Jupiter Mines Limited

# JUPITER MINES LIMITED

**ABN 51 105 991 740**

**AND ITS CONTROLLED ENTITIES**

## INTERIM FINANCIAL REPORT

## FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

# CONTENTS

# DIRECTORS' REPORT

Your Directors submit the financial report of Jupiter Mines Limited ("Jupiter" or the "Company") and its controlled entities ("the Group") for the half-year ended 31 December 2012.

**Directors' Details**
The names of Directors who held office during or since the end of the half-year:

Mr B P Gilbertson, Non-Executive Chairman
Mr P R Murray, Independent Non-Executive Director
Mr A Bell, Independent Non-Executive Director
Mr P Thapliyal, Non-Executive Director
Mr S C Shin, Non-Executive Director

Directors were in office since the start of the period unless otherwise stated.

**Review of Operations and Results**
During the period, Jupiter continued to focus on the development of its manganese projects in pursuit of its long term Steel Feed Corporation strategy. However the Mount Ida Magnetite Project was put on hold in November and expenditure has been frozen for the foreseeable future.

The consolidated result for the half-year was $2,697,215 loss after tax (2011: loss of $7,266,987 after tax).

Set out below are the announcements and activities of the Company in the period.

| | |
|---|---|
| 19 July 2012 | The Company raised $40 million through private placement and announced non-renounceable rights issue. |
| 27 July 2012 | The Company released a "Cleansing Statement" for the 250,000,000 ordinary shares issued through the private placement. |
| 31 July 2012 | The Company released the June 2012 Quarterly Activities Report and Cash flow Report "Appendix 5B". |
| 13 August 2012 | The Company released a "Cleansing Statement" for the non-renounceable rights issue. |
| 3 September 2012 | The Company issued 225,001,339 ordinary shares out of the non-renounceable rights issue. |
| 5 September 2012 | The Company announced a Resource Update for the Mount Ida Magnetite Project. |
| 21 September 2012 | The Company released the 2012 Annual Report to shareholders. |
| 16 October 2012 | The Company announced "Tshipi Progress Report – First Ore". |
| 25 October 2012 | The Company released the September 2012 Quarterly Activities Report and Cash flow Report "Appendix 5B". |
| 8 November 2012 | The Company announced Mount Ida Magnetite Project spending freeze. |
| 8 November 2012 | The Company announced "Results of 2012 Annual General Meeting." |
| 15 November 2012 | The Company announced "Company Secretary Appointment/Resignation" |
| 20 November 2012 | The Company announced "Tshipi Progress Report – First Train Loaded". |
| 21 December 2012 | The Company announced "Tshipi Progress Report – First Shipment". |

# DIRECTORS' REPORT (continued)

**Events subsequent to end of reporting period**

There have been no material events subsequent to reporting date.

**Auditor's Declaration**

The lead auditor's independence declaration under s 307C of the Corporations Act 2001 is set out on page 4 for the half-year ended 31 December 2012.

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

Brian P Gilbertson
Chairman
Perth

Dated this 27th day of February 2013

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## Auditor's Independence Declaration
## To The Directors of Jupiter Mines Limited

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Jupiter Mines Limited for the half-year ended 31 December 2012, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and

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

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

C. A Becker
Partner - Audit & Assurance

Perth, 27 February 2013

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
## FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

| | 31-DEC-12 $ | 31-DEC-11 $ |
|---|---|---|
| Revenue | 2,688,861 | 4,642,867 |
| | | |
| Employee benefits costs | (808,699) | (893,902) |
| Travel and entertainment costs | (94,295) | (91,669) |
| Director costs | (223,091) | (201,563) |
| Professional services costs | (209,333) | (391,454) |
| Regulatory fees | (66,801) | (113,411) |
| Administration costs | (135,886) | (175,460) |
| Finance costs | (80,840) | (1,871) |
| Occupancy costs | (444,025) | (292,409) |
| Insurance costs | (52,248) | (48,958) |
| Depreciation and amortisation costs | (134,388) | (106,380) |
| Impairment of exploration interests | (10,701) | (1,771) |
| Foreign exchange losses | (3,138,145) | (9,660,518) |
| Deferred tax costs | 12,376 | 136,137 |
| **Loss before income tax** | **(2,697,215)** | **(7,200,362)** |
| Income tax benefit/(expense) | - | (66,625) |
| **Loss attributable to members of the parent entity** | **(2,697,215)** | **(7,266,987)** |
| | | |
| **Other comprehensive Income** | | |
| Fair value movements on available-for-sale financial assets | (468,763) | (3,315,084) |
| Foreign currency exchange differences on translating foreign controlled operations | (1,187,545) | (3,609,445) |
| **Other comprehensive income for the period, net of tax** | **(1,656,308)** | **(6,924,529)** |
| **Total comprehensive income for the period** | **(4,353,523)** | **(14,191,516)** |
| | | |
| **Overall Operations** | | |
| Basic loss per share (cents per share) | (0.0012) | (0.0040) |
| Diluted loss per share (cents per share) | (0.0012) | (0.0040) |

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

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION
## AS AT 31 DECEMBER 2012

| | NOTE | 31-DEC-12<br>$ | 30-JUN-12<br>$ |
|---|---|---|---|
| **ASSETS** | | | |
| CURRENT ASSETS | | | |
| Cash and cash equivalents | 6 | 83,196,288 | 65,004,419 |
| Trade and other receivables | | 2,593,919 | 2,354,420 |
| Other current assets | | 4,421,491 | 2,360,261 |
| TOTAL CURRENT ASSETS | | 90,211,698 | 69,719,100 |
| NON-CURRENT ASSETS | | | |
| Financial assets | | 1,982,822 | 2,451,585 |
| Property, plant and equipment | | 8,735,877 | 6,441,487 |
| Mining reserves | 9 | 398,422,237 | 374,633,122 |
| Exploration and evaluation assets | 2 | 61,873,852 | 50,326,038 |
| Intangible assets | | 446,085 | 221,690 |
| Other non-current assets | 7 | 46,725,737 | 24,968,495 |
| TOTAL NON-CURRENT ASSETS | | 518,186,610 | 459,042,417 |
| TOTAL ASSETS | | 608,398,308 | 528,761,517 |
| **LIABILITIES** | | | |
| CURRENT LIABILITIES | | | |
| Trade and other payables | | 3,287,182 | 5,009,091 |
| Short-term provisions | | 203,703 | 153,508 |
| TOTAL CURRENT LIABILITIES | | 3,490,885 | 5,162,599 |
| NON-CURRENT LIABILITIES | | | |
| Provisions | | 1,431,924 | 4,244,290 |
| Deferred tax liability | | 90,071,565 | 90,092,871 |
| Long-term borrowings | 8 | 31,908,290 | 19,259,312 |
| TOTAL NON-CURRENT LIABILITIES | | 123,411,779 | 113,596,473 |
| TOTAL LIABILITIES | | 126,902,664 | 118,759,072 |
| NET ASSETS | | 481,495,644 | 410,002,445 |
| **EQUITY** | | | |
| Issued capital | 3 | 526,639,293 | 450,792,571 |
| Reserves | 4 | (4,353,901) | (2,279,693) |
| Accumulated losses | | (40,789,748) | (38,510,433) |
| TOTAL EQUITY | | 481,495,644 | 410,002,445 |

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

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

| Consolidated Group | $ | $ | $ | $ | $ | $ | $ |
|---|---|---|---|---|---|---|---|
| | Issued Capital | | Reserves | | | | |
| | Ordinary | Options | Options | Financial assets | Foreign currency translation | Accumulated losses | Total |
| **Balance at 1 July 2011** | 456,510,087 | — | 670,400 | 437,407 | (268,811) | (25,350,171) | 431,998,912 |
| Loss attributable to members of parent entity | — | — | — | — | — | (7,266,987) | (7,266,987) |
| Total other comprehensive income for the period | — | — | — | (3,315,084) | (3,609,445) | — | (6,924,529) |
| **Total comprehensive income for the period** | **—** | **—** | **—** | **(3,315,084)** | **(3,609,445)** | **(7,266,987)** | **(14,191,516)** |
| Shares issued during the period | — | — | — | — | — | — | — |
| Deferred shares issued during the period | — | — | — | — | — | — | — |
| Options converted during the period | 542,380 | — | (252,500) | — | — | 90,120 | 380,000 |
| Cancellation of shares due to on market buy back | (6,259,897) | — | — | — | — | — | (6,259,897) |
| **Balance at 31 December 2011** | **450,792,570** | **—** | **417,900** | **(2,877,677)** | **(3,878,256)** | **(32,527,038)** | **411,927,499** |
| | | | | | | | |
| **Balance at 1 July 2012** | 450,792,571 | — | 680,516 | — | (2,960,209) | (38,510,433) | 410,002,445 |
| Loss attributable to members of parent entity | — | — | — | — | — | (2,697,215) | (2,697,215) |
| Total other comprehensive income for the period | — | — | — | (468,763) | (1,187,545) | — | (1,656,308) |
| **Total comprehensive income for the period** | **—** | **—** | **—** | **(468,763)** | **(1,187,545)** | **(2,697,215)** | **(4,353,523)** |
| Options converted or cancelled during the period | — | — | (417,900) | — | — | 417,900 | — |
| Shares issued | 75,846,722 | — | — | — | — | — | 75,846,722 |
| **Balance at 31 December 2012** | **526,639,293** | **—** | **262,616** | **(468,763)** | **(4,147,754)** | **(40,789,748)** | **481,495,644** |

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

## CONSOLIDATED STATEMENT OF CASH FLOWS
## FOR THE HALF YEAR ENDED 31 DECEMBER 2012

| | NOTE | 31-DEC-12 $ | 31-DEC-11 $ |
|---|---|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts from customers | | — | 1,498,860 |
| Payments to suppliers and employees | | (4,842,261) | (1,414,083) |
| Interest received | | 2,298,638 | 3,305,030 |
| Other income | | 926,498 | — |
| Finance costs | | — | (1,871) |
| Net cash provided by/(used in) operating activities | | (1,617,125) | 3,387,936 |
| | | | |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Purchase of plant and equipment | | (2,793,112) | (2,050,590) |
| Payments for exploration and evaluation | | (47,675,627) | (32,061,288) |
| Net cash (used in) investing activities | | (50,468,739) | (34,111,878) |
| | | | |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Proceeds from issue of shares | | 75,846,722 | (5,879,898) |
| Proceeds/(loans) from borrowings and loans from related parties | | (3,826,755) | 1,638,997 |
| Net cash (used in)/provided by financing activities | | 72,019,967 | (4,240,901) |
| | | | |
| Net increase / (decrease) in cash held | | 19,934,103 | (34,964,843) |
| Cash at beginning of period | | 65,004,419 | 139,936,966 |
| Effect of exchange rates on cash holdings in foreign currencies | | (1,742,234) | (5,980,989) |
| Cash at end of period | 6 | 83,196,288 | 98,991,134 |

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

# NOTES TO THE FINANCIAL STATEMENTS
# FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

## NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Basis of Preparation

These general purpose financial statements for the interim half-year reporting period ended 31 December 2012 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standards including AASB 134: Interim Financial Reporting. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. This group is a for-profit entity for the financial reporting purposes under Australian Accounting Standards.

The half year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report. It is therefore recommended that these financial statements be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2012, together with any public announcements made during the half-year.

### Accounting Policies

The same accounting policies and methods of computation have been followed in these interim financial statements as were applied in the most recent annual financial statements.

### Critical Accounting Estimates and Judgements

The critical estimates and judgements are consistent with those applied and disclosed in the 30 June 2012 Annual Report.

### Exploration and evaluation expenditure

The Group’s accounting policy for exploration and evaluation expenditure results in certain items of expenditure being capitalised for an area of interest where it is considered likely to be recoverable by future exploitation or sale or where the activities have not reached a stage which permits a reasonable assessment of the existence of reserves. This policy requires management to make certain estimates and assumptions as to future events and circumstances, in particular whether an economically viable extraction operation can be established. Any such estimates and assumptions may change as new information becomes available. If, after having capitalised the expenditure under the policy, a judgement is made that recovery of the expenditure is unlikely, the relevant capitalised amount will be written off to the statement of comprehensive income. An impairment has been recognised in respect of exploration expenditure at reporting date of $10,701.

### Adoption of new and revised accounting standards

The AASB has issued a number of new and amended Accounting Standards and Interpretations that have mandatory application date for future reporting periods. In the half year ended 31 December 2012, the Company has reviewed all of the new and revised Accounting Standards and Interpretations issued by the AASB that are relevant to its operations and effective for annual reporting periods beginning on or after 1 July 2012. The impact of the new and amended Accounting Standards and Interpretation is detailed below:

## NOTES TO THE FINANCIAL STATEMENTS
## FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Adoption of new and revised accounting standards (continued)**

**AASB 11 Joint Arrangements – effective for annual reporting period beginning on or after 1 January 2013**

*Nature of change:*
AASB 11 replaces AASB 131 *Interest in Joint Ventures* and AASB Interpretation 113 *Jointly-controlled entities- Non-Monetary Contributions by Ventures.* AASB 111 uses the principle of control in AASB 10 to define joint control, and therefore the determination of whether control exists may change. In addition, AASB 11 removes the option to account for jointly-controlled entities (JCEs) using proportionate consolidation. Instead, accounting for a joint arrangement is dependent on the nature of the rights and obligations arising from the arrangement. Joint operations that give the venturers a right to the underlying assets and obligations for liabilities are accounting for by recognising the share of those assets and liabilities. Joint ventures that give the venturers a right to the net assets are accounted for using the equity method.

*Likely impact on initial application:*
When this standard is adopted for the first time ended 31 December 2013, joint ventures will be accounted for in consolidated financial statements using the equity method, rather than the proportionate consolidation method. The entity's proportionate share of assets and liabilities recognised on 1 January 2012, will be derecognised and an initial investment will be recognised which will be equity accounted in the future.

It has been determined by the Company that other than the above, there is no impact, material or otherwise, of the new and revised Standards and Interpretations on its business and that no change is necessary to the Company accounting policies.

**Carbon tax scheme**

On 10 July 2011, the Commonwealth Government announced the "Securing a Clean Energy Future – the Australian Government's Climate Change Plan." On 12 October 2011 the legislation was passed by the Lower House of Parliament and on the 8 November 2011 the carbon tax legislation was voted on and passed through the upper House of Parliament. The legislation came into effect on 1 July 2012.

The details of the carbon pricing mechanism framework remain unclear. In addition, as Jupiter will not fall within the "Top 500 Australian Polluters", the impact of the Carbon Scheme will be through indirect effects of increased prices on many production inputs and general business expenses as suppliers subject to the carbon pricing mechanism are likely to pass on their carbon price burden to their customers in the form of increased prices. The Board expects that this will not have a significant impact upon the operational costs within the business, and therefore will not have an impact upon the valuation of assets and/or going concern of the business.

## NOTES TO THE FINANCIAL STATEMENTS
## FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

### NOTE 2: EXPLORATION AND EVALUATION ASSETS

| | NOTE | 31-DEC-12 $ | 30-JUN-12 $ |
|---|---|---|---|
| Costs carried forward in respect of the following areas: | | | |
| - Klondyke | | 636,880 | 592,590 |
| - Mount Mason | | 9,210,232 | 8,545,430 |
| - Mount Ida | | 45,464,786 | 34,827,295 |
| - Mount Alfred | | 1,498,747 | 1,472,926 |
| - Yunndaga | | 40,000 | 40,000 |
| - Oakover | | 5,023,207 | 4,847,797 |
| Total exploration expenditure | | 61,873,852 | 50,326,038 |

### NOTE 3: ISSUED CAPITAL

| | NOTE | 31-DEC-12 $ | 30-JUN-12 $ |
|---|---|---|---|
| **Paid up capital:** | | | |
| 2,281,835,383 (30 June 2012: 1,806,834,044) fully paid ordinary shares | 3a | 526,639,293 | 450,792,571 |
| | | 526,639,293 | 450,792,571 |

## NOTES TO THE FINANCIAL STATEMENTS
## FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

### NOTE 3: ISSUED CAPITAL (continued)

| (a) Ordinary shares | 31-DEC-12 $ | 30-JUN-12 $ |
|---|---|---|
| At the beginning of the reporting period | 450,792,571 | 456,510,087 |
| Shares issued during the period | | |
| — 250,000,000 issued on 27 July 2012 | 40,000,000 | — |
| — 225,001,339 issued on 3 September 2012 | 35,846,722 | — |
| — 18,076,792 cancelled under share buy back | — | (6,259,897) |
| Sub total | 526,639,293 | 450,250,190 |
| Options converted to shares during the period | — | 542,381 |
| At reporting date | 526,639,293 | 450,792,571 |

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

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

The ordinary shares have no par value.

**NOTES TO THE FINANCIAL STATEMENTS**
**FOR THE HALF-YEAR ENDED 31 DECEMBER 2012**

**NOTE 4: RESERVES**

| | NOTE | 31-DEC-12 $ | 30-JUN-12 $ |
|---|---|---|---|
| Financial assets reserve | 4a | (468,763) | — |
| Foreign currency translation reserve | 4b | (4,147,754) | (2,960,209) |
| Options reserve | 4c | 262,616 | 680,516 |
| | | (4,353,901) | (2,279,693) |

| | 31-DEC-12 $ | 30-JUN-12 $ |
|---|---|---|
| **(a) Financial asset reserve** | | |
| At the beginning of the reporting period | — | 437,407 |
| Revaluation decrement during the period | (468,763) | (437,407) |
| At reporting date | (468,763) | — |
| | | |
| **(b) Foreign currency translation reserve** | | |
| At the beginning of the reporting period | (2,960,209) | (268,811) |
| Revaluation decrement during the period | (1,187,545) | (2,691,398) |
| At reporting date | (4,147,754) | (2,960,209) |
| | | |
| **(c) Options reserve** | | |
| At the beginning of the reporting period | 680,516 | 670,400 |
| Options issued during the year | — | 262,616 |
| Options converted to ordinary shares during the year | — | (252,500) |
| Options cancelled/lapsed during the year | (417,900) | — |
| At reporting date | 262,616 | 680,516 |

| | 31-DEC-12 NUMBER | 30-JUN-12 NUMBER |
|---|---|---|
| At the beginning of the reporting period | 6,700,000 | 5,300,000 |
| Options converted to ordinary shares during the period | — | (1,620,000) |
| Options issued during the year | — | 4,200,000 |
| Options lapsed/cancelled during the period | (2,500,000) | (1,180,000) |
| At reporting date | 4,200,000 | 6,700,000 |

Directors, employees and consultant share option scheme expenses are valued using the Black-Scholes pricing method.

## NOTES TO THE FINANCIAL STATEMENTS
## FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

**NOTE 4: RESERVES (continued)**

At 31 December 2012, there were 4,200,000 (30 June 2012: 6,700,000) unissued ordinary shares for which options were outstanding. These options will expire between 5 November 2013 and 11 April 2016 at exercise prices ranging from $0.19 to $0.90 per options.

**NOTE 5: DIVIDENDS**

No dividends were declared or paid in the period.

**NOTE 6: CASH AND CASH EQUIVALENTS**

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

| | 31-DEC-12<br>$ | 30-JUN-12<br>$ |
|---|---|---|
| Cash and cash equivalents | 83,196,288 | 65,004,419 |
| | 83,196,288 | 65,004,419 |

**NOTE 7: OTHER NON-CURRENT ASSETS**

In October 2010, at the same time as the acquisition of the 49.9% equity interest in Tshipi é Ntle Manganese Mining (Proprietary) Limited, the Company also acquired certain loan balances payable by Tshipi which have been included in non-current assets. At 31 December 2012, an amount of $42,749,096 (30 June 2012: $23,720,720) has been recognised representing the element of this advance which has not been eliminated on consolidation.

**NOTE 8: LONG TERM BORROWINGS**

At 31 December 2012, an amount of $31,908,290 (30 June 2012: $19,259,312) has been recognised representing funding to Tshipi é Ntle Manganese Mining (Proprietary) Limited which has not been eliminated on consolidation. This amount is offset against the loan receivable as outlined in Note 7.

**NOTE 9: JOINT VENTURE**

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

# NOTES TO THE FINANCIAL STATEMENTS
# FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

## NOTE 9: JOINT VENTURE (continued)

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

The Groups share of assets and liabilities employed in the joint venture is:

| | 31-DEC-12<br>$ | 30-JUN-12<br>$ |
|---|---|---|
| CURRENT ASSETS | | |
| Cash & cash equivalents | 16,849,798 | 15,561,951 |
| Trade and other receivables | 1,899,919 | 1,370,646 |
| Other current assets | 4,372,087 | 2,190,906 |
| TOTAL CURRENT ASSETS | 23,121,804 | 19,123,503 |
| NON-CURRENT ASSETS | | |
| Mining reserves | 398,422,237 | 374,633,122 |
| Property, plant and equipment | 5,516,013 | 3,019,242 |
| Intangible assets | 310,521 | 56,633 |
| TOTAL NON-CURRENT ASSETS | 404,248,771 | 377,708,997 |
| TOTAL ASSETS | 427,370,575 | 396,832,500 |
| | | |
| CURRENT LIABILITIES | | |
| Trade and other payables | 2,570,897 | 3,390,976 |
| Short term provision | 71,931 | — |
| TOTAL CURRENT LIABILITIES | 2,642,828 | 3,390,976 |
| NON-CURRENT LIABILITIES | | |
| Deferred tax liability | 90,071,565 | 90,092,871 |
| Long term borrowings | 31,908,290 | 19,259,312 |
| Long term provisions | 1,274,924 | 4,146,831 |
| TOTAL NON-CURRENT LIABILITIES | 123,254,779 | 113,499,014 |
| TOTAL LIABILITIES | 125,897,607 | 116,889,990 |
| **NET INTEREST IN JOINT VENTURE** | **301,472,968** | **279,942,510** |

The Groups share of the joint venture income and expenses is:

| | | |
|---|---|---|
| Share of joint venture income | 145,421 | 1,004,510 |
| Share of joint venture expenses | (368,219) | (503,851) |

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

# NOTES TO THE FINANCIAL STATEMENTS
# FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

## NOTE 10: SEGMENT INFORMATION

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

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

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

### (a) Segment performance

| **Six months ended 31 December 2012** | **CYIP Iron Ore (Australia) $** | **Tshipi Manganese (South Africa) $** | **Corporate and Unallocated $** | **Total $** |
|---|---|---|---|---|
| Revenue | - | 341,315 | 2,347,546 | 2,688,861 |
| | | | | |
| Employee benefits costs | - | (97,727) | (710,972) | (808,699) |
| Travel and entertainment costs | - | (28,489) | (65,806) | (94,295) |
| Director costs | - | - | (223,091) | (223,091) |
| Professional services costs | - | (178,999) | (30,334) | (209,333) |
| Regulatory fees | - | - | (66,801) | (66,801) |
| Administration costs | - | - | (135,886) | (135,886) |
| Finance costs | - | (66,184) | (14,656) | (80,840) |
| Occupancy costs | - | - | (444,025) | (444,025) |
| Insurance costs | - | - | (52,248) | (52,248) |
| Depreciation and amortisation costs | - | - | (134,388) | (134,388) |
| Impairment of exploration interests | (1,506) | (9,195) | - | (10,701) |
| Foreign exchange losses | - | (3,138,145) | - | (3,138,145) |
| Deferred tax costs | - | 12,376 | - | 12,376 |
| **Loss before income tax** | **(1,506)** | **(3,165,048)** | **469,339** | **(2,697,215)** |

## NOTES TO THE FINANCIAL STATEMENTS
## FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

### NOTE 10: SEGMENT INFORMATION (continued)

| Six months ended 31 December 2011 | CYIP Iron Ore (Australia) $ | Tshipi Manganese (South Africa) $ | Corporate and Unallocated $ | Total $ |
|---|---|---|---|---|
| Revenue | — | 343 | 4,642,524 | 4,642,867 |
| Employee benefits costs | — | (131,699) | (762,203) | (893,902) |
| Travel and entertainment costs | — | — | (91,669) | (91,669) |
| Director costs | — | — | (201,563) | (201,563) |
| Professional services costs | — | (6,933) | (384,521) | (391,454) |
| Regulatory fees | — | — | (113,411) | (113,411) |
| Administration costs | — | — | (175,460) | (175,460) |
| Finance costs | — | (22) | (1,849) | (1,871) |
| Occupancy costs | — | — | (292,409) | (292,409) |
| Insurance costs | — | — | (48,958) | (48,958) |
| Depreciation and amortisation costs | — | — | (106,380) | (106,380) |
| Impairment of exploration interests | (1,771) | — | — | (1,771) |
| Foreign exchange losses | — | — | (9,660,518) | (9,660,518) |
| Deferred tax costs | — | 136,137 | — | 136,137 |
| **Loss before income tax** | **(1,771)** | **(2,174)** | **(7,196,417)** | **(7,200,362)** |

## NOTES TO THE FINANCIAL STATEMENTS
## FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

### NOTE 10: SEGMENT INFORMATION (continued)

### (b) Segment assets and liabilities

| As at 31 December 2012 | CYIP Iron Ore (Australia) $ | Tshipi Manganese (South Africa) $ | Corporate and Unallocated $ | Total $ |
|---|---|---|---|---|
| Cash and cash equivalents | - | 16,849,798 | 66,346,490 | 83,196,288 |
| Trade and other receivables | - | 1,899,919 | 694,000 | 2,593,919 |
| Other current assets | - | 4,372,087 | 49,404 | 4,421,491 |
| Financial assets | - | - | 1,982,822 | 1,982,822 |
| Trade and other receivables | - | - | - | - |
| Property, plant and equipment | 2,971,782 | 5,516,013 | 248,082 | 8,735,877 |
| Mining reserves | - | 398,422,237 | - | 398,422,237 |
| Exploration and evaluation assets | 61,873,852 | - | - | 61,873,852 |
| Intangible assets | - | 310,521 | 135,564 | 446,085 |
| Other non-current assets | - | 42,749,096 | 3,976,641 | 46,725,737 |
| **Total assets** | **64,845,634** | **470,119,671** | **73,433,003** | **608,398,308** |
| Trade and other payables | 716,285 | 2,570,897 | - | 3,287,182 |
| Provisions | 288,772 | 1,346,855 | - | 1,635,627 |
| Deferred tax liability | - | 90,071,565 | - | 90,071,565 |
| Long-term borrowings | - | 31,908,290 | - | 31,908,290 |
| **Total liabilities** | **1,005,057** | **125,897,607** | **-** | **126,902,664** |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE HALF-YEAR ENDED 31 DECEMBER 2012

## NOTE 10: SEGMENT INFORMATION (continued)

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

## NOTE 11: CONTINGENT LIABILITIES

There has been no material change in contingent liabilities since the end of the last annual reporting period.

## NOTE 12: CAPITAL COMMITMENTS

The Company had capital commitments for the purchase of property, plant and equipment relating to its holding in Tshipi which totalled $25,658,567 (30 June 2012: $65,333,571) as at 31 December 2012.

## NOTE 13: EVENTS SUBSEQUENT TO REPORTING DATE

There have been no material events subsequent to reporting date.

# DIRECTORS DECLARATION

The directors of Jupiter Mines Limited declare that:

1. The condensed financial statements and notes, as set out on pages 5 to 19 are in accordance with the *Corporations Act 2011*, including:

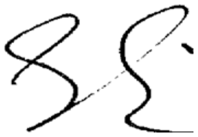
    a. Complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001; and

    b. Giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and of its performance for the half-year ended on that date.

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

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.



Brian P Gilbertson
Chairman
Perth

Dated this 27th day of February 2013

Grant Thornton Audit Pty Ltd
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## Independent Auditor's Review Report
## To the Members of Jupiter Mines Limited

We have reviewed the accompanying half-year financial report of Jupiter Mines Limited ('Company'), which comprises the consolidated financial statements being the statement of financial position as at 31 December 2012, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, a statement of accounting policies, other selected explanatory notes and the directors' declaration of the consolidated entity, comprising both the Company and the entities it controlled ('the consolidated entity') at the half-year's end or from time to time during the half-year.

### Directors' responsibility for the half-year financial report

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

### Auditor's responsibility

Our responsibility is to express a conclusion on the consolidated half-year financial report based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements ASRE 2410: Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Jupiter Mines Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

**Independence**
In conducting our review, we complied with the independence requirements of the Corporations Act 2001.

**Conclusion**
Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Jupiter Mines Limited is not in accordance with the Corporations Act 2001, including:

a giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and of its performance for the half-year ended on that date; and

b complying with Accounting Standard AASB 134: Interim Financial Reporting and Corporations Regulations 2001.

Grant Thornton

GRANT THORNTON AUDIT PTY LTD
Chartered Accountants

C A Becker
Partner - Audit & Assurance

Perth, 27 February 2013