral Resource was estimated within constraining wireframe surfaces based on geological limits of the mineralised and internal waste units. Internal non-mineralised units have been accounted for. The grades and tonnes have been rounded to reflect the degree of uncertainty related to the estimate.*

*The information in this report that relates to Mineral Resources is based on work done by Fabio Vergara, Jessica Binoir and Andre Wulfse of SRK Consulting (Australasia) Pty Ltd. Andre Wulfse takes overall responsibility for the Mineral Resource Estimate and Geological Model. Len Skotsch of Jupiter Mines Limited is responsible for the integrity of the Exploration Results including sampling, assaying and QA/QC.*

*Andre Wulfse and Len Skotsch are Members of The Australasian Institute of Mining and Metallurgy and have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration, and to the activity they are undertaking to qualify as a Competent Persons in terms of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2004 edition).*

*The Competent Persons consent to the inclusion of such information in this report in the form and context in which it appears.*

In January 2012 the State Government announced that the Port of Esperance is to be expanded to cater for additional iron ore exports. The government has committed to increasing the export capacity by an additional 20 million tonne per annum (mtpa), and will seek private industry backing for the project.

The Port commenced the 'market sounding' process, in which Jupiter will fully participate. Jupiter intends to be active in progressing the Port expansion, not only for Mount Mason but ultimately for Mount Ida.

Baseline environmental and heritage surveys were conducted in preparation for the Mount Mason project approvals processes as required under Western Australian mining and environmental approvals legislation.

Surveys were completed for flora, fauna and indigenous heritage and will be refined and updated as the project infrastructure layout and the project impact footprint is finalised.

***Figure 15. Mount Mason – Outcrop***

Exploration drill hole rehabilitation was completed for all drilling inclusive of 2011/12 in accordance with Department of Mines and Petroleum (DMP) guidelines. A subsequent internal environmental audit was also conducted which resulted in no known non-compliances with required rehabilitation standards.

During 2013, the Mt Mason project will undergo assessment as a Mining Proposal through the DMP, and will be referred to the Commonwealth Government for assessment under the Environmental Protection and Biodiversity Conservation Act 1999.

The focus for the remainder of 2012 will be on Feasibility Study optimisation and securing a port solution.

## NON-CORE PROJECTS

With Jupiter focused on delivering its SFC Strategy, minimal activity was undertaken on its non-core assets including gold, base projects during the period.

Widgiemooltha Nickel Project was divested in early 2012. The Klondyke Gold Project is currently in the process of being divested.

## SCHEDULE OF MINERAL TENEMENTS

| Lease | Name | Status | Applied Date | Grant Date | Expiry Date | Current Area | Current Commitment | Current Rent | Holders |
|---|---|---|---|---|---|---|---|---|---|
| E29/581-I | Mt Alfred | Granted | 3/03/2005 | 8/03/2006 | 7/03/2013 | 35 Blocks | $ 70,000.00 | $ 15,872.50 | Broadgold Corp (100%) |
| E29/726-I | Mt Alfred | Granted | 19/03/2009 | 19/01/2010 | 18/01/2015 | 1 Blocks | $ 10,000.00 | $ 273.00 | Jupiter Mines Ltd. (100%) |
| M29/408-I | Mt Mason | Granted | 6/02/2006 | 28/11/2007 | 27/11/2028 | 300 Ha | $ 30,000.00 | $ 4,500.00 | Jupiter Mines Ltd. (100%) |
| M29/414-I | Mt Ida | Granted | 11/01/2011 | 25/11/2011 | 24/11/2032 | 6461 Ha | $ 646,100.00 | $ 93,684.50 | Jupiter Mines Ltd. (100%) |
| E29/560-I | Mt Ida | Granted | 17/03/2004 | 8/09/2006 | 7/09/2013 | 35 Blocks | $ 84,000.00 | $ 9,639.85 | Jupiter Mines Ltd. (100%) |
| E29/777 | Mt Ida | Granted | 4/06/2010 | 15/02/2011 | 14/02/2016 | 35 Blocks | $ 35,000.00 | $ 3,972.50 | Jupiter Mines Ltd. (100%) |
| E29/801 | Mt Ida | Granted | 1/11/2010 | 18/08/2011 | 17/08/2016 | 26 Blocks | $ 26,000.00 | $ 2,862.60 | Jupiter Mines Ltd. (100%) |
| L29/100 | Mt Ida | Granted | 11/01/2011 | 11/11/2011 | 10/11/2032 | 775 Ha | $ - | $ 9,997.50 | Jupiter Mines Ltd. (100%) |
| L29/78 | Mt Ida | Granted | 1/09/2009 | 24/06/2010 | 23/06/2031 | 6341 Ha | $ - | $ 2,790.04 | Jupiter Mines Ltd. (100%) |
| L29/79 | Mt Ida | Granted | 12/01/2010 | 24/08/2010 | 23/08/2031 | 6886 Ha | $ - | $ 3,443.00 | Jupiter Mines Ltd. (100%) |
| L29/99 | Mt Ida | Granted | 12/11/2010 | 24/02/2012 | 23/02/2033 | 64550.49 Ha | $ - | $ 25,800.00 | Jupiter Mines Ltd. (100%) |
| G37/36 | General Purpose - Graten Well | Granted | | 17/01/2011 | 16/01/2032 | 358.62 Ha | $ - | $ 4,774.70 | Jupiter Mines Ltd. (100%) |
| L37/203 | Mt Ida | Granted | 3/05/2010 | 27/06/2011 | 26/06/2032 | 68952.89 Ha | $ - | $ 30,339.32 | Jupiter Mines Ltd. (100%) |
| L29/81 | Mt Ida | Granted | 13/05/2010 | 12/09/2011 | 11/09/2032 | 26020.34 Ha | $ - | $ 10,408.40 | Jupiter Mines Ltd. (100%) |
| L29/106 | Mt Ida | Granted | 18/03/2011 | 20/06/2012 | 19/06/2033 | 119.44 Ha | $ - | $ 1,548.00 | Jupiter Mines Ltd. (100%) |
| G29/21 | General Purpose | Granted | 22/05/2009 | 23/03/2010 | 22/03/2031 | 95 Ha | $ - | $ 1,263.50 | Jupiter Mines Ltd. (100%) |
| E45/2638-I | Oakover | Granted | 21/04/2004 | 12/11/2008 | 11/11/2013 | 35 Blocks | $ 70,000.00 | $ 6,177.50 | Jupiter Mines Ltd. (100%) |
| E45/2639 | Oakover | Granted | 21/04/2004 | 10/06/2009 | 9/06/2014 | 28 Blocks | $ 28,000.00 | $ 4,942.00 | Jupiter Mines Ltd. (100%) |
| E45/2640-I | Oakover | Granted | 21/04/2004 | 10/06/2009 | 9/06/2014 | 49 Blocks | $ 49,000.00 | $ 8,648.50 | Jupiter Mines Ltd. (100%) |
| E45/2641-I | Oakover | Granted | 21/04/2004 | 10/06/2009 | 9/06/2014 | 70 Blocks | $ 70,000.00 | $ 12,355.00 | Jupiter Mines Ltd. (100%) |
| E45/3547 | Oakover | Granted | 28/10/2009 | 9/07/2010 | 8/07/2015 | 61 Blocks | $ 61,000.00 | $ 6,923.50 | Jupiter Mines Ltd. (100%) |
| M45/552 | Klondyke | Granted | 13/10/1992 | 19/01/1993 | 18/01/2014 | 9.713 Ha | $ 10,000.00 | $ 150.00 | Jupiter Mines Ltd. (75%), Garry E. Mullan (25%) |
| M45/668 | Klondyke | Granted | 12/06/1995 | 29/12/1995 | 28/12/2016 | 240 Ha | $ 24,000.00 | $ 3,600.00 | Jupiter Mines Ltd. (75%), Garry E. Mullan (25%) |
| M45/669 | Klondyke | Granted | 12/06/1995 | 29/12/1995 | 28/12/2016 | 120 Ha | $ 12,000.00 | $ 1,800.00 | Jupiter Mines Ltd. (75%), Garry E. Mullan (25%) |
| M45/670 | Klondyke | Granted | 12/06/1995 | 29/12/1995 | 28/12/2016 | 120 Ha | $ 12,000.00 | $ 1,800.00 | Jupiter Mines Ltd. (75%), Monika R. Sommersperger-Mullan (25%) |
| G29/22 | Mt Ida | Application | 11/01/2011 | | | 9634 Ha | | | Jupiter Mines Ltd. (100%) |
| L29/113 | Miscellaneous Licence | Application | 5/03/2012 | | | 81.69 Ha | | | Jupiter Mines Ltd. (100%) |
| E46/892 | Oakover | Application | 12/03/2010 | | | 4 Blocks | | | Jupiter Mines Ltd. (100%) |
| G29/23 | Mt Mason General Purpose Lease | Application | 5/05/2012 | | | 1256.7263 Ha | | | Jupiter Mines Ltd. (100%) |
| L29/116 | Miscellaneous Licence | Application | 7/06/2012 | | | 25.4759 Ha | | | Jupiter Mines Ltd. (100%) |
| L29/117 | Miscellaneous Licence | Application | 7/06/2012 | | | 90.13910 Ha | | | Jupiter Mines Ltd. (100%) |
| L29/118 | Miscellaneous Licence | Application | 7/06/2012 | | | 11.66950 Ha | | | Jupiter Mines Ltd. (100%) |

## COMPETENT PERSON STATEMENT

The information in this report that relates to Exploration Results is based on information compiled by the following people:

**Exploration Manager: Len Skotsch - Competent Person**

*The information in this announcement that relates to Exploration Results is based on information compiled by Len Skotsch who is a Member of the Australian Institute of Geoscientists and a full- time employee of Jupiter Mines Limited. Len Skotsch has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity that he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Len Skotsch consents to the inclusion in the announcement of the matters based on his information in the form and context in which it appears, Len Skotsch holds the position of Exploration Manager with Jupiter Mines Limited.*

# ANNUAL FINANCIAL REPORT

*for the year ended 30 June 2012*

ABN 51 105 991 740 CONSOLIDATED ENTITY

# Corporate Governance Statement

The Board of Directors of Jupiter Mines Limited is committed to maintaining a high standard of corporate governance in accordance with the Australian Securities Exchange's Corporate Governance Principles and Recommendations (ASX Principles and Recommendations). In reviewing the corporate governance structure of the Company, the Board is guided by the ASX Principles and Recommendations. The following table sets out the Company's present position with regard to adoption of the ASX Guidelines:

| ASX Recommendation | | Comply | Comments |
|---|---|---|---|
| **Principle 1 – Lay solid foundation for management and oversight** | | | |
| 1.1 | Establish the functions reserved to the Board and those delegated to senior executives and disclose those functions | Yes | **Role of the Board**<br>The Board is responsible to the shareholders for the performance of the Company. The Board takes responsibility for the Company's corporate governance program as outlined in the Board charter. The role of the Board is to govern rather than manage, by providing overall strategic guidance to and effective oversight of management.<br><br>**Responsibilities of the Board**<br>The Board is responsible for, and has the authority to determine, all matters relating to the policies, practices, management and operations of Jupiter. Board responsibilities are encompassed in the Board Charter, a copy of which can be found on the Company's website, and include:<br>• Develop, review and monitor the Company's long term business strategies and provide strategic direction to management;<br>• Oversee control and accountability systems;<br>• Appointing, evaluating the performance of, rewarding and, if necessary, removing the Managing Director, Chief Financial Officer and Company Secretary;<br>• Review and approve the Company's annual operating budget and financial statements;<br>• Approve and monitor the progress of major capital and operating expenditure;<br>• Monitor compliance with legislative and regulatory requirements;<br>• Oversee management of business risks; and<br>• Monitor the timeliness and effectiveness of reporting to Shareholders.<br>To assist it in carrying out its responsibilities, the Board has established an Audit Committee and a Remuneration and Nomination Committee, a copy of their Charter can be found on Jupiter's website.<br><br>**Newly appointed Directors**<br>New Directors receive a formal letter of appointment which sets out the terms of appointment, remuneration responsibilities and performance expectations, Enclosed with the letter is a copy of the Company's constitution, corporate governance policies and charters. The contents of the appointment letter and induction pack contain sufficient information to allow the new Director to gain an understanding of the rights, duties, responsibilities and role of the Board, Board Committees and the Executive Team.<br>New Directors also undergo an induction process which, where possible, will include meeting with key executives and presentations from management in order to gain an understanding of Jupiter's financial position, strategies and operations.<br>Mr Soo-Cheol Shin was the only Director appointed during the year and underwent this induction process. |

| ASX Recommendation | | Comply | Comments |
|---|---|---|---|
| | | | **Management functions**<br>The Board has delegated responsibility for the day-to-day operations of Jupiter to senior executives as set out in the Board Charter. It is the role of senior executives to manage Jupiter in accordance with the direction and delegations of the Board. Key management information is set out in the Director Report section of this Annual Report.<br>**Independent professional advice and access to company information**<br>Each Director has the right of access to all relevant Company information, to the Company's Executives and, subject to prior consultation with the Chairman, may seek independent professional advice from a suitably qualified advisor at the Company's expense to assist them in carrying out their responsibilities. Where appropriate, a copy of this advice is to be made available to all other members of the Board.<br>**Director education**<br>In order to achieve continuing improvement in Board performance, all Directors are encouraged to undergo continual professional development. |
| 1.2 | Disclose the process for evaluating the performance of senior executives | Yes | **Performance review and evaluation**<br>All senior executives have formal position descriptions. Long term objectives are set annually, with performance appraised by the Board, and reviewed in detail by the Remuneration & Nomination Committee as part of the senior executive's remuneration review. Executive team performance evaluations have been conducted for the financial year ending 30 June 2012.<br>**Newly appointed executives**<br>Although no new Executives were appointed during the financial year, an informal induction program is in place to enable newly appointed Executives to gain an understanding of Jupiter's financial position, strategies and operations and the respective rights, duties, responsibilities and roles of the Board and the Executive Team. |
| 1.3 | Provide the information indicated in the Guide to reporting on Principle 1 | Yes | |

<table>
<tr><th colspan="2">ASX Recommendation</th><th>Comply</th><th>Comments</th></tr>
<tr><td colspan="4">Principle 2 – Structure the Board to add value</td></tr>
<tr><td>2.1</td><td>A majority of the Board should be independent Directors</td><td>No</td><td>Composition of the Board and details of Directors<br><br>Jupiter currently has five Directors at the date of this Annual Report. Mr Brian Gilbertson held the position of Non-Executive Chairman. Mr Paul Murray and Mr Andrew Bell held the position of independent Non-Executive Directors. The remaining Directors being Mr Priyank Thapliyal and Mr Soo-Cheol Shin are Non-Executive Directors.<br><br>The Company recognises the importance of Non-Executive Directors and the external perspective and advice that Non-Executive Directors can offer.<br><br>Determination of the independence of Directors is made with reference to the ASX Principles and Recommendations' relationships that affect independence and considers whether the non-executive director:<br><br>a. is a substantial shareholder (within the definition of the Corporations Act) of the Company, or an officer of, or otherwise associated directly with, a substantial shareholder of the Company;<br>b. has, within the last three years, been employed in an executive capacity by the Company or any other Group company;<br>c. has, within the last three years, been a principal of a material professional adviser or a material consultant to the Company or an employee materially associated with the service provided. In this context, the relationship with the professional adviser or consultant shall be deemed to be material if payments from the Company exceed $250,000 of the Company's annual expenditure to all professionals and consultants or exceed $250,000 of the recipient's annual revenue for advisory or consultancy services;<br>d. is a material supplier or customer of the Company, or an officer of or otherwise associated directly or indirectly with, a material supplier or customer. In this context, the relationship with the supplier or customer shall be deemed to be material if annual payments to or from that supplier or customer exceed $250,000 of the annual consolidated gross revenue of either Jupiter or of that supplier or customer;<br>e. has any material contractual relationship with Jupiter other than as a director; or<br>f. is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of Jupiter.<br><br>Paul Murray and Andrew Bell are independent Non-Executive Directors. However, the Board was not comprised of a majority of independent Directors throughout the 2012 year and as at the date of this Annual Report. The Chairman, Mr Brian Gilbertson is not independent as he is Non-Executive Chairman of Pallinghurst Resources Limited (Pallinghurst) which is a major shareholder of the Company. Mr Priyank Thapliyal is also directly associated with Pallinghurst and also not independent. Mr Soo-Cheol Shin is directly associated with POSCO Australia Pty Ltd, also a substantial shareholder of Jupiter and therefore not independent. The Company believes this Board structure is the most appropriate given the stage of development of the Company.</td></tr>
</table>

| ASX Recommendation | | Comply | Comments |
|---|---|---|---|
| | | | **Skills, knowledge and experience of Directors**<br>Further details about the Directors skills, experience and period of office are set out in the Directors' Report section of this Annual Report.<br><br>**Board meetings**<br>The Board generally holds meetings on a quarterly basis however additional meetings may be called as required. Directors' attendance at meetings for the year is set out in the Director Report section of this Annual Report. |
| 2.2 | The chair should be an independent Director | No | Mr Brian Gilbertson is the Chairman of the Company and does not meet the Company's criteria for independence, refer to Principle 2.1 above. The Board believes his experience and industry knowledge makes him the most appropriate person to lead the Board. |
| 2.3 | The roles of chair and chief executive officer should not be exercised by the same individual | Yes | The position of chairman and Chief Executive Officer are not held by the same person. |
| 2.4 | The Board should establish a nomination committee | Yes | The Board has established a Remuneration & Nomination Committee (Committee) and its role is set out in a formal charter which is available on Jupiter's website. Details of the members of the Remuneration and Nomination Committee are set out in the Directors Report section of this Annual Report and under Principle 8 below. |
| 2.5 | Disclose the process for evaluating the performance of the Board, its committees and individual Directors | Yes | The Remuneration and Nomination Committee is responsible for the evaluation of the Board, committees and individual Directors' performance. The Board has established policies to ensure that Jupiter remunerates fairly and responsibly. The Remuneration Policy of the Board is designed to ensure that the level and composition of remuneration is competitive, reasonable and appropriate to attract and maintain Directors with the requisite skills and experience to guide the Company towards achieving its objectives. |
| 2.6 | Provide the information indicated in the Guide to reporting on Principle 2 | Yes | |

<table>
<tr><th colspan="2">ASX Recommendation</th><th>Comply</th><th>Comments</th></tr>
<tr><td colspan="4">Principle 3 – Promote ethical and responsible decision making</td></tr>
<tr><td>3.1</td><td>Establish a code of conduct and disclose the code or a summary of the code as to:<br>• The practices necessary to maintain confidence in the Company’s integrity;<br>• The practices necessary to take into account their legal obligations and the reasonable expectations of their stakeholders; and<br>• The responsibility and accountability of individuals for reporting and investigating reports of unethical practices</td><td>Yes</td><td>Confidentiality<br>In accordance with legal requirements and agreed ethical standards, Directors and key executives of Jupiter have agreed to keep confidential, information received in the course of the exercise of their duties and will not disclose non-public information except where disclosure is authorised or legally mandated.<br>Company Code of Conduct and Ethics<br>As part of its commitment to recognising the legitimate expectations of stakeholders and promoting practices necessary to maintain confidence in the Company’s integrity, Jupiter has an established Code of Conduct and Ethics (Code) to guide compliance with legal, ethical and other obligations to legitimate stakeholders and the responsibility and accountability required of the Company’s personnel for reporting and investigating unethical practices or circumstances where there are breaches of the Code. These stakeholders include employees, clients, customers, government authorities, creditors and the community as whole. This Code governs all Jupiter’s commercial operations and the conduct of Directors, employees, consultants, contactors and all other people when they represent Jupiter.<br>The Board, management and all employees of Jupiter are committed to implementing this Code and each individual is accountable for such compliance. A copy of the Code is given to all employees, contractors and relevant personnel, including Directors, and is available on the Company’s website.<br>Trading in Jupiter Shares<br>Jupiter’s Share Trading Policy prohibits Directors from taking advantage of their position or information acquired, in the course of their duties, and the misuse of information for personal gain or to cause detriment to the Company.<br>Directors, senior executives and any personnel in possession of information relating to Jupiter that is not generally available, are required to advise Jupiter’s Company Secretary of their intentions prior to undertaking any transaction in Jupiter securities. If an employee, officer or Director is considered to possess material non-public information, they will be precluded from making a security transaction until after the time of public release of that information.<br>A copy of Jupiter’s Share Trading Policy is available on the Jupiter website.</td></tr>
<tr><td>3.2</td><td>Establish a policy concerning diversity and disclose the policy or a summary of that policy.</td><td>Yes</td><td>The Company has implemented a Diversity Policy which can be viewed on its website. The Diversity Policy is a commitment by the Company to actively seek to maintain a diverse workforce to create a workplace that is fair and inclusive, applies fair and equitable employment practices and provides a working environment that will allow all employees to reach their full potential.</td></tr>
<tr><td>3.3</td><td>Disclose in each annual report the measurable objectives for achieving gender diversity set by the Board in accordance with the diversity policy and progress towards achieving them</td><td>Yes</td><td>Jupiter is of the view that any measurable statistical objectives on a diverse workforce must be fit for purpose, in line with the Company strategic objectives and ensure the Company is in compliance with all relevant legislative requirements.<br>At the date of this report, the Company is of the opinion that it is in compliance with all equal employment opportunity and diversity legislative requirements.</td></tr>
</table>

| ASX Recommendation | | Comply | Comments |
|---|---|---|---|
| 3.4 | Disclose in each annual report the proportion of women employees in the whole organisation, women in senior executive positions and women on the Board | Yes | Due to the size and scale of operations of the Company, the Board has determined that a long term gender diversity objective is more appropriate.<br><br>At the date of this report, 0% of Board, 41% of employees and 0% of senior executives are women. The company will look to increase gender diversity at a Board and senior executive level in future years as the Company aims to progress from exploration to construction and ultimately production. |
| 3.5 | Provide the information indicated in the Guide to reporting on Principle 3 | Yes | |
| **Principle 4 – Safeguard integrity in financial reporting** | | | |
| 4.1 | The Board should establish an audit committee | Yes | The Company has established an Audit Committee to assist the Board. The role of the Audit Committee is to assist the Board in its oversight responsibilities in relation to financial management and reporting, external audit and risk management of the Company.<br><br>The Audit Committee Charter sets out the policy for the selection, appointment and rotation of external audit engagement partners. |
| 4.2 | The audit committee should be structured so that it:<br>• Consists only of non-executive Directors;<br>• Consists of a majority of independent Directors;<br>• Is chaired by an independent chair, who is not chair of the Board; and<br>• Has at least three members | Yes | Under its Charter, the Audit Committee must have at least three members, all of which must be non-executive and the majority must be independent. The Charter also requires that all members have a working familiarity with basic accounting and finance practices and that at least one member have financial expertise.<br><br>The Audit Committee at the date of this report consisted of three non-executive Directors, two of whom are independent. The chairman is an independent Director who is not the Chairman of the Board. Details of the members of the Audit Committee and their attendance at Committee Meetings are set out in the Director's Report section of this Annual Report. |
| 4.3 | The audit committee should have a formal charter | Yes | The charter for the Audit Committee is disclosed on the Company's website. |
| 4.4 | Provide the information indicated in the Guide to reporting on Principle 4 | Yes | |

| ASX Recommendation | | Comply | Comments |
|---|---|---|---|
| **Principle 5 – Make timely and balanced disclosure** | | | |
| 5.1 | Establish written policies designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior executive level for that compliance and disclose those policies or a summary of those policies | Yes | Jupiter is committed to ensuring compliance with the continuous disclosure obligations under the ASX Listing Rules and the Corporations Act. The Board has implemented a formal Continuous Disclosure Policy, a copy of which is available on the Company's website.<br><br>The Board has designated Jupiter's Company Secretary as the person responsible for overseeing and co-ordinating disclosure of information to the ASX as well as communicating with the ASX. |
| 5.2 | Provide the information indicated in the Guide to reporting on Principle 5 | Yes | |
| **Principle 6 – Respect the rights of shareholders** | | | |
| 6.1 | Design a communications policy for promoting effective communication with shareholders and encouraging their participation at general meetings and disclose their policy or a summary of that policy | Yes | Jupiter is committed to promoting effective communication with shareholders. The Board has implemented a Shareholder Communications Policy, a copy of which can be found on the website, which ensures information is made available on a timely basis.<br><br>Jupiter communicates with its shareholders continually and periodically and encourages shareholder participation at annual general meetings. Periodic ASX announcements include the quarterly, half-yearly and annual reports. Copies of all ASX announcements are made available on the Company's website. Shareholders are encouraged to provide an email address to receive electronic copies of all announcements and reports.<br><br>The independent external auditor attends the annual general meeting to respond to questions from shareholders on the conduct of the audit and the preparation and content of the audit report. |
| 6.2 | Provide the information indicated in the Guide to reporting on Principle 6 | Yes | |

| ASX Recommendation | | Comply | Comments |
|---|---|---|---|
| **Principle 7 – Recognise and manage risk** | | | |
| 7.1 | Establish policies for the oversight and management of material business risks and disclose a summary of those policies | Yes | The Board has accepted and takes ultimate responsibility for identifying, assessing, monitoring, managing and mitigating wherever possible, any material business risks applicable to Jupiter and its operations. It has not established a separate committee to deal with these matters as the Directors consider that the size of Jupiter and its operations does not warrant a separate committee at this time.<br><br>The Audit Committee is responsible for financial risk management. As part of the audit processes and review throughout the year, the Board receives feedback that management has provided assurances to the auditors in relation to parts of the risk management framework. Details of the Companies financial risks can be found in the Notes to the accounts in this Annual Report. |
| 7.2 | Require management to design and implement the risk management and internal control system to manage the Company's material business risks and report to it on whether those risks are being managed effectively. The Board should disclose that management has reported to it as to the effectiveness of the Company's management of its material business risk | Yes | The Company is committed to the identification, monitoring and management of material business risks of its activities. The Board delegates the adequacy and content of risk reporting to management. The Board reviews the material business risks determined and reported by executive management on a regular basis and ensures that an effective, integrated and comprehensive risk management system and process is being operated by management. In addition, the Chief Executive Officer and Chief Financial Officer formally report and make statements to the Board pursuant to Recommendation 7.3.<br><br>The Company's personnel are responsible for adhering to the Occupational Health and Safety Policy as part of the risk management process. |
| 7.3 | Disclose whether it has received assurance from the chief executive officer (or equivalent) and the chief financial officer (or equivalent) that the declaration provided in accordance with section 295A of the Corporations Act is founded on a sound system of risk management and internal control and that the system is operating effectively in all material respects in relation to financial reporting risks | Yes | In accordance with Recommendation 7.3 of the ASX Principles, the Chief Executive Officer and Chief Financial Officer have stated in writing to the Board:<br><br>"That:<br><br>1. the statement given in accordance with section 295A of the Corporations Act, the integrity of financial statements is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board; and<br><br>2. Jupiter Mines Limited's risk management and internal compliance and control system is operating efficiently and effectively in all material respects in relation to financial reporting risks." |
| 7.4 | Provide the information indicated in the Guide to reporting on Principle 7 | Yes | |

| ASX Recommendation | | Comply | Comments |
|---|---|---|---|
| **Principle 8 – Remunerate fairly and responsibly** | | | |
| 8.1 | Establish a remuneration committee | Yes | The Board has established a Remuneration and Nomination committee. The Committee's main responsibilities are to assess the necessary competencies of the Board, review Board succession plans, develop processes for evaluation of the Board and the appointment and re-election of Directors with reference to the guidance set out in the Board Charter and makes recommendations to the Board regarding the remuneration of senior executives, executive Directors and non-executive Directors.<br><br>The Remuneration and Nomination Committee Charter is available on the Company's website under "Corporate Governance". |
| 8.2 | The remuneration committee should be structured so that it:<br>• Consists of a majority of independent Directors<br>• Is chaired by an independent chair<br>• Has at least three members | Yes | Pursuant to the Remuneration and Nomination Committee Charter, the Committee must have at least three members, all of which must be non-executive and the majority must be independent.<br><br>The Committee at the date of this report consisted of three non-executive Directors, two of who are independent. The chairman is an independent Director who is not Chairman of the Board. Details of the members of the Remuneration and Nomination Committee and their attendance at Committee Meetings are set out in the Director's Report section of this Annual Report. |
| 8.3 | Distinguish the structure of non-executive Directors remuneration from that of executive Directors and senior executives | | In accordance with the Constitution of Jupiter, shareholders determine the aggregate annual remuneration of the Non-Executive Directors. It is the Board's policy to issue option packages to Non-Executive Directors after a qualifying period of six months service on the Board, and with the approval of shareholders at a general meeting. The Board believes that this policy assists in attracting Non-Executive Directors who have the requisite skills to add value to the Board.<br><br>Remuneration of all Directors paid during the year is set out in the Remuneration Report and in Note 5 to the Financial Statements.<br><br>Further details on the structure of Executive Directors, Non-executive Directors and senior executives' remuneration are set out in the Remuneration Report on pages 33 to 38 of this Annual Report.<br><br>Non-Executive Directors are eligible to receive options over the Company's shares at the time of their retirement where it is considered an appropriate element of remuneration in situations when the Non-Executive's skills and experiences are recognised as important to the Company's objectives and future development. The terms of the options are set out in agreements between the Company and Non-Executive Directors and will vary depending on the age of the relevant Director at the time of retirement.<br><br>Directors and senior executives are not permitted to enter into transactions with securities (or any derivative thereof) which limit the economic risk of any unvested entitlements awarded under any equity-based remuneration scheme currently in operation or which will be offered by the Company in the future. However, Directors and senior executives will consult with the Chairman if they are considering, or if they are not sure, as to whether entering into transactions may limit the economic risk of unvested entitlements they may have. |
| 8.4 | Provide the information indicated in the Guide to reporting on Principle 8 | Yes | |

# Directors Report

**In accordance with a resolution of Directors, the Directors present their Report together with the Financial Report of Jupiter Mines Limited (Jupiter) and its wholly owned subsidiaries (together referred to as the Consolidated Entity) for the financial year ended 30th June 2012 and the Independent Audit Report thereon.**

## DIRECTORS

The Directors of Jupiter at any time during or since the end of the financial year are as follows:

**Non-Executive**

- Brian Patrick Gilbertson
- Paul Raymond Murray
- Andrew Bell
- Priyank Thapliyal
- Sun Moon Woo (resigned 19 March 2012)
- Soo-Cheol Shin (appointed 19 March 2012)

**Executive**

- Richard Mehan (resigned 5 June 2012)

Additional information is provided below regarding the current Directors.

**Brian Patrick Gilbertson** BSc (Maths and Physics), BSc (Hons) (Physics), MBL, PMD45
*(Chairman: Non-Executive Director)*

Mr Gilbertson was appointed as a Director on 22 June 2010.

Mr Gilbertson has extensive experience in the global natural resources industry. In the 1980's, he was Managing Director of Rustenburg Platinum Mines Limited, a period during which the company gained recognition as the world's foremost producer of platinum. Later, as Executive Chairman of Gencor Limited he led the restructuring of the South African mining industry into the post-Apartheid era, transforming Gencor Limited into a focused mineral and mining group.

During this period he held ultimate responsibility for Impala Platinum Holdings, for Samancor Limited (the world's largest producer of manganese and chrome ore and alloys) and for Trans-Natal Coal Corporation (a major coal producer and exporter). Important new initiatives included the Hillside and Mozal aluminium projects, the Columbus stainless steel plant, and the purchase of the international mining assets (Billiton plc) of the Royal Dutch Shell Group. In 1997, Gencor Limited restructured its non-precious metals interests as Billiton plc and, with Mr Gilbertson as Executive Chairman, Billiton plc raised US$1.5 billion in an initial public offering on the LSE, taking the company into the FTSE 100. Separately Mr Gilbertson worked to merge the gold operations of Gencor and Gold Fields of South Africa, creating Gold Fields Limited, a leader in the world gold mining industry. He served as its first Chairman until October 1998. In 2001, Billiton plc merged with BHP Limited to create what is widely regarded as the world's premier resources company, BHP Billiton plc. Mr Gilbertson was appointed its second Chief Executive on 1 July 2002.

In late 2003, Mr Gilbertson led mining group Vedanta Resources plc (Vedanta) to the first primary listing of an Indian company on the London Stock Exchange in the second largest IPO of the year (US$876 million). He served as Chairman of Vedanta until July 2004.

He was appointed President of Sibirsko-Uralskaya Aluminium Company (SUAL), the smaller aluminium producer in Russia and led that company into the US$30 billion merger with RUSAL and the alumina assets of Glencore International A.G., creating the largest aluminium company in the world.

Mr Gilbertson established Pallinghurst Advisors LLP and the Investment Manager during 2006 and 2007, respectively, to be the investment adviser and investment manager to a group of natural resource investors, which currently own 69% of Jupiter. Mr Gilbertson is a British and South African citizen.

Mr Gilbertson has not been a Director of any other ASX listed company in the past three years.

**Paul Raymond Murray** FFin, CPA
*(Independent Non-Executive Director, Remuneration Committee Chairman, Audit Committee Chairman)*

Mr Murray was appointed as a Director on 20 August 2003.

Mr Murray has served on the Board and consulted to a number of ASX listed resource exploration companies.

With a business career spanning 50 years, he has also been responsible for the successful listing on the ASX of a number of public companies.

Mr Murray has been a Director of Great Western Minerals Limited and Consolidated Western Areas Limited.

**Andrew Bell** B.A. (Hons), M.A., LLB (Hons), FGS
*(Independent Non-Executive Director, Audit Committee Member, Remuneration Committee Member)*

Mr Bell was appointed as a Director of Jupiter on 19 May 2008.

Mr Bell is Chairman of Red Rock Resources plc, a company listed on the AIM market of the London Stock Exchange Ltd. He was a natural resources analyst in London in the 1970s, then specialised in investment and investment banking covering the Asian region. He has been involved in the resource and mining sectors in Asia since the 1990s, and has served on the Boards of a number of listed resource companies. He is a Fellow of the Geological Society.

Mr Bell is presently on the following Boards:

- Chairman and Non-Executive Director of Resource Star Limited (ASX: RSL) since 2007
- Red Rock Resources plc, (AIM:RRR) since 2005
- Chairman of Regency Mines plc (AIM: RGM) since 2004
- Greatland Gold plc (AIM: GGP). Since 2005
- Cue Resources Limited (AIM: CUE). Since 2011

**Priyank Thapliyal** Metallurgical Engineer, B Tech, M Eng, MBA (Western Ontario, Canada)
*(Non-Executive Director, Audit Committee Member, Remuneration Committee Member)*

Mr Thapliyal was appointed as a Director of Jupiter on 4 June 2008.

Mr Thapliyal has been charged with implementing the Pallinghurst Resources Steel Making Materials strategy through Jupiter.

Mr Thapliyal a founding partner of Pallinghurst Advisors LLP, joined Sterlite Industries in 2000 as a USD 100 million firm, serving as deputy to the owner Mr. Anil Agarwal. He implemented the strategies that led to Sterlite becoming Vedanta Resources plc (including its USD 870 million London IPO), a FTSE 100 company which was valued at USD 7.5 billion at the time of his departure in October 2005.

Mr Thapliyal led Vedanta's USD 50 million investment in Konkola Copper Mines, Zambia, in 2004, a stake currently valued at more than USD 1 billion. Priyank was a former mining and metals investment banker with CIBCWM, Toronto Canada and is a qualified Metallurgical Engineer, MBA (Western Ontario, Canada) and former Falconbridge employee.

Mr Thapliyal has not been a Director of any other ASX listed companies in the past three years.

**Sun Moon Woo** Masters Degree in Mining Engineering
*(Non-Executive Director)*

Mr Woo was appointed as a Director of Jupiter on 21 September 2009.

Mr Woo holds a Masters Degree in Mining Engineering and joined POSCO in 1983. Mr Woo has worked in the Raw Material Purchasing Division and Investment Division of POSCO for 27 years.

Mr Woo has extensive experience in the natural resources industry and has experience in the management of iron ore and coal projects in Australia as a Managing Director of POSCO Australia Pty Ltd. He has been a Non-Executive Director of both Cockatoo Coal Limited (ASX: COK) since 2007 and Murchison Metals Limited (ASX: MMX) since 2007.

Mr Woo resigned on 19 March 2012.

**Richard Mehan** B.Econ
*(Managing Director and Chief Executive Officer)*

Mr Mehan was appointed as a Director of Jupiter on 9 May 2011.

Richard has over 25 years in the bulk commodities sector.

Prior to joining Jupiter he was President and CEO of Asia Pacific for major US resources company Cliffs Natural Resources, with responsibility for iron ore, coal, business development and exploration.

Richard held a number of senior roles at Portman Ltd prior to their acquisition by Cliffs. These included General Manager Iron Ore, General Manager Marketing and Chief Operating Officer. In 2005, he was appointed Managing Director & CEO of Portman, prior to his most recent role at Cliffs. Before joining Portman, Richard was with Rio Tinto for 15 years and worked in a variety of commercial roles in iron ore and logistics. He was a Director of AusQuest Limited (AQD) until February 2011.

Mr Mehan has not been a Director of any other ASX listed companies in the past three years.

Mr Mehan resigned on 5 June 2012.

**Soo-Cheol Shin**
*(Non-Executive Director)*

Mr Shin was appointed as a Director of Jupiter on 19 March 2012.

Mr Shin holds a Bachelor of Arts in Public Administration and joined POSCO in 1989.

Mr Shin has held a variety of positions throughout his career including Project Manager, POSCO Australia Pty Ltd; Team Leader, Coal Procurement Group; Team Leader, Steel Marking Raw Materials Procurement Group and Group Leader, Raw Materials Transportation Group. He was appointed Managing Director of POSCO Australia in February 2012.

Mr Shin has extensive experience in the management of natural resource projects both international and within Australia.

Mr Shin has been a Non-Executive Director of Cockatoo Coal Limited (ASX: COK) since 2012, Sandfire Resources NL (SFR) since 2012 and Murchison Metals Limited (ASX: MMX) since 2012.

**Company Secretary**

**Mr Matt Finkelstein** BBus, CA was appointed as Company Secretary on 15 June 2011. Mr Finkelstein is also the Chief Financial Officer of Jupiter.

Mr Finkelstein has an extensive background in finance, corporate finance and business advisory with companies such as Ernst & Young, Goldman Sachs (London) and Pallinghurst Advisors LLP.

## Significant Changes in the State of Affairs

There has been no significant change to the state of affairs of Jupiter during the year ended 30th June 2012.

The strategy going forward continues to focus on developing and consolidating the iron ore and manganese assets, and to expand its portfolio of steel feed related commodities.

## Principal Activities

The principal activities of Jupiter during the year have been the continuing evaluation and exploration of existing mineral exploration interests, as well as the development of steel feed related projects. Jupiter is set to evolve from an exploration to a producing company.

## Review of Results and Operations

The consolidated result of Jupiter for the financial year was a loss of $13,250,382 after income tax benefit of $709,733 (2011: loss of $2,158,963 after an income tax expense of $87,204). Further details of the results of the Consolidated Entity are set out in the accompanying financial statements in this Annual Report.

In addition, a summary of announcements made by Jupiter during the year ended 30th June 2012 is set out below:

| Date | Announcement and Activities |
|---|---|
| 17 October 2011 | Announced the on market buy-back of up to 10% of the lowest number of total shares on issue. |
| 1 November 2011 | Announced that “Tshipi Borwa Manganese Mine - Mining Contract awarded” to Aveng Moolmans for open pit mining contract. |
| 10 November 2011 | Announced “Tshipi Borwa Manganese Mine – Appointment of CEO and CFO” – Finn Behnken and Brendan Robinson respectively. |
| 11 January 2012 | Announced “Mincor Acquires Highly Prospective Nickel Tenements” from Jupiter. |
| 19 March 2012 | Announced resignation of Mr Sun Moon Woo, and appointment of Mr Soo-Cheol Shin as non-executive Director. |
| 5 June 2012 | Announced resignation of Mr Richard Mehan and appointment of Greg Durack as Chief Operating Officer. |

## Dividends

No dividends were paid or declared during the year by Jupiter.

## Financial Position

During the year, Jupiter issued shares to a value of $542,381 (2011: $410,108,659) net of transaction costs and acquired exploration interests or capitalised exploration costs to a value of nil (2011: $348,833,502). At 30th June 2012, Jupiter held $65,004,419 in cash and cash equivalents compared with $139,936,966 at 30th June 2011 and had carried forward exploration expenditure of $50,326,038 compared with $19,648,304 at 30th June 2011.

## Significant Events After Reporting Date:

On 19 July 2012 the Company announced that it would raise up to approximately $125 million to support the development of its manganese and iron ore assets in South Africa and Australia.

The Capital Raising was to be completed in two tranches:

1. $40 million private placement
    - No shareholder approval required
    - Under 15% placement allowance
    - 250,000,000 shares issued at $0.16
2. Up to $85 million rights issue
    - 5 for 19 ratio
    - Non-renounceable
    - Shortfall facility
    - Total take up of rights came to $36 million was raised and 225,001,339 shares
    - Shortfall shares remaining are 316,271,853 which may be placed within 3 months of the closing date of the offer

## Likely Developments

The Directors intend Jupiter to proceed with exploration and development of Jupiter's mineral interests and to consider participation in any complementary exploration and mining opportunities which may arise. In particular, Jupiter may pursue further joint venture opportunities where appropriate.

Further information about likely developments in the operations of Jupiter and the expected results of those operations on future financial years has been omitted from this Report because disclosure of the information would be likely to result in unreasonable prejudice to Jupiter.

Further information about Jupiter's business strategies and its prospects for future financial years has been omitted from this Report because disclosure of the information is likely to result in unreasonable prejudice to Jupiter.

## Environmental Regulations and Performance

Jupiter's operations are subject to general environmental regulation under the laws of the States and Territories of Australia and South Africa, in which it operates. In addition, the various exploration interests held by Jupiter impose future environmental obligations on it in relation to site remediation following sampling and drilling programs.

The Board is aware of these requirements and management is charged to ensure compliance. The Directors are not aware of any breaches of these environmental regulations and licence obligations during the year.

## Options and Rights

As at 30th June 2012, there were 6,700,000 (2011: 5,300,000) options over unissued shares in the capital of Jupiter, details of which are set out in Note 21 and Note 22 of the attached Financial Statements.

4,200,000 options were granted during the financial year.

1,620,000 options were exercised during the financial year.

Since 30th June 2012 to the date of this Annual Report, nil options have been exercised, no options have been granted.

1,180,000 (2011: nil) options lapsed or were cancelled during the financial year.

## Meetings – Attendance by Directors

### Board Meetings

The number of Directors' meetings and the number of meetings attended by each of the Directors of Jupiter during the financial year under review are:

| Director | Number of meetings held during the tenure of the Director | Number of meetings attended |
|---|---|---|
| Brian Gilbertson | 4 | 3 |
| Paul Murray | 4 | 4 |
| Priyank Thapliyal | 4 | 4 |
| Andrew Bell | 4 | 4 |
| Sun Moon Woo | 3 | 3 |
| Richard Mehan | 4 | 4 |
| Soo-Cheol Shin | 1 | 1 |

### Committee Meetings

The number of committee meetings and the number of meetings attended by each of the Directors of Jupiter during the financial year under review are:

| Director | Audit Committee meetings attended | Audit Committee meetings held during tenure | Remuneration Committee meetings attended | Remuneration Committee meetings held during tenure |
|---|---|---|---|---|
| Paul Murray | 3 | 3 | 2 | 2 |
| Andrew Bell | 3 | 3 | 2 | 2 |
| Priyank Thapliyal | 3 | 3 | 2 | 2 |

### Directors' Interests

Particulars of Directors' interests in securities as at the date of this report are as follows:

| Director | Ordinary Shares | Options over Ordinary Shares |
|---|---|---|
| Brian Gilbertson[1] | - | - |
| Paul Murray | 1,260,000 | - |
| Andrew Bell[2] | - | - |
| Priyank Thapliyal[3] | 11,727,080 | - |
| Richard Mehan | - | - |
| Soo-Cheol Shin[4] | - | - |

1 Brian Gilbertson as the Chairman of Pallinghurst Resources Limited (listed on the JSE and BSX) has a relevant interest in Pallinghurst Steel Feed Dutch (B.V.) (PSF). PSF is the registered owner of 301,020,834 Ordinary Shares.

2 Andrew Bell as the Chairman and Director of Red Rock Resources plc has a relevant interest in Red Rock Resources plc (RRR). RRR is the registered owner of 74,200,832 Ordinary Shares.

3 Priyank Thapliyal is a Director of PSF and therefore has a relevant interest in PSF. PSF is the registered owner of 301,020,834 Ordinary Shares.

4 Soo-Cheol Shin was the Managing Director of POSCO Australia Pty Ltd, has a relevant interest in POSCO Australia Pty Ltd (POSCO) and POSCO Australia GP PTY LTD (POSA GP). POSCO is the registered owner of 55,624,454 Ordinary Shares, POSA GP is the registered owner of 271,586,321 shares.

## Unissued shares under option

Up until the date of this report, there are no further unissued shares under option.

## Shares issued during or since the end of the year as a result of exercise

During or since the end of the financial year, the Company issued ordinary shares as a result of the exercise of options as follows (there were no amounts unpaid on the shares issued):

| Date options granted | Issue price of shares ($) | Number of shares issued |
|---|---|---|
| 17 Dec 2008 | 0.25 | 200,000 |
| 17 Dec 2008 | 0.25 | 100,000 |
| 17 Dec 2008 | 0.20 | 500,000 |
| 17 Dec 2008 | 0.25 | 820,000 |

## Contracts with Directors

There are no agreements with any of the Directors apart from Richard Mehan please refer to the remuneration report for further details.

## Indemnification and Insurance of Officers and Auditors

Since the end of the previous financial year, Jupiter has paid premiums to insure the Directors and Officers of the Consolidated Entity. Details of the nature of the liabilities covered and the amount of premium paid in respect of Directors' and Officers' insurance policies preclude disclosure to third parties.

Jupiter has not paid any premiums in respect of any contract insuring its auditor against a liability incurred in that role as an auditor of Jupiter. In respect of non-audit services, Grant Thornton Audit Pty Ltd, Jupiter's auditor has the benefit of an indemnity to the extent Grant Thornton Audit Pty Ltd reasonably relies on information provided by Jupiter which is false, misleading or incomplete. No amount has been paid under this indemnity during the financial year ending 30th June 2012 or to the date of this Report.

## Non-Audit Services

The Board of Directors is satisfied that the provision of non-audit services during the financial year is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that the services disclosed below did not compromise the external auditor's independence for the following reasons:

- all non-audit services are reviewed and approved by the audit committee prior to commencement to ensure they do not adversely affect the integrity and objectivity of the auditor; and
- the nature of the services provided does not compromise the general principles relating to auditor independence in accordance with APES 110: Code of Ethics for Professional Accountants set by the Accounting Professional and Ethical Standards Board.

The following fees were paid or payable to Grant Thornton Australia Limited for non-audit services provided during the year ended 30th June 2012:

| | $ |
|---|---|
| Taxation and other services | 32,142 |
| | 32,142 |

**Auditor's Independence Declaration**

The lead auditor's independence declaration for the year ended 30th June 2012 has been received and can be found on page 39 of the Annual Report.

## Proceedings on behalf of Jupiter

No person has applied for leave of Court to bring proceedings on behalf of Jupiter or intervene in any proceedings to which Jupiter is a party for the purpose of taking responsibility on behalf of Jupiter for all or any part of those proceedings. Jupiter was not a party to any such proceedings during the year.

The Consolidated Entity was not a party to any such proceedings during the year.

# REMUNERATION REPORT (AUDITED)

This report details the nature and amount of remuneration for each Director of Jupiter Mines Limited and for the Key Management Personnel.

## Remuneration Policies and Practices

In relation to remuneration issues, the Board has established policies to ensure that Jupiter remunerates fairly and responsibly. The remuneration policy of the Board is designed to ensure that the level and composition of remuneration is competitive, reasonable and appropriate for the results delivered and to attract and maintain desirable Directors and employees.

The remuneration structures reward the achievement of strategic objectives to achieve the broader outcome of creation of value for shareholders. The Remuneration & Nomination Committee reviews and recommends to the Board on matters of remuneration policy and specific emolument recommendations in relation to senior management and Directors.

The Board of Jupiter Mines Limited believes the remuneration policy to be appropriate and effective in its ability to attract and retain the best executives and Directors to run and manage the Consolidated Entity, as well as create goal congruence between Directors, executives and shareholders.

## Non-Executive Director Remuneration

### Fees

Non-Executive Director fees are determined within an aggregate Directors' fee pool limit, which are periodically approved by shareholders in general meeting. The current limit is $400,000. During the year ended 30th June 2012, $105,417 of the fee pool was used.

### Equity Participation

Non-Executive Directors' remuneration may be by way of a fixed annual fee which is supplemented by the issue of incentive options under the Jupiter Mines Limited Employee Option Plan and is subject to the approval of shareholders in a general meeting. There were no options issued to Directors during the year.

### Retirement Benefits

Non-Executive Directors do not receive retirement benefits, other than statutory superannuation entitlements.

## Other Key Management Personnel Remuneration

Other Key Management Personnel (including Executive Directors) are offered a base salary, which is reviewed on a periodic basis, having regard to market practices and the skills and experience of the Executive and is not linked to the performance of the Consolidated Entity in any way.

Other Key Management Personnel receive other benefits as part of their type of employment, which may include a mobile phone and laptop.

Selected Other Key Management Personnel are invited to participate in the Jupiter Mines Limited Employee Option Plan.

There are no termination benefits payable to Other Key Management Personnel, other than payment of their statutory outstanding entitlements such as annual and long services leave.

## Relationship between Remuneration Policy and Jupiter's Performance

Details of the Jupiter Mines Limited Employee Option Plan (Plan) and specific information on the performance conditions are set out below:

| Description | Rationale |
|---|---|
| Options are offered to select employees and Key Management Personnel of Jupiter. Non-Executive Directors are entitled to participate in the Option Plan as well.<br><br>Subject to the achievement of service conditions, options may vest and be converted into ordinary Jupiter shares on a one-for-one basis. An exercise price is payable upon the conversion of options.<br><br>The service conditions pertaining to these options involve the Key Management Personnel remaining employed by the Group.<br><br>There are no voting or dividend rights attaching to the options until they are exercised by the employee, at which point ordinary shares which rank equally with all other Jupiter shares are issued and quoted on the ASX. The options cannot be transferred and will not be quoted on the ASX.<br><br>All options expire on the earlier of their expiry date or termination of the individual's employment. | The Option Plan is designed to reward and retain Directors, Key Management Personnel and select employees of Jupiter.<br><br>The vesting conditions have been designed to ensure correlation between Jupiter's share price performance and value delivered to shareholders.<br><br>Only when the share price increases can options vest and be exercised; share price increases are one of the considerations of the consequences of Jupiter's performance on shareholder wealth for the purposes of 300A(1AB) of the Corporations Act. The Plan therefore not only aligns the interests of shareholders and participants alike, but in turn assists in increasing shareholder value. |

## Anti-Hedging Policy

No Jupiter employee is permitted to enter into transactions with securities (or any derivative thereof) which limit the economic risk of any unvested entitlements awarded under any Jupiter equity-based remuneration scheme currently in operation or which will be offered by Jupiter in the future.

As part of Jupiter's due diligence undertaken at the time of half and full year results, Jupiter's equity plan participants are requested to confirm that they have not entered into any such prohibited transactions.

## Continuous Improvement

Jupiter will continually review all elements of its remuneration philosophy to ensure that they are appropriate from the perspectives of governance, disclosure, reward and market conditions.

## Consequences of performance on shareholder wealth

In considering the Group's performance and benefits for shareholder wealth, the Board have regard to the following indices in respect of the current financial year and the previous four financial years:

| | 2012 | 2011 | 2010 | 2009 | 2008 |
|---|---|---|---|---|---|
| EPS (cents) | (0.0073) | (0.0018) | (0.0075) | (5.44) | (1.97) |
| Dividends (cents per share) | - | - | - | - | - |
| Net profit/(loss) ($000) | (16,379) | (5,067) | (2,962) | (10,190) | (2,723) |
| Share price ($) | 0.16 | 0.44 | 0.22 | 0.19 | 0.28 |

## Remuneration Summary

The information provided here is that required under section 300A of the Corporations Act and Accounting Standard AASB 124 Related Party Disclosures and Jupiter has assumed the benefit of the exemption contained in the Corporations Regulation 2M.3.03.

### Key Management Personnel Remuneration 2012

| | Short-term Benefits | | | | Post-employment Benefits | Other Long-term Benefits | Share-based Payment | | Total | Performance Related |
|---|---|---|---|---|---|---|---|---|---|---|
| Key Management Person | Cash, salary and Commissions $ | Cash profit share $ | Non-cash benefit $ | Other $ | Super-annuation $ | Other $ | Equity $ | Options[1] $ | $ | % |
| **Directors** | | | | | | | | | | |
| Mr B P Gilbertson | - | - | - | - | - | - | - | - | - | - |
| Mr P R Murray | 55,000 | - | - | - | - | - | - | - | 55,000 | - |
| Mr P Thapliyal | - | - | - | - | - | - | - | - | - | - |
| Mr A Bell | 50,417 | - | - | - | - | - | - | - | 50,417 | - |
| Mr S M Woo | - | - | - | - | - | - | - | - | - | - |
| Mr R Mehan** | 514,031 | - | - | - | 50,000 | - | - | - | 564,031 | - |
| Mr Soo-Cheol Shin | - | - | - | - | - | - | - | - | - | - |
| **Key Management Personnel** | | | | | | | | | | |
| Mr G Durack | 288,527 | - | - | - | 30,151 | - | - | 62,479 | 381,157 | 16.4 |
| Mr M Finkelstein | 191,055 | - | - | - | 19,945 | - | - | 41,653 | 252,653 | 16.5 |
| | **1,099,030** | **-** | **-** | **-** | **100,096** | **-** | **-** | **104,132** | **1,303,258** | **-** |

1 For a breakdown of these options, please refer to the table below

** Resigned prior to 30th June 2012

## Key Management Personnel Remuneration 2011

| Key Management Person | Short-term Benefits | | | | Post-employment Benefits | Other Long-term Benefits | Share-based Payment | | Total | Performance Related |
|---|---|---|---|---|---|---|---|---|---|---|
| | Cash, salary and Commissions $ | Cash profit share $ | Non-cash benefit $ | Other $ | Super-annuation $ | Other $ | Equity $ | Options[3] $ | $ | % |
| **Directors** | | | | | | | | | | |
| Mr B P Gilbertson[1] | 60,000 | - | - | - | - | - | - | - | 60,000 | - |
| Mr P R Murray | 55,917 | - | - | - | - | - | - | - | 55,917 | - |
| Mr P Thapliyal[1] | 55,000 | - | - | - | - | - | - | - | 55,000 | - |
| Mr A Bell | 53,774 | - | - | - | - | - | - | - | 53,774 | - |
| Mr S M Woo[1] | 55,000 | - | - | - | - | - | - | - | 55,000 | - |
| Mr R Mehan | 75,041 | - | - | - | 6,754 | - | - | - | 81,795 | - |
| Mr SC Shin | - | - | - | - | - | - | - | - | - | - |
| **Key Management Personnel** | | | | | | | | | | - |
| Mr G Durack | 257,386 | - | - | - | 26,365 | - | - | - | 283,750 | - |
| Mr R J Benussi[2] ** | 237,500 | - | - | - | - | - | - | - | 237,500 | - |
| Mr C W Guy ** | 220,022 | - | - | - | 17,115 | - | - | - | 237,177 | - |
| Mr M Finkelstein | 9,880 | - | - | - | 889 | - | - | - | 10,770 | - |
| | **1,079,520** | **-** | **-** | **-** | **51,123** | **-** | **-** | **-** | **1,130,683** | **-** |

1 Directors' fees were paid to Pallinghurst Steel Feed (Dutch) B.V.
2 Consultancy fees paid to Intrepid Concepts Pty Ltd
3 For a breakdown of these options, please refer to the table below
** Resigned prior to 30th June 2011

## Options and Rights over Equity Instruments Granted as Compensation

Details of entitlement to options over ordinary shares in Jupiter that were granted as compensation to the key management personnel during the reporting period and details on options that vested during the reporting period are as follows:

## Shares Issued on Exercise of Compensation

**Options 2012**

Options which were exercised during the year were granted as compensation in prior periods.

| | No. of Ordinary Shares Issued | Amount Paid per Share | Amount Unpaid per Share |
|---|---|---|---|
| **Key Management Personnel** | | | |
| Paul Murray | 500,000 | $0.20 | – |
| Paul Murray | 500,000 | $0.25 | – |
| | **1,000,000** | **–** | **–** |

**Options 2011**

| | No. of Ordinary Shares Issued | Amount Paid per Share | Amount Unpaid per Share |
|---|---|---|---|
| **Key Management Personnel** | | | |
| Mr R Benussi ** | 500,000 | $0.20 | – |
| Bill Guy ** | 400,000 | $0.20 | – |
| Bill Guy ** | 400,000 | $0.25 | – |
| Bill Guy ** | 200,000 | $0.30 | – |
| | **1,500,000** | **–** | **–** |

** Resigned prior to 30th June 2011

## Options Granted as Remuneration 2012

| | Options Granted as Part of Remuneration $ | Total Remuneration Represented by Options % | Options Exercised $ | Options Lapsed $ | Total $ |
|---|---|---|---|---|---|
| **Key Management Personnel** | | | | | |
| Mr G Durack | 105,191 | 24.82 | – | – | 105,191 |
| Mr M Finkelstein | 70,128 | 24.94 | – | – | 70,128 |
| | **175,319** | **–** | **–** | **–** | **175,319** |

## Options Granted as Remuneration 2011

| | Options Granted as Part of Remuneration $ | Total Remuneration Represented by Options % | Options Exercised $ | Options Lapsed $ | Total $ |
|---|---|---|---|---|---|
| **Directors** | – | – | – | – | – |
| Mr G L Wedlock * | – | – | – | – | – |
| **Key Management Personnel** | | | | | |
| Mr R J Benussi ** | – | – | 57,000 | – | 57,000 |
| Mr C W Guy ** | – | – | 116,000 | – | 116,000 |
| | **–** | **–** | **173,000** | **–** | **173,000** |

*Deceased during the year

** Resigned prior to 30th June 2011

## Summary of Key Contract Terms

Remuneration arrangements for Key Management Personnel are formalised in employment agreements. Details of these contracts are provided below.

**Chief Executive Officer**

The CEO, Mr Richard Mehan, was employed under a rolling contract. Under the terms of the present contract, the CEO receives fixed remuneration of $550,000 per annum. The CEO's termination provision is a 3 month notice period.

**Other Key Management Personnel**

All other Key Management Personnel have rolling contracts with a standard 3 months termination notice period.

## Corporate Governance

The Directors aspire to maintain the standards of Corporate Governance appropriate to Jupiter. Jupiter's Corporate Governance Statement is set out on pages 18 to 26 of this Report.

This report is signed in accordance with a resolution of the Board of Directors.

**Brian P Gilbertson**

Perth
21 September 2012

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**Auditor's Independence Declaration**
**To the Directors of Jupiter Mines Limited**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Jupiter Mines Limited for the year ended 30 June 2012, I declare that, 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 audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

C A Becker
Partner - Audit & Assurance

Perth, 21 September 2012

# Statement of Comprehensive Income

FOR THE YEAR ENDED 30 JUNE 2012

| | Note | Consolidated Group 2012 $ | Consolidated Group 2011 $ |
|---|---|---|---|
| Revenue | 2 | 6,490,231 | 3,475,522 |
| Depreciation and amortisation expense | 3 | (208,403) | (260,033) |
| Finance costs | 3 | (20,473) | (21,625) |
| Director and secretarial costs | | (275,383) | (274,798) |
| Impairment of exploration interests | | (103,703) | (443,626) |
| Impairment of property, plant and equipment | | (83,833) | — |
| Impairment of financial assets | 11 | (3,366,577) | — |
| Acquisition costs | | — | (1,156,867) |
| Insurance costs | | (107,782) | (82,725) |
| Legal and professional costs | | (814,999) | (487,205) |
| Travel and entertaining costs | | (168,758) | (361,153) |
| Occupancy costs | | (543,388) | (208,121) |
| Consultancy fees | | (296,962) | (231,782) |
| Administration expenses | | (333,213) | (676,211) |
| Employee benefits expense | | (1,823,221) | (746,293) |
| Directors', employees & consultant option expenses | | (262,616) | — |
| Foreign exchange losses | | (11,908,131) | (726,945) |
| Other expenses | | (132,904) | (44,305) |
| **Loss before income tax** | | (13,960,115) | (2,246,167) |
| Income tax (expense)/benefit | 4 | 709,733 | 87,204 |
| **Loss for the year** | | (13,250,382) | (2,158,963) |
| Net loss attributable to members of the parent entity | | (13,250,382) | (2,158,963) |
| **Other comprehensive income/(loss)** | | | |
| Net fair value loss on revaluation of financial assets | 11 | (437,407) | (2,639,866) |
| Foreign currency exchange differences on translating foreign controlled operations | 22 | (2,691,398) | (268,811) |
| **Other comprehensive loss for the year, net of tax** | | (3,128,805) | (2,908,677) |
| **Total comprehensive loss for the year** | | (16,379,187) | (5,067,640) |
| | | | |
| **Overall Operations** | | | |
| Basic loss per share (cents per share) | 8 | (0.0073) | (0.0018) |
| Diluted loss per share (cents per share) | 8 | (0.0073) | (0.0018) |

The Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

# Statement of Financial Position

**AS AT 30 JUNE 2012**

| | Note | Consolidated Group | |
|---|---|---|---|
| | | 2012 $ | 2011 $ |
| **ASSETS** | | | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 9 | 65,004,419 | 139,936,966 |
| Trade and other receivables | 10 | 2,354,420 | 1,298,878 |
| Other current assets | 15 | 2,360,261 | 450,572 |
| TOTAL CURRENT ASSETS | | 69,719,100 | 141,686,416 |
| NON-CURRENT ASSETS | | | |
| Financial assets | 11 | 2,451,585 | 6,255,569 |
| Property, plant and equipment | 13 | 6,441,487 | 4,288,739 |
| Intangible assets | 14 | 221,690 | 116,416 |
| Mining reserve | 17 | 374,633,122 | 341,511,875 |
| Other non-current assets | 15 | 24,968,495 | 11,696,632 |
| Exploration and evaluation assets | 16 | 50,326,038 | 19,648,304 |
| TOTAL NON-CURRENT ASSETS | | 459,042,417 | 383,517,535 |
| TOTAL ASSETS | | 528,761,517 | 525,203,951 |
| **LIABILITIES** | | | |
| CURRENT LIABILITIES | | | |
| Trade and other payables | 18 | 5,009,091 | 2,615,845 |
| Borrowings | 19 | — | 476,412 |
| Provisions | 20 | 153,508 | 157,412 |
| TOTAL CURRENT LIABILITIES | | 5,162,599 | 3,249,669 |
| NON-CURRENT LIABILITIES | | | |
| Deferred tax liability | 17 | 90,092,871 | 89,955,370 |
| Borrowings | 17 | 19,259,312 | — |
| Provisions | 20 | 4,244,290 | — |
| TOTAL NON-CURRENT LIABILITIES | | 113,596,473 | 89,955,370 |
| TOTAL LIABILITIES | | 118,759,072 | 93,205,039 |
| NET ASSETS | | 410,002,445 | 431,998,912 |
| **EQUITY** | | | |
| Issued capital | 21 | 450,792,571 | 456,510,087 |
| Reserves | 22 | (2,279,693) | 838,996 |
| Accumulated losses | | (38,510,433) | (25,350,171) |
| **TOTAL EQUITY** | | 410,002,445 | 431,998,912 |

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

# Statement of Changes in Equity

**FOR THE YEAR ENDED 30 JUNE 2012**

| | Note | Share Capital | | Reserves | | Foreign Currency Translation | Accumulated Losses $ | Total $ |
|---|---|---|---|---|---|---|---|---|
| | | Ordinary $ | Options $ | Options $ | Financial Assets | | | |
| **Balance at 1 July 2010** | | **46,401,428** | **527,158** | **860,100** | **3,077,273** | **–** | **(23,191,208)** | **27,674,751** |
| Loss attributable to members of parent entity | | – | – | – | – | – | (2,158,963) | (2,158,963) |
| Total other comprehensive loss for the year | | – | – | – | (2,639,866) | (268,811) | – | (2,908,677) |
| **Total Comprehensive loss for the year** | | **–** | **–** | **–** | **(2,639,866)** | **(268,811)** | **(2,158,963)** | **(5,067,640)** |
| Shares issued during the year, net of transaction costs | | 351,871,090 | – | – | – | – | – | 351,871,090 |
| Deferred shares issued during the period | | 55,355,711 | – | – | – | – | – | 55,355,711 |
| Conversion of options | 21 | 2,881,858 | (527,158) | (189,700) | – | – | – | 2,165,000 |
| Sub-total | | 456,510,087 | – | 670,400 | 437,407 | (268,811) | (25,350,171) | 431,998,912 |
| Dividends paid or provided for | 7 | – | – | – | – | – | – | – |
| **Balance at 30 June 2011** | | **456,510,087** | **–** | **670,400** | **437,407** | **(268,811)** | **(25,350,171)** | **431,998,912** |
| Loss attributable to members of parent entity | | – | – | – | – | – | (13,250,382) | (13,250,382) |
| Total other comprehensive loss for the year | | – | – | – | (437,407) | (2,691,398) | – | (3,128,805) |
| **Total Comprehensive loss for the year** | | **–** | **–** | **–** | **(437,407)** | **(2,691,398)** | **(13,250,382)** | **(16,379,187)** |
| Shares bought back during the year, net of transaction costs | | (6,259,897) | – | – | – | – | – | (6,259,897) |
| Deferred shares issued during the period | | – | – | – | – | – | – | – |
| Options recognised during the period | 22(a) | – | – | 262,616 | – | – | – | 262,616 |
| Conversion of options | 21 | 542,381 | – | (252,500) | – | – | 90,120 | 380,001 |
| Sub-total | | (5,717,516) | – | 10,116 | (437,407) | (2,691,398) | (13,160,262) | (21,996,467) |
| Dividends paid or provided for | 7 | – | – | – | – | – | – | – |
| **Balance at 30 June 2012** | | **450,792,571** | **–** | **680,516** | **–** | **(2,960,209)** | **(38,510,433)** | **410,002,445** |

The above Statement of Changes in Equity should be read in conjunction with the accompanying note

# Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2012

| | Note | Consolidated Group 2012 $ | Consolidated Group 2011 $ |
|---|---|---|---|
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | |
| Payments to suppliers and employees | | (3,696,219) | (5,947,222) |
| Interest received | | 6,391,208 | 2,100,551 |
| Other income | | 2,866,826 | 1,373,763 |
| R&D claim tax credit | | 871,688 | - |
| Finance costs | | (18,681) | (20,800) |
| Net cash provided by/(used in) operating activities | 26(a) | 6,414,822 | (2,493,708) |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | |
| Purchase of property, plant and equipment | | (2,925,022) | (4,301,630) |
| Purchase of intangible assets | | (266,562) | (66,550) |
| Proceeds from sale of financial assets | | - | 678,933 |
| Receipts/(Payments) for other non-current assets | | 3,072,654 | (750,769) |
| Advances to joint venture | | (5,822,126) | (10,905,816) |
| Payments for exploration and evaluation of mining reserves | | (64,389,846) | (11,903,724) |
| Net cash provided by/(used in) investing activities | | (70,330,902) | (27,249,556) |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | |
| Proceeds from the issue of shares, net of transaction costs and conversion of options to shares | | (5,879,898) | 161,734,377 |
| Cash acquired through acquisition of interest in joint venture | 17 | - | 868,855 |
| Proceeds from borrowings | | 1,296,226 | 467,065 |
| Net cash provided by/(used in) financing activities | | (4,583,672) | 163,070,297 |
| Net increase/(decrease) in cash and cash equivalents held | | (68,499,752) | 133,327,033 |
| Cash and cash equivalents at beginning of financial year | | 139,936,966 | 6,769,167 |
| Effect of exchange rates on cash holdings in foreign currencies | | (6,432,795) | (159,234) |
| Cash and cash equivalents at end of financial year | 9 | 65,004,419 | 139,936,966 |

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

## Note 1: Summary Of Significant Accounting Policies

These consolidated financial statements and notes represent those of Jupiter Mines Limited ("Jupiter") and it's Controlled Entities (the "Consolidated Group" or "Group").

The separate financial statements of the parent entity, Jupiter Mines Limited, have not been presented within this financial report as permitted by the Corporations Act 2001.

The financial statements were authorised and issued by the board of directors on 21 September 2012.

**Basis of Preparation**

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below and have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Jupiter Mines Limited is a for-profit entity for the purpose of preparing the financial statements.

### (a) Principles of Consolidation

The consolidated financial statements incorporate the assets, liabilities and results of entities controlled by Jupiter Mines Limited at the end of the reporting period. A controlled entity is any entity over which Jupiter Mines Limited has the power to govern the financial and operating policies so as to obtain benefits from its activities. Control will generally exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity. In assessing the power to govern, the existence and effect of holdings of actual and potential voting rights are considered.

A list of controlled entities is contained in Note 12 to the financial statements.

In preparing the consolidated financial statements, all inter-Group balances and transactions between entities in the Consolidated Group have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with those adopted by the parent entity.

**Business Combinations**

Business combinations occur where an acquirer obtains control over one or more businesses.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is attained, whereby the fair value of the identifiable assets acquired and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exemptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is remeasured each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to the business combination are expensed to the statement of comprehensive income.

### (b) Interests in Joint Ventures

The Group acquired an interest in Tshipi é Ntle Manganese Mining (Proprietary) Limited ("Tshipi"), a joint venture entity, in October 2010. The Group's accounting policy for joint ventures was considered by the Directors as part of the deliberation on the Tshipi acquisition, and had not been formally considered or articulated previously.

A joint venture entity is an entity in which the Group owns a long-term interest, and shares joint control over strategic, financial and operating decisions with one or more other joint venturers. The Group have made the accounting policy choice to proportionately consolidate interests in joint ventures, rather than to equity account, as they believe it gives more useful information to shareholders. Proportionate consolidation combines the Group's share of the results of the joint venture entity, and the assets and liabilities of the joint venture entity, with similar items in the statement of comprehensive income and statement of financial position.

**Note 1: Summary Of Significant Accounting Policies (continued)**

## (c) Income Tax

The income tax expense (revenue) for the year comprises current income tax expense (income) and deferred tax expense (income).

Current income tax expense charged to profit or loss is the tax payable on taxable income. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred income tax expense reflects movements in deferred tax asset and deferred tax liability balances during the year as well unused tax losses.

Current and deferred income tax expense (income) is charged or credited outside profit or loss when the tax relates to items that are recognised outside profit or loss.

Except for business combinations, no deferred income tax is recognised from the initial recognition of an asset or liability, where there is no effect on accounting or taxable profit or loss.

Deferred tax assets and liabilities are calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled and their measurement also reflects the manner in which management expects to recover or settle the carrying amount of the related asset or liability.

Deferred tax assets relating to temporary differences and unused tax losses are recognised only to the extent that it is probable that future taxable profit will be available against which the benefits of the deferred tax asset can be utilised.

Where temporary differences exist in relation to investments in subsidiaries, branches, associates, and joint ventures, deferred tax assets and liabilities are not recognised where the timing of the reversal of the temporary difference can be controlled and it is not probable that the reversal will occur in the foreseeable future.

Current tax assets and liabilities are offset where a legally enforceable right of set-off exists and it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur. Deferred tax assets and liabilities are offset where: (a) a legally enforceable right of set-off exists; and (b) the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where it is intended that net settlement or simultaneous realisation and settlement of the respective asset and liability will occur in future periods in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

## (d) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

### Plant and equipment

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the asset's employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the Consolidated Group includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

### Depreciation

The depreciable amount of all fixed assets is depreciated on a straight-line basis over their useful lives to the Consolidated Group commencing from the time the asset is held ready for use.

The depreciation rates used for each class of depreciable assets are:

| Class of Fixed Asset | Depreciation Rate |
|---|---|
| Office equipment | 33.33% |
| Furniture & fittings | 33.33% |
| Motor vehicles | 12.50% |
| Leasehold improvements | 20.00% |
| Buildings | 10.00% |

**Note 1: Summary Of Significant Accounting Policies (continued)**

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income.

## (e) Exploration and Evaluation Expenditure

The application of the Group's accounting policy for exploration and evaluation expenditure requires judgment in determining whether it is likely that future economic benefits are likely either from future exploitation or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The determination of a Joint Ore Reserves Committee (JORC) resource is itself an estimation process that requires varying degrees of uncertainty depending on sub-classification and these estimates directly impact the point of deferral of exploration and evaluation expenditure. The deferral policy requires management to make certain estimates and assumptions about future events or circumstances, in particular whether an economically viable extraction operation can be established. Estimates and assumptions made may change if new information becomes available. If, after expenditure is capitalised, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalised is written off in the Statement of Comprehensive Income in the period when the new information becomes available.

## (f) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that is transferred to entities in the Consolidated Group, are classified as finance leases.

Finance leases are capitalised by recognising an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are recognised as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the lease term.

## (g) Financial Assets

Recognition and initial measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the company commits itself to either the purchase or sale of the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified "at fair value through profit or loss", in which case transaction costs are expensed to profit or loss immediately.

**Classification and subsequent measurement**

Finance instruments are subsequently measured at fair value, amortised cost using the effective interest rate method, or cost.

Amortised cost is the amount at which the financial asset or financial liability is measured at initial recognition less principal repayments and any reduction for impairment, and adjusted for any cumulative amortisation of the difference between that initial amount and the maturity amount calculated using the effective interest method.

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense item in profit or loss.

The Group does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of Accounting Standards specifically applicable to financial instruments.

**Note 1: Summary Of Significant Accounting Policies (continued)**

*(i) Financial assets at fair value through profit or loss*

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short-term profit taking, derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a Group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

*(ii) Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost.

Loans and receivables are included in current assets, where they are expected to mature within 12 months after the end of the reporting period.

*(iii) Held-to-maturity investments*

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Group's intention to hold these investments to maturity. They are subsequently measured at amortised cost.

Held-to-maturity investments are included in non-current assets where they are expected to mature within 12 months after the end of the reporting period. All other investments are classified as current assets.

*(iv) Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with changes in such fair value (ie gains or losses) recognised in other comprehensive income (except for impairment losses and foreign exchange gains and losses). When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss.

Available-for-sale financial assets are included in current assets where they are expected to be sold within 12 months after the end of the reporting period. All other financial assets are classified as non-current assets.

*(v) Financial liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

**Impairment of Financial Assets**

At the end of each reporting period, the Group assess whether there is objective evidence that a financial asset has been impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered to constitute a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

When the terms of the financial assets that would otherwise have been past due or impaired have been renegotiated, the group recognises the impairment for such financial assets by taking into account the original terms as if the terms have not been renegotiated so that the loss events have occurred are duly considered.

## Note 1: Summary Of Significant Accounting Policies (continued)

### (h) Impairment of Non-Financial Assets

At each reporting date, the Group reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

### (i) Employee Benefits

Provision is made for the Company's liability for employee benefits arising from services rendered by employees to reporting date. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. Those cash flows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

### (j) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

### (k) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, less credit card facilities used. Bank overdrafts are shown as short-term borrowings in liabilities.

### (l) Trade and Other Receivables

Trade receivables, which generally have 30 day terms, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for impairment.

Collectability of trade receivables is reviewed on an ongoing basis at an operating unit level. Individual debts that are known to be uncollectible are written off when identified. An impairment provision is recognised when there is objective evidence that the Group will not be able to collect the receivable.

### (m) Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument.

All revenue is stated net of the amount of goods and services tax (GST).

### (n) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in the statement of comprehensive income in the period in which they are incurred.

### (o) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows included in receipts from customers or payments to suppliers.

## Note 1: Summary Of Significant Accounting Policies (continued)

### (p) Trade and Other Payables

Trade and other payables are carried at cost and due to their short time nature they are not discounted. They represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when Jupiter becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 30 days of recognition.

### (q) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

### (r) Critical Accounting Estimates and Judgments

The Directors evaluate estimates and judgments incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

*Key estimates — Impairment of non-financial assets*

The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined.

*Key estimates — Options*

The fair value of services received in return for options granted are measured by reference to the fair value of options granted. The estimate of the fair value of the services received is measured based on the Black Scholes option-pricing model. The contractual life of the options is used as an input into the model. Expectations of early exercise are incorporated into the model as well. Refer to note 28 for more details.

The expected volatility is based on the historic volatility of peer Group entities (calculated on the weighted average remaining life of the share options), adjusted for any expected changes to volatility due to publicly available information. Further information regarding assumptions are included in note 28.

*Key judgements — Exploration and evaluation expenditure*

The Group's accounting policy for exploration and evaluation expenditure results in certain items of expenditure being capitalised for an area of interest where it is considered likely to be recoverable by future exploitation or sale or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. This policy requires management to make certain estimates and assumptions as to future events and circumstances, in particular whether an economically viable extraction operation can be established. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised the expenditure under the policy, a judgement is made that recovery of the expenditure is unlikely, the relevant capitalised amount will be written off to the statement of comprehensive income. An impairment has been recognised in respect of exploration expenditure at reporting date of $102,475. Refer to note 16 for more details.

*Mineral Reserves and Resource Estimates*

Ore reserves are estimates of the amount of ore that can be economically and legally extracted from the Group's mining properties. The Group estimates its ore reserves and mineral resources based on information compiled by appropriately qualified persons relating to the geological data on the size, depth and shape of the ore body, and requires complex geological judgments to interpret the data. The estimation of recoverable reserves is based upon factors such as estimates of foreign exchange rates, commodity prices, future capital requirements, and production costs along with geological assumptions and judgments made in estimating the size and grade of the ore body. Changes in the reserve or resource estimates may impact upon the carrying value of exploration and evaluation assets, mine properties, property, plant and equipment, goodwill, provision for rehabilitation, recognition of deferred tax assets, and depreciation and amortisation charges.

### (s) Share based payments

Under AASB 2 share based payments, the Company is required to determine the fair value of options issued to employees as remuneration and recognise as an expense in the statement of comprehensive income. This standard is not limited to options and also extends to other forms of equity-based remuneration.

### (t) Foreign Currency Translation

*(i) Functional and presentation currency*

The functional and presentation currency of Jupiter and its subsidiaries is Australian dollars ($). The presentation and functional currency for the interest in Tshipi is the South African Rand. The results are translated into Australian dollars for disclosure in Jupiter's consolidated accounts.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

**Note 1: Summary Of Significant Accounting Policies (continued)**

*(ii) Translation of interest in Joint Venture functional currency to presentation currency*

The results of the South African Joint Venture interest are translated into Australian dollars using an average rate over the period of the transactions. Assets and liabilities are translated at exchange rates prevailing at reporting dates.

Exchange variations resulting from the translation of the net investments in Tshipi are taken to the foreign currency translation reserve.

## (u) Adoption of New and Revised accounting standards and interpretations

During the current year, Jupiter adopted all of the new and revised Australian Accounting Standards and Interpretations applicable to its operations which became mandatory. The adoption of these standards has impacted the recognition, measurement and disclosure of certain transactions. The adoption of these standards was applied for the entire reporting period unless otherwise stated. These new pronouncements have had no significant impact on the group for this reporting period.

**Adoption of AASBs and improvements to AASBs 2011 – AASB 1054 and AASB 2011-1**

The AASB has issued AASB 1054 Australian Additional Disclosures and 2011-1 Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project, and made several minor amendments to a number of AASBs. These standards eliminate a large portion of the differences between the Australian and New Zealand accounting standards and IFRS and retain only additional disclosures considered necessary. These changes also simplify some current disclosures for Australian entities and remove others.

## (v) New accounting standards and interpretations for Application in Future Periods

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2012 reporting periods and have not yet been applied in the financial report. Jupiter's assessment of the impact of these new standards and interpretations is set out below.

**AASB 9 Financial Instruments**

AASB 9 introduces new requirements for the classification and measurement of financial assets and liabilities. These requirements improve and simplify the approach for classification and measurement of financial assets compared with the requirements of AASB 139. The main changes are:

a. Financial assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets; and (2) the characteristics of the contractual cash flows.

b. Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income (instead of in profit or loss). Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument.

c. Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.

d. Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows:

   - The change attributable to changes in credit risk are presented in other comprehensive income (OCI); and
   - The remaining change is presented in profit or loss.

   If this approach creates or enlarges an accounting mismatch in the profit or loss, the effect of the changes in credit risk are also presented in profit or loss.

Otherwise, the following requirements have generally been carried forward unchanged from AASB 139 into AASB 9:

- Classification and measurement of financial liabilities; and
- Derecognition requirements for financial assets and liabilities.

Consequential amendments were also made to other standards as a result of AASB 9, introduced by AASB 2009-11 and superseded by AASB 2010-7 and AASB 2010-10.

**AASB 10 Consolidated Financial Statements**

AASB 10 establishes a revised control model that applies to all entities. It replaces the consolidation requirements in AASB 127 Consolidated and Separate Financial Statements and AASB Interpretation 112 Consolidation – Special Purpose Entities.

The revised control model broadens the situations when an entity is considered to be controlled by another entity and includes additional guidance for applying the model to specific situations, including when acting as an agent may give control, the impact of potential voting rights and when holding less than a majority voting rights may give 'de facto' control. This will have an impact on Jupiter as a consolidated entity.

## Note 1: Summary Of Significant Accounting Policies (continued)

### AASB 11 Joint Arrangements

AASB 11 replaces AASB 131 Interests in Joint Ventures and AASB Interpretation 113 Jointly- controlled Entities – Non-monetary Contributions by Ventures. AASB 11 uses the principle of control in AASB 10 to define joint control, and therefore the determination of whether joint control exists may change. In addition, AASB 11 removes the option to account for jointly-controlled entities (JCEs) using proportionate consolidation. Instead, accounting for a joint arrangement is dependent on the nature of the rights and obligations arising from the arrangement. Joint operations that give the venturers a right to the underlying assets and obligations themselves are accounted for by recognising the share of those assets and liabilities. Joint ventures that give the venturers a right to the net assets are accounted for using the equity method. This will result in a change in the accounting for the joint arrangements held by the group.

### AASB 12 Disclosure of Interests in Other Entities

AASB 12 includes all disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structures entities. New disclosures introduced by AASB 12 include disclosures about the judgements made by management to determine whether control exists, and to require summarised information about joint arrangements, associates and structured entities and subsidiaries with non-controlling interests. This will result in further disclosures being made by the group.

### AASB 13 Fair Value Measurement

AASB 13 establishes a single source of guidance for determining the fair value of assets and liabilities. AASB 13 does not change when an entity is required to use fair value, but rather, provides guidance on how to determine fair value when fair value is required or permitted by other Standards. Application of this definition may result in different fair values being determined for the relevant assets.

AASB 13 also expands the disclosure requirements for all assets or liabilities carried at fair value. This includes information about the assumptions made and the qualitative impact of those assumptions on the fair value determined.

### ASB 127 Separate Financial Statements

As a result of the issuance of AASB 10, AASB 127 has been restructured and reissued to only deal with separate financial statements. This may not have an impact on the group.

### AASB 128 Investment in Associates and Joint Ventures

Once an entity (using AASB 11) has determined that it has an interest in a joint venture, it accounts for it using the equity method in accordance with AASB 128 (Revised). The mechanics of equity accounting set out in the revised version of AASB 128 remain the same as in the previous version.

### AASB 1053 Application of Tiers of Australian Accounting Standards

This Standard establishes a differential financial reporting framework consisting of two Tiers of reporting requirements for preparing general purpose financial statements:

a. Tier 1: Australian Accounting Standards; and

b. Tier 2: Australian Accounting Standards - Reduced Disclosure Requirements.

Tier 2 comprises the recognition, measurement and presentation requirements of Tier 1 and substantially reduced disclosures corresponding to those requirements.

The following entities apply Tier 1 requirements in preparing general purpose financial statements:

a. for-profit entities in the private sector that have public accountability; and

b. the Australian Government and State, Territory and Local Governments.

The following entities apply either Tier 2 or Tier 1 requirements in preparing general purpose financial statements:

a. for-profit private sector entities that do not have public accountability;

b. all not-for-profit private sector entities; and

c. public sector entities other than the Australian Government and State, Territory and Local Governments.

Consequential amendments to other standards to implement the regime were introduced by AASB 2010-2.

These amendments address the determination of deferred tax on investment property measured at fair value and introduce a rebuttable presumption that deferred tax on investment property measured at fair value should be determined on the basis that the carrying amount will be recoverable through sale. The amendments also incorporate AASB Interpretation 121 Income Taxes – Recovery of Revalued Non-Depreciable Assets into AASB 112.

## Note 1: Summary Of Significant Accounting Policies (continued)

**AASB 2010-8 Amendments to Australian Accounting Standards –Deferred Tax: Recovery of Underlying Assets**

These amendments address the determination of deferred tax on investment property measured at fair value and introduce a rebuttable presumption that deferred tax on investment property measured at fair value should be determined on the basis that the carrying amount will be recoverable through sale. The amendments also incorporate AASB Interpretation 121 Income Taxes – Recovery of Revalued Non-Depreciable Assets into AASB 112. This may not have an impact on the group, dependent upon any possible property transactions undertaken.

**AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements**

The Standard deletes from AASB 124 individual key management personnel disclosure requirements for disclosing entities that are not companies.

**AASB 2011-7 Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards**

This Standard makes consequential amendments to various Australian Accounting Standards arising from the issuance of AASB 10, AASB 11, AASB 12, AASB 127 (August 2011) and AASB 128 (August 2011).

**AASB 2011-9 Amendments to Australian Accounting Standards – Presentation of Other Comprehensive Income**

Amendments to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss in subsequent periods (reclassification adjustments, e.g. foreign currency translation reserves) and those that cannot subsequently be reclassified (e.g. fixed asset revaluation surpluses).

Name changes of statements in AASB 101 as follows:

- One statement of comprehensive income – to be referred to as 'statement of profit or loss and other comprehensive income'
- Two statements – to be referred to as 'statement of profit or loss' and 'statement of comprehensive income'.

The group will rename the financial statements as required.

**AASB 2012-2 Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities**

This Standard amends the required disclosures in AASB 7 to include information that will enable users of an entity's financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position.

This Standard also amends AASB 132 to refer to the additional disclosures added to AASB 7 by this Standard . The group will be able to adopt this amendment to offset their financial assets and liabilities.

**AASB 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities**

This Standard adds application guidance to AASB 132 to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement.

**AASB 2012-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009–2011 Cycle**

These amendments are a consequence of the annual improvements process, which provides a vehicle for making non-urgent but necessary amendments to Standards.

These amendments follow the issuance of Annual Improvements to IFRSs 2009–2011 Cycle issued by the International Accounting Standards Board in May 2012.

**Note 1: Summary Of Significant Accounting Policies (continued)**

**(w) Carbon Tax Scheme**

On 10 July 2011, the Commonwealth Government announced the “Securing a Clean Energy Future – the Australian Government’s Climate Change Plan.” Whilst the announcement provides further details of the framework for a carbon pricing mechanism, uncertainties continue to exist on the impact of any carbon pricing mechanism on Jupiter as legislation must be voted on and passed by both Houses of Parliament. In addition, as Jupiter will not fall within the “Top 500 Australian Polluters”, the impact of the Carbon Scheme will be through indirect effects of increased prices on many production inputs and general business expenses as suppliers subject to the carbon pricing mechanism are likely to pass on their carbon price burden to their customers in the form of increased prices. The Board expects that this will not have a significant impact upon the operational costs within the business, and therefore will not have an impact upon the valuation of assets and/or going concern of the business.

**(x) Mining Reserve**

Mining reserve incurred by or on behalf of the group is accumulated separately for each area of interest in which economically recoverable resources have been identified. Such expenditure comprises cost directly attributable to the construction of a mine and the related infrastructure.

Once a development decision has been taken, the carrying amount of the exploration and evaluation expenditure in respect of the area of interest is aggregated with the mining reserve and classified under non-current assets as “mining reserve”.

A mining reserve is reclassified as a “mining property” at the end of the commissioning phase, when the mine is capable of operating in the manner intended by management.

No depreciation is recognised in respect of mining reserve until they are reclassified as “mining properties”.

Mining reserves are tested for impairment in accordance with the policy in note 1 (h).

## Note 2: Revenue

| | Note | Consolidated Group 2012 $ | Consolidated Group 2011 $ |
|---|---|---|---|
| — interest received | | 6,353,418 | 2,874,264 |
| — other revenue | | 136,813 | 601,258 |
| | | 6,490,231 | 3,475,522 |

## Note 3: Loss from Ordinary Activities

**(a) Expenses**

| | | |
|---|---|---|
| Finance costs | 20,473 | 21,625 |
| Rental expense on operating leases | | |
| — operating lease rental | 510,597 | 344,037 |
| Depreciation of non-current assets: | | |
| — leasehold improvements | 31,714 | 7,298 |
| — plant and equipment | 50,667 | 205,015 |
| — furniture and fittings | 60,435 | 1,757 |
| Amortisation of non-current assets: | | |
| — Intangibles | 65,587 | 45,963 |
| Total depreciation and amortisation expense | 208,403 | 260,033 |
| Superannuation expense | 105,371 | 121,950 |

## Note 4: Income Tax Expense

**(a) The prima facie tax on loss from ordinary activities before income tax is reconciled to the income tax as follows:**

Prima facie tax expense/(benefit) on ordinary activities before income tax at 30% (2011: 30%)

| | Note | Consolidated Group | |
|---|---|---|---|
| | | 2012 $ | 2011 $ |
| — Consolidated entity | | (4,188,034) | (673,850) |
| Add: | | | |
| Tax effect of: | | | |
| — Tax rate differential | | (9,061) | 6,229 |
| — Share options expensed | | 78,785 | — |
| — Other non-deductible expenses | | 3,737,300 | 481,416 |
| | | (381,010) | (186,205) |
| Less: | | | |
| Tax effect of: | | | |
| — other deductible items | | — | (80,181) |
| — Research & Development offset | | (862,152) | |
| Income tax benefit | | (1,243,162) | (266,386) |
| Income tax benefit not brought to account | | 533,429 | 179,182 |
| Income tax (benefit) | | (709,733) | (87,204) |

| | | |
|---|---|---|
| **(b) Deferred income tax benefit (net of deferred tax liability reduced – note c) in respect of tax losses not brought to account.** | 5,523,965 | 6,564,956 |
| Deferred income tax benefit attributable to timing differences not brought to account included above. | 241,531 | 330,263 |
| Deferred income tax benefits will only be realised if the conditions for deductibility set out in Note 1 occur. | | |
| **(c) Deferred tax liabilities** | | |
| The deferred income tax liability which has been reduced to nil by the benefits attributable to tax losses not brought to account. | 15,884,627 | 6,923,563 |

## Note 5: Interests of Key Management Personnel

Refer to the Remuneration Report contained in the Report of the Directors for details of the remuneration paid or payable to each member of the Group's key management personnel for the year ended 30 June 2012.

**(a) Names and positions held of economic and parent entity key management personnel in office at any time during the financial year are:**

| Key Management Person | Position | |
|---|---|---|
| Mr B P Gilbertson | Chairman —non-executive | |
| Mr S M Woo | Director — non-executive | Resigned 19 March 2012 |
| Mr A Bell | Director — non-executive | |
| Mr P R Murray | Director — non-executive | |
| Mr P Thapliyal | Director — non-executive | |
| Mr S C Shin | Director — non-executive | Appointed 19 March 2012 |
| Mr R Mehan | Managing Director and CEO | Resigned 5 June 2012 |
| Mr G Durack | CEO | Appointed 5 June 2012 |
| Mr M Finkelstein | CFO & Company Secretary | |

**(b) The totals of remuneration paid to KMP of the Company and the Group during the year are as follows:**

| | Consolidated Group | |
|---|---|---|
| | 2012 $ | 2011 $ |
| Short-term employee benefits | 1,099,030 | 1,079,520 |
| Post-employment benefits | 100,096 | 51,123 |
| Share-based payments | 175,319 | — |
| | 1,374,445 | 1,130,643 |

## Note 5: Interests of Key Management Personnel (continued)

**(c) Options and Rights Holdings**

Number of Options Held by Key Management Personnel

| | Balance 1 July 2011 | Granted as compensation | Exercised | Other Changes* | Balance 30 June 2012 | Vested | Unvested | Not exercisable |
|---|---|---|---|---|---|---|---|---|
| Mr P R Murray | 1,500,000 | — | (1,000,000) | (500,000) | — | — | — | — |
| Mr G Durack | — | 1,500,000 | — | — | 1,500,000 | — | 1,500,000 | 1,500,000 |
| Mr M Finkelstein | — | 1,000,000 | — | — | 1,000,000 | — | 1,000,000 | 1,000,000 |
| **Total** | **1,500,000** | **2,500,000** | **(1,000,000)** | **(500,000)** | **2,500,000** | **—** | **2,500,000** | **2,500,000** |

* Net change other refers to options purchased, lapsed or sold during the financial year.

**Options provided as compensation:**

| | Fair Value at Grant Date $ | Exercise Price $ | Amount Paid $ | Expiry Date | Exercise Date |
|---|---|---|---|---|---|
| Mr G Durack | 0.162 | 0.70 | - | 11 Apr 2016 | 11 Apr 2013 |
| Mr G Durack | 0.156 | 0.80 | - | 11 Apr 2016 | 11 Apr 2014 |
| Mr G Durack | 0.152 | 0.90 | - | 11 Apr 2016 | 11 Apr 2015 |
| Mr M Finkelstein | 0.162 | 0.70 | - | 11 Apr 2016 | 11 Apr 2013 |
| Mr M Finkelstein | 0.156 | 0.80 | - | 11 Apr 2016 | 11 Apr 2014 |
| Mr M Finkelstein | 0.152 | 0.90 | - | 11 Apr 2016 | 11 Apr 2015 |

The service conditions pertaining to these options involve the Key Management Personnel remaining employed by the Group.

| | Balance 1 July 2010 | Granted as compensation | Exercised | Other Changes* | Balance 30 June 2011 | Vested | Unvested | Not exercisable |
|---|---|---|---|---|---|---|---|---|
| Mr P R Murray | 1,500,000 | — | — | — | 1,500,000 | 1,500,000 | — | — |
| Mr R J Benussi | 2,500,000 | — | (500,000) | — | 2,000,000 | 2,000,000 | — | — |
| Mr C W Guy | 1,200,000 | — | (1,000,000) | — | 200,000 | 200,000 | — | — |
| Mr G L Wedlock | 500,000 | — | — | — | 500,000 | 500,000 | — | — |
| **Total** | **5,700,000** | **—** | **(1,500,000)** | **—** | **4,200,000** | **4,200,000** | **—** | **—** |

* Net change other refers to options purchased, lapsed or sold during the financial year.

## Note 5: Interests of Key Management Personnel (continued)

### (d) Shareholdings

Number of Shares held by key management personnel

| Key Management Personnel | Balance 1 July 2011 | Received as Remuneration | Options Exercised[1] | Net Change Other[2] | Balance 30 June 2012 |
|---|---|---|---|---|---|
| Mr P R Murray | 980,000 | — | 1,000,000 | (720,000) | 1,260,000 |
| Mr P Thapliyal | 11,727,080 | — | — | — | 11,727,080 |
| **Total** | **12,707,080** | **—** | **1,000,000** | **(720,000)** | **12,987,080** |

[1] Amount paid per share $0.20 (500,000 shares) and $0.25 (500,000 shares).
[2] Net change other refers to shares purchased or sold during the financial year.

Note:

1 Brian Gilbertson as the Chairman of Pallinghurst Resources Limited (listed on the JSE and BSX) has a relevant interest in Pallinghurst Steel Feed Dutch (B.V.) (PSF). PSF is the registered owner of 301,020,834 Ordinary Shares.

2 Andrew Bell as the Chairman and Director of Red Rock Resources plc has a relevant interest in Red Rock Resources plc (RRR). RRR is the registered owner of 74,200,832 Ordinary Shares.

3 Priyank Thapliyal is a Director of PSF and therefore has a relevant interest in PSF. PSF is the registered owner of 301,020,834 Ordinary Shares.

4 Sun Moon Woo was the Managing Director of POSA Pty Ltd, has a relevant interest in POSA Pty Ltd (POSA) and POSCO Australia GP PTY LTD (POSA GP). POSA is the registered owner of 55,624,454 Ordinary Shares; POSA GP is the registered owner of 271,586,321 shares.

5 Mr Soo Cheol Shin is the Managing Director of POSA Pty Ltd, has a relevant interest in POSA Pty Ltd (POSA) and POSCO Australia GP PTY LTD (POSA GP). POSA is the registered owner of 55,624,454 Ordinary Shares; POSA GP is the registered owner of 271,586,321 shares.

| Key Management Personnel | Balance 1 July 2010 | Received as Remuneration | Options Exercised[1] | Net Change Other[2] | Balance 30 June 2011 |
|---|---|---|---|---|---|
| Mr P R Murray | 980,000 | - | - | - | 980,000 |
| Mr R J Benussi | - | - | 500,000 | (300,000) | 200,000 |
| Mr C W Guy | - | - | 1,000,000 | (441,735) | 558,265 |
| Mr P Thapliyal | 7,913,680 | - | - | 3,813,400 | 11,727,080 |
| **Total** | **8,893,680** | **-** | **1,500,000** | **3,071,665** | **13,465,345** |

[1] Amount paid per share $0.23 (500,000 shares) and $0.26 (500,000 shares).
[2] Net change other refers to shares purchased or sold during the financial year.

Note:

1 Brian Gilbertson as the Chairman of Pallinghurst Resources Limited (listed on the JSE and BSX) has a relevant interest in Pallinghurst Steel Feed Dutch (B.V.) (PSF). PSF is the registered owner of 113,961,975 Ordinary Shares and 187,058,859 shares held in escrow until 8 November 2011.

2 Andrew Bell as the Chairman and Director of Red Rock Resources plc has a relevant interest in Red Rock Resources plc (RRR). RRR is the registered owner of 74,200,832 Ordinary Shares.

3 Priyank Thapliyal is a Director of PSF and therefore has a relevant interest in PSF. PSF is the registered owner of 113,961,975 Ordinary Shares and 187,058,859 shares held in escrow until 8 November 2011.

4 Sun Moon Woo as the Managing Director of POSA Pty Ltd, has a relevant interest in POSA Pty Ltd (POSA) and POSCO Australia GP PTY LTD (POSA GP). POSA is the registered owner of 55,624,454 Ordinary Shares, POSA GP is the registered owner of 271,586,321 shares held in escrow until 8 November 2011.

## Note 6: Auditors' Remuneration

| | Consolidated Group | |
|---|---|---|
| | 2012<br>$ | 2011<br>$ |
| Audit and review of the financial statements | | |
| — Auditors of Jupiter Mines Limited | 112,698 | 94,000 |
| — Auditors of subsidiary entities | 6,971 | 4,883 |
| **Remuneration for audit and review of financial statements** | 119,669 | 98,883 |
| Other services | | |
| — Taxation and other services | 32,142 | 21,500 |
| **Total other service remuneration** | 32,142 | 21,500 |
| **Total auditor's remuneration** | 151,811 | 120,383 |

## Note 7: Dividends

| | | |
|---|---|---|
| No dividends were declared or paid in the period. | — | — |

## Note 8: Earnings per Share

| | | |
|---|---|---|
| **(a) Reconciliation of earnings to net loss for the year** | | |
| Net loss | (13,250,382) | (2,158,963) |
| Losses used to calculate basic EPS and dilutive EPS | (13,250,382) | (2,158,963) |

| | | |
|---|---|---|
| **(b) Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS and dilutive EPS** | **No.** | **No.** |
| | 1,807,834,969 | 1,228,289,021 |

Options are not included in the calculation, and could potentially dilute basic earnings per share in the future should they be exercised.

There are no dilutive potential for ordinary shares as the exercise of options to ordinary shares would have the effect of decreasing the loss per ordinary share and would therefore be non-dilutive.

Refer to Note 28 for details of shares issued after the reporting date.

## Note 9: Current Assets – Cash and cash equivalents

| | | |
|---|---|---|
| Cash at bank and in hand | 1,912,390 | 14,756,759 |
| Short-term bank deposits | 63,092,029 | 125,180,207 |
| | 65,004,419 | 139,936,966 |

The effective interest rate on short-term bank deposits was 5.38%; the term of deposits range between 30 and 90 days.

**Reconciliation to the statement of cashflows**

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

| | | |
|---|---|---|
| Cash and cash equivalents | 65,004,419 | 139,936,966 |
| | 65,004,419 | 139,936,966 |

## Note 10: Current Assets – Trade and other receivables

| | Note | Consolidated Group | |
|---|---|---|---|
| | | 2012 $ | 2011 $ |
| CURRENT | | | |
| GST receivables | | 1,282,412 | 434,754 |
| Sundry debtors | | 1,072,008 | 864,124 |
| | | 2,354,420 | 1,298,878 |

- Allowance for impairment loss: The Group's exposure to bad debts is not significant.
- Related party receivables: For terms and conditions of related party receivables refer to Note 29.
- Fair value and credit risk: Due to the short term nature of these receivables, their carrying value is assumed to approximate their fair value.
- Foreign exchange risk: Details' regarding foreign exchange and interest rate risk exposure are disclosed in Note 31.

## Note 11: Current Assets - Financial assets

| | | |
|---|---|---|
| Available-for-sale financial assets comprise: | | |
| Listed investments, at fair value | | |
| — shares and options in listed corporations | 2,451,585 | 6,255,569 |
| Total available-for-sale financial assets | 2,451,585 | 6,255,569 |

Available-for-sale investments consist of investments in ASX listed companies ordinary shares, and therefore have no fixed maturity date or coupon rate. The fair value of listed available-for-sale investments has been determined directly by reference to published price quotations in an active market. This resulted in a net loss on revaluation of $3,803,984 for the 2012 financial year. This loss is made up of $3,366,577 that has been expensed and $437,407 that has been taken from the Financial Assets Reserve. For the 2011 financial year there was a net loss of $2,639,866.

## Note 12: Controlled entities

Controlled entities consolidated

| | Note | Country of Incorporation | Percentage Owned (%)* | |
|---|---|---|---|---|
| | | | 2012 | 2011 |
| Parent Entity: | | | | |
| - Jupiter Mines Limited | | Australia | | |
| Subsidiaries of Jupiter Mines Limited: | | | | |
| - Future Resources Australia Limited | | Australia | 100 | 100 |
| - Central Yilgarn Pty Limited | | Australia | 100 | 100 |
| - Broadgold Pty Limited | | Australia | 100 | 100 |
| - Jupiter Kalahari Manganese Limited | (a) | Mauritius | 100 | 100 |

* Percentage of voting power is in proportion to ownership

Principal Activities:

(a) During the year all Controlled Entities with the exception of Jupiter Kalahari Manganese Limited were dormant.

## Note 13: Non-current assets – Property, plant and equipment

| | Consolidated Group | |
|---|---|---|
| | 2012 $ | 2011 $ |
| **PLANT AND EQUIPMENT** | | |
| Leasehold improvements | | |
| - At cost | 125,333 | 14,407 |
| - Accumulated depreciation | (46,121) | (14,407) |
| | 79,212 | - |
| Plant and equipment | | |
| - At cost | 7,089,022 | 4,526,422 |
| - Accumulated depreciation | (916,967) | (258,123) |
| | 6,172,055 | 4,268,299 |
| Furniture and fittings | | |
| - At cost | 253,434 | 26,198 |
| - Accumulated depreciation | (63,214) | (5,758) |
| | 190,220 | 20,440 |
| Net carrying value | 6,441,487 | 4,288,739 |

**Movements in Carrying Amounts**

Movement in the carrying amounts for each class of plant and equipment between the beginning and the end of the current financial year:

| | Leasehold Improvements $ | Plant and Equipment $ | Furniture and Fittings $ | Total $ |
|---|---|---|---|---|
| **Consolidated Group:** | | | | |
| **Balance at 1 July 2010** | **7,298** | **195,534** | **18,052** | **220,884** |
| Additions | — | 4,277,781 | 4,145 | 4,281,926 |
| Disposals | — | — | — | — |
| Impairment | — | — | — | — |
| Depreciation expense | (7,298) | (205,016) | (1,757) | (214,071) |
| **Balance at 30 June 2011** | **—** | **4,268,299** | **20,440** | **4,288,739** |
| Additions | 110,926 | 2,027,764 | 240,708 | 2,379,398 |
| Disposals | — | — | — | — |
| Impairment | — | (73,341) | (10,492) | (83,833) |
| Depreciation expense | (31,714) | (50,667) | (60,436) | (142,817) |
| **Balance at 30 June 2012** | **79,212** | **6,172,055** | **190,220** | **6,441,487** |

## Note 14: Non-current assets - Intangible assets

| | Consolidated Group | |
|---|---|---|
| | 2012 $ | 2011 $ |
| Computer software | | |
| - At cost | 335,591 | 169,354 |
| - Accumulated amortisation | (113,901) | (52,938) |
| Net carrying value | 221,690 | 116,416 |

| **Movements in carrying amounts** | **Total $** |
|---|---|
| **Balance at 1 July 2010** | **94,999** |
| Additions | 67,380 |
| Amortisation expense | (45,963) |
| **Balance at 30 June 2011** | **116,416** |
| Additions | 170,860 |
| Amortisation expense | (65,586) |
| **Balance at 30 June 2012** | **221,690** |

Intangible assets have finite useful lives. The current amortisation charges for intangible assets are included under depreciation and amortisation expense per the statement of comprehensive income. All software is amortised over 3 years.

## Note 15: Other assets

| | | |
|---|---|---|
| CURRENT | | |
| Prepayments | 2,360,261 | 450,572 |
| NON-CURRENT | | |
| Deposits | 1,247,775 | 3,786,130 |
| Loans | 23,720,720 | 7,910,502 |
| | 24,968,495 | 11,696,632 |

NOTE:

- Loan notes: These loans have no fixed repayment date. $19,255,575 of loans are interest free, the remaining loans accrue interest at South African Prime rate. These loans are offset by the long-term borrowings shown at Note 17 and are a result of the proportionate consolidation of the joint venture.
- Related party receivables: For terms and conditions of related party receivables refer to note 29.
- Fair value: Details' regarding fair value is disclosed in note 30.
- Foreign exchange and interest rate risk: Details' regarding foreign exchange and interest rate risk exposure is disclosed in note 30.
- Credit risk: The maximum exposure to credit risk at the reporting date is the higher of the carrying value of each class of receivable. No collateral is held as security.

## Note 16: Non-current assets - Exploration and evaluation assets

| | Notes | Consolidated Group | |
|---|---|---|---|
| | | 2012 $ | 2011 $ |
| Opening Balance | | 19,648,304 | 12,328,678 |
| Additions | | 30,781,437 | 6,876,000 |
| Impairment | | (103,703) | 443,626 |
| Closing Balance | | 50,326,038 | 19,648,304 |

Costs carried forward in respect of the following areas of interest:

| | Notes | 2012 $ | 2011 $ |
|---|---|---|---|
| — Widgiemooltha | (a) | - | 200,230 |
| — Klondyke | | 592,590 | 571,106 |
| — Mount Mason | | 8,545,430 | 3,855,779 |
| — Mt Ida & Mt Hope | | 34,827,295 | 8,958,890 |
| — Mt Alfred | | 1,472,926 | 1,311,074 |
| — Corunna Downs | (b) | - | 72,315 |
| — Yunndaga | | 40,000 | 40,000 |
| — Oakover | | 4,847,797 | 4,638,910 |
| Total exploration expenditure | | 50,326,038 | 19,648,304 |

(a) Widgiemooltha project was sold during the financial year.

(b) Corunna Downs tenements were surrendered during the financial year.

Capitalised costs amounting to $64,389,847 (2011: $11,903,724) have been included in cash flows from investing activities in the statement of cash flows of which $35,556,384 relates to the parent company and the balance of $29,938,585 is included under mining reserves relating to Jupiter's joint venture interest in Tshipi. The Group has written-off exploration carrying costs of $103,703 as impaired assets during the year ended 30 June 2012 (2011: $443,626) and is separately presented in the Statement of Comprehensive Income as impairment of exploration interests.

## NOTE 17: Interest in Joint Venture

A controlled entity, Jupiter Kalahari (Mauritius) Limited, has a 49.9% interest in Tshipi, a joint venture entity, whose principal activity is the exploration, mining and sale of manganese.

The Group accounts for its interest in the joint venture by using the proportionate consolidation method and by combining the Group's share of each of the assets, liabilities, income and expenses of the jointly controlled entity with similar items, line by line, in the Group's financial statements.

| | Note | Consolidated Group | |
|---|---|---|---|
| | | 30 June 2012 $ | 30 June 2011 $ |
| **The Group's share of assets and liabilities employed in the joint venture is:** | | | |
| CURRENT ASSETS | | | |
| Cash & cash equivalents | | 15,561,951 | 13,135,196 |
| Trade and other receivables | | 1,370,646 | 338,774 |
| Other current assets | | 2,190,906 | - |
| TOTAL CURRENT ASSETS | | 19,123,503 | 13,473,970 |
| NON-CURRENT ASSETS | | | |
| Mining reserves | (a) | 374,633,122 | 341,511,875 |
| Property, plant and equipment | | 3,019,242 | 1,292,829 |
| Intangible assets | | 56,633 | 439 |
| Other non-current assets | | - | 3,035,361 |
| TOTAL NON-CURRENT ASSETS | | 377,708,997 | 345,840,504 |
| TOTAL ASSETS | | 396,832,500 | 359,314,474 |
| CURRENT LIABILITIES | | | |
| Trade and other payables | | 3,390,976 | 621,505 |
| Short-term borrowings | | - | 476,444 |
| TOTAL CURRENT LIABILITIES | | 3,390,976 | 1,097,949 |
| NON-CURRENT LIABILITIES | | | |
| Deferred tax liability | | 90,092,871 | 89,955,370 |
| Long-term borrowings | | 19,259,312 | - |
| Long-term provisions | | 4,146,831 | 32,958 |
| TOTAL NON-CURRENT LIABILITIES | | 113,499,014 | 89,955,370 |
| TOTAL LIABILITIES | | 116,889,990 | 91,086,277 |
| NET INTEREST IN JOINT VENTURE | | 279,942,510 | 268,228,197 |
| The Group's share of the joint venture income and expenses is: | | | |
| Share of joint venture income | | 1,004,510 | 258 |
| Share of joint venture expenses | | (503,851) | (1,921) |
| Share of joint venture other comprehensive income | | - | (912) |

**NOTE 17: Interest in Joint Venture (continued)**

The recoverability of the carrying amount of the mining reserves is dependent on successful development and commercial exploitation, or alternatively, sale of the respective areas of interest.

(a) The mining reserve refers to the exploration and evaluation expenses currently being capitalised, which in 2012 was $33,121,247. The balance of the mining reserve refers to the reserves and resources up until the acquisition of the joint venture.

The net cash provided by operating activities was $578,020. The net cash used in investing activities was $34,350,957. The net cash provided by financing activities was $36,199,692.

The Group's share of capital commitments of the joint venture total $65,333,571.

## Note 18: Current liabilities - Trade and other payable

| | Note | Consolidated Group | |
|---|---|---|---|
| | | 2012 $ | 2011 $ |
| CURRENT | | | |
| Unsecured liabilities | | | |
| Trade payables | | 3,422,841 | 1,694,785 |
| Sundry payables and accrued expenses | | 1,586,250 | 921,060 |
| | | 5,009,091 | 2,615,845 |

Fair value: Due to the short term nature of these payables, their carrying value is assumed to approximate their fair value.

## Note 19: Current liability – Short-term borrowings

| | Note | Consolidated Group | |
|---|---|---|---|
| | | 2012 $ | 2011 $ |
| CURRENT | | | |
| Loans | | – | 476,412 |
| Bank credit cards | | – | – |
| | | – | 476,412 |

- Fair Value and Credit Risk: due to the short term nature of these receivables, their carrying value is assumed to approximate their fair value.
- Financial Guarantees: the Group has provided no guarantees as at 30 June 2012.
- Related party payables: for terms and conditions of related party receivables refer to Note 29.
- Interest rate, foreign exchange and Liquidity Risk: for terms and conditions refer to Note 30.

## Note 20: Current and non-current provisions

| | Note | Consolidated Group | |
|---|---|---|---|
| | | 2012 $ | 2011 $ |
| SHORT TERM PROVISIONS | | | |
| Short-term employee benefits | | 153,508 | 146,320 |
| Provision for onerous contracts | | — | 11,092 |
| | | 153,508 | 157,412 |
| LONG TERM PROVISIONS | | | |
| Rehabilitation provision | | 4,244,290 | — |
| | | 4,244,290 | — |
| | | | |
| Movements in provisions: | | | |
| Short-term employee benefits | | | |
| Carrying amount at the start of the year | | 146,319 | 75,788 |
| Additional provisions recognised | | 115,432 | 136,429 |
| Provisions used | | (108,243) | (65,898) |
| At reporting date | | 153,508 | 146,319 |
| | | | |
| Provision for onerous contracts | | | |
| Carrying amount at the start of the year | | 11,092 | 24,458 |
| Additional provisions recognised | | — | — |
| Amount expensed | | (11,092) | (13,366) |
| At reporting date | | — | 11,092 |

The provision for onerous contracts comprises certain obligations on operating leases relating to premises. For further details regarding these commitments see Note 23.

## Note 21: Issued capital

| | Note | Consolidated Group | |
|---|---|---|---|
| | | 2012 $ | 2011 $ |
| **Paid up capital:** | | | |
| 1,806,834,044 (2011: 1,823,290,836) fully paid ordinary shares | 22(a) | 450,792,571 | 456,510,087 |
| | | 450,792,571 | 456,510,087 |
| **(a) Ordinary shares** | | | |
| At the beginning of reporting period | | 456,510,087 | 46,401,428 |
| Shares issued/(cancelled) during the year, net of transaction costs | | | |
| 156,752 shares bought back 4 November 2011 | | (53,295) | - |
| 196,984 shares bought back 8 November 2011 | | (66,974) | - |
| 446,264 shares bought back 10 November 2011 | | (152,945) | - |
| 190,499 shares bought back 11 November 2011 | | (65,721) | - |
| 133,545 shares bought back 14 November 2011 | | (46,073) | - |
| 113,628 shares bought back 15 November 2011 | | (39,202) | - |
| 813,144 shares bought back 17 November 2011 | | (280,535) | - |
| 452,720 shares bought back 18 November 2011 | | (156,189) | - |
| 191,540 shares bought back 21 November 2011 | | (66,082) | - |
| 48,149 shares bought back 22 November 2011 | | (16,852) | - |
| 304,837 shares bought back 24 November 2011 | | (106,693) | - |
| 552,934 shares bought back 25 November 2011 | | (193,527) | - |
| 328,491 shares bought back 28 November 2011 | | (114,972) | - |
| 2,147,305 shares bought back 29 November 2011 | | (750,788) | - |
| 2,400,000 shares bought back 30 November 2011 | | (840,000) | - |
| 900,000 shares bought back 2 December 2011 | | (306,000) | - |
| 1,700,000 shares bought back 5 December 2011 | | (595,000) | - |
| 134,653 shares bought back 6 December 2011 | | (47,129) | - |
| 2,786,662 shares bought back 7 December 2011 | | (975,332) | - |
| 217,005 shares bought back 8 December 2011 | | (75,952) | - |
| 3,861,680 shares bought back 9 December 2011 | | (1,310,636) | - |
| Shares issued during the previous period | | - | 407,226,801 |
| Sub total | | 450,250,190 | 453,628,229 |
| 1,620,000 Options converted to shares during the period | | 542,381 | 2,881,858 |
| At reporting date | | 450,792,571 | 456,510,087 |

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity in proportion to the number of shares held.

At the shareholders meetings each ordinary share is entitled to one vote when a poll is called, otherwise each shareholder has one vote on a show of hands.

The ordinary shares have no par value.

**Note 21: Issued capital (continued)**

| | Consolidated Group | |
|---|---|---|
| | 2012 Number of shares | 2011 Number of shares |
| At the beginning of the reporting period | 1,823,290,744 | 369,786,471 |
| Shares issued/(cancelled) during the period | | |
| 156,752 shares bought back 4 November 2011 | (156,752) | - |
| 196,984 shares bought back 8 November 2011 | (196,984) | - |
| 446,264 shares bought back 10 November 2011 | (446,264) | - |
| 190,499 shares bought back 11 November 2011 | (190,499) | - |
| 133,545 shares bought back 14 November 2011 | (133,545) | - |
| 113,628 shares bought back 15 November 2011 | (113,628) | - |
| 813,144 shares bought back 17 November 2011 | (813,144) | - |
| 452,720 shares bought back 18 November 2011 | (452,720) | - |
| 191,540 shares bought back 21 November 2011 | (191,540) | - |
| 48,149 shares bought back 22 November 2011 | (48,149) | - |
| 304,837 shares bought back 24 November 2011 | (304,837) | - |
| 552,934 shares bought back 25 November 2011 | (552,934) | - |
| 328,491 shares bought back 28 November 2011 | (328,491) | - |
| 2,147,305 shares bought back 29 November 2011 | (2,147,305) | - |
| 2,400,000 shares bought back 30 November 2011 | (2,400,000) | - |
| 900,000 shares bought back 2 December 2011 | (900,000) | - |
| 1,700,000 shares bought back 5 December 2011 | (1,700,000) | - |
| 134,653 shares bought back 6 December 2011 | (134,653) | - |
| 2,786,662 shares bought back 7 December 2011 | (2,786,662) | - |
| 217,005 shares bought back 8 December 2011 | (217,005) | - |
| 3,861,680 shares bought back 9 December 2011 | (3,861,680) | - |
| Shares issued during the previous period | 92 | 1,453,504,365 |
| Sub total | 1,805,214,044 | 1,823,290,744 |
| Conversion of options | 1,620,000 | - |
| At reporting date | 1,806,834,044 | 1,823,290,744 |

| | Consolidated Group | |
|---|---|---|
| | 2012 $ | 2011 $ |
| **(b) Options** | | |
| At the beginning of reporting period | - | 527,158 |
| Options issued during the year | - | - |
| Options exercised during the year: | - | (527,158) |
| Options lapsed during the year | - | - |
| At reporting date | - | - |

**Note 21: Issued capital (continued)**

| | Consolidated Group | |
|---|---|---|
| | 2012 Number of options | 2011 Number of options |
| At the beginning of the reporting period | - | 5,200,000 |
| Options issued during the year | - | - |
| Options exercised during the year: | - | (5,200,000) |
| Options lapsed during the year | - | - |
| At reporting date | - | - |

**(c) Options**

At 30 June 2012, there were no (30 June 2011: nil) unissued ordinary shares for which options were outstanding

**(d) Capital Management**

Management controls the capital of the Group in order to maintain an appropriate debt to equity ratio, provide the shareholders with adequate returns and ensure that the Group can fund its operations and continue as a going concern.

The Group's debt and capital includes ordinary share capital and financial liabilities, supported by financial assets.

There are no externally imposed capital requirements.

Management effectively manages the Group's capital by assessing the Group's financial risks and adjusting its capital structure in response to changes in these risks and in the market. These responses include the management of debt levels, distributions to shareholders and share issues.

There have been no changes in the strategy adopted by management to control the capital of the Group since the prior year.

## Note 22: Reserves

| | Note | Consolidated Group | |
|---|---|---|---|
| | | 2012 $ | 2011 $ |
| Options reserve | (a) | 680,516 | 670,400 |
| Financial assets reserve | (c) | — | 437,407 |
| Foreign currency reserve | (d) | (2,960,209) | (268,811) |
| | | (2,279,693) | 838,996 |
| **Options issued:** | | | |
| 6,700,000 (2011: 5,300,000) options | 22a | 680,516 | 670,400 |

The option reserve records items recognised as expenses on valuation of key management personnel share options.

**(a) Options**

| | | |
|---|---|---|
| At the beginning of reporting period | 670,400 | 860,100 |
| Options issued during the year | 262,616 | — |
| Options converted to ordinary shares during the year | (252,500) | (189,700) |
| Options lapsed/cancelled during the year | — | — |
| At reporting date | 680,516 | 670,400 |

**Note 22: Reserves (continued)**

| | 2012<br>No | 2011<br>No |
|---|---|---|
| At the beginning of the reporting period | 5,300,000 | 6,900,000 |
| Number of Options converted to ordinary shares during the period | (1,620,000) | (1,600,000) |
| Number of Options issued during the year | 4,200,000 | — |
| Number of options lapsed/cancelled during the period | (1,180,000) | — |
| At reporting date | 6,700,000 | 5,300,000 |

**(b) Options**

Directors, employees and consultant share option scheme expenses of $262,616 (2011: $nil) represents the valuation of options granted. These were valued using the Black-Scholes pricing method.

At 30 June 2012, there were 6,700,000 (30 June 2011: 5,300,000) unissued ordinary shares for which options were outstanding. These options will expire between 4 September 2012 and 11 April 2016 at exercise prices ranging from $0.22 to $0.90 per option.

**(c) Financial Asset Reserve**

The financial assets reserve records amounts relating to the revaluation of available for sale financial assets.

**(d) Foreign Currency Reserve**

| | 2012<br>$ | 2011<br>$ |
|---|---|---|
| At the beginning of the reporting period | (268,811) | — |
| Foreign currency exchange differences on translating foreign controlled operations | (2,691,398) | (268,811) |
| At reporting date | (2,960,209) | (268,811) |

Foreign currency differences arising on the revaluation of Jupiter's interest in Joint Venture and intercompany loans denominated in currencies other than Australian Dollars.

## Note 23: Capital and Leasing Commitments

| | Note | Consolidated Group | |
|---|---|---|---|
| | | 2012<br>$ | 2011<br>$ |
| **Operating Lease Commitments** | | | |
| Non-cancellable operating leases contracted for but not capitalised in the financial statements. | | | |
| Payable — minimum lease payments | | | |
| — not later than 12 months | | 802,325 | 433,847 |
| — between 12 months and 5 years | | 2,539,334 | 1,594,656 |
| | | 3,341,659 | 2,028,503 |

**Note 23: Capital and Leasing Commitments (continued)**

NOTE:

(a) This is made of up two leases: non-cancellable lease of 5 years however it can be subleased (with prior consent of Lessor). Amounts include rent, outgoings and parking with 4% annual rent review increase. It does not take into account reduced guarantees or returned deposits or incentives. Figures based on 12 Months (1-Jul-12 to 30-Jun-13) and between 12 Months and 4 Years (1-Jul-13 to 30-May-16 which is the end of the lease); non-cancellable lease of 4 years & 4 months. Amounts include rent and outgoings with 4% annual rent review increase. It does not take into account reduced guarantees or returned deposits or incentives. Figures based on 12 Months (1-Jul-12 to 30-Jun-13) and Between 12 Months and 4 Years (1-Jul-13 to 30-Jun-16 which is the end of the lease). The expense recognised for the operating lease was $510,597 (2011: $344,037).

(b) The property lease is non-cancellable for five-year, with rent payable monthly in advance.

**Exploration Expenditure Commitments**

In order to maintain current rights of tenure to exploration tenements, the Company and Group are required to perform minimum exploration work to meet the requirements specified by various State governments. These obligations can be reduced by selective relinquishment of exploration tenure or application for expenditure exemptions. Due to the nature of the Company and Group's operations in exploring and evaluating areas of interest, it is very difficult to forecast the nature and amount of future expenditure. It is anticipated that expenditure commitments for the next twelve months will be tenement rentals of $289,121 (2011: $119,568) and exploration expenditure of $87,839,133 (2011: $19,425,775) of which $22,505,562 relates to the Parent Company.

## Note 24: Contingent Liabilities and Contingent Assets

**Contingent Liabilities**

The parent entity has provided guarantees to third parties in relation to the performance and obligations of controlled entities in respect of banking facilities. At reporting date, the value of these guarantees and facilities are $1,335,000 (2011: $750,769). Total utilised at reporting date was $1,248,511.

**Contingent Assets**

No contingent assets exist as 30 June 2012 or 30 June 2011.

## Note 25: Segment Reporting

The Group operates in the mining industry within Australia and South Africa.

The Group has identified its operating segments based on the internal reports that are reviewed and used by the chief operating decision makers (the Board of Directors and key management) in assessing performance and determining the allocation of resources.

The Group segments are structured primarily on the basis of mineral as Central Yilgarn Iron Project (Iron Ore) located in Australia, Tshipi (Manganese) which is located in South Africa and Corporate/Unallocated. Expenses and assets are allocated to segments based on the tenement to which they directly relate. Information is not readily available for allocating the remaining items of revenue, expenses, assets and liabilities, or these items are not considered part of the core operations of any segment. Any transactions between reportable segments have been offset for these purposes.

**Proportionate consolidation of associates results**

Operating results and share of assets and liabilities are proportionately consolidated for the purposes of internal reporting and preparation of the financial statements.

***(i) Segment performance***

| 30 June 2012 | CYIP – Iron Ore (Australia) $ | Tshipi – Manganese (South Africa) $ | Corporate & Unallocated $ | Total $ |
|---|---|---|---|---|
| Revenue[1] | — | 1,004,510 | 5,485,721 | 6,490,231 |
| Depreciation and amortisation expense | — | — | (208,403) | (208,403) |
| Finance costs | — | (30) | (20,444) | (20,474) |
| Director and secretarial costs | — | - | (275,383) | (275,383) |
| Impairment of exploration interests | (102,475) | (1,228) | — | (103,703) |
| Impairment of financial assets | — | — | (3,366,577) | (3,366,577) |
| Impairment of assets | — | — | (83,833) | (83,833) |
| Acquisition costs | — | — | — | — |
| Insurance costs | — | — | (107,782) | (107,782) |
| Legal and professional costs | — | (113,880) | (701,119) | (814,999) |
| Travel and entertaining costs | — | — | (168,758) | (168,758) |
| Occupancy costs | — | — | (543,388) | (543,388) |
| Consultancy fees | — | (9,198) | (287,762) | (296,960) |
| Administration expenses | — | — | (333,213) | (333,213) |
| Employee benefits expense | — | (251,803) | (1,571,418) | (1,823,221) |
| Foreign exchange loss | — | (11,908,131) | — | (11,908,131) |
| Share Option Expense | — | — | (262,616) | (262,616) |
| Other expenses | — | — | (132,904) | (132,904) |
| **Net loss before tax from continuing operations** | **(102,475)** | **(11,279,760)** | **(2,577,879)** | **(13,960,114)** |

[1] The majority of the segments revenue are from interest

## Note 25: Segment Reporting (continued)

| 30 June 2011 | CYIP – Iron Ore (Australia) $ | Tshipi – Manganese (South Africa) $ | Corporate & Unallocated $ | Total $ |
|---|---|---|---|---|
| Revenue[1] | — | 831,654 | 2,643,868 | 3,475,522 |
| Depreciation and amortisation expense | — | — | (260,033) | (260,033) |
| Finance costs | — | (824) | (20,800) | (21,624) |
| Director and secretarial costs | — | — | (274,798) | (274,798) |
| Impairment of exploration interests | (388,438) | (55,188) | — | (443,626) |
| Acquisition costs | — | — | (1,156,867) | (1,156,867) |
| Insurance costs | — | — | (82,725) | (82,725) |
| Legal and professional costs | — | (37,294) | (449,911) | (487,205) |
| Travel and entertaining costs | — | — | (361,153) | (361,153) |
| Occupancy costs | — | — | (208,121) | (208,121) |
| Consultancy fees | — | — | (231,782) | (231,782) |
| Administration expenses | — | — | (676,211) | (676,211) |
| Employee benefits expense | — | — | (746,293) | (746,293) |
| Foreign exchange loss | — | (726,945) | — | (726,945) |
| Other expenses | — | — | (44,305) | (44,305) |
| **Net loss before tax from continuing operations** | **(388,438)** | **11,403** | **(1,869,131)** | **(2,246,166)** |

[1] The majority of the segments revenue are from interest

### *(ii) Segment assets and liabilities*

| 30 June 2012 | CYIP – Iron Ore (Australia) $ | Tshipi – Manganese (South Africa) $ | Corporate & Unallocated $ | Total $ |
|---|---|---|---|---|
| Cash and cash equivalents | — | 41,760,805 | 23,243,614 | 65,004,419 |
| Trade and other receivables | — | 1,370,646 | 983,774 | 2,354,420 |
| Other current assets | — | 2,190,905 | 169,356 | 2,360,261 |
| Financial assets | — | — | 2,451,585 | 2,451,585 |
| Property, plant and equipment | 3,103,455 | 3,019,242 | 318,790 | 6,441,487 |
| Intangible assets | 132,095 | 56,633 | 32,962 | 221,690 |
| Mining reserve | — | 374,633,122 | — | 374,633,122 |
| Other non current assets | 157,000 | 23,720,720 | 1,090,775 | 24,968,495 |
| Exploration and evaluation assets | 50,326,038 | — | — | 50,326,038 |
| **Total assets** | **53,718,588** | **446,752,073** | **28,290,856** | **528,761,517** |
| Trade and other payables | 1,756,580 | 3,252,511 | — | 5,009,091 |
| Short term provisions | 93,967 | 59,541 | — | 153,508 |
| Long term borrowings | — | 19,259,312 | — | 19,259,312 |
| Long term provisions | 157,000 | 4,087,290 | — | 4,244,290 |
| Deferred tax liabilities | — | 90,092,871 | — | 90,092,871 |
| **Total liabilities** | **2,007,547** | **116,751,525** | **—** | **118,759,072** |

## Note 25: Segment Reporting (continued)

| 30 June 2011 | CYIP – Iron Ore (Australia) $ | Tshipi – Manganese (South Africa) $ | Corporate & Unallocated $ | Total $ |
|---|---|---|---|---|
| Cash and cash equivalents | — | 58,400,671 | 81,536,295 | 139,936,966 |
| Trade and other receivables | — | 338,774 | 960,104 | 1,298,878 |
| Other current assets | — | — | 450,572 | 450,572 |
| Financial assets | — | — | 6,255,569 | 6,255,569 |
| Property, plant and equipment | 2,909,093 | 1,292,829 | 86,818 | 4,288,740 |
| Intangible assets | 115,977 | 439 | — | 116,416 |
| Mining reserve | — | 341,511,875 | — | 341,511,875 |
| Other non current assets | 263,000 | 10,945,863 | 487,769 | 11,696,632 |
| Exploration and evaluation assets | 19,648,305 | — | — | 19,648,305 |
| **Total assets** | **22,936,375** | **412,490,451** | **89,777,127** | **525,203,953** |
| Trade and other payables | 1,987,240 | 628,605 | — | 2,615,845 |
| Short term borrowings | — | 476,412 | — | 476,412 |
| Short term provisions | 124,453 | 32,958 | — | 157,411 |
| Deferred tax liabilities | — | 89,955,370 | — | 89,955,370 |
| **Total liabilities** | **2,111,693** | **91,093,345** | **—** | **93,205,038** |

## Note 25: Segment Reporting (continued)

*(iii) Segment cashflows*

| 30 June 2012 | CYIP – Iron Ore (Australia) $ | Tshipi – Manganese (South Africa) $ | Corporate & Unallocated $ | Total $ |
|---|---|---|---|---|
| Net cash provided by/(used in) operating activities | 515,711 | 2,842,244 | 3,056,867 | 6,414,822 |
| Net cash provided by/(used in) investing activities | (35,556,384) | (34,558,604) | (215,915) | (70,330,903) |
| Net cash provided by/(used in) financing activities | - | 1,296,226 | (5,879,898) | (4,583,672) |
| **Net increase/(decrease) in cash held** | **(35,040,673)** | **(30,420,134)** | **(3,038,946)** | **(68,499,753)** |
| Cash and cash equivalents at beginning of financial year | (15,181,934) | (9,307,874) | 164,426,775 | (139,936,967) |
| Effects of exchange rates on cash holdings in foreign currencies | - | (6,432,795) | - | (6,432,795) |
| **Cash and cash equivalents at end of financial year** | **(50,222,607)** | **(46,160,803)** | **161,387,829** | **65,004,419** |

| 30 June 2011 | CYIP – Iron Ore (Australia) $ | Tshipi – Manganese (South Africa) $ | Corporate & Unallocated $ | Total $ |
|---|---|---|---|---|
| Net cash provided by/(used in) operating activities | (4,494,667) | 189,232 | 1,811,728 | (2,493,708) |
| Net cash provided by/(used in) investing activities | (10,687,267) | (17,175,115) | 612,826 | (27,249,556) |
| Net cash provided by/(used in) financing activities | - | 8,706,098 | 154,364,199 | 163,070,297 |
| **Net increase/(decrease) in cash held** | **(15,181,934)** | **(8,279,785)** | **156,788,753** | **133,327,034** |
| Cash and cash equivalents at beginning of financial year | - | - | 6,769,167 | 6,769,167 |
| Effects of exchange rates on cash holdings in foreign currencies | - | (159,234) | - | (159,234) |
| **Cash and cash equivalents at end of financial year** | **(15,181,934)** | **(8,439,019)** | **163,557,920** | **139,936,967** |

## Note 26: Cash Flow Information

| | | Consolidated Group | |
|---|---|---|---|
| | | 2012<br>$ | 2011<br>$ |
| **(a)** | **Reconciliation of Cash Flow from Operations to Loss after Income Tax** | | |
| | Loss after income tax | (13,250,382) | (2,158,963) |
| | Non-cash flows included in loss after tax | | |
| | Depreciation and amortisation | 208,403 | 260,033 |
| | Net loss on disposal of property, plant and equipment | 83,833 | — |
| | Share options recognised | 262,616 | — |
| | Impairment of exploration and evaluation assets | 103,703 | 443,626 |
| | Loss on revaluation of equities | 3,366,577 | — |
| | Unrealised foreign exchange loss | 11,908,131 | 744,034 |
| | Realised foreign exchange gain | — | (16,622) |
| | **Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries** | | |
| | (Increase)/decrease in other assets | (2,103,650) | (612,492) |
| | (Increase)/decrease in other debtors | (935,542) | (579,502) |
| | (Decrease) in trade payables and other creditors | 2,393,246 | (476,922) |
| | Increase in deferred tax | 137,501 | (121,107) |
| | Increase/(decrease) in provisions | 4,240,386 | 24,207 |
| | Cash outflows from operations | 6,414,822 | (2,493,708) |

| | | | |
|---|---|---|---|
| **(b)** | **Credit Standby Arrangements with Banks** | | |
| | Credit facility | — | — |
| | Amount utilised | — | — |
| | Unused credit facility | — | — |

The major facilities are summarised as follows:

Bank credit cards:

Bank credit cards are arranged with ANZ bank with the general terms and conditions being set and agreed to annually.

Interest rates are variable and subject to adjustment.

## Note 27: Share-Based Payments

Each option granted under the Jupiter Mines Limited Employee Option Plan entitles the employee to acquire one ordinary share of Jupiter Mines Limited (JMS). There are no voting or dividend rights attaching to the options until they are exercised by the employee, at which point ordinary shares which rank equally with all other JMS shares are issued and quoted on the ASX. The options cannot be transferred and will not be quoted on the ASX.

All options expire on the earlier of their expiry date or termination of the individual's employment. Should the Vesting Conditions (described below) not be met, options will lapse.

The terms and conditions of the grants on issue as at 30 June 2012 are as follows, whereby all options are settled by physical delivery of shares:

| Grant Date | No. of Options | Vesting Date | Vesting Conditions | Expiry Date | Exercise Price |
|---|---|---|---|---|---|
| 16 August 2007 | 800,000 | 16 Aug 2007 | Continuation of service | 4 Sep 2012 | $0.25 |
| 16 August 2007 | 600,000 | 16 Aug 2007 | Continuation of service | 4 Sep 2012 | $0.30 |
| 16 August 2007 | 600,000 | 16 Aug 2007 | Continuation of service | 4 Sep 2012 | $0.35 |
| 6 November 2010 | 500,000 | 6 Nov 2010 | Continuation of service | 6 Nov 2012 | $0.19 |
| 6 November 2011 | 500,000 | 6 Nov 2011 | Continuation of service | 6 Nov 2013 | $0.22 |
| 14 March 2012 | 1,233,334 | 11 Apr 2013 | Continuation of service | 11 Apr 2016 | $0.70 |
| 14 March 2012 | 1,233,333 | 11 Apr 2014 | Continuation of service | 11 Apr 2016 | $0.80 |
| 14 March 2012 | 1,233,333 | 11 Apr 2015 | Continuation of service | 11 Apr 2016 | $0.90 |
| **Total** | **6,700,000** | | | | |

| | Consolidated Group | | | |
|---|---|---|---|---|
| | 2012 | | 2011 | |
| | Number of Options | Weighted Average Exercise Price $ | Number of Options | Weighted Average Exercise Price $ |
| Outstanding at the beginning of the period | 5,300,000 | 0.28 | 6,900,000 | 0.26 |
| Granted | 4,200,000 | 0.73 | — | — |
| Forfeited | — | — | — | — |
| Cancelled | — | — | — | — |
| Exercised | (1,620,000) | 0.23 | (1,600,000) | 0.25 |
| Expired | (1,180,000) | 0.33 | — | — |
| Outstanding at the end of the period | 6,700,000 | 0.56 | 5,300,000 | 0.28 |
| Exercisable at the end of the period* | 3,000,000 | 0.56 | 5,300,000 | 0.28 |

*Closing JMS share price on 30 June 2012 was $0.16.

The options outstanding at 30 June 2012 have an exercise price of $0.56 a weighted average contractual life of 2.55 years.

During the financial year, 1,620,000 options were exercised (2011: 1,600,000).

The fair value of services received in return for options granted is measured by reference to the fair value of options granted. The estimate of the fair value of the services received is measured based on the Black Scholes option-pricing model. The contractual life of the options is used as an input into the model. Expectations of early exercise are incorporated into the model as well.

**Note 27: Share-Based Payments (continued)**

| Tranche | Expiry Date | Fair Value per Option $ | Exercise Price $ | Price of Shares on Grant $ | Estimated Volatility | Risk Free Interest | Dividend Yield | Grant Date | Vesting Period |
|---|---|---|---|---|---|---|---|---|---|
| 1 | 11 Apr 2016 | 0.162 | 0.70 | 0.26 | 106.69 | 5.7% | - | 21 Dec 2011 | 11 Apr 2013 |
| 2 | 11 Apr 2016 | 0.156 | 0.80 | 0.26 | 106.69 | 5.7% | - | 21 Dec 2011 | 11 Apr 2014 |
| 3 | 11 Apr 2016 | 0.152 | 0.90 | 0.26 | 106.69 | 5.7% | - | 21 Dec 2011 | 11 April 2015 |
| 4 | 6 Nov 2013 | 0.217 | 0.22 | 0.28 | 120.02 | 5.7% | - | 11 Aug 2010 | Immediately |

In total, $262,616 (2011: $nil) of employee remuneration expense (all of which related to equity-settled share-based payment transactions) has been included in the profit and loss for 2012 and credited to share option reserve.

The expected volatility is based on the historic volatility of the Company (calculated on the weighted average remaining life of the share options), adjusted for any expected changes to volatility due to publicly available information.

Risk-free interest rates are based on 5 year government bonds.

Options will only convert to ordinary shares upon the achievement of a service condition.

## Note 28: Events After the Reporting Date

On 19 July 2012 the Company announced that it would raise up to approximately $125 million to support the development of its manganese and iron ore assets in South Africa and Australia.

The Capital Raising was completed in two tranches:

1. $40 million private placement
    - No shareholder approval required
    - Under 15% placement allowance
    - 250,000,000 shares issued at $0.16
2. Up to $85 million rights issue
    - 5 for 19 ratio
    - Non-renounceable
    - Shortfall facility
    - Not underwritten
    - Total take up of rights came to $36 million was raised and 225,001,339 shares
    - Shortfall shares remaining are 316,271,853 which may be placed within 3 months of the closing date of the offer

These financial statements were authorised for issue on 21 September 2012 by Director Brian Gilbertson.

## Note 29: Related Party Transactions

| | Consolidated Group | |
|---|---|---|
| | 2012<br>$ | 2011<br>$ |
| Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated. | | |
| Transactions with related parties: | | |
| **(a) Key Management Personnel** | | |
| Consulting fees paid to Intrepid Concepts Pty Ltd, a company in which Mr R J Benussi has a beneficial interest. | 111,237 | 237,500 |
| Consulting fees paid to Condorex Limited, a company in which Mr Andrew Bell has a beneficial interest. | 50,465 | 53,774 |
| Consulting fees paid to PHM Securities Pty Ltd, a company in which Mr P R Murray has a beneficial interest. | 55,614 | 55,917 |
| Expenses reimbursed to Pallinghurst Advisors LLP (or its group companies), a United Kingdom Limited Liability Partnership in with Mr B Gilbertson and Mr P Thapliyal have a beneficial interest. | 517,293 | 185,148 |
| Payment of outstanding balance to Pallinghurst Steel Feed (Dutch) B.V., a company of which Mr P Thapliyal is also a Director. | 42,500 | 128,833 |
| A payable to Pallinghurst Steel Feed (Dutch) B.V., a company of which Mr P Thapliyal is also a Director. | — | 47,500 |
| Loan receivable from Tshipi | 23,720,719 | 7,910,502 |
| Loan payable to Tshipi | 19,259,312 | 476,412 |

These loans have no fixed repayment date. These loans are offset by each other and are a result of the proportionate consolidation of the joint venture. The balancing figure represents the interest-bearing portion of the loan.

## Note 30: Financial Instruments

The Group's financial instruments consist mainly of deposits with banks, short-term investments, accounts receivable and payable.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

| | Consolidated Group | |
|---|---|---|
| | 2012<br>$ | 2011<br>$ |
| **Financial Assets** | | |
| Cash and cash equivalents | 65,004,419 | 139,936,966 |
| Trade and other receivables | 2,354,420 | 1,298,878 |
| Available-for-sale financial assets | 2,451,585 | 6,255,569 |
| Other non-current assets | 24,968,495 | 11,696,632 |
| | **94,778,919** | **159,188,045** |
| **Financial Liabilities** | | |
| Trade and other payables | 5,009,091 | 2,615,845 |
| Short-term borrowings | - | 476,412 |
| Long-term borrowings | 19,259,312 | - |
| | **24,268,403** | **3,092,257** |

**Note 30: Financial Instruments (continued)**

**Financial Risk Management Policies**

The Directors monitor the Group's financial risk management policies and exposures and approves financial transactions.

The Directors' overall risk management strategy seeks to assist the Group in meeting its financial targets, while minimising potential adverse effects on financial performance. Its functions include the review of credit risk policies and future cash flow requirements.

**Specific Financial Risk Exposures and Management**

The main risks the Group is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk, liquidity risk and equity price risk.

**(a) Credit Risk**

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the Group.

Credit risk is managed through the maintenance of procedures (such procedures include the utilisation of systems for the approval, granting and renewal of credit limits, regular monitoring of exposures against such limits and monitoring of the financial stability of significant customers and counterparties), ensuring to the extent possible, that customers and counterparties to transactions are of sound credit worthiness. Such monitoring is used in assessing receivables for impairment.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating, or in entities that the Directors have otherwise cleared as being financially sound.

*Credit Risk Exposures*

The maximum exposure to credit risk by class of recognised financial assets at reporting date, excluding the value of any collateral or other security held, is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position. Credit risk also arises through the provision of financial guarantees, as approved at Board level, given to parties securing the liabilities of certain subsidiaries (refer Note 25 for details).

Trade and other receivables that are neither past due or impaired are considered to be of high credit quality. Aggregates of such amounts are as detailed in Note 10.

There are no amounts of collateral held as security in respect of trade and other receivables.

The Group does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the Consolidated Group.

Credit risk related to balances with banks and other financial institutions is managed by investing cash with major financial institutions in both cash on deposit and term deposit accounts. Interest rates on major deposits that are re-invested, are at a fixed rate on a monthly basis.

**(b) Liquidity risk**

Liquidity risk arises from the possibility that the Group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Group manages this risk through the following mechanisms:

- preparing forward looking cash flow analysis in relation to its operational, investing and financing activities;
- monitoring undrawn credit facilities;
- obtaining funding from a variety of sources;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;

only investing surplus cash with major financial institutions; and comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The Group has no significant exposure to liquidity risk due to the level of cash and cash equivalents detailed at Note 9. The Group manages liquidity risk by monitoring immediate and forecast cash requirements and ensuring adequate cash reserves are maintained.

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities. Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates

**Note 30: Financial Instruments (continued)**

| | Within 1 Year | | 1 to 5 Years | | Over 5 Years | | Total | |
|---|---|---|---|---|---|---|---|---|
| | 2012 | 2011 | 2012 | 2011 | 2012 | 2011 | 2012 | 2011 |
| **Consolidated Group** | | | | | | | | |
| **Financial liabilities due for payment** | | | | | | | | |
| Short term borrowings | — | 476,412 | — | — | — | — | — | 476,412 |
| Long term borrowings | — | — | 19,259,312 | — | — | — | 19,259,312 | - |
| Trade and other payables | 5,009,091 | 2,615,845 | — | — | — | — | 5,009,091 | 2,615,845 |
| Total expected outflows | 5,009,091 | 3,092,257 | 19,259,312 | — | — | — | 24,268,403 | 3,092,257 |
| **Financial assets — cash flows realisable** | | | | | | | | |
| Cash and cash equivalents | 65,004,419 | 139,936,966 | — | — | — | — | 65,004,419 | 139,936,966 |
| Trade and other receivables | 2,354,420 | 1,298,878 | — | — | — | — | 2,354,420 | 1,298,878 |
| Available for sale financial assets | 2,451,585 | 6,255,569 | — | — | — | — | 2,451,585 | 6,255,569 |
| Other non-current assets | — | — | 24,968,495 | 11,696,632 | — | — | 24,968,495 | 11,696,632 |
| Total anticipated inflows | 69,810,424 | 147,941,985 | 24,968,495 | 11,696,632 | — | — | 94,778,919 | 159,638,617 |
| **Net (outflow)/inflow on financial instruments** | **64,801,333** | **144,849,728** | **5,709,183** | **11,696,632** | **—** | **—** | **70,510,516** | **156,546,360** |

### (c) Market Risk

Market risk arises from the Groups use of interest bearing and foreign currency financial instruments. It is the risk that the fair value of future cash flows of a of a financial instrument will fluctuate because of changes in interest rates (interest rate risk), foreign exchange (currency risk) or other market factors (other price risk).

*(i) Interest rate risk*

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The financial assets and financial liabilities with exposure to interest rate risk is detailed below:

| | 30 June 2012 $ | 30 June 2011 $ |
|---|---|---|
| **Financial Assets** | | |
| Cash and cash equivalents | 65,004,419 | 139,936,966 |
| Other Non-Current Assets | 24,968,495 | 8,514,497 |
| | **89,972,914** | **148,451,463** |
| **Financial Liabilities** | | |
| Short Term Borrowings | - | 476,412 |
| Long Term Borrowings | 19,259,312 | |
| | **19,259,312** | **476,412** |

The Group is also exposed to earnings volatility on floating rate instruments.

**Note 30: Financial Instruments (continued)**

*(ii) Foreign exchange risk*

Jupiter operates internationally and is exposed to foreign exchange risk arising from various currency exposures primarily with respect to the Australian Dollar and South African Rand. Jupiter's exposure to currency risk is on cash, trade receivables, and borrowings.

Foreign currency risk is the risk of exposure to transactions that are denominated in a currency other than the Australian dollar. The carrying amounts of the Group's financial assets and liabilities are denominated in two different currencies as set out below:

| | 30 June 2012 | | |
|---|---|---|---|
| | $ | ZAR | Total $ |
| **Financial Assets** | | | |
| Cash and cash equivalents | 23,243,614 | 41,760,805 | 65,004,419 |
| Receivables | 983,774 | 1,370,646 | 2,354,420 |
| Available-for-sale financial assets | 2,451,585 | - | 2,451,585 |
| Other Non-Current Assets | 1,247,775 | 23,720,720 | 24,968,495 |
| | **27,963,748** | **66,852,171** | **94,815,919** |
| **Financial Liabilities** | | | |
| Trade and other payables | 1,756,580 | 3,252,511 | 5,009,091 |
| Short Term Borrowings | - | - | - |
| | **1,756,580** | **3,252,511** | **5,009,091** |

| | 30 June 2011 | | |
|---|---|---|---|
| | $ | ZAR | Total $ |
| **Financial Assets** | | | |
| Cash and cash equivalents | 81,620,186 | 58,316,780 | 139,936,966 |
| Receivables | 960,104 | 338,774 | 1,298,878 |
| Other current Assets | 450,572 | — | 450,572 |
| Available-for-sale financial assets | 6,255,569 | — | 6,255,569 |
| Other Non-Current Assets | 750,769 | 10,934,696 | 11,685,465 |
| | **90,037,200** | **69,590,250** | **159,627,450** |
| **Financial Liabilities** | | | |
| Trade and other payables | 1,987,240 | 628,605 | 2,615,845 |
| Short Term Borrowings | — | 476,412 | 476,412 |
| | **1,987,240** | **1,105,017** | **3,092,257** |

*(iii) Other Price Risk*

Price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices largely due to demand and supply factors for commodities.

As the Group does not derive revenue from sale of products, the effect on profit and equity as a result of changes in the price risk is not considered material. The fair value of the mining projects will be impacted by commodity price changes (predominantly iron ore, nickel and uranium) and could impact future revenues once operational. However, management monitors current and projected commodity prices.

## Note 30: Financial Instruments (continued)

### Summarised sensitivity analysis

The following table summarises the sensitivity of the Jupiter Group's financial assets and financial liabilities to interest rate risk and foreign exchange risk.

Management have reviewed interest rate and foreign exchange risk and determined the rates applied to be appropriate.

| | | Interest Rate Risk | | | | Foreign Exchange Risk | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | -50 bps | | +50 bps | | -10% | | +10% | |
| 30 June 2012 | Carrying Amount $ | Profit $ | Other equity $ | Profit $ | Other equity $ | Profit $ | Other equity $ | Profit $ | Other equity $ |
| **Financial Assets** | | | | | | | | | |
| Cash and cash equivalents | 65,004,419 | (32,502) | – | 32,502 | – | (4,176,080) | – | 4,176,080 | – |
| Receivables | 2,354,420 | – | – | – | – | (137,065) | – | 137,065 | – |
| Other current Assets | 2,360,261 | – | – | – | – | – | – | – | – |
| Available-for-sale financial assets | 2,451,585 | – | – | – | – | – | – | – | – |
| Other Non-Current Assets | 24,968,495 | (12,484) | – | 12,484 | – | (2,375,998) | – | 2,375,998 | – |
| **Financial Liabilities** | | | | | | | | | |
| Trade and other payables | 5,009,091 | – | – | – | – | (321,799) | – | 321,799 | – |
| Short Term Borrowings | – | – | – | – | – | – | – | – | – |
| **Total increase/(decrease)** | | **(44,986)** | **–** | **44,986** | **–** | **(7,010,942)** | **–** | **7,010,942** | **–** |

## Note 30: Financial Instruments (continued)

### Fixed Interest Rate Maturing

| | WAEIR | | Floating Interest Rate | | Within Year | | 1 to 5 Years | | Over 5 Years | | Non-interest Bearing | | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 2012 % | 2011 % | 2012 $ | 2011 $ | 2012 $ | 2011 $ | 2012 $ | 2011 $ | 2012 $ | 2011 $ | 2012 $ | 2011 $ | 2012 $ |
| **Financial Assets:** | | | | | | | | | | | | | |
| Cash and deposits | 5.38 | 5.86 | 11,118,291 | 14,756,759 | 53,886,128 | 125,180,207 | - | - | - | - | - | - | 65,004,419 |
| Receivables | — | — | - | - | - | - | - | - | - | - | 2,354,420 | 1,298,878 | 2,354,420 |
| Other Financial Assets | — | — | - | - | - | - | - | - | - | - | 2,451,585 | 6,255,569 | 2,451,585 |
| Other Non-Current Assets | 9.3 | 9.3 | 1,247,776 | 8,514,497 | - | - | - | - | - | - | 23,720,719 | 3,170,968 | 24,968,495 |
| **Total Financial Assets** | **-** | **-** | **12,366,067** | **23,271,256** | **53,886,128** | **125,180,207** | **-** | **-** | **-** | **-** | **28,406,724** | **10,725,415** | **94,778,919** |
| | | | | | | | | | | | | | |
| **Financial Liabilities:** | | | | | | | | | | | | | |
| Trade and sundry payables | 16 | 16 | - | - | - | - | - | - | - | - | 5,009,091 | 2,615,845 | 5,009,091 |
| Short Term Borrowings | - | - | - | 474,943 | - | - | - | - | - | - | - | - | - |
| **Total Financial Liabilities** | **-** | **-** | **-** | **474,943** | **-** | **-** | **-** | **-** | **-** | **-** | **5,009,091** | **2,615,845** | **5,009,091** |

WAEIR = Weighted Average Effective Interest Rate

**Note 30: Financial Instruments (continued)**

**(d) Net Fair Value**

The net fair values of cash and cash equivalents and non-interest bearing monetary financial assets and liabilities approximates their carrying value. The net fair value of financial assets and financial liabilities is based upon market prices where a market exists or by discounting the expected future cash flows by the current interest rates for assets and liabilities with similar risk profiles.

Listed equity investments have been valued by reference to market prices prevailing at reporting date.

| | 2012 | | 2012 | |
|---|---|---|---|---|
| | Carrying Amount | Net Fair Value | Carrying Amount | Net Fair Value |
| **Financial Assets** | | | | |
| Cash at bank (i) | 65,004,419 | 65,004,419 | 139,936,966 | 139,936,966 |
| Trade and other receivables (i) | 2,354,420 | 2,354,420 | 1,298,878 | 1,298,878 |
| Available for sale financial assets (ii) | 2,451,585 | 2,451,585 | 6,255,569 | 6,255,569 |
| Other Non-Current Assets | 24,968,495 | 24,968,495 | 11,696,632 | 11,696,632 |
| | **94,778,919** | **94,778,919** | **159,638,617** | **159,638,617** |
| **Financial Liabilities** | | | | |
| Trade and other payables (i) | 5,009,091 | 5,009,091 | 2,615,845 | 2,615,845 |
| Short Term Borrowings | - | - | 476,412 | 476,412 |
| | **5,009,091** | **5,009,091** | **3,092,257** | **3,092,257** |

The fair values in the above table have been determined based on the following methodology:

(i) Cash and cash equivalents, trade and other receivables and trade and other payables are short-term investments in nature whose carrying value is equivalent to fair value. Trade and other payables exclude amounts provided for annual leave which is not considered a financial instrument.

(ii) For listed available-for-sale financial assets, closing quoted bid prices at the end of the reporting period are used. Unlisted available-for-sale financial assets are recorded at cost.

*Financial Instruments Measured at Fair Value*

The financial instruments recognised at fair value in the statement of financial position have been analysed and classified using a fair value hierarchy reflecting the significance of the inputs used in making the measurements. The fair value hierarchy consists of the following levels:

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

| Group – as at 30 June 2012 | Level 1 $ | Level 2 $ | Level 3 $ | Total $ |
|---|---|---|---|---|
| **Financial Assets** | | | | |
| Available for sale financial assets: | 2,451,585 | - | - | 2,451,585 |
| | **2,451,585** | **-** | **-** | **2,451,585** |

Included in Level 1 of the hierarchy are listed investments. The fair values of these financial assets have been based on the closing quoted bid prices at reporting date, excluding transaction costs.

## Note 31: Parent company information

| | Consolidated Group | |
|---|---|---|
| | 2012<br>$ | 2011<br>$ |
| **ASSETS** | | |
| Current Assets | 24,271,557 | 82,946,971 |
| Non-Current Assets | 402,421,625 | 351,622,741 |
| TOTAL ASSETS | 426,693,182 | 434,569,712 |
| **LIABILITIES** | | |
| Current Liabilities | 1,850,548 | 2,100,569 |
| Non-Current Liabilities | - | 11,092 |
| TOTAL LIABILITIES | 1,850,548 | 2,111,661 |
| NET ASSETS | 424,842,634 | 432,458,051 |
| **EQUITY** | | |
| Contributed equity | 450,792,571 | 456,510,087 |
| Option premium reserve | 680,516 | 670,400 |
| Financial asset reserve | - | 437,407 |
| Accumulated losses | (26,630,453) | (25,159,843) |
| TOTAL EQUITY | 424,842,634 | 432,458,051 |
| **FINANCIAL PERFORMANCE** | | |
| Loss for the year | (1,571,895) | (1,968,638) |
| Other comprehensive income | (437,407) | (2,639,866) |
| TOTAL COMPREHENSIVE LOSS | (2,009,302) | (4,608,504) |

**Contingent Liability**

Refer to Note 24.

**Contractual Commitments**

As at 30 June 2012 the parent company had exploration contractual commitments of $22,505,562 refer to Note 23.

## Note 32: Company Details

The registered office and principle place of business of Jupiter is:

**Jupiter Mines Limited**
Level 42
108 St Georges Terrace
Perth WA 6000

# Directors' Declaration

The Directors of Jupiter Mines Limited declare that:

1. the financial statements, notes and the additional disclosures included in the Directors Report designated as audited, of the consolidated entity are in accordance with the Corporations Act 2001 including:

   a. complying with Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Regulations 2001; and

   b. give a true and fair view of the financial position as at 30 June 2012 and of the performance for the year ended on that date of the company and consolidated entity;

2. The financial statements and notes also comply with International Financial Reporting Standards as disclosed in note 1.

3. There are reasonable grounds to believe that Jupiter Mines Limited will be able to pay its debts as and when they become due and payable.

4. This declaration has been made after receiving the declarations required to be made to the Directors in accordance with section 295A of the Corporations Act 2001 for the financial year ended 30 June 2012.

Signed on behalf of the Board of Directors

**Brian P Gilbertson**
Perth
21 September 2012

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## Independent Auditor's Report
## To the Members of Jupiter Mines Limited

### Report on the financial report

We have audited the accompanying financial report of Jupiter Mines Limited (the "Company"), which comprises the consolidated statement of financial position as at 30 June 2012, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the consolidated entity comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

### Directors responsibility for the financial report

The Directors of the Company are responsible for the preparation of the 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 determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. The Directors also state, in the notes to the financial report, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, the financial statements comply with International Financial Reporting Standards.

### Auditor's responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require us to comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

Grant Thornton

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial report.

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

**Independence**

In conducting our audit, we have complied with the independence requirements of the Corporations Act 2001.

**Auditor's opinion**

In our opinion:

a the financial report of Jupiter Mines Limited is in accordance with the Corporations Act 2001, including:

   i giving a true and fair view of the consolidated entity's financial position as at 30 June 2012 and of its performance for the year ended on that date; and

   ii complying with Australian Accounting Standards and the Corporations Regulations 2001; and

b the financial report also complies with International Financial Reporting Standards as disclosed in the notes to the financial statements.

**Report on the remuneration report**

We have audited the remuneration report included in pages 33 to 38 of the directors' report for the year ended 30 June 2012. The Directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of the Corporations Act 2001. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

Grant Thornton

**Auditor's opinion on the remuneration report**

In our opinion, the remuneration report of Jupiter Mines Limited for the year ended 30 June 2012, complies with section 300A of the Corporations Act 2001.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

C A Becker
Partner - Audit & Assurance

Perth, 21 September 2012

## Shareholder Information

Shareholder Information required by the ASX Limited (ASX) Listing Rules and not disclosed elsewhere in the Report is set out below. All information is correct as at 18 September 2012.

### Substantial shareholders

The following shareholders have notified the Company that pursuant to the provisions of section 671B of the Corporations Act they are substantial shareholders.

| Name | Number of fully paid ordinary shares | % |
|---|---|---|
| Pallinghurst Steel Feed (Dutch) B V | 380,236,843 | 16.66 |
| POSCO Australia GP Pty Ltd | 323,461,584 | 14.18 |
| National Nominees Limited | 318,649,466 | 13.96 |
| Investec Bank Limited | 275,836,647 | 12.09 |
| EMG Jupiter L.P | 246,674,875 | 10.81 |
| HJM Jupiter L.P | 141,170,747 | 6.19 |
| FRK Jupiter L.P | 141,170,746 | 6.19 |
| POSCO Australia Pty Ltd | 66,249,191 | 2.90 |

### Number of security holders and securities on issue

*Quoted equity securities*

Jupiter has issued 2,281,835,383 fully paid ordinary shares and these are held by 2,296 shareholders

### Voting rights

*Ordinary shares*

The voting rights attached to ordinary shares are that on a show of hands, every member present, in person or proxy, has one vote and upon a poll, each share shall have one vote.

*Options*

Option holders do not have any voting rights on the options held by them.

### Distribution of security holders

| Category | Fully paid Ordinary shares | | |
|---|---|---|---|
| Range | Holders | Shares | % |
| 1 - 1,000 | 86 | 32,713 | 0.00 |
| 1,001 - 5,000 | 415 | 1,351,241 | 0.06 |
| 5,001 - 10,000 | 446 | 3,791,554 | 0.17 |
| 10,001 - 50,000 | 870 | 22,190,046 | 0.97 |
| 50,001 - 100,000 | 216 | 17,032,904 | 0.75 |
| 100,001 and over | 263 | 2,237,436,925 | 98.05 |
| **Total** | **2,296** | **2,281,835,383** | **100.00** |

### Unmarketable parcel of shares

The number of shareholders holding less than a marketable parcel of ordinary shares is 261.

### On market buy-back

An on-market buy-back was announced on 17 October 2011. A total of 18,076,792 shares were bought back for $6,259,897. The buy-back was cancelled on 19 July 2012.

**Twenty largest shareholders**

Details of the 20 largest shareholders by registered shareholding are:

| | Name | No. of shares | % |
|---|---|---|---|
| 1 | Pallinghurst Steel Feed (Dutch) B V | 380,236,843 | 16.66% |
| 2 | POSCO Australia GP Pty Ltd | 323,461,584 | 14.18% |
| 3 | National Nominees Limited | 320,619,192 | 14.05% |
| 4 | Investec Bank Limited | 275,836,647 | 12.09% |
| 5 | EMG Jupiter L.P | 246,674,875 | 10.81% |
| 6 | Citicorp Nominees Pty Limited (HJM Jupiter L.P) | 148,677,311 | 6.52% |
| 7 | FRK Jupiter L.P | 141,170,746 | 6.19% |
| 8 | Red Rock Resources PLC | 74,192,997 | 3.25% |
| 9 | POSCO Australia Pty Ltd | 66,249,191 | 2.90% |
| 10 | J P Morgan Nominees Australia Limited | 44,454,862 | 1.95% |
| 11 | Pallinghurst EMG African Queen L.P | 42,857,143 | 1.88% |
| 12 | Hancock Prospecting Pty Ltd | 23,452,219 | 1.03% |
| 13 | Mr Priyank Thapliyal | 13,916,312 | 0.61% |
| 14 | HSBC Custody Nominees (Australia) Limited | 10,246,447 | 0.45% |
| 15 | BNP Paribas Noms Pty Ltd | 9,296,186 | 0.41% |
| 16 | AMP Life Limited | 6,904,187 | 0.30% |
| 17 | Gaffwick Pty Limited | 5,714,285 | 0.25% |
| 18 | Mr Anthony John Watson | 5,000,000 | 0.22% |
| 19 | UBS Nominees Pty Ltd | 4,537,998 | 0.20% |
| 20 | Foster Stockbroking Nominees Pty Ltd | 4,125,219 | 0.18% |
| | **Total** | **2,147,624,244** | **94.12%** |

Jupiter Mines Limited

www.jupitermines.com