

JUPITER MINES LIMITED

ABN 51 105 991 740

AND CONTROLLED ENTITIES

ANNUAL FINANCIAL REPORT for the year ended 30 June 2007

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Directors' Report

for the year ended 30 June 2007

In accordance with a resolution of Directors, the Directors present their Report together with the Financial Report of Jupiter Mines Limited (Jupiter) and its controlled entities (together referred to as the Consolidated Entity) for the financial year ended 30 June 2007 and the Independent Audit Report thereon.

Directors

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

- Alan John BROOME (*Independent Non-Executive Chairman*)
- Paul Raymond MURRAY (*Independent Non-Executive Director*)
- David Andrew EVANS (*Non-Executive Director*)
- Jeremy David SNAITH (*Non-Executive Director*)
- Denis WOOD (*Non-Executive Director*)
- Alan TOPP (*Independent Non-Executive Director*)

Additional information is provided below regarding the current directors.

Alan John BROOME *AM, I.Eng., FAusIMM, FAICD, MIMMM (London)*
(*Independent Non-Executive Chairman*)

Alan was appointed as Director and Non-Executive Chairman on 6 November 2003.

Alan is a director and chairman of a number of Australian mining technology companies. Alan's chairmanships include the Australian mining technology export group Austmine Ltd, New Zealand-based CRL Energy Ltd, Workpac Group Ltd, Micromine Pty Ltd, Inbye Mining Services Ltd and Acumine Pty Ltd. Alan is also the deputy chairman of one of the world's largest transaction delivery networks on the Internet, Bermuda-based Quadrem International Holdings Ltd. He is also a Director of Intellection Pty Ltd, Solid Energy NZ Ltd, Nimrodel Resources Ltd and Amdel Ltd.

Alan has accumulated extensive knowledge of the mining industry through these directorships and chairmanships, as well as involvement with mining technology companies, government agencies and major international mining companies in promoting Australian mining and developing global trade. In 1999 Alan was awarded the Westpac Export Award for Mining and in 2000, the Order of Australia (AM) for services to Mining. In 2005, he was awarded the AusIMM Presidents Award.

Paul Raymond MURRAY *F. FIN, CPA*

(*Deputy Chairman; Independent Non-Executive Director; Audit Committee Chairman; Remuneration Committee Chairman*)

Paul was appointed as a founding 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 TOPP

(*Independent Non-Executive Director*)

Alan was appointed as a Director on 15 August 2007.

Alan is a Chartered Accountant with 26 years experience in corporate, reconstruction, business acquisitions, audit and tax. Alan is a Principal at Sims Partners, a national firm of Chartered Accountants.

Alan brings commercial strength to the Board developed over the last 18 years through his involvement with the purchase, sale and restructuring of major businesses. As a reconstruction and insolvency specialist he also brings to the Board a diverse range of skills across accounting and legal issues, together with extensive knowledge across many industries.

Company Secretary

Robert Benussi was appointed as Company Secretary on 1 July 2006. Rob is also the Chief Financial Officer and acting Chief Executive Officer 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, 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 a loss of \$6,897,826 (2006: loss of \$719,750 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 2007 is set out on the following page.

Financial Position

During the year, Jupiter issued shares to a value of \$13,164,556 net and acquired exploration interests or capitalised exploration costs to a value of \$9,227,667. At 30 June 2007, Jupiter held \$6,097,768 in cash and receivables compared with \$796,144 at 30 June 2006 and had carried forward exploration expenditure of \$10,836,424 compared with \$5,419,847 at 30 June 2006.

Directors' Report

for the year ended 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 2007.

Events Subsequent to Reporting Date

Other than:

- the decision to not acquire the Beasley River Project under the Option to Purchase Mining Tenement Agreement (3 July 2007);
- notification of an extraordinary general meeting (6 July 2007);
- the issue of 500,000 fully-paid ordinary shares upon the exercise of options (13 July 2007);
- the issue of 600,000 unquoted JMS Employee Option Plan options and 180,000 ordinary fully paid shares upon the conversion of unlisted options (23 July 2007);
- the granting of an exploration licence for Coronna Downs, Western Australia to the Company (25 July 2007);
- the issue of 1,400,000 ordinary fully-paid shares upon the conversion of unlisted options (9 August 2007);
- the resignation of Jeremy Snaith (14 August 2007) and David Evans as Non-Executive Directors (15 August 2007);
- the appointment of Alan Topp as an Independent Non-Executive Director (15 August 2007);
- the issue of 2,000,000 unquoted JMS Employee Option Plan options (3 September 2007); and
- a market update regarding nickel soil anomalies at the Company's Widgiemooltha prospect (4 September 2007);
- the lapse of 600,000 unquoted options under the Employee Option Plan (25 September 2007);
- the issue of 1,000,000 upon conversion of unquoted options under the Employee Option Plan (26 September 2007);

SUMMARY OF OPERATIONS DURING THE YEAR ENDED 30 JUNE 2007

Date	Announcements and Activities
4 July 2006	Jupiter announced that the Memorandum of Understanding with Sinosteel Australia Pty Ltd would not proceed and that the Company was in negotiations with another party to develop a joint venture for the Mt Mason, Mt Ida and Mt Hope iron ore projects in Western Australia (WA).
13 July 2006	Jupiter announced that it had completed a private placement of 5,830,000 shares at 13 cents each and 5,830,000 options at 1 cent per share exercisable at 15 cents within 12 months of issue.
3 August 2006	Jupiter announced a significant new iron discovery at Central Yilgarn, WA.
8 August 2006	Jupiter announced the commencement of exploration at the Company's Mt Hope iron ore prospect, Central Yilgarn.
7 September 2006	Jupiter announced that it had completed a placement of 9,000,000 shares at 14 cents per share to clients of Patersons Securities Limited. Jupiter also announced a first stage resource calculation from its initial 9 hole confirmatory drilling program.
11 September 2006	Jupiter announced the commencement of a ground geophysical survey for its Widgiemooltha nickel project.
20 October 2006	Jupiter announced that it had been granted an exploration licence located immediately south and adjacent to the Mt Mason iron ore resource in the Central Yilgarn, WA.
26 October 2006	Jupiter announced that it had been granted an exploration licence located a Beasley River in the Pilbara, WA.
14 November 2006	At Jupiter's Annual General Meeting all resolutions were passed including the re-election of Paul Murray as a Director.
20 November 2006	Jupiter announced the termination of its agreement with L'Hayyim Pty Limited and the entering of an options agreement with Joytell Pty Ltd regarding a tenement at Beasley River.
22 November 2006	Jupiter announced that it had delineated a discrete bed rock conductor on its Widgiemooltha Project.
28 November 2006	Jupiter announced that it had entered a Memorandum of Understanding with Wuhan Giant Economic Development Co Ltd to market its potential iron ore production.
29 November 2006	Jupiter announced the discovery of three additional conductor zones within the Company's Widgiemooltha Nickel Project.
1 December 2006	Jupiter announced the schedule for drilling of the Company's Beasley River Project.
4 December 2006	Jupiter announced the initial survey at the Brockman Iron Project confirmed an extensive hematite mineralized zone within Jupiter's license area.

Directors' Report

for the year ended 30 June 2007

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.

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 30 June 2007 there were 37,630,000 options over unissued shares in the capital of Jupiter, details of which are set out in Notes 19 and 20 of the attached Notes to the Financial Statements. 38,780,000 options were issued during the year.

36,254,116 options were exercised during the year. As at the date of the Report, there were 36,550,000 options over

SUMMARY OF OPERATIONS DURING THE YEAR ENDED 30 JUNE 2007

Date	Announcements and Activities
11 December 2006	Jupiter updated the market on the TEM squid survey of the Widgiemooltha nickel project.
12 December 2006	Jupiter announced that a fifth TEM conductor had been confirmed at Widgiemooltha.
13 December 2006	Jupiter released an exploration update for the Brockman iron project.
14 December 2006	Jupiter announced that it had exercised its option to acquire 100% ownership of the Mt Mason Iron Project.
21 December 2006	Jupiter released an update for the Widgiemooltha Nickel Project and announced the appointment of Denis Wood as a Non-Executive Director.
3 January 2007	Jupiter announced that the Company entered into an underwriting agreement with Findlay & Co Stockbrokers with respect to expiring options that had not been exercised.
9 January 2007	Jupiter announced iron ore assays received from Jupiter's Brockman Iron Project.
23 February 2007	The Company's Principal and Registered office moved.
1 March 2007	Jupiter released an update on Widgiemooltha Nickel exploration.
12 March 2007	Jupiter announced that its reverse circulation drilling undertaken at the Klondyke Project, Marble Bar in January 2007 confirmed previous exploration results.
2 April 2007	Jupiter announced the resignation of Denis Wood as a director of the Company.
11 April 2007	Jupiter updated the market regarding the initial RC Drilling results from the Beasley Iron Project.
19 April 2007	Jupiter announced that it has signed a Heads of Agreement to purchase the Dordie South Nickel Project from Western Resources and Exploration Pty Ltd.
22 May 2007	Jupiter announced that it had entered into a contract for the purchase of eight mining tenement applications in the Northern Territory.
25 May 2007	Jupiter updated the market regarding management changes and noted that the consultancy agreements with the Company's two executive directors had been suspended.
31 May 2007	Jupiter announced the appointment of Robert Benussi as interim CEO and Charles Guy as Exploration Manager.
6 June 2007	Jupiter announced that an exploration licence in the Pilbara, WA had been granted on 29 May 2007.
21 June 2007	Jupiter announced that the termination of the consultancy agreements with the Company's two executive directors (David Evans and Jeremy Snaith). Jupiter also announced that an exploration licence had been granted to the Company to explore for iron at Mount Goldsworthy.

Directors' Report

for the year ended 30 June 2007

unissued shares in the capital of Jupiter. Since 30 June 2007 to the date of this Report, 3,080,000 options have been exercised. No options lapsed 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 during the financial year under review are:

Director	Number of meetings held during tenure of the Director	Number of meetings attended
Alan Broome	14	14
Paul Murray	14	14
David Evans	14	13
Jeremy Snaith	14	10
Denis Wood	3	3

Committee Meetings

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

Director	Audit Committee		Remuneration & Nomination Committee	
	Meetings attended	Meetings held during tenure	Meetings attended	Meetings held during tenure
Alan Broome	2	2	2	2
Paul Murray	2	2	2	2
David Evans	1	2	N/A	N/A
Jeremy Snaith	2	2	N/A	N/A
Denis Wood	1	1	–	–

Directors' Interests

Particulars of directors' interests; interests in securities as at the date of this Report are as follows:

Director	Ordinary Shares	Options over Ordinary Shares ¹
Alan Broome	1,000,000	1,500,000
Paul Murray	2,639,375	1,500,000
David Evans	1,033,750	4,000,000
Jeremy Snaith	928,000	4,500,000
Denis Wood ²	535,714	NIL
Alan Topp	NIL	NIL

¹ Further information on options granted to Directors as part of their remuneration is set out in the Remuneration Report overleaf.

² Denis Wood as the Managing Director of Talbot Group Holdings Pty Ltd has a relevant interest in Talbot Group Holdings Ltd (Talbot). Talbot is the registered owner of 11,632,450 Ordinary Shares and 3,500,000 Options.

Contracts with Directors

Jupiter had entered into a contract with Andover Commercial Pty Limited for the provision of the services of Mr Evans as the Executive Director (Corporate) and with Pendhill Securities Pty Limited for the provision of the services of Mr Snaith as the Executive Director (Exploration) of Jupiter. Both of these contracts were terminated on 21 June 2007.

All Directors have entered into consultancy agreements with Jupiter. The agreements are for an indefinite period of time, have a one month termination notice requirement and do not provide for any termination payments.

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 paid a premium of \$33,550 (including GST) for Directors' and Officers' liability insurance policies, which cover 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 2007 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.

Non-Audit Services

Given there were no non-audit services provided during the 2006/07 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. 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 and Nomination Committee (established during the period) 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

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 \$200,000. During the year ended 30 June 2007, \$107,500 of the fee pool was used.

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. Details of the Plan and of all options issued to Directors during the year are set out overleaf.

The current Non-Executive Directors have entered into Consulting Agreements with Jupiter. The agreements are for an indefinite period of time, have a one month termination notice requirement and do not provide for any termination payments.

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 typical to their type of employment, which may include a mobile phone and laptop.

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

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

Relationship between Remuneration Policy and Jupiter's Performance - audited

Details of the Jupiter Mines Limited Employee Option Plan (Plan) are set out below.

DescriptionEmployee 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 termination of the individual's employment.

Given Jupiter introduced the Plan in November 2006, there is very limited history of Jupiter's performance which can be described at this stage.

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 300AC(B)(b) 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.

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

2007

Key Management Person	Short-term Benefits				Post-employment Benefits
	Cash, salary and commissions	Cash profit share	Non-cash benefit	Other	Super-annuation
	\$	\$	\$	\$	\$
Directors					
Mr A J Broome AM	60,000	—	—	—	—
Mr P R Murray	47,500	—	—	—	—
Mr D A Evans ²	128,000	—	—	—	—
Mr J D Snaith ³	128,000	—	—	—	—
Mr D L Wood ¹	—	—	—	—	—
Other Key Management Personnel					
Mr R J Benussi ⁴	108,366	—	—	—	—
Mr C W Guy ⁵	67,011	—	—	—	6,031
Mr C Snaith ⁶	80,000	—	—	—	—
	618,877	—	—	—	6,031

2007 (cont'd)

Key Management Person	Other Long-term Benefits	Share-based Payment		Total	Performance Related
	Other	Equity	Options ⁷		
	\$	\$	\$	\$	%
Directors					
Mr A J Broome AM	—	—	124,500	184,500	67.48
Mr P R Murray	—	—	124,500	172,000	72.38
Mr D A Evans ²	—	—	373,500	501,500	74.48
Mr J D Snaith ³	—	—	373,500	501,500	74.48
Mr D L Wood ¹	—	—	—	—	—
Other Key Management Personnel					
Mr R J Benussi ⁴	—	—	435,000	543,366	80.06
Mr C W Guy ⁵	—	—	45,600	118,642	38.43
Mr C Snaith ⁶	—	—	68,400	148,400	46.09
	—	—	1,545,000	2,169,908	—

Key Management Personnel Remuneration (cont)

2006

Key Management Person	Short-term Benefits				Post-employment Benefits
	Cash, salary and commissions	Cash profit share	Non-cash benefit	Other	Super-annuation
	\$	\$	\$	\$	\$
Mr A J Broome AM	50,000	—	—	—	—
Mr P R Murray	35,000	—	—	—	—
Mr D A Evans ²	56,333	—	—	—	—
Mr J D Snaith ³	56,333	—	—	—	—
	197,666	—	—	—	—

2006 (cont'd)

Key Management Person	Other Long-term Benefits	Share-based Payment		Total	Performance Related
	Other	Equity	Options		
	\$	\$	\$	\$	%
Mr A J Broome AM	—	—	—	50,000	—
Mr P R Murray	—	—	—	35,000	—
Mr D A Evans ²	—	—	3,538	59,871	5.91
Mr J D Snaith ³	—	—	3,538	59,871	5.91
	—	—	7,076	204,742	—

1. Appointed 20 December 2006 and resigned 2 April 2007.
2. Consultancy fees paid to Andover Commercial Pty Limited. Mr Evans resigned 15 August 2007.
3. Consultancy fees paid to Pendhill Securities Pty Limited. Mr Snaith resigned 14 August 2007.
4. Consultancy fees paid to Intrepid Concepts.
5. Appointed 31 May 2007.
6. Consultancy fees paid to Pendhill Court. Mr Snaith was appointed 21 November 2006 and employment ceased on 19 June 2007.
7. 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.	Granted No.	Grant Date	Value per Option at Grant Date \$	Terms & Conditions for Each Grant		
					Exercise Price \$	First Exercise Date	Last Exercise Date
Key Management Personnel							
	500,000	500,000	14 Nov 06	9 cents	20 cents	14 Nov 06	21 Nov 11
	500,000	500,000	14 Nov 06	8.4 cents	25 cents	14 Nov 06	21 Nov 11
Mr A J Broome AM	500,000	500,000	14 Nov 06	7.5 cents	35 cents	14 Nov 06	21 Nov 11
	500,000	500,000	14 Nov 06	9 cents	20 cents	14 Nov 06	21 Nov 11
	500,000	500,000	14 Nov 06	8.4 cents	25 cents	14 Nov 06	21 Nov 11
Mr P R Murray	500,000	500,000	14 Nov 06	7.5 cents	35 cents	14 Nov 06	21 Nov 11
	1,500,000	1,500,000	14 Nov 06	9 cents	20 cents	14 Nov 06	21 Nov 11
	1,500,000	1,500,000	14 Nov 06	8.4 cents	25 cents	14 Nov 06	21 Nov 11
Mr D A Evans	1,500,000	1,500,000	14 Nov 06	7.5 cents	35 cents	14 Nov 06	21 Nov 11
	1,500,000	1,500,000	14 Nov 06	9 cents	20 cents	14 Nov 06	21 Nov 11
	1,500,000	1,500,000	14 Nov 06	8.4 cents	25 cents	14 Nov 06	21 Nov 11
Mr J D Snaith	1,500,000	1,500,000	14 Nov 06	7.5 cents	35 cents	14 Nov 06	21 Nov 11
	1,500,000	1,500,000	29 Dec 06	2.52 cents	20 cents	29 Dec 06	29 Dec 09
Mr R J Benussi	500,000	500,000	24 Nov 06	1.14 cents	20 cents	14 Nov 06	24 Nov 11
Mr C W Guy	400,000	400,000	24 Nov 06	11.4 cents	20 cents	24 Nov 06	24 Nov 11
Mr D L Wood	—	—	—	—	—	—	—
Mr C Snaith	600,000	600,000	24 Nov 06	11.4 cents	20 cents	24 Nov 06	24 Nov 11
	<u>15,000,000</u>	<u>15,000,000</u>	—	—	—	—	—

All options were granted for nil consideration.

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 A J Broome AM	500,000	20 cents	—
	<u>500,000</u>		

Options Granted as Remuneration (cont)

	Options Granted as Part of Remu- neration \$	Total Remu- neration Represented by Options %	Options Exercised \$	Options Lapsed (\$)	Total \$
Mr A J Broome AM	124,500	67.48	—	—	124,500
Mr P R Murray	124,500	72.38	—	—	124,500
Mr D A Evans	373,500	74.48	—	—	373,500
Mr J D Snaith	373,500	74.48	—	—	373,500
Mr R J Benussi	435,000	80.06	—	—	435,000
Mr C W Guy	45,600	38.43	—	—	45,600
Mr D L Wood	—	—	—	—	—
Mr C Snaith	68,400	46.09	—	—	68,400
	<u>1,545,000</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>1,545,000</u>

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		% vested in year	% forfeited in year ¹	Financial year in which grant vests	Value yet to vest	
	Number	Grant Date				Min (\$) ²	Max (\$) ³
Directors							
Alan Broome	1,500,000	14.11.06	100	-	2007	n/a	n/a
David Evans	4,500,000	14.11.06	100	-	2007	n/a	n/a
Jeremy Snaith	4,500,000	14.11.06	100	-	2007	n/a	n/a
Paul Murray	1,500,000	14.11.06	100	-	2007	n/a	n/a
Other Key Management Personnel							
Robert Benussi	500,000	24.11.06	100	-	2007	n/a	n/a
	1,500,000	29.12.06	100	-	2007	n/a	n/a
Charles Guy	400,000	24.11.06	100	-	2007	n/a	n/a
Chris Snaith	600,000	24.11.06	100	-	2007	n/a	n/a

¹The 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.

²The minimum value of options yet to vest is \$nil as all options have vested.

³The maximum value of options yet to vest is \$nil as 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 JMS 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					
Alan Broome	2007	124,500	-	-	124,500
David Evans	2007	124,500	-	-	124,500
Jeremy Snaith	2007	373,500	-	-	373,500
Paul Murray	2007	373,500	-	-	373,500
Other Key Management Personnel					
Robert Benussi	2007	435,000	-	-	435,000
Charles Guy	2007	45,600	-	-	45,600
Chris Snaith	2007	68,400	-	-	68,400

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 Merton 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)	
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	David Evans (Andover Commercial Pty Limited)	
Duration of contract	3 years from 1 July 2006 however the agreement was terminated on 15 August 2007 by David Evans.	
Termination notice period	Termination without notice:	• None specified
	Termination with notice:	• None specified
	Voluntary termination:	• None specified
Termination payments	None specified.	

Contract Details	Jeremy Snaith (Pendhill Securities Pty Limited)	
Duration of contract	3 years from 1 July 2006 however the agreement was terminated on 14 August 2007 by Jeremy Snaith.	
Termination notice period	Termination without notice:	• None specified
	Termination with notice:	• None specified
	Voluntary termination:	• None specified
Termination payments	None specified.	

Contract Details	Christopher Snaith (trading as Pendhill Court)	
Duration of contract	3 years from 21 November 2006 however the agreement was terminated on 19 June 2007.	
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 53 - 55 of this Report.

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



Alan J Broome, AM
Sydney
28 September 2007

**AUDITOR'S INDEPENDENCE DECLARATION
TO THE DIRECTORS OF JUPITER MINES LIMITED**

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the audit of Jupiter Mines Limited for the year ended 30 June 2007, 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
Chartered Accountants



N J BRADLEY
Partner

Sydney

28 September 2007

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JUPITER MINES LIMITED
AND CONTROLLED ENTITIES
ABN 51 105 991 740
INCOME STATEMENT
for the year ended 30 June 2007

	Note	Consolidated Entity		Parent Entity	
		2007	2006	2007	2006
		\$	\$	\$	\$
Revenues	2	251,455	46,273	251,455	46,273
Depreciation and amortisation expense		(40,845)	(3,999)	(40,845)	(3,999)
Finance costs		(5,575)	(2,288)	(5,575)	(2,288)
Director and secretarial costs		(294,277)	(230,737)	(294,277)	(230,737)
Exploration interests written off		(3,811,090)	(4,020)	(3,811,090)	(4,020)
Insurance costs		(29,130)	(37,088)	(29,130)	(37,088)
Legal and professional costs		(163,462)	(155,444)	(163,462)	(155,444)
Travel and entertaining costs		(249,842)	(27,088)	(249,842)	(27,088)
Occupancy costs		(99,270)	(30,368)	(99,270)	(30,368)
Consultancy fees		(270,809)	(122,694)	(270,809)	(122,694)
Administration expenses		(337,869)	(129,413)	(337,869)	(129,413)
Employee benefits expense		(77,077)	—	(77,077)	—
Directors, employees & consultant option expenses		(1,624,800)	—	(1,624,800)	—
Other expenses		(145,235)	(22,884)	(145,235)	(22,884)
Loss before income tax	3	(6,897,826)	(719,750)	(6,897,826)	(719,750)
Income tax expense	4	—	—	—	—
Loss for the year		(6,897,826)	(719,750)	(6,897,826)	(719,750)
Net loss attributable to members of the parent entity		(6,897,826)	(719,750)	(6,897,826)	(719,750)
Overall Operations					
Basic loss per share (cents per share)	8	(6.88)	(1.29)	(6.88)	(1.29)
Diluted loss per share (cents per share)	8	(6.88)	(1.29)	(6.88)	(1.29)
Dividends per share (cents)		—	—	—	—

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

JUPITER MINES LIMITED
AND CONTROLLED ENTITIES
ABN 51 105 991 740

BALANCE SHEET
as at 30 June 2007

	Note	Consolidated Entity		Parent Entity	
		2007	2006	2007	2006
		\$	\$	\$	\$
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	9	6,097,768	796,144	6,097,767	796,143
Trade and other receivables	10	255,317	43,359	255,317	43,359
Other current assets	14	11,445	5,784	11,445	5,784
TOTAL CURRENT ASSETS		6,364,530	845,287	6,364,529	845,286
NON-CURRENT ASSETS					
Financial assets	11	107,180	—	247,180	140,000
Plant and equipment	13	227,268	12,858	227,268	12,858
Other non-current assets	14	78,059	13,346	78,059	13,346
Exploration and evaluation assets	15	10,836,424	5,419,847	10,696,425	5,279,848
TOTAL NON-CURRENT ASSETS		11,248,931	5,446,051	11,248,932	5,446,052
TOTAL ASSETS		17,613,461	6,291,338	17,613,461	6,291,338
CURRENT LIABILITIES					
Trade and other payables	16	714,831	498,676	714,831	498,676
Short-term borrowings	17	57,743	1,499	57,743	1,499
Short-term provisions	18	7,000	—	7,000	—
TOTAL CURRENT LIABILITIES		779,574	500,175	779,574	500,175
NON-CURRENT LIABILITIES					
Trade and other payables	16	68,290	250,000	68,290	250,000
Long-term provisions	18	28,000	—	28,000	—
TOTAL NON-CURRENT LIABILITIES		96,290	250,000	96,290	250,000
TOTAL LIABILITIES		875,864	750,175	875,864	750,175
NET ASSETS		16,737,597	5,541,163	16,737,597	5,541,163
EQUITY					
Issued capital	19	23,821,454	7,302,994	23,821,454	7,302,994
Reserves	20	1,687,800	112,000	1,687,800	112,000
Accumulated losses		(8,771,657)	(1,873,831)	(8,771,657)	(1,873,831)
TOTAL EQUITY		16,737,597	5,541,163	16,737,597	5,541,163

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

**JUPITER MINES LIMITED
AND CONTROLLED ENTITIES
ABN 51 105 991 740**

**STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2007**

Consolidated Entity

	Note	Share Capital		Reserves	Accumulated	Total
		Ordinary	Options	Options	Losses	
		\$	\$	\$	\$	\$
Balance at 1 July 2005		5,868,995	320,749	104,294	(1,154,081)	5,139,957
Shares issued during the period		1,033,250	—	—	—	1,033,250
Options issued during the year		—	80,000	—	—	80,000
Options expensed during the period		—	—	7,706	—	7,706
Net income recognised directly in equity		—	—	—	—	—
Loss attributable to members of parent entity		—	—	—	(719,750)	(719,750)
Total recognised income and expenses for the period		—	—	—	(719,750)	(719,750)
Sub-total		6,902,245	400,749	112,000	(1,873,831)	5,541,163
Dividends paid or provided for	7	—	—	—	—	—
Balance at 30 June 2006	19a	6,902,245	400,749	112,000	(1,873,831)	5,541,163
Shares issued during the year		12,366,723	—	—	—	12,366,723
Transaction costs		(363,417)	—	—	—	(363,417)
Unissued share capital		1,161,250	—	—	—	1,161,250
Options issued during the year		—	3,304,904	—	—	3,304,904
Options expensed during the period		—	—	1,624,800	—	1,624,800
Options converted to shares during the period		1,193,791	(1,114,791)	(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

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

**JUPITER MINES LIMITED
AND CONTROLLED ENTITIES
ABN 51 105 991 740**

**STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2007**

Parent Entity

Note	Share Capital		Reserves	Accumulated	Total
	Ordinary	Options	Options	Losses	
	\$	\$	\$	\$	\$
Balance at 1 July 2005	5,868,995	320,749	104,294	(1,154,081)	5,139,957
Shares issued during the period	1,033,250	—	—	—	1,033,250
Options issued during the year	—	80,000	—	—	80,000
Options expensed during the period	—	—	7,706	—	7,706
Net income recognised directly in equity	—	—	—	—	—
Loss attributable to members of parent entity	—	—	—	(719,750)	(719,750)
Total recognised income and expenses for the period	—	—	—	(719,750)	(719,750)
Sub-total	6,902,245	400,749	112,000	(1,873,831)	5,541,163
Dividends paid or provided for	7	—	—	—	—
Balance at 30 June 2006	6,902,245	400,749	112,000	(1,873,831)	5,541,163
Shares issued during the year	12,366,723	—	—	—	12,366,723
Transaction costs	(363,417)	—	—	—	(363,417)
Unissued share capital	1,161,250	—	—	—	1,161,250
Options issued during the year	—	3,304,904	—	—	3,304,904
Options expensed 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

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

**JUPITER MINES LIMITED
AND CONTROLLED ENTITIES
ABN 51 105 991 740**

**CASH FLOW STATEMENT
for the year ended 30 June 2007**

	Note	Consolidated Entity		Parent Entity	
		2007	2006	2007	2006
		\$	\$	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES					
Payments to suppliers and employees		(2,052,455)	(747,639)	(2,052,455)	(747,639)
Interest received		253,944	72,274	253,944	72,274
Other income		762	—	762	—
Finance costs		(5,575)	(2,288)	(5,575)	(2,288)
Net cash used in operating activities	24a	(1,803,324)	(677,653)	(1,803,324)	(677,653)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment	24b	(236,897)	(7,869)	(236,897)	(7,869)
Payments for exploration and evaluation	24b	(2,602,429)	(1,338,302)	(2,602,429)	(1,338,302)
Purchase of investments	11	(107,180)	—	(107,180)	—
Net cash used in investing activities		(2,946,506)	(1,346,171)	(2,946,506)	(1,346,171)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from issue of shares	24b	10,281,223	923,250	10,281,223	923,250
Transactions costs		(344,313)	—	(344,313)	—
Proceeds from issue of options	24b	58,300	50,958	58,300	50,958
Net cash provided by financing activities		9,995,210	974,208	9,995,210	974,208
Net increase (Decrease) in cash held		5,245,380	(1,049,616)	5,245,380	(1,049,616)
Cash at beginning of financial year		794,645	1,844,261	794,644	1,844,260
Cash at end of financial year	9	6,040,025	794,645	6,040,024	794,644

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

NOTES TO THE FINANCIAL STATEMENTS for the year ended 30 June 2007

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

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.

The financial report covers the consolidated entity of Jupiter Mines Limited and its controlled entities, and Jupiter Mines Limited as an individual parent entity. Jupiter Mines Limited is a listed public company, incorporated and domiciled in Australia.

The financial report of Jupiter Mines Limited and its controlled entities, and Jupiter Mines Limited as an individual parent entity, complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standards (A-IFRS), in their entirety. Compliance with A-IFRS ensures that the financial report also complies with International Financial Reporting Standards (IFRS) in their entirety.

The following is a summary of the material accounting policies adopted by the consolidated entity in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

Basis of Preparation

The accounting policies set out below have been consistently applied to all years presented.

Reporting Basis and Conventions

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

Accounting Policies

(a) Principles of Consolidation

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

A list of controlled entities is contained in Note 12 to the financial statements. All controlled entities have a June financial year-end.

All inter-company balances and transactions between entities in the consolidated entity, including any unrealised profits or losses, have been eliminated on consolidation. Accounting policies of subsidiaries have been changed where necessary to ensure consistencies with those policies applied by the parent entity.

Where controlled entities have entered or left the consolidated entity during the year, their operating results have been included/excluded from the date control was obtained or until the date control ceased.

(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.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. 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 is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity.

Deferred income tax assets are recognised to the extent that it is probable that future tax profits will be available against which deductible temporary differences can be utilised.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2007

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Property, Plant and Equipment

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

Plant and equipment

Plant and equipment are measured on the cost basis.

At each reporting date the group reviews the carrying value of its plant and equipment to determine whether there is any indication that those assets have been impaired. If such an indication exists the recoverable amount of the asset is compared to the asset's carrying value. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

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 consolidated entity 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 entity 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 and fittings	7.50%
Leasehold improvements	20.00%

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 against profit 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 consolidated entity are classified as finance leases.

**JUPITER MINES LIMITED
AND CONTROLLED ENTITIES
ABN 51 105 991 740**

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2007**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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

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.

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 stated at amortised cost using the effective interest rate method.

Available-for-sale financial assets

Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

Financial liabilities

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Fair value

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

Impairment

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 an impairment has arisen. Impairment losses are recognised in the income statement.

(g) Impairment of 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.

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

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.

JUPITER MINES LIMITED
AND CONTROLLED ENTITIES
ABN 51 105 991 740

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2007

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) 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.

(i) Cash and Cash Equivalents

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

(j) Revenue

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

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

(k) Finance Costs

Finance 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 finance costs are recognised in income in the period in which they are incurred.

(l) 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.

(m) Comparative Figures

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

(n) 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.

**JUPITER MINES LIMITED
AND CONTROLLED ENTITIES
ABN 51 105 991 740**

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2007**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(o) Share based payments

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

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2007

Note 2: Revenue	Note	Consolidated Entity		Parent Entity	
		2007	2006	2007	2006
		\$	\$	\$	\$
Operating activities					
— interest received		250,693	46,273	250,693	46,273
— other revenue		762	—	762	—
		251,455	46,273	251,455	46,273
(a) Interest revenue from:					
— other persons		250,693	46,273	250,693	46,273

Note 3: Loss from Ordinary Activities

(a) **Expenses**

Finance costs:

— other persons 5,575 2,288 5,575 2,288

Total finance costs 5,575 2,288 5,575 2,288

Rental expense on operating leases

— operating lease rental 14,255 4,445 14,255 4,445

Amortisation of non-current assets:

— leasehold improvements 27,823 — 27,823 —

Bad debts written off 44,692 — 44,692 —

Depreciation of non-current assets:

— office equipment 12,616 3,735 12,616 3,735

— furniture and fittings 406 264 406 264

Total depreciation 13,022 3,999 13,022 3,999

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% (2006:

30%) (2,069,348) (215,925) (2,069,348) (215,925)

Add:

Tax effect of:

— non-deductible expenses 499,871 5,889 499,871 5,889

(1,569,477) (210,036) (1,569,477) (210,036)

JUPITER MINES LIMITED
AND CONTROLLED ENTITIES
ABN 51 105 991 740

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2007

	Note	Consolidated Entity		Parent Entity	
Note 4: Income Tax Expense (cont'd)		2007	2006	2007	2006
		\$	\$	\$	\$
Less:					
Tax effect of:					
— other deductible expenses not included in operating loss		(67,804)	(45,999)	(67,804)	(45,999)
Income tax benefit		(1,637,281)	(256,035)	(1,637,281)	(256,035)
Income tax benefit not brought to account		1,637,281	256,035	1,637,281	256,035
Income tax expenses		—	—	—	—
(b) Future income tax benefit (net of deferred tax liability reduced – note c) in respect of tax losses not brought to account		2,229,072	607,992	2,229,072	607,992
Future income tax benefit attributable to timing differences not brought to account included above.		29,678	13,477	29,678	13,477
Future 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		3,191,828	1,566,854	3,191,828	1,566,854

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 A J Broome AM	Chairman — non-executive	
Mr P R Murray	Director — non-executive	
Mr D A Evans*	Director — executive	
Mr J D Snaith**	Director — executive	
Mr R J Benussi	Chief Financial Officer & Company Secretary	(appointed 1 July 2006)
	Acting Chief Executive Office	(appointed 31 May 2007)
Mr D L Wood	Director — non-executive	(appointed 20 December 2006, resigned 2 April 2007)
Mr C W Guy	Exploration Manager	(appointed 31 May 2007)

This report complies with the requirements of Corporations Amendments Regulations 2006 which allows the company to transfer key management personnel remunerations disclosures required by AA5B 124 Related Party Disclosures paragraphs Aus 25.4 to Aus 25.7.2. These notes are included in the remunerations Report given under the Directors' Report. In accordance with the above information concerning compensation for key management personnel may be found in the Remuneration Report (Refer to page 7 to 14)

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2007

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

Key management personnel remuneration has been included in the Remuneration Report section of the Directors Report.

* Mr Evans resigned on 15 August 2007.

** Mr Snaith resigned on 14 August 2007.

In addition Mr Alan Topp was appointed to the Board as a Non-Executive Director on 15 August 2007.

(b) Options and Rights Holdings

Number of Options Held by Key Management Personnel

	Balance	Granted as	Options	Net Change
	1 July 2006	Compen- sation	Exercised	Other*
Mr A J Broome AM	1,250,000	1,500,000	(750,000)	(500,000)
Mr P R Murray	1,828,125	1,500,000	(1,828,125)	—
Mr D A Evans ¹	3,375,000	4,500,000	(1,875,000)	500,000
Mr J D Snaith ²	3,250,000	4,500,000	(1,750,000)	—
Mr R J Benussi	—	2,000,000	—	—
Mr C W Guy ³	—	400,000	—	—
Total	9,703,125	14,400,000	(6,203,125)	—

	Balance	Total Vested	Total	Total
	30 June 2007	30 June 2007	Exercisable	Unexercisable
	30 June 2007	30 June 2007	30 June 2007	30-June 2007
Mr A J Broome AM	1,500,000	1,500,000	1,500,000	—
Mr P R Murray	1,500,000	1,500,000	1,500,000	—
Mr D A Evans ¹	6,500,000	6,500,000	6,500,000	—
Mr J D Snaith ²	6,000,000	6,000,000	6,000,000	—
Mr R J Benussi	2,000,000	2,000,000	2,000,000	—
Mr C W Guy ³	400,000	400,000	400,000	—
Total	17,900,000	17,900,000	17,900,000	—

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

¹ Mr Evans resigned on 15 August 2007.

² Mr Snaith resigned on 14 August 2007.

³ Mr Guy was appointed on 31 May 2007.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2007

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

(c) **Shareholdings**

Number of Shares held by key management personnel

	Balance 1 July 06	Received as Remun- eration	Options Exercised	Net Change Other*	Balance 30 June 07
Key Management Personnel					
Mr A J Broome AM	250,000	—	250,000	500,000	1,000,000
Mr P R Murray	2,031,250	—	1,828,125	(1,220,000)	2,639,375
Mr D A Evans ¹	3,758,750	—	1,875,000	(3,300,000)	2,333,750
Mr J D Snaith ²	2,997,500	—	1,750,000	(1,400,000)	3,347,500
Mr R J Benussi	—	—	—	—	—
Mr C W Guy ³	—	—	—	—	—
Mr D L Wood ⁴	—	—	—	535,714	535,714
	9,037,500	—	5,703,125	(4,884,286)	9,856,339

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

¹ Mr Evans resigned on 15 August 2007.

² Mr Snaith resigned on 14 August 2007.

³ Mr Guy was appointed on 31 May 2007.

⁴ Mr Wood was appointed on 20 December 2006 and resigned on 2 April 2007.

Note 6: Auditors' Remuneration	Consolidated Entity		Parent Entity	
	2007 \$	2006 \$	2007 \$	2006 \$
Remuneration of the auditor of the parent entity for:				
— auditing or reviewing the financial report	80,000	71,358	80,000	66,817
	80,000	71,358	80,000	65,900

Note 7: Dividends

No dividends were declared or paid in the period.

—	—	—	—
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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2007

Note 8: Earnings per Share (EPS)	Consolidated Entity	
	2007	2006
	\$	\$
(a) Reconciliation of earnings to net loss		
Net loss	(6,897,826)	(719,750)
Losses used to calculate basic EPS and dilutive EPS	(6,897,826)	(719,750)
	No.	No.
(b) Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS and dilutive EPS	100,236,268	55,936,250

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 Entity		Parent Entity	
		2007	2006	2007	2006
		\$	\$	\$	\$
Cash in hand		229	29	229	29
Cash at bank		6,097,539	796,115	6,097,537	796,114
		6,097,768	796,144	6,097,767	796,143

Reconciliation of cash

Cash at the end of the financial year as shown in the Cash Flow Statement is reconciled to items in the balance sheet as follows:

Cash and cash equivalents		6,097,768	796,144	6,097,767	796,143
Bank overdrafts	17	(31,866)	—	(31,866)	—
Credit cards	24c	(25,877)	(1,499)	(25,877)	(1,499)
		6,040,025	794,645	6,040,024	794,644

Note 10: Receivables

CURRENT

Trade receivables		109,929	—	109,929	—
GST receivables		145,304	40,025	145,304	40,025
Other debtors		84	3,334	84	3,334
		255,317	43,359	255,317	43,359

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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2007

Note 11: Other Financial Assets	Consolidated Entity		Parent Entity	
	2007	2006	2007	2006
(a) Available-for-sale Financial Assets				
Comprise:	\$	\$	\$	\$
Listed investments, at cost				
— shares in controlled entities	—	—	140,000	140,000
Unlisted investments, at cost				
— shares in unlisted companies	107,180	—	107,180	—
	<u>107,180</u>	<u>—</u>	<u>247,180</u>	<u>140,000</u>

Note 12: Controlled Entities

Controlled Entities Consolidated

	Country of Incorporation	Percentage Owned (%)*	
		2007	2006
Parent Entity:			
- Jupiter Mines Limited	Australia	—	—
Subsidiaries of Jupiter Mines Limited:			
- Future Resources Australia Limited	Australia	100	100
- Jupiter Uranium Pty Limited	Australia	100	N/A**
- Central Yilgarn Pty Limited	Australia	100	N/A***

* Percentage of voting power is in proportion to ownership.

** Company was incorporated on 17 October 2006 as Widgiemooltha Nickel Limited, was converted to a proprietary company and changed its name twice during the year.

*** Company was incorporated on 6 December 2006.

Note 13: Plant and Equipment	Consolidated Entity		Parent Entity	
	2007	2006	2007	2006
	\$	\$	\$	\$
PLANT AND EQUIPMENT				
Leasehold improvements				
- At cost	238,391	—	238,391	—
- Accumulated amortisation	(27,823)	—	(27,823)	—
	<u>210,568</u>	<u>—</u>	<u>210,568</u>	<u>—</u>
Office equipment				
- At cost	19,409	14,663	19,409	14,663
- Accumulated depreciation	(7,865)	(5,835)	(7,865)	(5,835)
	<u>11,544</u>	<u>8,828</u>	<u>11,544</u>	<u>8,828</u>
Furniture and fittings				
- At cost	6,048	4,571	6,048	4,571
- Accumulated depreciation	(892)	(541)	(892)	(541)
	<u>5,156</u>	<u>4,030</u>	<u>5,156</u>	<u>4,030</u>
Total plant and equipment	<u>227,268</u>	<u>12,858</u>	<u>227,268</u>	<u>12,858</u>

**JUPITER MINES LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2007**

Note 13: Plant and Equipment (cont'd)

Movements in Carrying Amounts

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

	Leasehold Improvements	Office Equipment	Furniture and fittings	Total
	\$	\$	\$	\$
Consolidated Entity:				
Balance at the beginning of year	—	8,828	4,030	12,858
Additions	238,391	40,616	2,203	281,210
Disposals	—	(25,284)	(671)	(25,955)
Depreciation/amortisation expense	(27,823)	(12,616)	(406)	(40,845)
Carrying amount at the end of year	<u>210,568</u>	<u>11,544</u>	<u>5,156</u>	<u>227,268</u>

Parent Entity:

Balance at the beginning of year	—	8,828	4,030	12,858
Additions	238,391	40,616	2,203	281,210
Disposals	—	(25,284)	(671)	(25,955)
Depreciation/amortisation expense	(27,823)	(12,616)	(406)	(40,845)
Carrying amount at the end of year	<u>210,568</u>	<u>11,544</u>	<u>5,156</u>	<u>227,268</u>

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2007

Note 14: Other Assets	Consolidated Entity		Parent Entity	
	2007	2006	2007	2006
	\$	\$	\$	\$
CURRENT				
Prepayments	11,445	5,784	11,445	5,784
NON-CURRENT				
Deposits	78,059	13,346	78,059	13,346
 Note 15: Exploration and evaluation assets				
Costs carried forward in respect of the following areas of interest:				
— Widgiemooltha	1,891,648	1,119,232	1,891,648	1,119,232
— Klondyke	3,667,332	3,298,025	3,667,332	3,298,025
— Klondyke East	90,146	33,408	90,146	33,408
— Grattan Well	155,759	123,917	120,759	88,917
— Kurrajong	340,727	290,512	235,728	185,513
— Beasley River	—	234,455	—	234,455
— Mount Mason	2,376,063	207,602	2,376,063	207,602
— Brockman	123,262	23,052	123,262	23,052
— Mt Ida & Mt Hope	1,410,769	55,328	1,410,769	55,328
— Mt Goldsworthy	20,957	9,316	20,957	9,316
— Aries Mining	—	25,000	—	25,000
— Menzies	9,196	—	9,196	—
— Walling Rock	2,860	—	2,860	—
— Mt Alfred	4,706	—	4,706	—
— Weebo	762	—	762	—
— Chandlers Reward	2,542	—	2,542	—
— Dordie Rocks South	177,193	—	177,193	—
— Uranium 308	562,502	—	562,502	—
Total exploration expenditure	10,836,424	5,419,847	10,696,425	5,279,848

Capitalised costs amounting to \$2,602,429 (2006: \$1,338,302) have been included in cash flows from investing activities in the cash flow statement, the remaining \$2,814,148 was non-cash in nature.

¹The parent entity has applications submitted regarding tenements to extend its prospect at Widgiemooltha (E15/948, M15/1457, M15/1458 and M15/1459), Walling Rock (E30/326), Kurrajong (P37/7050) and Brockman (P47/1314). The parent entity also has submitted applications for tenements at Menzies (P29/1888, P29/1889, P29/1890, P29/1891, P29/1892, P29/1893 and P29/1894).

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**NOTES TO THE FINANCIAL STATEMENTS
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Note 15: Exploration and evaluation assets (cont'd)

² With regard to Beasley River (exploration licence application ELA 47/1536), the parent entity announced its decision to not exercise its option (set out in the Option to Purchase Mining Tenement Agreement described in the 2006 Annual Report) on 3 July 2007.

³ In relation to Mount Mason (exploration licence E29/495) the parent entity had entered into an Option to Purchase Mining Tenement Agreement, which required the payment of \$250,000 and the issue of 5 million fully paid ordinary shares to the owner upon exercise of the option to purchase, as well as a royalty of 1.5% on gross iron ore revenue. Jupiter was also required to spend a minimum of \$200,000 on exploration on the tenement during the option period. Jupiter announced its decision to exercise the option to purchase on 14 December 2006.

⁴ In relation to Mount Ida and Mount Hope (exploration licences E29/560 and E30/296) the parent entity has entered into an Option Agreement for 12 months to acquire the rights to iron ore deposits covered by either or both of these licences. In addition to the option fee paid upon signing, upon exercise of either or both options Jupiter is required to pay \$250,000 and issue fully paid shares with a market value of \$1 million, and pay a royalty of 1.5% on gross iron ore revenue. During the option period Jupiter must spend a minimum of \$250,000 on exploration on the tenements. Jupiter exercised the option to purchase on 23 July 2007.

⁴ In accordance with the terms of the Option Agreement between Aries Mining Limited and Jupiter, the Agreement lapsed and was confirmed to have expired in writing by Jupiter on 12 July 2007.

⁶ In relation to the eight tenement applications (ELA25846, ELA25847, ELA25848, ELA25849, ELA25850, ELA25851, ELA25884 and ELA25885) the parent entity and Jupiter Uranium Pty Limited have entered into an Agreement for Sale of Mining Tenements – Northern Territory with Redstone Metals Pty Ltd, Zircon International Pty Ltd and Bluekebble Pty Ltd (the Vendors) to acquire all of the Vendors' interests in the tenements once granted. \$200,000 cash consideration was paid and one million JMS shares were issued to the Vendors upon execution of the Agreement. 125,000 JMS shares will be issued to the Vendors following the granting of each tenement.

Note 16: Trade and Other Payables	Consolidated Entity		Parent Entity	
	2007	2006	2007	2006
	\$	\$	\$	\$
CURRENT				
Unsecured liabilities				
Trade payables	233,831	38,495	233,831	38,495
Sundry payables and accrued expenses	211,013	60,181	211,015	60,181
Amount due under purchase contracts	250,000	400,000	250,000	400,000
Operating lease liability	19,987	—	19,987	—
	714,831	498,676	714,833	498,676
NON-CURRENT				
Unsecured liabilities				
Amount due under purchase contracts	—	250,000	—	250,000
Operating lease liability	68,290	—	68,290	—
	68,290	250,000	68,290	250,000

**JUPITER MINES LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
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	Note	Consolidated Entity		Parent Entity	
		2007	2006	2007	2006
		\$	\$	\$	\$
Note 17: Borrowings					
CURRENT					
Unsecured liabilities					
Bank overdraft		31,866	—	31,866	—
Bank credit cards		25,877	1,499	25,877	1,499
		<u>57,743</u>	<u>1,499</u>	<u>57,743</u>	<u>1,499</u>

Note 18: Provisions

CURRENT

Provisions for make good		7,000	—	7,000	—
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NON-CURRENT

Provisions for make good		28,000	—	28,000	—
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Note 19: Issued Capital

Paid up capital:

129,220,336 (2006: 63,636,250)
fully paid ordinary shares

19a	20,099,342	6,902,245	20,099,342	6,902,245
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5,367,178 (2006: Nil)
unissued ordinary shares

19c	1,161,250	—	1,161,250	—
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18,930,000 (2006: 32,104,116)
fully paid options

19b	2,560,862	400,749	2,560,862	400,749
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	<u>23,821,454</u>	<u>7,302,994</u>	<u>23,821,454</u>	<u>7,302,994</u>
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(a) **Ordinary Shares**

At the beginning of reporting period	6,902,245	6,902,245	6,902,245	6,902,245
Shares issued during the year				
— 7,330,000 on 13 Jul 2006	907,900	—	907,900	—
— 312,500 on 14 Jul 2006	34,375	—	34,375	—
— 937,500 on 12 Sep 2006	103,125	—	103,125	—
— 9,000,000 on 15 Sep 2006	1,260,000	—	1,260,000	—
— 187,500 on 26 Oct 2006	20,625	—	20,625	—
— 5,000,000 on 5 Dec 2006	1,400,000	—	1,400,000	—
— 2,362,500 on 6 Dec 2006	362,375	—	362,375	—
— 1,000,000 on 13 Dec 2006	110,000	—	110,000	—
— 5,000,000 on 14 Dec 2006	1,735,500	—	1,735,500	—
— 1,575,000 on 18 Dec 2006	245,750	—	245,750	—

**JUPITER MINES LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
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Note	Consolidated Entity		Parent Entity	
	2007	2006	2007	2006
Note 19: Issued Capital (cont'd)	\$	\$	\$	\$
(a) Ordinary Shares (cont'd)				
— 5,000,000 on 4 Jan 2007	1,106,000	—	1,106,000	—
— 250,000 on 23 Jan 2007	40,000	—	40,000	—
— 2,500,000 on 29 Jan 2007	920,500	—	920,500	—
— 19,104,116 on 31 Jan 2007	4,010,614	—	4,010,614	—
— 200,000 on 2 Feb 2007	80,000	—	80,000	—
— 1,000,000 on 28 Feb 2007	400,000	—	400,000	—
— 300,000 on 2 Mar 2007	33,000	—	33,000	—
— 200,000 on 14 Mar 2007	80,000	—	80,000	—
— 1,200,000 on 23 Mar 2007	204,500	—	204,500	—
— 250,000 on 27 Mar 2007	100,000	—	100,000	—
— 1,875,000 on 20 Apr 2007	206,250	—	206,250	—
— 1,000,000 on 22 May 2007	200,000	—	200,000	—
Transaction costs relating to shares issued	(363,417)	—	(363,417)	—
At reporting date	<u>20,099,342</u>	<u>6,902,245</u>	<u>20,099,342</u>	<u>6,902,245</u>

Ordinary shares participate in dividends and the proceeds on winding up of the parent entity is 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.

	No.	No.	No.	No.
At the beginning of the reporting period	63,636,250	63,636,250	63,636,250	63,636,250
Shares issued during the period				
— 31 Jul 2006	7,330,000	—	7,330,000	—
— 14 Jul 2006	312,500	—	312,500	—
— 12 Sep 2006	937,500	—	937,500	—
— 15 Sep 2006	9,000,000	—	9,000,000	—
— 26 Oct 2006	187,500	—	187,500	—
— 5 Dec 2006	5,000,000	—	5,000,000	—
— 6 Dec 2006	2,362,500	—	2,362,500	—
— 13 Dec 2006	1,000,000	—	1,000,000	—
— 14 Dec 2006	5,000,000	—	5,000,000	—
— 18 Dec 2006	1,575,000	—	1,575,000	—

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NOTES TO THE FINANCIAL STATEMENTS
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Note 19: Issued Capital (cont'd)	Note	Consolidated Entity		Parent Entity	
		2007 No.	2006 No.	2007 No.	2006 No.
(a) Ordinary Shares (cont'd)					
— 4 Jan 2007		5,000,000	—	5,000,000	—
— 23 Jan 2007		250,000	—	250,000	—
— 29 Jan 2007		2,500,000	—	2,500,000	—
— 31 Jan 2007		19,104,116	—	19,104,116	—
— 2 Feb 2007		200,000	—	200,000	—
— 28 Feb 2007		1,000,000	—	1,000,000	—
— 2 Mar 2007		300,000	—	300,000	—
— 14 Mar 2007		200,000	—	200,000	—
— 23 Mar 2007		1,200,000	—	1,200,000	—
— 27 Mar 2007		250,000	—	250,000	—
— 20 Apr 2007		1,875,000	—	1,875,000	—
— 22 May 2007		1,000,000	—	1,000,000	—
At reporting date		129,220,366	63,636,250	129,220,366	63,636,250
(b) Options					
At the beginning of reporting period		\$ 400,749	\$ 400,749	\$ 400,749	\$ 400,749
Options issued during the year					
— 5,830,000 on 13 Jul 2006		58,300	—	58,300	—
— 16,000,000 on 17 Nov 2006		3,200,000	—	3,200,000	—
— 500,000 on 4 Jan 2007		27,500	—	27,500	—
— 750,000 on 1 Mar 2007		19,104	—	19,104	—
36,254,116 Options converted to ordinary shares during the period		(1,144,791)	—	(1,144,791)	—
At reporting date		2,560,862	400,749	2,560,862	400,749
		No.	No.	No.	No.
At the beginning of the reporting period		32,104,116	32,104,116	32,104,116	32,104,116
Options issued during the year					
— 13 Jul 2006		5,830,000	—	5,830,000	—
— 17 Nov 2006		16,000,000	—	16,000,000	—
— 4 Jan 2007		500,000	—	500,000	—
— 1 Mar 2007		750,000	—	750,000	—
Options converted to ordinary shares during the period		(36,254,116)	—	(36,254,116)	—
At reporting date		18,930,000	32,104,116	18,930,000	32,104,116

**JUPITER MINES LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2007**

Note 19: Issued Capital (cont'd)

(b) Options

The balance of options at the beginning of the reporting period totalling 32,104,116 were to expire between 31 December 2006 and 31 January 2007 at exercise prices ranging from \$0.20 to \$0.30 per option. As announced to the market on 3 January 2007, Jupiter entered an Underwriting Agreement with Findlay & Co Stockbrokers regarding these options. 19,104,116 options (14,354,116 listed options and 4,750,000 unlisted options) were outstanding. Under the Agreement the underwriter received a fee totalling 4% of the underwritten amount and 750,000 unlisted options at an exercise price of \$0.50 expiring 12 months from issue.

At 30 June 2007, there were 18,930,000 (30 June 2006: 32,104,116) unissued ordinary shares for which options were outstanding.

(c) Unissued ordinary shares

750,000 shares valued at \$0.215 each have been taken up as capitalised exploration costs in accordance with the agreement for Sale of Mining Tenements (refer note 27(2)).

4,617,178 shares as part consideration for the purchase of two tenements (E29/560 and E20/290) the subject of the agreement between the Company and Red Rock Resources PLC as approved at the Company's AGM on 14 November 2006. The shares will be issued following confirmation of transfer of title of the tenements to Red Rock Resources PLC and subsequently to the Company. The shares were granted at \$0.2166 each (total \$1,000,000).

Note 20: Reserves	Note	Consolidated Entity		Parent Entity	
		2007	2006	2007	2006
		\$	\$	\$	\$
Options issued:					
18,700,000 (2006: 5,000,000) options	20a	1,687,800	112,000	1,687,800	112,000
The option reserve records items recognised as expenses on valuation of director share options.					
(a) Options					
At the beginning of reporting period		112,000	112,000	112,000	112,000
Options expensed during the period		1,624,800	—	1,624,800	—
2,000,000 options converted to ordinary shares during the period		(49,000)	—	(49,000)	—
At reporting date		1,687,800	112,000	1,687,800	112,000
		No.	No.	No.	No.
At the beginning of the reporting period		5,000,000	5,000,000	5,000,000	5,000,000
Options issued during the year					
— 21 Nov 2006		12,000,000	—	12,000,000	—
— 24 Nov 2006		2,200,000	—	2,200,000	—
— 31 Dec 2006		1,500,000	—	1,500,000	—
Options converted to ordinary shares during the period		(2,000,000)	—	(2,000,000)	—
At reporting date		18,700,000	5,000,000	18,700,000	5,000,000

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NOTES TO THE FINANCIAL STATEMENTS
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Note 20: Reserves (cont'd)

(b) **Options**

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

At 30 June 2007, there were 18,700,000 (30 June 2006: 5,000,000) unissued ordinary shares for which options were outstanding. These options will expire between 31 July 2007 and 1 December 2011 at exercise prices ranging from \$0.20 to \$0.35 per option.

	Note	Consolidated Entity		Parent Entity	
		2007	2006	2007	2006
Note 21: Capital and Leasing Commitments		\$	\$	\$	\$
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		111,324	41,886	111,324	41,886
— between 12 months and 5 years		371,836	27,512	371,836	27,512
		483,160	69,398	483,160	69,398

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 \$92,466 (2006: \$24,000)

Contingent Assets

No contingent assets exist as 30 June 2007, other than that disclosed in Note 26.

Note 23: Segment Reporting

The Company operates solely in the mining industry within Australia.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2007

Note 24: Cash Flow Information	Consolidated Entity		Parent Entity	
	2007	2006	2007	2006
	\$	\$	\$	\$
(a) Reconciliation of Cash Flow from Operations with Loss from Ordinary Activities after Income Tax				
Loss from ordinary activities after income tax	(6,897,826)	(719,750)	(6,897,826)	(719,750)
Non-cash flows in loss from ordinary activities				
Amortisation	27,823	—	27,823	—
Depreciation	13,022	3,999	13,022	3,999
Net loss on disposal of plant and equipment	25,955	—	25,955	—
Options issued for services	25,000	20,000	25,000	20,000
Share options expensed	1,624,800	7,706	1,624,800	7,706
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 in GST receivable	(102,773)	(7,925)	(102,773)	(7,925)
Increase in prepayments and deposits paid	(70,374)	(14,542)	(70,374)	(14,542)
Increase in trade debtors	(11,659)	—	(11,659)	—
Decrease in other debtors	3,250	22,666	3,250	22,666
Increase in trade payables	49,666	2,115	49,666	2,115
Increase in accruals and other creditors	44,160	8,078	44,160	8,078
Cash flow used in operations	<u>(1,803,324)</u>	<u>(677,653)</u>	<u>(1,803,324)</u>	<u>(677,653)</u>

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2007

Note 24: Cash Flow Information (cont'd)

(b) Non-cash Financing and Investing Activities

i Share issue

1,500,000 shares were issued at \$0.10 pursuant to the Option Deed Agreement with the vendors of the Klondyke mineral tenements. The issue was approved by shareholders on 12 April 2006.

5,000,000 shares were issued at \$0.20 as part of the consideration for the purchase of the tenement (exploration licence 29/495) subject to the agreement between the Company and the Estate of the late Robert John Watson.

1,000,000 shares were issued at \$0.20 as part of the consideration for the purchase of eight tenement applications in the Northern Territory (ELA25846, ELA25847, ELA25848, ELA25849, ELA25850, ELA25851, ELA25884 and ELA25885) by Jupiter and Jupiter Uranium Pty Limited from Redstone Metals Pty Ltd, Zircon International Pty Ltd and Bluekebble Pty Ltd.

ii Options

16,000,000 options exercisable at \$0.20 each were granted pursuant to the Option Deed Agreement with the vendors of Beasley River Iron Project (E47/1153).

15,700,000 unquoted options expiring 3 to 5 years from issue were granted under the JMS Employee Option Plan with exercise prices between \$0.20 to \$0.35 per option to the Company's Directors, Executives and employees.

500,000 options expiring in 12 months with an exercise price of \$0.30 each were granted as consideration for providing consulting, marketing and advisory services as resolved by the Board.

750,000 options expiring on 1 March 2008 were issued at \$0.50 as part of the Underwriting Fee for underwriting listed and unlisted options, as announced to the market on 23 January 2007.

iii Plant and equipment

During the year the consolidated entity has booked a provision for make good of \$35,000. This amount is not reflected in the cash flow statement. In addition, there were some assets to the value of \$9,313 acquired that have yet to be settled in cash.

iv Exploration and evaluation

The total amount of \$3,811,090 was written off during the year in relation to exploration and evaluation of assets. Of this total, \$3,465,629 was non-cash in nature. This value has been taken up as part of the reconciliation of cash flow used in operations in Note 24(a).

Capitalised costs amounting to \$2,602,429 have been included in cash flows from investing activities in the cash flow statement, the remaining \$2,814,148 was non-cash in nature.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2007

Note 24: Cash Flow Information (cont'd)	Consolidated Entity		Parent Entity	
	2007	2006	2007	2006
	\$	\$	\$	\$
(c) Credit Standby Arrangements with Banks				
Credit facility	30,000	15,000	30,000	15,000
Amount utilised	(25,877)	(1,499)	(25,877)	(1,499)
Unused credit facility	4,123	13,501	4,123	13,501

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 (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 the individual ceasing to be an eligible person (subject to the Rules of the Plan).

The terms and conditions of the grants on issue as at 30 June 2007 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
10 Aug 2004	3,000,000	10 Aug 05	Continuation of service	31 Jul 2007	\$0.30
14 Nov 2006	4,000,000	14 Nov 06	Continuation of service	21 Nov 2011	\$0.20
14 Nov 2006	4,000,000	14 Nov 06	Continuation of service	21 Nov 2011	\$0.25
14 Nov 2006	4,000,000	14 Nov 06	Continuation of service	21 Nov 2011	\$0.35
24 Nov 2006	2,200,000	24 Nov 06	Continuation of service	24 Nov 2011	\$0.20
29 Dec 2006	1,500,000	29 Dec 06	Continuation of service	29 Dec 2009	\$0.20

The number and weighted average exercise prices of share options on issue as at 30 June 2007 were as follows:

**JUPITER MINES LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2007**

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

	Consolidated Entity				Parent Entity			
	2007		2006		2007		2006	
	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	5,000,000	0.26	—	—	5,000,000	0.26	—	—
Forfeited during the period	—	—	—	—	—	—	—	—
Exercised during the period	(2,000,000)	0.20	—	—	(2,000,000)	0.20	—	—
Granted during the period	15,700,000	0.2510	—	—	15,700,000	0.2510	—	—
Outstanding at the end of the period	18,700,000	0.2510	—	—	18,700,000	0.2510	—	—
Exercisable at the end of the period*	18,700,000	0.20	—	—	18,700,000	0.20	—	—

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

The options outstanding at 30 June 2007 have an exercise price of \$0.2510 a weighted average contractual life of 5.1 years.

During the financial year 2,000,000 options were exercised (2006: n/a).

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	21 Jul 2007	0.021	0.30	0.08	83.60	5.440	0
2	21 Nov 2011	0.090	0.20	0.14	83.60	5.598	0
3	21 Nov 2011	0.084	0.25	0.14	83.60	5.598	0
4	21 Nov 2011	0.075	0.35	0.14	83.60	5.598	0
5	24 Nov 2011	0.114	0.20	0.16	83.60	5.882	0
6	29 Dec 2009	0.252	0.20	0.36	83.60	5.563	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.

JUPITER MINES LIMITED
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NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2007

Note 26: Events After the Balance Sheet Date

The following events occurred subsequent to balance date:

- 1 On 6 July 2007 the Company gave notice of an extraordinary general meeting.
- 2 On 13 July 2007 500,000 fully-paid ordinary shares were issued upon the exercise of options.
- 3 On 23 July 2007 the Company issued 600,000 unquoted JMS Employee Option Plan options and 180,000 ordinary fully paid shares upon the conversion of unlisted options.
- 4 On 25 July 2007 an exploration licence for Corunna Downs, Western Australia was granted to the Company.
- 5 On 9 August 2007 the Company issued 1,400,000 ordinary fully-paid shares upon the conversion of unlisted options.
- 6 On 14 August 2007 Jeremy Snaith resigned as a Non-Executive Director and on 15 August 2007 David Evans resigned as a Non-Executive Director.
- 7 On 15 August 2007 Alan Topp was appointed as an Independent Non-Executive Director of the Company.
- 8 On 3 September 2007 the Company issued 2,000,000 unquoted JMS Employee Option Plan options.
- 9 On 4 September 2007 the Company updated the market regarding nickel soil anomalies at the Company's Widgiemooltha prospect.
- 10 On 27 September 2007 the 1,000,000 20c unlisted employee options issued under the employee option scheme were converted
- 11 On 28 September 2007 the Directors approved the annual report of the Jupiter Mines Limited.

Note 27: Future Commitments

1. On 23 December 2007 \$250,000 is payable by Jupiter in respect of contracts entered into prior to 31 December 2005 in relation to the Klondyke area of interest. In respect of future payments regarding Klondyke the following is noted:
 - (a) The original sale agreement with the vendors and the Company for the acquisition of Klondyke required the payment of \$250,000 on 17 December 2005. This agreement has been varied and requires the payment of \$100,000 by the Company on 17 December 2005 (this amount having been paid) and the issue of 1,500,000 fully paid ordinary shares which is subject to approval of the Company's shareholders and for which an amount of \$150,000 has been included as a current liability in these financial statements.
 - (b) In the event that the Company reaches certain milestones within 2 years, but after 12 months from the Completion Date (as set out in clause 5A.4 of the Deed of Variation) then the Company will pay the Vendors \$1,500,000 and not pay the 24 and 36 month payments noted above.
 - (c) In the event that the Company reaches certain milestones between the period commencing on or after 2 years from the Completion Date (as set out in Clause 5A.4 of the Deed of Variation) and ending upon the date that the Vendors choose to exercise their rights to acquire the interest in the Klondyke Gold Project from the Company, then the Company will pay the Vendors \$1,750,000. In addition, the Company will have been required to pay such of the 12, 24 and 36 month payments that have accrued prior to the milestones having occurred.

The Completion Date referred to in paragraphs 1(b) and 1(c) above, are defined in Clause 5A.4 of the Deed of Variation as being the happening of the following events:

- (i) The purchaser notifying the Vendor that it has a certified JORC category reserve upon the Tenements of not less than one hundred and fifty thousand (150,000) ounces of gold; and
- (ii) A decision to mine having been made.

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**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2007**

Note 27: Future Commitments (cont'd)

2. In relation to the eight tenement applications (ELA25846, ELA25847, ELA25848, ELA25849, ELA25850, ELA25851, ELA25884 and ELA25885) Jupiter and Jupiter Uranium Pty Limited have entered into an Agreement for Sale of Mining Tenements – Northern Territory with Redstone Metals Pty Ltd, Zircon International Pty Ltd and Bluekebble Pty Ltd (the Vendors) to acquire all of the Vendors' interests in the tenements once granted. A total of \$200,000 cash consideration was paid and 1,000,000 JMS shares were issued to the Vendors upon execution of the Agreement. 125,000 JMS shares will be issued to the Vendors following the granting of each tenement (totalling 1,000,000 shares). In relation to these eight tenements, six have been recognised at balance date.

Note 28: Related Party Transactions

	Consolidated Entity		Parent Entity	
	2007	2006	2007	2006
	\$	\$	\$	\$
Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated				
Transactions with related parties:				
a. Other Related Parties	—	25,000	—	25,000

In relation to two mining permits in the Lao People's Democratic Republic ("PDR"), the Company entered into an Option Agreement with Aries Mining Limited ("Aries") to acquire all of that company's interest in them. Consideration for this option is \$60,000, with \$25,000 paid on completion of the Option Agreement and a further \$35,000 was payable upon the execution by the PDR of a Mineral Reconnaissance and Exploration Agreement with Jupiter. In accordance with the terms of the Option Agreement between Aries Mining Limited and Jupiter, the Agreement lapsed prior to the execution by the PDR of a Mineral Reconnaissance and Exploration Agreement with Jupiter and Option Agreement was confirmed to have expired in writing by Jupiter on 12 July 2007. Aries is a company associated with Jupiter directors Mr D A Evans and Mr J D Snaith. These transactions have been made on commercial arms-length terms and conditions.

Consultancy Agreement with David Evans

In June 2006, Jupiter entered a Consultancy Agreement with Andover Commercial Pty Ltd and David Evans regarding provision of services to Jupiter by David Evans. Remuneration under the Agreement included a base fee of \$10,000 per month and reasonable and necessary expenses incurred in performance of the services. In accordance with the Agreement the base fee was increased to \$12,000 per month effective 1 September 2006. The Agreement was terminated by Jupiter on 21 June 2007.

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NOTES TO THE FINANCIAL STATEMENTS
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Note 28: Related Party Transactions (cont'd)

Consultancy Agreement with Jeremy Snaith

In June 2006, Jupiter entered a Consultancy Agreement with Pendhill Securities Pty Ltd and Jeremy Snaith regarding provision of services to Jupiter by Jeremy Snaith. Remuneration under the Agreement included a base fee of \$10,000 per month and reasonable and necessary expenses incurred in performance of the services. In accordance with the Agreement the base fee was increased to \$12,000 per month effective 1 September 2006. The Agreement was terminated by Jupiter on 21 June 2007.

Indochine Resources Ltd – use of Jupiter office as registered office

The Company was party to a commercial Lease for normal commercial tenancy at its previous premises (Suite 1405, Level 14, 33 Bligh Street, Sydney, NSW, 2000). The rent payable by the Company pursuant to the Lease was \$3,036 (inclusive of GST) per month. The Bligh Street premises were also the registered address of Indochine Resources Ltd (previously called Battle Mountain Minerals Ltd) until June 2007.

Indochine Resources Ltd has paid the Company an amount reflective of its occupancy of the Bligh Street premises during the period under review. Jupiter's past directors Mr D A Evans and Mr J D Snaith were both directors and shareholders of Indochine Resources Ltd while it occupied Jupiter's premises. These transactions have been made on commercial arms-length terms and conditions.

Expenses and assets not recovered from David Evans, Jeremy Snaith and Christopher Snaith

The Directors have resolved that \$44,392 general and travel expenses and \$15,591 fixed assets (equipment) relating to former Directors of the Company and a related party be written off.

Whilst the Company will endeavour to recover the value thereof, the Board believes recovery to be unlikely.

Christopher Snaith, a sibling of Jeremy Snaith was contracted as an independent consultant to Jupiter Mines during the reporting period for a total remuneration of \$80,000 and 600,000 employee share options exercisable 20cents which have subsequently lapsed on 24 September 2007. Christopher Snaith's remuneration package was negotiated and offered at normal commercial terms.

Note 29: Financial Instruments

(a) Financial Risk Management

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

The main purpose of non-derivative financial instruments is to raise finance for group operations.

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

(i) Interest rate risk

Interest rate risk is managed with a mixture of fixed and floating rate debt. At 30 June 2007 approximately 17% of group debt is fixed.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

Note 29: Financial Instruments (cont'd)

(ii) *Credit 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 economic 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.

(b) **Financial Instruments**

(i) *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:

	Fixed Interest Rate Maturing							
	Weighted Average Effective Interest Rate		Floating Interest Rate		Non-interest Bearing		Total	
	2007	2006	2007	2006	2007	2006	2007	2006
	%	%	\$	\$	\$	\$	\$	\$
Financial Assets:								
Cash and deposits	6.37	4.40	6,097,768	796,144	—	—	6,097,768	796,144
Receivables	—	—	—	—	255,317	43,359	255,317	43,359
Total Financial Assets			6,097,768	796,144	255,317	43,359	6,353,085	839,503
Financial Liabilities:								
Bank overdrafts	6.37	—	31,866	—	—	—	31,866	—
Credit cards	17.49	16.75	25,877	1,499	—	—	25,877	1,499
Trade and sundry payables	—	—	—	—	694,844	748,676	694,844	748,676
Amounts payable related parties	—	—	—	—	—	—	—	—
Lease liabilities	—	—	—	—	88,277	—	88,277	—
Total Financial Liabilities			57,743	1,499	783,121	748,676	840,864	750,175

(ii) *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.

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 June 2007

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. These standards are not believed to have a material effect of the parent or consolidated entity.

AASB Amendment	Standard Affected	Application Date of the Standard	Application Date for the Entity
AASB 7	Financial Instruments: Disclosures	1 Jan 2007	1 Jul 2007
AASB 8	Operating Segments	1 Jan 2009	1 Jul 2009
AASB 101	Presentation of Financial Statements (Amended)	1 Jan 2007	1 Jul 2007
AASB 123	Borrowing Costs (Amended)	1 Jan 2009	1 Jul 2009
AASB 2007-4	Amendments to Australian Accounting Standards arising from ED 151 and Other Amendments [AASB 1, 2, 3, 4, 5, 6, 7, 102, 107, 108, 110, 112, 114, 116, 117, 118, 119, 120, 121, 127, 128, 129, 130, 131, 132, 133, 134, 136, 137, 138, 141, 1023 & 1038]	1 Jul 2007	1 Jul 2007

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Note 31: Company Details

The registered office of the company is:

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

The principal place of business 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 16 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 2007 and of the performance for the year ended on that date of the company and economic entity;
2. the Chief Executive Officer/Chief Financial Officer provided the declaration required by section 295A of the Corporations Act 2001;
 - (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



Alan Broome AM
Chairman

Sydney
28 September 2007

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, which comprises the balance sheet as at 30 June 2007, 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 and other explanatory notes and the directors' declaration.

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.

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, which require us to comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance as to whether the financial report is free of 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 circumstance, 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.

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Auditor's responsibility (cont)

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

Independence

In conducting our audit, we 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 financial position as at 30 June 2007 and of its 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.
- (c) The remuneration report disclosures that are contained on the pages 7 to 14 of the directors' report comply with Accounting Standard AASB 124.



GRANT THORNTON NSW
Chartered Accountants



NJ BRADLEY
Partner

Sydney

28 September 2007

Corporate Governance Statement

Jupiter is committed to implementing the highest standards of corporate governance. In determining what those high standards should involve, Jupiter 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.

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 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.

The Board has established an Audit Committee to assist it in discharging its functions. The Non-Executive Directors meet as required to carry out the function of a Remuneration & Nomination Committee.

Board responsibilities are set out in the Jupiter Board Charter (approved in March 2007) which is 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 of this Report.

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 shifted during the year following the appointment of Mr Robert Benussi as Acting Chief Executive Officer and the suspension of the consultancy agreements between the Company and the Executive Directors (Mr David Evans and Mr Jeremy Snaith). The appointment of Mr Benussi and Mr Charles (Bill) Guy as Exploration Manager ensured that the Company continued to operate in the interests of its Shareholders.

In June 2007, the Board terminated the suspended consultancy agreements between the Company and Messrs Evans and Snaith. At that time, the Board called a General Meeting to remove Messrs Evans and Snaith as Directors in response to correspondence received from numerous Shareholders expressing their concern about the two Directors. Both Directors resigned prior to the Meeting and Mr Alan Topp was appointed as an Independent Non-Executive Director.

2. The Board is Structured to Add Value

Composition of the Board and details of Directors

Jupiter currently has three directors, all of whom are Independent Non-Executive Directors. During the financial year however Jupiter also had two Executive Directors, Mr David Evans and Mr Jeremy Snaith. Mr Denis Wood also acted a Non-Executive Director for a period during the financial year as set out in the Directors' Report. Further details about the current Directors are set out on page 3 of the Directors' Report.

In appointing directors, the Board must ensure that any candidate has the appropriate range of skills, experience and expertise that will best complement Board effectiveness. Jupiter recognises the importance of Non-Executive Directors and the external perspective and advice that such Directors can offer. It is the approach and attitude of each Non-Executive Director which is critical to determining independence and this must be considered in relation to each Director, while taking into account all other relevant factors.

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

Corporate Governance Statement

Remuneration & Nomination Committee

The role of the Remuneration & Nomination Committee is set out in a formal charter approved by the Board in March 2007. This Charter is available on the Jupiter website under "Corporate Governance".

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

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 (Code) 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 of Jupiter's 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.

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 this Code 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 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 (revisions of which were approved by the Board in March 2007). This Charter is available on the Jupiter website under "Corporate Governance".

Details of the Members of the Audit Committee and their attendance at Committee Meetings are set out on page 6 of this Report.

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

Corporate Governance Statement

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.

Attestation's 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

During the year the Board approved the formation of a Remuneration & Nomination Committee and subsequently drafted and approved a Charter for that Committee. The Committee is responsible for the evaluation of the Board's performance.

Education and Induction

New directors undergo an induction process in which they will be given a full briefing on Jupiter. Where possible, this will include meetings with key executives, 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 individually, 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

As mentioned above, the Board has a Remuneration & Nomination Committee. The remuneration responsibilities of this 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 \$200,000). 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 of the Jupiter website.