JUPITER MINES LIMITED

ABN 51 105 991 740

AND CONTROLLED ENTITIES

ANNUAL FINANCIAL REPORT
for the year ended 30 June 2008

CONTENTS

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 30 June 2008 and the Independent Audit Report thereon.

Directors

The directors of Jupiter at any time during or since the end of the financial year were:

Paul Raymond MURRAY (Independent Non-Executive Chairman)
Alan Godfrey TOPP (Independent Non-Executive Director)
William Cheng WANG (Independent Non-Executive Director)
Patrick SAM YUE (Independent Non-Executive Director)
Andrew BELL (Non-Executive Director)
Priyank THAPLIYAL (Non-Executive Director)
Youfu (Andrew) ZHOU (Non-Executive Director)

David Andrew EVANS (Non-Executive Director) - (resigned 15 August 2007)
Jeremy David SNAITH (Non-Executive Director - (resigned 14 August 2007)
Alan John BROOME (Non-Executive Chairman) - (resigned 14 November 2007)

Additional information is provided below regarding the current directors. Other than as noted in their individual biographies, none of the directors has held public company directorships in the last 3 years.

Paul R MURRAY F. FIN, ASIA
(Chairman; Independent Non-Executive Director, Remuneration Committee Chairman)
Paul was appointed as a Director on 20 August 2003. Paul has consulted to a number of ASX listed exploration companies, including Fimiston Mining NL (now Visiomed Ltd) and Capricorn Resources Australia NL, now part of the highly profitable operations of the LionOre Group.

With a business career spanning 46 years, he has also been responsible for the successful listing on the ASX of a number of public companies, including resource exploration floats such as the oil and gas producers Basin Oil NL and Reef Oil NL. Paul's mining experience includes establishment of the high volume, open cut Emmaville Tin Mine in the New England district of NSW.

Alan G TOPP
(Independent Non-Executive Director, Audit Committee Member)
Alan was appointed as a Director on 15 August 2007.

Alan is a Chartered Accountant with 27 years experience in corporate, construction, business acquisitions, audit and tax.

William C WANG
(Independent Non-Executive Director, Audit Committee Member)
William Wang was appointed as a Director of the Company on 14 November 2007. William holds a MBA degree majoring in finance from the Chinese University of Hong Kong . Over the past 15 years, William has held senior management positions in several major Chinese state owned companies, with his most recent position with China Poly Group being the Deputy General Manager for an international trading company with group assets exceeding US$1.5 billion. William has wide business connections in China and after moving to Australia in 2002, he joined Minerals Corporation Limited, an Australian listed company in industrial minerals. He is a founding Director of Queensland based bauxite exploration company, Gulf Alumina Pty Ltd. Other Directorships held include Ascend Asset Management Limited, China Century Capital Limited, ZBB China Pty Ltd, and Cominco Pty Ltd.

Patrick W V M SAM YUE
(Independent Non-Executive Director, Remuneration Committee, Audit Committee Member)
Patrick Sam Yue was appointed as a Director of the Company on 21 November 2007. Patrick Sam Yue is a Chartered Accountant, a Fellow of the Chartered Institute of Secretaries, a Fellow of the Financial Services Institute of Australasia and a member of the Institute of Company Directors.

He started his career in accountancy in London with Coopers & Lybrand (now Price Waterhouse Coopers) in the 1970's. After having worked in Africa and the Middle East, he joined the finance industry in Australia in 1985 before moving on to the resources industry. He has over 20 years experience in financial and corporate management in Australia having held senior financial executive and company secretary positions within ASX listed entities in the oil and gas and mining sector. He is presently a director, company secretary and chief financial officer of Ord River Resources Limited, a base metal exploration company with operations in Australia and Laos PDR in co-operation with China Nonferrous Metals International Mining Co., Ltd.

Andrew BELL
(Non-Executive Director)
Andrew Bell was appointed as a Director of the Company 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, and a substantial shareholder of Jupiter Mines 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.

He is presently also Chairman of Retail Star Limited (ASX:RSL) and Chairman of Regency Mines plc (AIM:RGM), both affiliates of Red Rock Resources plc, and of Greatland Gold plc (AIM:GGP).

Priyank THAPLIYAL
(Non-Executive Director)
Priyank Thapliyal was appointed as a Director of the Company on 4 June 2008. Priyank Thapliyal a founding partner of Pallinghurst Resources 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.

Priyank 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.

Youfu (Andrew) ZHOU
(Non-Executive Director)
Youfu Zhou was appointed as a Director of the Company on 23 June 2008. Mr Zhou is currently Chairman and Managing Director of the Haoning Group, based in Beijing China. Haoning specialises in the procurement and distribution of bulk commodities, in particular iron ore. In 2007 Haoning was the second largest privately owned iron ore trading company in China. It supplies various commodities to more than 50 steel mills across China. Haoning and its subsidiaries have interests in a range of commodity related businesses including resource companies, shipping, supply and logistics and distribution companies. Haoning has offices across China, Hong Kong, Australia, India, Indonesia, Venezuela and Brazil.

Mr. Zhou is a graduate from the Hebei Technology and Science Institution and has worked in the commodity trading business for more than 20 years.

Company Secretary

Robert J Benussi

Rob was appointed as Company Secretary on 1 July 2006. Rob is also the Chief Financial Officer and General Manager, Corporate of Jupiter.

Rob holds a Diploma from the National Institute of Accountants and remains a member of this organisation. Rob has an extensive background in finance, stockbroking, corporate advisory and business development.

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 completion of agreements for the acquisition of various mineral exploration interests. There were no significant changes in the nature of the activities of Jupiter that occurred during the year.

Results

The consolidated result for the financial year was $2,722,861 loss after tax (2007: loss of $6,897,826 after an income tax expense of nil).

Dividends

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

Review of Operations

A summary of operations during the year ended 30 June 2008 is set out below.

DATE	ANNOUNCEMENTS & ACTIVITIES
03.07.07	The Company announced that 15 new remote sensing airborne Magnetic Targets had been identified at the Central Yilgarn Iron Project and that the Board had decided not to exercise its option to acquire the Beasley River Project under the existing "Option to Purchase Mining tenement Agreement".
25.07.07	Application for an exploration licence for the Corunna Downs Prospect granted by DOIR.
07.08.07	Update announcing that a new conductor had been identified at the Dordie Rocks South Prospect and confirming magnetite mineralisation at the Central Yilgarn Iron Project.
04.09.07	Discovery of Nickel Soil Anomalies (MMI) which coincide with TEM Conductors at Widgiemooltha (E15/615).
04.10.07	Discovery of additional High Grade Haematite intercepted at the Mt Mason Prospect in the Central Yilgarn Iron Project.
09.10.07	Recently drilled High Grade Haematite intercepted at Mt Mason Prospect adds approximately 0.4 Million tons (approximately 22% to initial resource) to the inferred resource announced on 04.10.07.
18.10.07	The Company announced that four of the Northern Territory tenements under contract to purchase were granted by Department of Primary Industry, Fisheries and Mines.

30.10.07	The Company announced that a further Tenement had been granted by the Northern Territory Department of Primary Industry, Fisheries and Mines.
08.11.07	The Company announced that a further Tenement had been granted by the Northern Territory Department of Primary Industry, Fisheries and Mines.
20.11.07	Issue of 750,000 fully paid ordinary shares as part consideration for purchase of six tenement applications.
21.11.07	The Company announced that 13 LANDSAT 7 ETM conceptual targets for detrital iron accumulations at Shay Gap for iron mineralisation had been delineated.
23.11.07	In-principle agreement with NuPower Resources Limited for a farm-in and joint venture over eight NT Exploration Licences which are prospective for uranium.
12.12.07	Appointment of Greg Durack as Chief Executive Officer and the promotion of Rob Benussi to General Manager – Corporate, in addition to his role as Chief Financial Officer and Company Secretary.
12.02.08	The Company announced that it had received encouraging assay results from the initial drilling program at Brockman Iron Project. It also announced that it had lodged an application for a new tenements exploration program to be developed for expanded tenement holding.
27.02.08	Encouraging iron assay results received from rock chip samples at the Mt Ida Prospect, including 32 assay reports over 55%Fe.
08.04.08	Agreement with Shaw River Resources to acquire iron ore in tenement E45/3183.
16.04.08	Commencement of a Reverse Circulation Drill program on two nickel and gold targets at the Company's Widgiemooltha Nickel Project.
17.04.08	Entry into Option agreements with Western Resources and Exploration P/L to secure two new project areas at Kambalda West and Golden Ridge East.
17.04.08	Issue of 140,000 fully paid ordinary shares at 19 cents as part consideration for the option agreement with Western Resources and Exploration P/L.
07.05.08	3.7M share placement at 25 cents per share to LSG Resources (part of the Haoning Group) for the continued development of it WA iron ore assets.
16.05.08	Agreement to acquire iron ore rights from Shaw River Resources for Pardoo tenement E45/3183.
16.05.08	Issue of 3,500,000 fully paid shares on conversion of unlisted options with funds to be used for working capital and to fund future drilling programs in the in the CYIP.
19.05.08	Issue of 2,000,000 fully paid shares on conversion of unlisted options with funds to be used for working capital and to fund future drilling programs in the in the CYIP.
20.05.08	Issue of 7,100,000 fully paid shares on conversion of unlisted options with funds to be used for working capital and to fund future drilling programs in the in the CYIP.
26.05.08	Drilling approval received for Mt Mason Project with drilling expected to commence early June 2008 targeting extensions to inferred resource of 2.2Mt at 60.6%Fe. It is also announced that approval for Mt Ida drilling was expected to follow shortly.

Financial Position

During the year, Jupiter issued shares to a value of $10,546,400 net and acquired exploration interests or capitalised exploration costs to a value of $1,682,289. At 30 June 2008, Jupiter held $10,106,712 in cash and cash equivalents compared with $6,097,768 million at 30 June 2007 and had carried forward exploration expenditure of $12,518,663 compared with $10,836,424 million at 30 June 2007.

Significant Changes

Other than the management changes outlined in this Report, there were no significant changes to the state of affairs of Jupiter which occurred during the year ended 30 June 2008.

Events Subsequent to Reporting Date

In the opinion of the directors, there has not arisen in the interval between the end of the financial year and the date of the report, any matter or circumstance that has significantly affected, or may significantly affect the Consolidated Entity's operations, results or the state of affairs in future financial years.

Likely Developments

The Directors intend Jupiter to proceed with evaluation and exploration 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 in which it operates. In addition, the various exploration interests held by Jupiter impose 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

At as September 18th 2008 there were 13,650,000 options over unissued shares in the capital of Jupiter, details of which are set out in Note 19 of the attached Notes to the Financial Statements. 11,250,000 options were issued during the year.

19,680,000 options were exercised during the year. As at the date of the Report, there were 13,650,000 options over unissued shares in the capital of Jupiter. Since 30 June 2008 to the date of this Report, no options have been exercised.

15,550,000 options lapsed/cancelled during the reporting period.

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
Paul Murray	19	19
Alan Topp	17	16
William Wang	11	10
Patrick Sam Yue	10	9
Andrew Bell	1	1
Priyank Thapliyal	n/a	n/a
Youfu (Andrew) Zhou	n/a	n/a
David Evans	2	0
Jeremy Snaith	2	2
Alan Broome	7	7

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	2	2	2	2
Alan Topp	1	1	n/a	n/a
Alan Broome	2	2	1	2
Patrick Sam Yue	1	1	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
Paul Murray	2,459,375	1,500,000
Alan Topp	Nil	Nil
William Wang[2]	Nil	Nil
Patrick Sam Yue	Nil	Nil
Andrew Bell[3]	Nil	Nil
Priyank Thapliyal[4]	Nil	Nil
Youfu (Andrew) Zhou[5]	Nil	Nil

[1] Further information on options granted to Directors as part of their remuneration is set out in the Remuneration Report on pages 8 and 15.

[2] William Wang as a trustee of SMSF Fortune Super Fund and the spouse of the director of Fortune Corp Aust Pty Ltd has the following relevant interests:
- SMSF Fortune Super Fund is the registered owner of 7,000 Ordinary shares.

- Fortune Corp Aust Pty Ltd is the registered owner of 189,022 Ordinary Shares.

[3] 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 14,904,403 Ordinary Shares.

[4] Priyank Thapliyal as the Partner Pallinghurst Resources LLP, has a relevant interest in Pallinghurst Resources Australia Limited (PRAL). PRAL is the registered owner of 17,881,758 Ordinary Shares.

[5] Youfu (Andrew) Zhou as the Director and Shareholder of LSG Resources Pty Limited has a relevant interest in LSG Resources Pty Ltd (LSG). LSG is the registered owner of 20,800,000 Ordinary Shares.

Contracts with Directors

There are no agreements with any of the Directors.

Indemnification and Insurance of Officers and Auditors

Under the Constitution of Jupiter, Jupiter indemnifies, to the extent permitted by law, each Director and Secretary of Jupiter against any liability incurred by that person as an officer of Jupiter. During the financial year, Jupiter procured a Directors' and Officers' liability insurance policy, which covers all Directors and Officers of Jupiter.

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, Jupiter's auditor has the benefit of an indemnity to the extent Grant Thornton 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 30 June 2008 or to the date of this Report.

Details of the nature of the liabilities covered and the amount of premium paid in respect of Directors' and Officers' insurance policies are not disclosed as such disclosure is prohibited under the terms of the contracts.

Independence of auditors

Given there were no non-audit services provided during the 2007/08 financial year by Grant Thornton as the external auditor, the Directors are satisfied that the work by Grant Thornton as the external auditor was compatible with the general standard of independence for auditors imposed by the Corporations Act.

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act is included in this Report on page 16. Details of the amounts paid to the Grant Thornton for audit services provided during the year are set out in Note 6 to the Financial Statements.

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.

REMUNERATION REPORT

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

Remuneration Policies and Practices

In relation to remuneration issues, the Board has established some initial 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 shareholder. 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 group, 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 $300,000. During the year ended 30 June 2008, $249,783 of the fee pool was used.

Equity Participation

Non-Executive Directors' remuneration may be way of a fixed annual fee which is supplemented by the issue of incentive options under the Jupiter Mines Limited Employee Option Plan and subject to the approval of shareholders in 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.

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.

Other than as set out in the Remuneration Report, there are no termination benefits payable to Other Key Management Personnel, apart from payment of their statutory outstanding entitlements such as annual and long services leave.

Relationship between Remuneration Policy and Jupiter's Performance - audited

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

Description

Jupiter Mines Limited Employee Option Plan

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.

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.

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.

All options expire on the earlier of their expiry date or within three months of termination of the individual's employment.

Rationale

The Option Plan is designed to reward and retain directors, Key Management Personnel and select employees of Jupiter.

The vesting conditions have been designed to ensure correlation between Jupiter's share price performance and value delivered to shareholders.

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.

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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.

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

2008					
Key Management Person	**Short-Term Benefits**	**Post- employment Benefits**	**Share-based Payments**		**TOTAL**
	Cash, salary and commissions	**Superannuation**	**Equity**	**Options[6]**	
Directors	**$**	**$**	**$**	**$**	**$**
Mr P R Murray	73,749	—	—	—	73,749
Mr A G Topp[6]	44,368	—	—	—	44,368
Mr W C Wang[7]	39,167	—	—	—	39,167
Mr P Sam Yue[8]	33,727	—	—	—	33,727
Mr A Bell[9]	5,694	—	—	—	5,694
Mr P Thapliyal[10]	—	—	—	—	—
Mr Y Zhou[11]	—	—	—	—	—
Mr D A Evans[1]	—	—	—	—	—
Mr J D Snaith[2]	—	—	—	—	—
Mr A J Broome AM[5]	53,077	—	—	—	53,077
Other Key Management Personnel					
Mr G Durack[4]	131,116	11,800		193,000	335,916
Mr R J Benussi[3]	180,200	6,000	—	323,400	509,600
Mr C W Guy	162,729	12,846	—	95,400	270,975
	723,827	30,646	—	611,800	1,366,273

[1] Mr D Evans resigned 15 August 2007.
[2] Mr J Snaith resigned 14 August 2007
[3] Consultancy fees paid to Intrepid Concepts Pty Ltd.
[4] Mr G Durack appointed 11 December 2007.
[5] Mr A Broome resigned 14 November 2007.
[6] Mr A Topp appointed 14 August 2007
[7] Mr W Wang appointed 14 November 2007
[8] Mr P Sam Yue appointed 21 November 2007
[9] Mr A Bell appointed 19 May 2008
[10] Mr P Thapliyal appointed 4 June 2008
[11] Mr Y Zhou appointed 23 June 2008

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

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:

Options Granted as Remuneration

	Vested No. Or Potential Vested No.	Granted No.	Grant Date	Value per Option at Grant Date $	Lapsed	Terms & Conditions for Each Grant: Exercise Price $	First Exercise Date	Last Exercise Date
Key Management Personnel								
	800,000	800,000	16 Aug 07	16.8 cents	—	25 cents	16 Aug 07	4 Sept 12
R J Benussi	600,000	600,000	16 Aug 07	16.1 cents	—	30 cents	16 Aug 07	4 Sept 12
	600,000	600,000	16 Aug 07	15.4 cents	—	35 cents	16 Aug 07	4 Sept 12
Mr C W Guy	600,000	600,000	23 July 07	15.9 cents	—	25 cents	23 July 07	23 July 12
	500,000	500,000	11 Dec 07	12.7 cents	—	25 cents	30 June 08	30 June 10
Mr G Durack[1]	500,000	500,000	11 Dec 07	12.7 cents	—	30 cents	31 Dec 08	31 Dec 10
	500,000	500,000	11 Dec 07	12.8 cents	—	35 cents	30 June 09	30 June 11
	500,000	500,000	11 Dec 07	13.1 cents	—	40 cents	31 Dec 09	31 Dec 11
	4,600,000	4,600,000	—	—	—	—	—	—

All options were granted for nil consideration.

[1] Mr G Durack – options:

- June 08: 500,000 options, 2 years @ 25c strike vested on condition that CYIP (or other) exploration has progressed to a point where an increased, revised JORC resource is achieved. Farm-ins & acquisitions also to be pursued.(This option issue has since lapsed as the milestone was not attained at the date of this report).

- Dec 2008: 500,000 options 2 years @ 30c strike vested on condition that CYIP (or other project) has established a proven JORC reserve.

- June 2009: 500,000 options 2 years @ 35c strike vested on condition that Pre-Feasibility Study for CYIP (or other project) is complete.

- Dec 2009: 500,000 options 2 years @ 40c strike vested on condition that Bankable Feasibility Study for CYIP (or other project) is complete.

- Represents options vested.

- Represents potential options that may be vested.

Options Granted as Remuneration (cont)

Shares Issued on Exercise of Compensation Options

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

	No. of Ordinary Shares Issued	Amount Paid per Share	Amount Unpaid per Share
Key Management Personnel			
Mr D A Evans	2,000,000	$0.20	—
Mr J D Snaith	1,500,000	$0.20	—
	3,500,000	—	—

	Options Granted as Part of Remuneration $	Total Remuneration Represented by Options %	Options Exercised $	Options Lapsed ($)	Total $
Mr P R Murray	—	—	—	—	—
Mr A G Topp	—	—	—	—	—
Mr W C Wang	—	—	—	—	—
Mr P Sam Yue	—	—	—	—	—
Mr A Bell	—	—	—	—	—
Mr P Thapliyal	—	—	—	—	—
Mr Y Zhou	—	—	—	—	—
Mr D A Evans	—	—	—	—	—
Mr J D Snaith	—	—	—	—	—
Mr A J Broome	—	—	—	—	—
Mr G Durack	193,000	57.45	—	—	193,000
Mr R J Benussi	323,400	63.46	—	—	323,400
Mr C W Guy	95,400	35.21	—	—	95,400
Total	611,800	—	—	—	611,800

EXERCISE OF OPTIONS GRANTED AS COMPENSATION

During the reporting period, no shares were issued to key management personnel on the exercise of options previously granted as compensation.

ANALYSIS OF OPTIONS AND RIGHTS OVER EQUITY INSTRUMENTS GRANTED AS COMPENSATION

Details of the vesting profile of the entitlement to options granted as remuneration to each of the key management personnel are set out on the below:

	Details of Options					Value yet to vest	
	Number	Grant Date	% vested in year	% forfeited in year[1]	Financial year in which grant vests	Min ($)[2]	Max ($)[3]
Directors							
Paul Murray	-	-	-	-	-	n/a	n/a
Alan Topp	-	-	-	-	-	n/a	n/a
William Wang	-	-	-	-	-	n/a	n/a
Patrick Sam Yue	-	-	-	-	-	n/a	n/a
Andrew Bell	-	-	-	-	-	n/a	n/a
Priyank Thapliyal	-	-	-	-	-	n/a	n/a
Youfu Zhou	-	-	-	-	-	n/a	n/a
Alan Broome	-	-	-	-	-	n/a	n/a
David Evans	-	-	-	-	-	n/a	n/a
Jeremy Snaith	-	-	-	-	-	n/a	n/a
Other Key Management Personnel							
Greg Durack	500,000	11 Dec 07	n/a	100	2008	lapsed	lapsed
Greg Durack	500,000	11 Dec 07	Nil	-	2008	$63,500	$63,500
Greg Durack	500,000	11 Dec 07	Nil	-	2009	$64,000	$64,000
Greg Durack	500,000	11 Dec 07	Nil	-	2009	$65,500	$65,500
Robert Benussi	800,000	16 Aug 07	100	-	2008	n/a	n/a
Robert Benussi	600,000	16 Aug 07	100	-	2008	n/a	n/a
Robert Benussi	600,000	16 Aug 07	100	-	2008	n/a	n/a
Charles Guy	600,000	23 July 07	100	-	2008	n/a	n/a

[1] The percentage forfeited in the year represents the reduction from the maximum number of options available to vest due to the highest performance criteria not being achieved.
[2] The minimum value of options yet to vest is $193,000 as not all options have vested.
[3] The maximum value of options yet to vest is $193,000 as not all options have vested.

ANALYSIS OF MOVEMENTS ON OPTIONS

The movement during the reporting period, by total number of entitlement to options over ordinary shares in Jupiter held by key management personnel is detailed below:

	Year	Entitlement to Options granted in year $ [1]	Exercised in Year $	Forfeited in Year $	Total Option Value in Year $
Directors					
Paul Murray	2008	-	-	-	-
Alan Topp	2008	-	-	-	-
William Wang	2008	-	-	-	-
Patrick Sam Yue	2008	-	-	-	-
Andrew Bell	2008	-	-	-	-
Priyank Thapliyal	2008	-	-	-	-
Youfu Zhou	2008	-	-	-	-
Alan Broome	2008	-	-	-	-
David Evans	2008	-	192,000	270,000	-
Jeremy Snaith	2008	-	135,000	270,000	-
Christopher Snaith	2008	-	-	68,400	-
Other Key Management Personnel					
Greg Durack	2008	193,000	-	-	193,000
Robert Benussi	2008	323,400	-	-	323,400
Charles Guy	2008	95,400	-	-	95,400

[1] The value of the entitlement to options grants in the year is the fair value of the options calculated at grant date using a Black-Scholes pricing model.

SUMMARY OF KEY CONTRACTS TERMS

The key contract and other terms of the Executive Directors and Other Key Management Personnel are set out below:

Contract Details	**Robert Benussi (trading as Intrepid Concepts Pty Ltd)**	
Duration of contract	3 years from 1 July 2006.	
Termination notice period	Termination without notice:	• None specified
	Termination with notice:	• None specified
	Voluntary termination:	• None specified
Termination payments	None specified.	

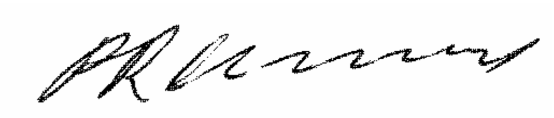
Contract Details	**Greg Durack**	
Duration of contract	3 years from 11 December 2007.	
Termination notice period	Termination without notice:	• Six months salary
	Termination with notice:	• Six months' notice or payment in lieu
	Termination due to takeover:	• 12 months salary
	Voluntary termination:	• Three months' notice
Termination payments	None specified.	

Contract Details	**Bill Guy**	
Duration of contract	3 years from 1 July 2006.	
Termination notice period	Termination without notice:	• None specified
	Termination with notice:	• None specified
	Voluntary termination:	• None specified
Termination payments	None specified.	

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 54 to 58 of this Report.

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



Paul R Murray
Sydney
29th September 2008

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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 Pty Limited for the year ended 30 June 2008, 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 NSW

GRANT THORNTON NSW
Chartered Accountants

N J Bradley
Partner

Sydney, 29 September 2008

INCOME STATEMENT
for the year ended 30 June 2008

	Note	Consolidated Group		Parent Entity	
		2008 $	2007 $	2008 $	2007 $
Revenues	2	413,413	251,455	413,413	251,455
Depreciation and amortisation expense		(56,944)	(40,845)	(56,944)	(40,845)
Finance costs		(5,655)	(5,575)	(5,655)	(5,575)
Director and secretarial costs		(307,190)	(294,277)	(307,190)	(294,277)
Exploration interests written off		(6,078)	(3,811,090)	(6,078)	(3,811,090)
Insurance costs		(50,066)	(29,130)	(50,066)	(29,130)
Legal and professional costs		(230,202)	(163,462)	(230,202)	(163,462)
Travel and entertaining costs		(256,955)	(260,338)	(256,955)	(260,338)
Occupancy costs		(135,699)	(89,732)	(135,699)	(89,732)
Consultancy fees		(345,014)	(270,809)	(345,014)	(270,809)
Administration expenses		(340,867)	(342,657)	(340,867)	(342,657)
Employee benefits expense		(330,079)	(77,077)	(330,079)	(77,077)
Directors, employees & consultant option expenses		(959,900)	(1,624,800)	(959,900)	(1,624,800)
Other expenses		(111,625)	(139,489)	(111,625)	(139,489)
Loss before income tax		(2,722,861)	(6,897,826)	(2,722,861)	(6,897,826)
Income tax expense	4	—	—	—	—
Loss for the year		(2,722,861)	(6,897,826)	(2,722,861)	(6,897,826)
Net loss attributable to members of the parent entity		(2,722,861)	(6,897,826)	(2,722,861)	(6,897,826)
Overall Operations					
Basic loss per share (cents per share)	8	(1.97)	(6.88)	(1.97)	(6.88)
Diluted loss per share (cents per share)	8	(1.97)	(6.88)	(1.97)	(6.88)
Dividends per share (cents)		—	—	—	—

The financial statements should be read in conjunction with the accompanying notes.

BALANCE SHEET
as at 30 June 2008

	Note	Consolidated Group		Parent Entity	
		2008 $	2007 $	2008 $	2007 $
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	9	10,106,712	6,097,768	10,106,711	6,097,767
Trade and other receivables	10	117,524	255,317	117,524	255,317
Other current assets	14	17,443	11,445	17,443	11,445
TOTAL CURRENT ASSETS		10,241,679	6,364,530	10,241,678	6,364,529
NON-CURRENT ASSETS					
Financial assets	11	107,180	107,180	247,180	247,180
Property, plant and equipment	13	200,118	227,268	200,118	227,268
Other non-current assets	14	5,396	78,059	5,396	78,059
Exploration and evaluation assets	15	12,518,663	10,836,424	12,378,664	10,696,425
TOTAL NON-CURRENT ASSETS		12,831,357	11,248,931	12,831,358	11,248,932
TOTAL ASSETS		23,073,036	17,613,461	23,073,036	17,613,461
CURRENT LIABILITIES					
Trade and other payables	16	346,210	714,831	346,210	714,831
Short-term borrowings	17	86,762	57,743	86,762	57,743
Short-term provisions	18	23,526	—	23,526	—
TOTAL CURRENT LIABILITIES		456,498	772,574	456,498	772,574
NON-CURRENT LIABILITIES					
Trade and other payables	16	48,302	68,290	48,302	68,290
Long-term provisions	18	35,000	35,000	35,000	35,000
TOTAL NON-CURRENT LIABILITIES		83,302	103,290	83,302	103,290
TOTAL LIABILITIES		539,800	875,864	539,800	875,864
NET ASSETS		22,533,236	16,737,597	22,533,236	16,737,597
EQUITY					
Issued capital	19	32,168,150	23,821,454	32,168,150	23,821,454
Reserves	20	1,181,800	1,687,800	1,181,800	1,687,800
Accumulated losses		(10,816,714)	(8,771,657)	(10,816,714)	(8,771,657)
TOTAL EQUITY		22,533,236	16,737,597	22,613,236	16,737,597

The financial statements should be read in conjunction with the accompanying notes.

JUPITER MINES LIMITED ABN 51 105 991 740
AND CONTROLLED ENTITIES
STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2008

Consolidated Group

	Note	Share Capital Ordinary	Share Capital Options	Reserves Options	Accumulated Losses	Total
		$	$	$	$	$
Balance at 1 July 2006		6,902,245	400,749	112,000	(1,873,831)	5,541,163
Shares issued during the period		12,366,723	—	—	—	13,366,723
Unissued share capital		1,161,250	—	—	—	1,161,250
Transaction costs		(363,417)	—	—	—	(363,417)
Options issued during the year		—	3,304,904	—	—	3,304,904
Options recognised during the period		—	—	1,624,800	—	1,624,800
Options converted to shares during the period		1,193,791	(1,144,791)	(49,000)	—	—
Net income recognised directly in equity		—	—	—	—	—
Loss attributable to members of parent entity		—	—	—	(6,897,826)	(6,897,826)
Total recognised income and expenses for the period		—	—	—	(6,897,826)	(6,897,826)
Sub-total		21,260,592	2,560,862	1,687,800	(8,771,657)	16,737,597
Dividends paid or provided for	7	—	—	—	—	—
Balance at 30 June 2007		21,260,592	2,560,862	1,687,800	(8,771,657)	16,737,597
Shares issued during the year		7,558,600	—	—	—	7,558,600
Options recognised during the period		—	507,700	452,200	—	959,900
Options converted to shares during the period		2,787,800	(2,460,800)	(327,000)	—	—
Transfer from reserve		—	(46,604)	(631,200)	677,804	—
Net income recognised directly in equity		—	—	—	—	—
Loss attributable to members of parent entity		—	—	—	(2,722,861)	(2,722,861)
Total recognised income and expenses for the period		—	—	—	(2,722,861)	(2,722,861)
Sub-total		31,606,992	561,158	1,181,800	(10,816,714)	22,533,236
Dividends paid or provided for	7	—	—	—	—	—
Balance at 30 June 2008		31,606,992	561,158	1,181,800	(10,816,714)	22,533,236

The financial statements should be read in conjunction with the accompanying notes.

JUPITER MINES LIMITED ABN 51 105 991 740

AND CONTROLLED ENTITIES

STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2008

Parent Entity

	Note	Share Capital		Reserves	Accumulated	
		Ordinary	Options	Options	Losses	Total
		$	$	$	$	$
Balance at 1 July 2006		6,902,245	400,749	112,000	(1,873,831)	5,541,163
Shares issued during the period		12,366,723	—	—	—	13,366,723
Unissued share capital		1,161,250	—	—	—	1,161,250
Transaction costs		(363,417)	—	—	—	
Options issued during the year		—	3,304,904	—	—	3,304,904
Options recognised during the period		—	—	1,624,800	—	1,624,800
Options converted to shares during the period		1,193,791	(1,144,791)	(49,000)	—	—
Net income recognised directly in equity		—	—	—	—	—
Loss attributable to members of parent entity		—	—	—	(6,897,826)	(6,897,826)
Total recognised income and expenses for the period		—	—	—	(6,897,826)	(6,897,826)
Sub-total		21,260,592	2,560,862	1,687,800	(8,771,657)	16,737,597
Dividends paid or provided for	7	—	—	—	—	—
Balance at 30 June 2007		21,260,592	2,560,862	1,687,800	(8,771,657)	16,737,597
Shares issued during the year		7,558,600	—	—	—	7,558,600
Options recognised during the period		—	507,700	452,200	—	959,900
Options converted to shares during the period		2,787,800	(2,460,800)	(327,000)	—	—
Transfer to and from reserve		—	(46,604)	(631,200)	677,804	—
Net income recognised directly in equity		—	—	—	—	—
Loss attributable to members of parent entity		—	—	—	(2,722,861)	(2,722,861)
Total recognised income and expenses for the period		—	—	—	(2,722,861)	(2,722,861)
Sub-total		31,606,992	561,158	1,181,800	(10,816,714)	22,533,236
Dividends paid or provided for	7	—	—	—	—	—
Balance at 30 June 2008		31,606,992	561,158	1,181,800	(10,816,714)	22,533,236

The financial statements should be read in conjunction with the accompanying notes.

CASH FLOW STATEMENT
for the year ended 30 June 2008

	Note	Consolidated Group		Parent Entity	
		2008	2007	2008	2007
		$	$	$	$
CASH FLOWS FROM OPERATING ACTIVITIES					
Payments to suppliers and employees		(2,009,090)	(2,052,455)	(2,009,090)	(2,052,455)
Interest received		414,914	253,944	414,914	253,944
Other income		102,182	762	102,182	762
Finance costs		(5,655)	(5,575)	(5,655)	(5,575)
Net cash used in operating activities	24a	(1,497,649)	(1,803,324)	(1,497,649)	(1,803,324)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment		(39,108)	(236,897)	(39,108)	(236,897)
Payments for exploration and evaluation		(2,015,318)	(2,602,429)	(2,015,318)	(2,602,429)
Purchase of investments	11	—	(107,180)	—	(107,180)
Net cash used in investing activities		(2,054,426)	(2,946,506)	(2,054,426)	(2,946,506)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from the issue of shares and conversion of options to shares		7,532,000	10,281,223	7,532,000	10,281,223
Transactions costs		—	(344,313)	—	(344,313)
Proceeds from issue of options		—	58,300	—	58,300
Net cash provided by financing activities		7,532,000	9,995,210	7,532,000	9,995,210
Net increase in cash and cash equivalents held		3,979,925	5,245,380	3,979,925	5,245,380
Cash at beginning of financial year		6,040,025	794,645	6,040,024	794,644
Cash at end of financial year	9	10,019,950	6,040,025	10,019,949	6,040,024

The financial statements should be read in conjunction with the accompanying notes.

Note 1: Statement Of Significant Accounting Policies

This financial report includes the consolidated financial statements and notes of Jupiter Mines Limited and controlled entities ('Consolidated Group' or 'Group'), and the separate financial statements and notes of Jupiter Mines Limited as an individual parent entity ('Parent Entity').

The financial statements were authorised for issued by the board of directors on 29th September 2008.

Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board 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 to which they apply. 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. They 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.

(a) **Principles of Consolidation**

A controlled entity is any entity over which Jupiter Mines Limited has the power to govern the financial and operating policies of so as to obtain benefits from its activities. 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.

As at reporting date, the assets and liabilities of all controlled entities have been incorporated into the consolidated financial statements as well as their results for the year then ended. Where controlled entities have entered (left) the consolidated group during the year, their operating results have been included (excluded) from the date control was obtained (ceased).

All inter-group balances and transactions between entities in the consolidated group, including any unrealised profits or losses, 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 control over another business is obtained and results in the consolidation of its assets and liabilities. All business combinations, including those involving entities under common control, are accounted for by applying the purchase method. The purchase method requires an acquirer of the business to be identified and for the cost of the acquisition and fair values of identifiable assets, liabilities and contingent liabilities to be determined as at acquisition date, being the date that control is obtained. Cost is determined as the aggregate of fair values of assets given, equity issued and liabilities assumed in exchange for control together with costs directly attributable to the business combination. Any deferred consideration payable is discounted to present value using the entity's incremental borrowing rate.

Goodwill is recognised initially at the excess of cost over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised. If the fair value of the acquirer's interest is greater than cost, the surplus is immediately recognised in profit or loss.

(b) **Income Tax**

The charge for current income tax expense is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using the tax rates that have been enacted or are substantially enacted by the balance sheet date.

Note 1: Statement Of Significant Accounting Policies (cont'd)

(b) **Income Tax (cont'd)**

Deferred tax assets and liabilities are ascertained based on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets also result where amounts have been fully expensed but future tax deductions are available. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, 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, based on tax rates enacted or substantively enacted at reporting date. 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 legally enforceable right of set-off exists, 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.

(c) **Plant and Equipment**

Each class of plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

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 income statement 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. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

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

Class of Fixed Asset	Depreciation Rate
Office equipment	33.33%
Furniture & fittings	7.50%
Leasehold improvements	20.00%

Note 1: Statement Of Significant Accounting Policies (cont'd)

Depreciation (cont'd)

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet 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 income statement.

(d) **Exploration and Evaluation Expenditure**

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Accumulated costs in relation to an abandoned area are written off in full to the income statement in the year in which the decision to abandon the area is made.

(e) **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 are transferred to entities in the group are classified as finance leases.

Finance leases are capitalised by recording 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 their estimated useful lives.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged 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 life of the lease term.

(f) **Financial Instruments**

Recognition and Initial Measurement

Financial instruments, incorporating financial assets and financial liabilities, are recognised when the entity becomes a party to the contractual provisions of the instrument. Trade date accounting is adopted for financial assets that are delivered within timeframes established by marketplace convention.

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

Derecognition

Financial assets are derecognised where the contractual rights to receipt of cash flows expires or the asset is transferred to another party whereby the entity is no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Note 1: Statement Of Significant Accounting Policies (cont'd)

(f) **Financial Instruments (cont'd)**

Classification and Subsequent Measurement

(i) *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 using the effective interest rate method.

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

Available-for-sale financial assets are non-derivative financial assets that are either designated as such or that are not classified in any of the other categories. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

(iii) *Financial Liabilities*

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost using the effective interest rate method.

Fair value

Fair value is determined based on current bid prices for all quoted investments. Fair value for unlisted securities whose fair value cannot be reliably measured are measured at cost. The fair value of unlisted securities cannot be reliably measured as the probabilities of the various estimates within the range cannot be reasonably assessed and used in estimating fair value.

Impairment of financial assets

At each reporting date, the group assess whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in the income statement.

(g) **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 income statement.

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.

(h) **Employee Benefits**

Provision is made for the company's liability for employee benefits arising from services rendered by employees to balance 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 cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

(i) **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.

(j) **Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly

Note 1: Statement Of Significant Accounting Policies (cont'd)

liquid investments with original maturities of three months or less, less credit card facilities used.

(k) **Revenue**

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).

(l) **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 income in the period in which they are incurred.

(m) **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. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(n) **Comparative Figures**

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

(o) **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

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.

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 25.

Note 1: Statement Of Significant Accounting Policies (cont'd)

Critical accounting estimates and judgments (cont'd)

Key estimates — 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 income statement.

(p) **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 financial performance. This standard is not limited to options and also extends to other forms of equity-based remuneration.

	Note	Consolidated Group		Parent Entity	
Note 2: Revenue		**2008 $**	**2007 $**	**2008 $**	**2007 $**
Operating activities					
— interest received		411,167	250,693	411,167	250,693
— other revenue		2,246	762	2,246	762
		413,413	251,455	413,413	251,455
(a) Interest revenue from:					
— other persons		411,167	250,693	411,167	250,693
Note 3: Loss from Ordinary Activities					
(a) **Expenses**					
Finance costs:					
— other persons		5,655	5,575	5,655	5,575
Total finance costs		5,655	5,575	5,655	5,575
Rental expense on operating leases					
— operating lease rental		34,005	14,255	34,005	14,255
Bad debts written off		7,769	44,692	7,769	44,692
Deprecation of non-current assets:					
— Leasehold improvements		47,679	27,823	47,679	27,823
— office equipment		8,639	12,616	8,639	12,616
— furniture and fittings		626	406	626	406
Total depreciation		56,944	40,845	56,944	40,845
Net Loss on disposal of plant and equipment		—	25,955	—	25,955
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 payable on loss from ordinary activities before income tax at 30% (2007: 30%)					
— consolidated entity/parent		(816,858)	(2,069,348)	(816,858)	(2,069,348)
Add:					
Tax effect of:					
— non-deductible expenses		284,478	499,871	284,478	499,871
		(532,380)	(1,569,477)	(532,380)	(1,569,477)

Note 4: Income Tax Expense (cont'd)	Note	Consolidated Group 2008 $	Consolidated Group 2007 $	Parent Entity 2008 $	Parent Entity 2007 $
Less:					
Tax effect of:					
— other deductible expenses not included in operating loss		(67,804)	(67,804)	(67,804)	(67,804)
Income tax benefit		(600,184)	(1,637,281)	(600,184)	(1,637,281)
Income tax benefit not brought to account		600,184	1,637,281	600,184	1,637,281
Income tax expenses		—	—	—	—
(b) Deferred income tax benefit (net of deferred tax liability reduced – note c) in respect of tax losses not brought to account		2,534,782	2,229,072	2,534,782	2,229,072
Deferred income tax benefit attributable to timing differences not brought to account included above.		8,410	29,678	8,410	29,678
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		3,696,500	3,191,828	3,696,500	3,191,828

Note 5: Key Management Personnel Compensation

(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 P R Murray	Chairman — non-executive	
Mr A G Topp	Director — non-executive	(appointed 15th August 2007)
Mr William Cheng Wang	Director — non-executive	(appointed 14th November 2007)
Mr Patrick Sam Yue	Director — non-executive	(appointed 20th November 2007)
Mr Andrew Bell	Director — non-executive	(appointed 19th May 2008)
Mr Priyank Thapliyal	Director — non-executive	(appointed 4th June 2008)
Mr Youfu (Andrew) Zhou	Director — non-executive	(appointed 20th June 2008)
Mr D A Evans	Director — executive	(resigned 15th August 2007)
Mr J D Snaith	Director — executive	(resigned 14th August 2007)
Mr A Broome AM	Chairman — non-executive	(resigned 14th November 2007)
Mr Greg Durack	Chief Executive Officer	(appointed 12th December 2007)
Mr R J Benussi	General Manger –Corporate, Chief Financial Officer & Company Secretary	

Note 5: Key Management Personnel Compensation (cont'd)

Key Management Personnel	Position
Mr C W Guy	Exploration Manager

(b) **Options and Rights Holdings**

Number of Options Held by Key Management Personnel

	Balance 1.7.2007	Granted as Compen-sation	Options Exercised	Net Change Other*
Mr P R Murray	1,500,000	—	—	—
Mr D A Evans	6,500,000	—	(2,000,000)	(4,500,000)
Mr J D Snaith	6,000,000	—	(1,500,000)	(4,500,000)
Mr A J Broome AM	1,500,000	—	—	—
Mr Greg Durack	—	—	—	—
Mr R J Benussi	2,000,000	2,000,000	—	—
Mr C W Guy	400,000	600,000	—	—
Total	17,900,000	2,600,000	(3,500,000)	(9,000,000)

	Balance 30.6.2008	Total Vested 30.6.2008	Total Exercisable 30.6.2008	Total Unexer-cisable 30.6.2008
Mr P R Murray	1,500,000	1,500,000	1,500,000	—
Mr D A Evans	—	—	—	—
Mr J D Snaith	—	—	—	—
Mr A J Broome AM	1,500,000	1,500,000	1,500,000	—
Mr Greg Durack	—	—	—	—
Mr R J Benussi	4,000,000	4,000,000	4,000,000	—
Mr C W Guy	1,000,000	1,000,000	1,000,000	—
Total	8,000,000	8,000,000	8,000,000	—

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

Note 5: Key Management Personnel Compensation (cont'd)

(c) **Shareholdings**

Number of Shares held by key management personnel

	Balance 1.7.07	**Received as Remun-eration**	**Options Exercised**	**Net Change Other***	**Balance 30.6.08**
Key Management Personnel					
Mr P R Murray	2,639,375	—	—	(180,000)	2,459,375
Mr W C Wang	—	—	—	196,022	196,022
Mr D A Evans	2,333,750	—	2,000,000	(4,333,750)	—
Mr P Sam Yue	—	—	—	—	—
Mr J D Snaith	3,347,500	—	1,500,000	(4,847,500)	—
Mr A J Broome AM	1,000,000	—	—	—	1,000,000
Mr G Durack	—	—	—	60,000	60,000
Mr R J Benussi	—	—	—	100,000	100,000
Mr C W Guy	—	—	—	—	—
	9,320,625	—	3,500,000	(9,005,228)	3,815,397

* Net change other refers to shares purchased or sold during the financial year.

Note 6: Auditors' Remuneration	**Consolidated Group 2008 $**	**Consolidated Group 2007 $**	**Parent Entity 2008 $**	**Parent Entity 2007 $**
Remuneration of the auditor of the parent entity, Grant Thornton NSW for:				
— auditing or reviewing the financial report	88,395	80,000	88,395	80,000
	88,395	80,000	88,395	80,000

Note 7: Dividends

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

Note 8: Earnings per Share

	Consolidated Group 2008 $	Consolidated Group 2007 $
(a) Reconciliation of earnings to net loss		
Net loss	(2,722,861)	(6,897,826)
Losses used to calculate basic EPS and dilutive EPS	(2,722,861)	(6,897,826)
	No.	**No.**
(b) Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS and dilutive EPS	138,541,526	100,236,268

There are no dilutive potential 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.

Note 9: Cash Assets

	Note	Consolidated Group 2008 $	Consolidated Group 2007 $	Parent Entity 2008 $	Parent Entity 2007 $
Cash in hand		322	229	322	229
Cash at bank		10,106,390	6,097,539	10,106,389	6,097,538
		10,106,712	6,097,768	10,106,711	6,097,767

Reconciliation of cash

Cash at the end of the financial year as shown in the cash flow statement of is reconciled to items in the balance sheet as follows:

	Note	Consolidated Group 2008 $	Consolidated Group 2007 $	Parent Entity 2008 $	Parent Entity 2007 $
Cash at bank and in hand		10,106,712	6,097,768	10,106,711	6,097,767
Bank overdrafts		(82,340)	(31,866)	(82,340)	(31,866)
Credit cards	23c	(4,422)	(25,877)	(4,422)	(25,877)
Cash and cash equivalents		10,019,950	6,040,025	10,019,949	6,040,024

Note 10: Receivables

CURRENT	Consolidated Group 2008 $	Consolidated Group 2007 $	Parent Entity 2008 $	Parent Entity 2007 $
Trade receivables	—	109,929	—	109,929
GST receivables	117,524	145,304	117,524	145,304
Other debtors	—	84	—	84
	117,524	255,317	117,524	255,317

(a) Allowance for impairment loss

Trade receivables and other receivables are non-interest bearing and are generally on 30-60 day terms. A provision for impairment loss is recognised when there is objective evidence that an individual receivable is impaired. No impairment has been recognised by the Consolidated Group and Parent Entity in the current year. No receivable is past due.

Note 10: Receivables (cont'd)

(b) Fair value and credit risk

Due to the short term nature of these receivables, their carrying value is assumed to approximate their fair value. The maximum exposure to credit risk is the fair value of receivables. Collateral is not held as security, nor is it the Consolidated Group's policy to transfer on-sell) receivables to special purpose entities.

(c) Foreign exchange and interest rate risk

Detail regarding foreign exchange and interest rate risk exposure is disclosed in Note 29.

Note 11: Other Financial Assets	**Consolidated Group**		**Parent Entity**	
(a) **Available-for-sale Financial Assets Comprise:**	**2008 $**	**2007 $**	**2008 $**	**2007 $**
Shares in controlled entities	—	—	140,000	140,000
Unlisted investments, at cost				
— shares in unlisted companies	107,180	107,180	107,180	107,180
	107,180	107,180	247,180	247,180

Note 12: Controlled Entities

Controlled Entities Consolidated

	Country of Incorporation	**Percentage Owned (%)***	
		2008	**2007**
Parent Entity:			
- Jupiter Mines Limited	Australia	—	—
Subsidiaries of Jupiter Mines Limited:			
- Future Resources Australia Limited	Australia	100	100
- Jupiter Uranium Pty Limited	Australia	100	100
- Central Yilgarn Pty Limited	Australia	100	100

* Percentage of voting power is in proportion to ownership

	Consolidated Group		**Parent Entity**	
Note 13: Plant and Equipment	**2008 $**	**2007 $**	**2008 $**	**2007 $**
PLANT AND EQUIPMENT				
Leasehold improvements				
- At cost	238,391	238,391	238,391	238,391
- Accumulated depreciation	(75,502)	(27,823)	(75,502)	(27,823)
	162,889	210,568	162,889	210,568

Note 13: Plant and Equipment (cont'd)	**Consolidated Group**		**Parent Entity**	
	2008	**2007**	**2008**	**2007**
	$	**$**	**$**	**$**
Office equipment				
- At cost	44,831	19,409	44,831	19,409
- Accumulated depreciation	(16,504)	(7,865)	(16,504)	(7,865)
	28,327	11,544	28,327	11,544
Furniture and fittings				
- At cost	10,420	6,048	10,420	6,048
- Accumulated depreciation	(1,518)	(892)	(1,518)	(892)
	8,902	5,156	8,902	5,156
Total plant and equipment	200,118	227,268	200,118	227,268

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	**Office Equipment**	**Furniture and fittings**	**Total**
	$	**$**	**$**	**$**
Consolidated Group:				
Balance at 1 July 2006	—	8,828	4,030	12,858
Additions	238,391	40,616	2,203	281,210
Disposals	—	(25,284)	(671)	(25,955)
Depreciation expense	(27,823)	(12,616)	(406)	(40,845)
Balance at 30 June 2007	210,568	11,544	5,156	227,268
Additions	—	25,422	4,372	29,794
Disposals	—	—	—	—
Depreciation expense	(47,679)	(8,639)	(626)	(56,944)
Balance at 30 June 2008	162,889	28,327	8,902	200,118
Parent Entity:				
Balance at 1 July 2006	—	8,828	4,030	12,858
Additions	238,391	40,616	2,203	281,210
Disposals	—	(25,284)	(671)	(25,955)
Depreciation expense	(27,823)	(12,616)	(406)	(40,845)
Balance at 30 June 2007	210,568	11,544	5,156	227,268

Note 13: Plant and Equipment (cont'd)

Movements in Carrying Amounts (cont'd)

Parent Entity (cont'd):				
Additions	—	25,422	4,372	29,794
Disposals	—	—	—	—
Depreciation expense	(47,679)	(8,639)	(626)	(56,944)
Balance at 30 June 2008	162,889	28,327	8,902	200,118

Note 14: Other Assets

CURRENT				
Prepayments	17,443	11,445	17,443	11,445
NON-CURRENT				
Deposits	5,396	78,059	5,396	78,059

Note 15: Exploration and evaluation assets	**Consolidated Group**		**Parent Entity**	
Costs carried forward in respect of the following areas of interest:	**2008 $**	**2007 $**	**2008 $**	**2007 $**
— Widgiemooltha	2,078,987	1,891,648	2,078,987	1,891,648
— Klondyke	3,835,396	3,667,332	3,835,396	3,667,332
— Klondyke East	120,502	90,146	120,502	90,146
— Grattan Well	189,198	155,759	154,198	120,759
— Kurrajong	381,849	340,727	276,850	235,728
— Desdemona	19,735	—	19,735	—
— Mount Mason	2,845,520	2,376,063	2,845,520	2,376,063
— Brockman	311,356	123,262	311,356	123,262
— Mt Ida & Mt Hope	1,588,995	1,410,769	1,588,995	1,410,769
— Mt Goldsworthy	34,784	20,957	34,784	20,957
— Menzies	17,582	9,196	17,582	9,196
— Walling Rock	8,054	2,860	8,054	2,860
— Mt Alfred	4,706	4,706	4,706	4,706
— Weebo	762	762	762	762
— Chandlers Reward	4,289	2,542	4,289	2,542
— Dordie Rocks South	365,371	177,193	365,371	177,193
— Uranium 308	597,044	562,502	597,044	562,502
— Shay Gap	29,931	—	29,931	—
— Corunna Downs	20,507	—	20,507	—

Note 15: Exploration and evaluation assets (cont'd)	Consolidated Group		Parent Entity	
Costs carried forward in respect of the following areas of interest (cont'd):	2008 $	2007 $	2008 $	2007 $
— Knapton Hill	4,962	—	4,962	—
— Argyle Iron	2,018	—	2,018	—
— Whale Back Iron Ore	5,949	—	5,949	—
— Golden Ridge	26,208	—	26,208	—
— Kambalda West	24,699	—	24,699	—
— Newman	259	—	259	—
Total exploration expenditure	12,518,663	10,836,424	12,378,664	10,696,425

Capitalised costs amounting to $2,015,318 (2007: $2,602,429) have been included in cash flows from investing activities in the cash flow statement. Please refer to note 24(a)(iv) for further details.

750,000 shares were issued in the prior year at $0.295 as part of the consideration for the granting of six tenement applications in the Northern Territory (ELA25846, ELA25847, ELA25849, ELA25850, ELA25851, and ELA25885) by Jupiter and Jupiter Uranium Pty Limited from Redstone Metals Pty Ltd, Zircon International Pty Ltd and Bluekebble Pty Ltd. An additional 250,000 shares will be issued upon the granting of the remaining two tenements (ELA25848 & ELA25884)

70,000 shares were issued at $0.19 as part of the consideration for the option agreement of the tenement (exploration licence 25/229) the subject to the option agreement between the Company and Western Resources and Exploration P/L. The tenement is referred to by the Company as "Golden Ridge".

70,000 shares were issued at $0.19 as part of the consideration for the option agreement of the tenement (exploration licence 15/873, 15/874, 15/878 and Prospecting licences 15/1735 & 15/4736) the subject to the option agreement between the Company and Western Resources and Exploration P/L. The tenement is referred to by the Company as "Kambalda West".

A Formal Agreement with Shaw River Resources (ASX:SRR) and the Company was completed to acquire the iron ore rights to tenement E45/3183. The tenement was subject to a Heads of Agreement prior to a ballot being held, with Jupiter acquiring the Iron Ore Rights and Shaw acquiring the Mineral Rights if the other party was successful in winning the ballot. Shaw River Resources was subsequently successful in winning the ballot.

	Note	Consolidated Group		Parent Entity	
Note 16: Trade and Other Payables		2008 $	2007 $	2008 $	2007 $
CURRENT					
Unsecured liabilities					
Trade payables		75,852	233,831	75,852	233,831
Sundry payables and accrued expenses		250,371	211,013	250,371	211,013
Amount due under contract of sales		—	250,000	—	250,000
Lease liability		19,987	19,987	19,987	19,987
		346,210	714,831	346,210	714,833

Note 16: Trade and Other Payables (cont'd)

	Note	Consolidated Group 2008 $	Consolidated Group 2007 $	Parent Entity 2008 $	Parent Entity 2007 $
NON-CURRENT					
Unsecured liabilities					
Lease liability		48,302	68,290	48,302	68,290
		48,302	68,290	48,302	68,290

Note 17: Borrowings

CURRENT					
Unsecured liabilities					
Bank overdrafts		82,470	31,866	82,470	31,866
Bank credit cards		4,422	25,877	4,422	25,877
		86,892	57,743	86,892	57,743

Note 18: Provisions

CURRENT					
Provisions for leave liability		23,526	—	23,526	—
		23,526	—	23,526	—
NON-CURRENT					
Provisions for make good		35,000	35,000	35,000	35,000

Note 19: Issued Capital

	Note	Consolidated Group 2008 $	Consolidated Group 2007 $	Parent Entity 2008 $	Parent Entity 2007 $
Paid up capital:					
169,207,544 (2007: 129,220,336) fully paid ordinary shares	19a	31,606,992	20,099,342	31,606,992	20,099,342
Nil (2007: 5,367,178) unissued ordinary shares		—	1,161,250	—	1,161,250
5,450,000 (2007: 18,930,000) fully paid options	19b	561,158	2,560,862	561,158	2,560,862
		32,168,150	23,821,454	32,168,150	23,821,454

Note 19: Issued Capital (cont'd)	Note	Consolidated Group 2008 $	Consolidated Group 2007 $	Parent Entity 2008 $	Parent Entity 2007 $
(a) **Ordinary Shares**					
At the beginning of reporting period		21,260,592	20,099,342	21,260,592	20,099,342
Shares issued during the year					
— 500,000 on 12 Jul 2007		75,000	—	75,000	—
— 180,000 on 23 Jul 2007		27,000	—	27,000	—
— 1,400,000 on 3 Aug 2007		210,000	—	210,000	—
— 1,000,000 on 27 Sep 2007		200,000	—	200,000	—
— 1,500,000 on 12 Oct 2007		300,000	—	300,000	—
— 500,000 on 23 Oct 2007		100,000	—	100,000	—
— 500,000 on 15 Nov 2007		100,000	—	100,000	—
— 750,000 on 19 Nov 2007**		—	—	—	—
— 1,500,000 on 26 Nov 2007		300,000	—	300,000	—
— 4,617,178 on 4 Apr 2008**		—	—	—	—
— 140,000 on 17 Apr 2008		26,600	—	26,600	—
— 3,500,000 on 16 May 2008		700,000	—	700,000	—
— 2,000,000 on 19 May 2008		400,000	—	400,000	—
— 7,100,000 on 20 May 2008		1,420,000	—	1,420,000	—
— 14,800,000 on 5 June 2008		3,700,000	—	3,700,000	—
Sub total		28,819,192	—	28,819,192	—
Options converted to shares during the period					
— 500,000 options on 12 July 2007		5,000	—	5,000	—
— 180,000 options on 23 Jul 2007		1,800	—	1,800	—
— 1,400,000 options on 3 Aug 2007		14,000	—	14,000	—
— 1,000,000 options on 27 Sep 2007		90,000	—	90,000	—
— 1,500,000 options on 12 Oct 2007		135,000	—	135,000	—
— 500,000 options on 23 Oct 2007		45,000	—	45,000	—
— 500,000 options on 15 Nov 2007		57,000	—	57,000	—
— 1,500,000 options on 26 Nov 2007		300,000	—	300,000	—
— 2,000,000 options on 15 May 2008		20,000	—	20,000	—
— 10,600,000 options on 20 May 2008		2,120,000	—	2,120,000	—
Sub total		2,787,800	—	2,787,800	—
Transaction costs relating to shares issued		—	—	—	—
At reporting date		31,606,992	20,099,342	31,606,992	20,099,342

Note 19: Issued Capital (cont'd)

** The company accounted for these shares in prior year accounts and were issued in the current year.

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	Consolidated Group		Parent Entity	
		2008 No	2007 No	2008 No	2007 No
At the beginning of the reporting period		129,220,366	129,220,366	129,220,366	129,220,366
Shares issued during the period					
— 13 Jul 2007		500,000	—	500,000	—
— 23 Jul 2007		180,000	—	180,000	—
— 9 Aug 2007		1,400,000	—	1,400,000	—
— 27 Sep 2007		1,000,000	—	1,000,000	—
— 12 Oct 2007		1,500,000	—	1,500,000	—
— 23 Oct 2007		500,000	—	500,000	—
— 15 Nov 2007		500,000	—	500,000	—
— 20 Nov 2007**		750,000	—	750,000	—
— 26 Nov 2007		1,500,000	—	1,500,000	—
— 4 Apr 2008**		4,617,178	—	4,617,178	—
— 17 Apr 2008		140,000	—	140,000	—
— 16 May 2008		3,500,000	—	3,500,000	—
— 19 May 2008		2,000,000	—	2,000,000	—
— 20 May 2008		7,100,000	—	7,100,000	—
— 5 June 2008		14,800,000	—	14,800,000	—
At reporting date		169,207,544	129,220,366	169,207,544	129,220,366

** The company accounted for these shares in prior year accounts and were issued in the current year.

Note 19: Issued Capital (cont'd)	Note	Consolidated Group		Parent Entity	
		2008 $	2007 $	2008 $	2007 $
(b) **Options**					
At the beginning of reporting period		2,560,862	2,560,862	2,560,862	2,560,862
Options issued during the year					
— 1,500,000 on 11 Dec 2007		174,000	—	174,000	—
— 500,000 on 7 Feb 2008		10,000	—	10,000	—
— 1,950,000 on 19 Jun 2008		323,700	—	323,700	—
1,250,000 Options Lapsed during the period		(46,604)		(46,604)	
19,680,000 Options converted to ordinary shares during the period		(2,460,800)	—	(2,460,800)	—
At reporting date		561,158	2,560,862	561,158	2,560,862

	2008 No	2007 No	2008 No	2007 No
At the beginning of the reporting period	18,930,000	18,930,000	18,930,000	18,930,000
Options issued during the year				
— 11 Dec 2007	1,500,000	—	1,500,000	—
— 7 Feb 2008	500,000	—	500,000	—
— 19 Jun 2008	1,950,000	—	1,950,000	—
Options Lapsed during the period	(1,250,000)		(1,250,000)	
Options converted to ordinary shares during the period	(16,180,000)	—	(16,180,000)	—
At reporting date	5,450,000	18,930,000	5,450,000	18,930,000

(c) **Options**

The balance of options at the beginning of the reporting period totalling 18,930,000 were to expire between 12th July 2007 and 21st December 2009 at exercise prices ranging from $0.15 to $0.50 per option.

At 30 June 2008, there were 5,450,000 (30 June 2007: 18,930,000) unissued ordinary shares for which options were outstanding. The options expire between 7th February 2009 and 31st December 2010 at exercise prices ranging from $0.20 to $0.35 per option

(d) **Capital Management**

Management controls the capital of the group in order to maintain a good 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.

Note 19: Issued Capital (cont'd)

(d) **Capital Management (cont'd)**

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.

	Note	Consolidated Group		Parent Entity	
Note 20: Reserves		**2008 $**	**2007 $**	**2008 $**	**2007 $**
Options issued:					
8,200,000 (2007: 18,700,000) options	20a	1,181,800	1,687,800	1,687,800	1,687,800
The option reserve records items recognised as expenses on valuation of key management personnel share options.					
(a) **Options**					
At the beginning of reporting period		1,687,800	1,687,800	1,687,800	1,687,800
Options recognised during the period		452,200	—	452,200	—
3,500,000 options converted to ordinary shares during the period		(327,000)	—	(327,000)	—
14,300,000 options Lapsed/cancelled during the period		(631,200)		(631,200)	
At reporting date		1,181,800	1,687,800	1,181,800	1,687,800

	2008 No	2007 No	2008 No	2007 No
At the beginning of the reporting period	18,700,000	18,700,000	18,700,000	18,700,000
Options issued during the year				
— 23 July 2007	600,000	—	600,000	—
— 16 August 2007	2,000,000	—	2,000,000	—
— 2 October 2007	200,000	—	200,000	—
— 12 December 2008	4,500,000	—	4,500,000	—
Options converted to ordinary shares during the period	(3,500,000)	—	(3,500,000)	—
Options Lapsed/cancelled during the period	(14,300,000)		(14,300,000)	
At reporting date	8,200,000	18,700,000	8,200,000	18,700,000

Note 20: Reserves (cont'd)

(b) **Options**

Directors, employees and consultant share option scheme expenses of $452,200 (2007: $1,624,800) represents the valuation of options granted. These were valued using the Black-Scholes pricing method.

At 30 June 2008, there were 8,200,000 (30 June 2007: 18,700,000) unissued ordinary shares for which options were outstanding. These options will expire between 29 December 2009 and 3 October 2012 at exercise prices ranging from $0.20 to $0.35 per option.

	Note	Consolidated Group		Parent Entity	
Note 21: Capital and Leasing Commitments		**2008 $**	**2007 $**	**2008 $**	**2007 $**
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		126,895	111,324	126,895	111,324
— between 12 months and 5 years		324,055	371,836	324,055	371,836
		450,950	483,160	450,950	483,160

The property lease is a non-cancellable lease with a five-year term, with rent payable monthly in advance.

Note 22: 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 $107,466 (2007: $92,466)

Contingent Assets

No contingent assets exist as 30 June 2008.

Note 23: Segment Reporting

The Company operates solely in the mining industry within Australia.

Note 24: Cash Flow Information	**Consolidated Group 2008 $**	**Consolidated Group 2007 $**	**Parent Entity 2008 $**	**Parent Entity 2007 $**
(a) **Reconciliation of Cash Flow from Operations with Loss from Ordinary Activities after Income Tax**				
Loss from ordinary activities after income tax	(2,722,861)	(6,897,826)	(2,722,861)	(6,897,826)
Non-cash flows in loss from ordinary activities				
Depreciation	56,944	40,845	56,944	40,845
Net loss on disposal of property, plant and equipment	—	25,955	—	25,955
Options issued for services	—	25,000	—	25,000
Share options recognised	959,900	1,624,800	959,900	1,624,800
Write-off of exploration and evaluation assets	—	3,465,629	—	3,465,629
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries				
(Increase)/decrease in GST receivable	27,780	(102,773)	27,780	(102,773)
(Increase)/decrease in prepayments and deposits paid	66,666	(70,374)	66,666	(70,374)
(Increase)/decrease in trade debtors	109,929	(11,659)	109,929	(11,659)
(Increase)/decrease in other debtors	84	3,250	84	3,250
Increase/(decrease) in trade payables and other creditors	(19,617)	93,829	(19,617)	93,829
Increase/(decrease) in provisions	23,527	—	23,527	—
Cash flow from operations	(1,497,649)	(1,803,324)	(1,497,649)	(1,803,324)

(b) **Non-cash Financing and Investing Activities**

i 70,000 shares were issued at a value of $13,300 as part of the consideration for the option agreement of the tenement (exploration licence 36/229) the subject to the option agreement between the Company and Western Resources and Exploration P/L. The tenement is referred to by the Company as “Golden Ridge”.

70,000 shares were issued at a value of $13,300 as part of the consideration for the option agreement of the tenement (exploration licence 15/873, 15/874, 15/878 and Prospecting licences 15/1735 & 15/4736) the subject to the option agreement between the Company and Western Resources and Exploration P/L. The tenement is referred to by the Company as “Kambalda West”.

(b) **Non-cash Financing and Investing Activities (cont'd)**

ii Options

2,800,000 upquoted options expiring 3 to 5 years from issue were granted under the JMS Employee Option Plan with a value of $452,200 using Black Scholes with exercise prices between $0.20 to $0.35 per option to the Company's Executives and employees.

3,950,000 options expiring 12 to 18 months from issue with an exercise prices between $0.30 of $0.35 per option with a value of $507,700 using Black Scholes were granted as consideration for providing consulting, marketing as advisory services as resolved by the Board.

iii Plant and equipment

Plant and equipment amounting to $39,108 have been included in cash flows from investing activities in the cash flow statement. Of this total, some assets to the value of $9,314 acquired in 2007 of which cash were settled in this financial year.

iv Exploration and evaluation

Capitalised costs amounting to $2,015,318 have been included in cash flows from investing activities in the cash flow statement. Of this total, costs to the value of $507,981 in 2007 of which were settled in cash in this financial year, $148,303 that have yet to be settled in cash, the remaining $26,600 was non-cash in nature.

	Consolidated Group		Parent Entity	
	2008 $	2007 $	2008 $	2007 $
(c) **Credit Standby Arrangements with Banks**				
Credit facility	45,000	30,000	45,000	30,000
Amount utilised	(4,422)	(25,877)	(4,422)	(25,877)
Unused credit facility	40,578	4,123	40,578	4,123

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 25: 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.

Note 25: Share-Based Payments (cont'd)

The terms and conditions of the grants on issue as at 30 June 2008 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
23 July 2007	600,000	23 Jul 2007	Continuation of service	23 Jul 2012	$0.25
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
2 October 2007	200,000	2 Oct 2007	Continuation of service	3 Oct 2012	$0.25
14 November 2006	1,000,000	14 Nov 2006	Continuation of service	21 Nov 2011	$0.20
14 November 2006	1,000,000	14 Nov 2006	Continuation of service	21 Nov 2011	$0.25
14 November 2006	1,000,000	14 Nov 2006	Continuation of service	21 Nov 2011	$0.35
24 November 2006	900,000	24 Nov 2006	Continuation of service	1 Dec 2011	$0.20
29 December 2006	1,500,000	29 Dec 2006	Continuation of service	29 Dec 2009	$0.20
Total	**8,200,000**				

The number and weighted average exercise prices of share options on issue as at 30 June 2008 were as follows:

	Consolidated Group				Parent Entity			
	2008		2007		2008		2007	
	Number of Options	Weighted Average Exercise Price $	Number of Options	Weighted Average Exercise Price $	Number of Options	Weighted Average Exercise Price $	Number of Options	Weighted Average Exercise Price $
Outstanding at the beginning of the period	18,700,000	0.2000	5,000,000	0.2600	18,700,000	0.2000	5,000,000	0.2600
Granted	7,300,000	0.3239	15,700,000	0.2510	7,300,000	0.3239	15,700,000	0.2510
Forfeited	(9,800,000)	0.2918	—	—	(9,800,000)	0.2918	—	—
Cancelled	(4,500,000)	0.3500	—	—	(4,500,000)	0.3500	—	—
Exercised	(3,500,000)	0.2000	(2,000,000)	0.2000	(3,500,000)	0.2000	(2,000,000)	0.2000
Expired	—	—	—	—	—	—	—	—
Outstanding at the end of the period	8,200,000	0.2524	18,700,000	0.2510	8,200,000	0.2524	18,700,000	0.2510
Exercisable at the end of the period*	8,200,000	0.2524	18,700,000	0.2000	8,200,000	0.2524	18,700,000	0.2000

*Closing JMS share price on 29 June 2008 was $0.245

The options outstanding at 30 June 2008 have an exercise price of $0.2524 a weighted average contractual life of 1.717 years.

Note 25: Share-Based Payments (cont'd)

During the financial year, 3,500,000 options were exercised (2007: 2,000,000).

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.

Tranche	Expiry Date	Fair Value per Option $	Exercise Price $	Price of Shares on Grant $	Estimated Volatility %	Risk Free Interest %	Dividend Yield %
1	23 Jul 2012	0.159	0.25	0.23	83.09	6.638	0
2	4 Sep 2012	0.168	0.25	0.24	83.09	6.638	0
3	4 Sep 2012	0.161	0.30	0.24	83.09	6.638	0
4	4 Sep 2012	0.154	0.35	0.24	83.09	6.638	0
5	3 Oct 2012	0.167	0.25	0.23	83.09	6.638	0

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.

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 26: Events After the Balance Sheet Date

The following events occurred subsequent to balance date:

1 On July 2nd the Company gave notice of a "Change of Directors Interest Notice"

2 On July 7th the Company received a "Change in Substantial Holding notice" from Red Rock Resources and from Pallinghurst Resources.

3 On July 29th the Company released the Quarterly Cash flow Report Appendix-5B

4 On July 31st the Company released the Quarterly Activities Report

5 On August 15th the Company released a Exploration Program Update on its Central Yilgarn Iron Project.

6 On September 19th the Company signed heads of agreement for iron ore off take with the Haoning Group

7 On September 25th the Company released a 'High Grade Hematite and Magnetite Mineralisation on CYIP'

8. The financial statements were authorised for issued by the board of directors on 29th September 2008

There were no further events subsequent to balance date

Note 27: Future Commitments

In relation to the two remaining tenement applications (ELA25848 & ELA25884) Jupiter and Jupiter Uranium Pty Limited had entered into an Agreement for Sale of Mining Tenements – Northern Territory from Redstone Metals Pty Ltd, Zircon International Pty Ltd and Bluekebble Pty Ltd. An additional 250,000 shares will be issued upon the granting of the remaining two tenements

In relation to exploration licence 25/229 Jupiter and Western Resources and Exploration P/L had entered into an option agreement expiring on December 8th 2008. The tenement is referred to by the Company as "Golden Ridge" In the event that the company elects to acquire the tenement on or before December 8th 2008 a total of $100,000 cash consideration and $75,000 converted to Jupiter fully paid ordinary shares will be issued to the vendor

In relation to exploration licence 15/873, 15/874, 15/878 and Prospecting licences 15/1735 & 15/473 Jupiter and Western Resources and Exploration P/L had entered into an option agreement expiring on December 8th 2008. The tenement is referred to by the Company as "Kambalda West". In the event that the company elects to acquire the tenement on or before December 8th 2008 a total of $150,000 cash consideration and $100,000 converted to Jupiter fully paid ordinary shares will be issued to the vendor.

Note 28: Related Party Transactions

No related party transactions existed during the year or as at 30 June 2008.

Note 29: Financial Instruments

(a) **Financial Risk Management objective and policies**

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

The main risks the group is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

(i) ***Sensitivity analysis***

Interest rate sensitivity risk

Interest rate risk is managed with floating rate debt. At 30 June 2008 approximately 1% of group debt is fixed.

	Consolidated Group		Parent entity	
	2008	**2007**	**2008**	**2007**
	$	**$**	**$**	**$**
Change in profit and equity on interest revenue				
- Increase in interest rate by 2%	115,325	83,410	115,325	83,410
- Decrease in interest rate by 2%	(115,325)	(83,410)	(115,325)	(83,410)

The sensitivity in 2008 is larger than in 2007, due to a higher average cash balance during the year.

A sensitivity analysis has not been done for debt as the value at year end is deemed not to be material.

(ii) ***Liquidity risk sensitivity risk***

The Group has no significant exposure to liquidity risk as there is only small amount of bank overdraft and credit cards. The Group manages liquidity risk by monitoring immediate and forecast cash requirements and ensuring adequate cash reserves are maintained.

(iii) ***Credit risk sensitivity risk***

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements.

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

(iv) ***Foreign currency sensitivity risk***

Foreign currency risk is the risk of exposure to transactions that are denominated in a currency other than the Australian dollar. At 30 June 2008, the group has no exposure to foreign currencies, and therefore no sensitivity analysis has been performed.

Note 29: Financial Instruments (cont'd)

(v) *Interest Rate Risk*

The consolidated entity's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

	Weighted Average Effective Interest Rate		Floating Interest Rate		Fixed Interest Rate Maturing: Within Year		1 to 5 Years		Over 5 Years		Non-interest Bearing		Total	
	2008 %	2007 %	2008 $	2007 $	2008 $	2007 $	2008 $	2007 $	2008 $	2007 $	2008 $	2007 $	2008 $	2007 $
Financial Assets:														
Cash and deposits	7.00	6.37	10,106,711	6,097,768	—	—	—	—	—	—	—	—	10,106,711	6,097,768
Receivables		—	—	—	—	—	—	—	—	—	117,524	255,317	117,524	255,317
Total Financial Assets			10,106,711	6,097,768	—	—	—	—	—	—	117,524	255,317	10,224,235	6,353,085
Financial Liabilities:														
Bank overdrafts	7.00	6.37	82,340	31,866	—	—	—	—	—	—	—	—	82,340	31,866
Credit cards	16.49	17.49	4,421	25,877	—	—		—	—	—	—	—	4,421	25,877
Trade and sundry payables		—	—	—	—	—		—	—	—	246,222	694,844	246,222	694,844
Total Financial Liabilities			86,761	57,743	—	—		—	—	—	246,222	694,844	332,983	752,587

Note 29: Financial Instruments (cont'd)

(vi) *Net Fair Values*

The net fair values of:

The carrying amount of financial assets and financial liabilities recorded in the financial statements represents their respective net fair values, determined in accordance with the accounting policies disclosed in Note 1 to the financial statements.

(vii) *Price Risk Sensitivity Analysis*

As the company 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: Change in Accounting Policy

The following Australian Accounting Standards have been issued or amended and are applicable to the parent and consolidated entity but are not yet effective. They have not been adopted in preparation of the financial statements at reporting date.

AASB Standard Affected	Application Date of the Standard	Application Date for the Group
AASB 8 – Operating Segments	31 December 2009	1 July 2009
AASB 101 – Presentation of financial statements	31 December 2009	1 July 2009
AASB 2007-3 – Amendments to Australian Accounting Standards arising from the issue of AASB 8.	31 December 2009	1 July 2009
AASB 2007-8 – Amendments to Australian Accounting Standards arising from the issue of AASB 101.	31 December 2009	1 July 2009
AASB 2008-1 – Amendments to Australian Accounting Standards arising from changes to AASB 2 – Share based payments.	1 July 2010	1 July 2010
AASB 123 – Borrowing costs	31 December 2009	1 July 2009
AASB 3 – Business Combinations	30 June 2010	1 July 2009
AASB 2008-3 – Amendments to Australian Accounting Standards arising from the issue of AASB 3 and AASB 127.	30 June 2010	1 July 2009

Note 31: Company Details

The registered office and principle place of business of the company is:

Jupiter Mines Limited
Suite 2 , Level 16
19 Bligh Street
SYDNEY NSW 2000

DIRECTORS' DECLARATION

The directors of the company declare that:

1. the financial statements and notes, as set out on pages 17 to 49, are in accordance with the Corporations Act 2001 and:

    (a) Comply with Accounting Standards and the Corporations Regulations 2001; and

    (b) give a true and fair view of the financial position as at 30 June 2008 and of the performance for the year ended on that date of the company and consolidated entity;

2. the Chief Executive Officer and Chief Financial Officer have each declared that:

    (a) the financial records of the company for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;

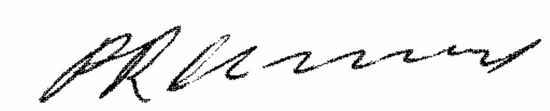
    (b) the financial statements and notes for the financial year comply with the Accounting Standards; and

    (c) the financial statements and notes for the financial year give a true and fair view;

3. in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.

Signed on behalf of the directors



P R Murray
Chairman

Sydney
29th September 2008

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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 and its controlled entities (the consolidated entity) which comprises the balance sheet as at 30 June 2008, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes 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 and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 Presentation of Financial Statements, that compliance with the Australian equivalents to International Financial Reporting Standards ensures that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards.

Grant Thornton

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF JUPITER MINES LIMITED (cont)

Report on the Financial Report (cont)

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. These Auditing Standards require that we 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.

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 entity's preparation and fair presentation of the financial report 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 entity'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 opinions.

Independence

In conducting our audit, we complied with applicable 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 company's and consolidated entity's financial position as at 30 June 2008 and of their performance for the year ended on that date; and

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

b the financial report also complies with International Financial Reporting Standards as disclosed in Note 1.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF JUPITER MINES LIMITED (cont)

Report on the Remuneration Report

We have audited the Remuneration Report included on pages 8 to 15 of the directors' report for the year ended 30 June 2008. 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.

Auditor's Opinion

In our opinion the Remuneration Report of Jupiter Mines Limited for the year ended 30 June 2008, complies with section 300A of the Corporations Act 2001.

GRANT THORNTON NSW
Chartered Accountants

N J Bradley
Partner

Sydney, 29 September 2008

Corporate Governance Statement

Jupiter is committed to implementing high standards of corporate governance, and has endorsed the ASX Corporate Governance (Council) *Principles of Good Corporate Governance and Best Practice Recommendations (ASX Principles)*. Jupiter seeks to follow the best practice recommendations for listed companies to the extent that it is practicable.

Where Jupiter's corporate governance practices do not correlate with the practices recommended by the Council, Jupiter does not consider it practicable or necessary to implement these principles due to the size and stage of development of its operations and the Board's reasoning for any departure is explained. Reporting will be on the revised *ASX Principles* for all financial years commencing after 1 July 2008.

Set out below are the fundamental corporate governance practices of Jupiter.

1. The Board Lays Solid Foundations for Management and Oversight

Role of the Board

The Board's role is to govern Jupiter rather than to manage it. In governing Jupiter, the Directors must act in the best interests of Jupiter as a whole. Each member of the Board is committed to spending sufficient time to enable them to carry out their duties as a Director of Jupiter; any candidate will confirm that they have the necessary time to devote to their Company Board position prior to appointment. In addition, non-executive Directors receive formal letters of appointment setting out the key terms, conditions and expectations of their appointment.

Responsibilities of the Board

In general, the Board is responsible for, and has the authority to determine, all matters relating to the policies, practices, management and operations of Jupiter. It is required to do all things that may be necessary to be done in order to carry out the objectives of Jupiter.

The Board is responsible for governing Jupiter and for setting the strategic direction of Jupiter. Board responsibilities are set out in the Jupiter Board Charter. The Board has established an Audit Committee and a Remuneration & Nomination Committee to assist it in discharging its functions. The Board Charter and Committee Charters are available on the Jupiter website (under "Corporate Governance").

The Board generally holds meetings on a monthly basis, however additional meetings may be called as required. Directors' attendance at meetings this year is set out on page 6.

In carrying out its governance role, the main task of the Board is to oversee the performance of Jupiter. The Board is committed to Jupiter's compliance with all of its contractual, statutory and any other legal obligations, including the requirements of any regulatory body.

Relationship with Management

The Board has delegated responsibility for the day-to-day operations of Jupiter to senior management. It is the role of senior management to manage Jupiter in accordance with the direction and delegations of the Board and the responsibility of the Board to oversee the activities of management in carrying out these delegated duties.

The management of the Company changed during the year following the appointment of Mr Greg Durack as Chief Executive Officer. He and Robert Benussi as Chief Financial Officer & Company Secretary and Charles (Bill) Guy as Exploration Manager comprise the Senior Management team.

2. The Board is Structured to Add Value

Composition of the Board and details of Directors

Jupiter currently has seven directors, four of whom are Independent Non-Executive Directors (Messrs Murray, Topp, Sam Yue & Wang). During the financial year and subsequent to the 2007 annual general meeting, there have been five Non-Executive Directors appointed. All incumbent directors bring an independent judgment to bear in Board deliberations and the current representation is considered adequate given the stage of the Company's development. Further details about the current Directors are set out on pages 1 to 2 of the Directors' Report.

The Chairman is a Non-Executive Independent Director and there is a clear division of responsibility between the Chairman and Senior Management.

Remuneration & Nomination Committee

The role of the Remuneration & Nomination Committee is set out in a formal charter which is available on the Jupiter website under "Corporate Governance". There are 3 independent non-executive directors as members of this Committee at this time.

Details of the Members of the Remuneration & Nomination Committee and their attendance at Committee Meetings are set out on page 6.

3. The Board Promotes Ethical and Responsible Decision Making

Confidentiality

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.

Company Code of Conduct and Ethics

As part of its commitment to recognising the legitimate interests of stakeholders, Jupiter has an established Code of Conduct to guide compliance with legal, ethical and other obligations to legitimate stakeholders. These stakeholders include employees, clients, customers, government authorities, creditors and the community as whole. This Code governs all Jupiter commercial operations and the conduct of Directors, employees, consultants, contractors and all other people when they represent Jupiter.

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 Jupiter website (under "Corporate Governance").

Trading in Jupiter Shares

Jupiter's Code of Conduct prohibits Directors from taking advantage of their position or information acquired, in the course of their duties, and the misuse information for personal gain or to cause detriment to the Company.

Employees, officers and Directors 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.

A copy of Jupiter's Personnel Share Trading Policy is available on the Jupiter website (under "Corporate Governance").

4. The Board safeguards integrity in financial reporting

As required by section 295A of the *Corporations Act,* the Chief Executive Officer/Chief Financial Officer have declared:

"That:

- the financial records of Jupiter Mines Limited for the reporting period have been properly maintained in accordance with section 286 of the *Corporations Act*;
- the financial statements and the notes referred to in paragraph 295(3)(b) of the *Corporations Act* comply with the accounting standards; and
- the financial statements and notes for the reporting period give a true and fair view."

In addition, as required by Recommendation 4.1 of the *ASX Principles*, the Chief Executive Officer/Chief Financial Officer stated:

"That:

- Jupiter Mines Limited's reports present a true and fair view, in all material respects, of the Company's financial condition and operational results and are in accordance with relevant accounting standards."

Audit Committee

The Board has established an Audit Committee to assist the Board. The responsibilities of the Committee are set out in a formal charter which is available on the Jupiter website under "Corporate Governance". There are 3 independent non-executive directors as members of this Committee at this time.

Details of the Members of the Audit Committee and their attendance at Committee Meetings are set out on page 6. Due to the Board changes which occurred during the year, much of the work which might otherwise have devolved to the Audit Committee was undertaken by the full Board.

5. The Board Makes Timely and Balanced Disclosure

Continuous Disclosure

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.

The Board has established a written policy for ensuring compliance with ASX Listing Rule disclosure requirements. A copy of the Jupiter Continuous Disclosure Policy is available on the Jupiter website (under "Corporate Governance").

6. The Board Respects the Rights of Shareholders

Shareholder Communication

Jupiter respects the rights of its shareholders and to facilitate the effective exercise of those rights, Jupiter communicates with its shareholders continually and periodically.

Periodic ASX announcements include quarterly reports, the half-year report, annual report and annual general meeting presentations. Copies of all ASX announcements and reports 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.

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.

7. The Board Recognises and Manages Risk

The Board has accepted the role of identifying, assessing, monitoring, managing and mitigating wherever possible, any significant risks applicable to Jupiter and its operations. It has not established a separate committee to deal with these matters as the Directors consider the size of Jupiter and its operations does not warrant a separate committee at this time. The Audit Committee is charged with the responsibility of financial risk management although, as noted above, this task was mostly undertaken by the full Board during the year.

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.

Attestations by Chief Executive Officer/Chief Financial Officer

In accordance with Recommendation 7.2 of the *ASX Principles,* the Chief Executive Officer/Chief Financial Officer has stated in writing to the Board:

"That:

1. the statement given in accordance with Recommendation 4.1 (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
2. Jupiter Mines Limited's risk management and internal compliance and control system is operating efficiently and effectively in all material respects. "

8. The Board Encourages Enhanced Performance

Performance Review/Evaluation

The Remuneration and Nomination Committee is responsible for the evaluation of the Board's performance.

Education and Induction

New directors undergo an induction process in which they are given a full briefing on Jupiter. Where possible, this will include meetings with key executives, and a due diligence package and presentations from management.

In order to achieve continuing improvement in Board performance, all directors are encouraged to undergo continual professional development.

Independent Professional Advice and Access to Company Information

Each director has the right of access to all Jupiter information and to Jupiter's executives. Further, the Board collectively and each director, subject to informing the Chairman, has the right to seek independent professional advice from a suitably qualified advisor, at Jupiter's expense, to assist them to carry out their responsibilities. Where appropriate, a copy of this advice is to be made available to all other members of the Board.

9. The Board Remunerates Fairly and Responsibly

Remuneration Report and Remuneration Policies

The responsibilities of the Remuneration & Nomination Committee include making recommendations to the Board regarding the remuneration of senior executives, executive directors and non-executive directors of the Company.

In accordance with the Constitution of Jupiter, shareholders determine the aggregate annual remuneration of the Non-Executive Directors, (the aggregate annual remuneration approved by shareholders is currently $300,000). It is the Board's policy to issue options 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. Remuneration of all Directors paid during the year is set out in the Directors' Report and in note 5 to the Financial Statements.

There are no schemes or provisions for retirement benefits for Non-Executive Directors other than statutory benefits and accumulated superannuation.

10. The Board Recognises the Legitimate Interests of Stakeholders

The Board has a formal Code of Conduct which ensures that Jupiter maintains the highest standards of integrity, honesty and fairness in their dealings with employees, contractors, customers, suppliers, clients, shareholders, regulators, creditors and the community as whole.

Details of the Code are set out earlier in this Statement and the Code is available under the Corporate Governance section on the Jupiter website.