

ASX Release28th July 2011**ABN 51 105 991 740****JUPITER MINES LTD**

Level 2
72 Kings Park Road
West Perth, WA, 6005
Australia
Tel: +61 8 9346 5500
Fax: +61 8 9481 5933

Contacts:

Greg Durack
Matt Finkelstein

Email:

info@jupitermines.com

For the Latest News:

www.jupitermines.com

Directors/Officers

Brian Gilbertson
Richard Mehan
Paul Murray
Andrew Bell
Priyank Thapliyal
Sun Moon Woo

Greg Durack
Matt Finkelstein

Shares: 1,561,035,037
Unlisted Opts: 5,300,000
Deferred Shares: 262,255,799

ASX Symbol:

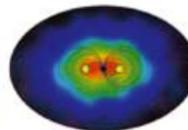
JMS

Currently Developing:

- Iron Ore
- Manganese

Jupiter Mines Limited

June 2011 Quarterly Report

**Corporate**

- Richard Mehan appointed as MD and CEO:
- Matt Finkelstein appointed as CFO and Company Secretary:
- Cash position of \$143.65m: and
- Value of marketable securities \$6.26m.

Central Yilgarn Iron Project (CYIP)

- Mt Mason DSO Hematite Project delivers a robust Scoping Study at 1.5 Mtpa production rate:
- Contracting Case capital cost is \$65.2.m, and operating costs \$55 per tonne of DSO FOB:
- Project NPV is \$100m at a discount rate of 8% pa and the IRR is 74% pa (based on a number of early stage assumptions):
- Drilling commenced at both Mt Mason and Mt Ida in early May: and
- Consultants identified to undertake specific components of the Feasibility Studies.

Tshipi Kalahari Manganese Project

- Tshipi Borwa Mine Development underway with major contracts being evaluated and awarded;
- Initial site clearing and road development commenced; and
- Project capital remains within forecasts and delivery schedule remains H2 2012.

Overview

During the June 2011 quarter (ASX:JMS) completed a Scoping Study on the Mt Mason DSO Hematite Project. The study was completed by ProMet Engineers Pty Ltd (ProMet), and was based on the Mt Mason inferred mineral resource of 5.75 M tonnes grading 59.9% Fe.

The study indicated a financial robust DSO operation.

The Jupiter Board in the March quarter approved to proceed with Feasibility Studies on both the Mt Ida and Mt Mason Projects. In April, installation of the 40 man exploration camp, "Camp Cassini" at CYIP was completed, with the drill rigs mobilizing to site and commencing drilling in early May.



Significant progress was made on the Tshipi Kalahari Manganese Project with a well-resourced and experienced project team driving the project forward. Site establishment commenced in the June quarter with several contractors working together to fence the project area and commence the bulk earth works.

On the Oakover Manganese Project, no field activities were undertaken for the quarter.

On the Corporate front Mr Richard Mehan was appointed Managing Director and CEO, with Mr Greg Durack agreeing to take on a new position as COO. Mr Matt Finkelstein was also appointed as CFO and Company Secretary.

At the end of the quarter Jupiter had a cash balance of \$143.65m and \$6.26m in marketable securities.

Central Yilgarn Iron Project

During the June 2011 quarter the Scoping Study on the Mt Mason DSO Hematite Project (Mt Mason) was completed. The Scoping Study was based on the previously announced Mt Mason inferred mineral resource of 5.75 M tonnes giving a project with < 1 year payback, 70% + IRR and \$80m + free cash flow generation potential.

Two options were evaluated:

Option 1 Jupiter owning and operating the crushing and screening plant, with contract mining and haulage to rail at Menzies

Option 2 Mining, crushing and screening, and haulage to rail at Menzies, all done on a contract basis

The results of both these options are summarised in Table 1 below

	Option 1	Option 2
Capital, \$m	75.82	65.20
Operating Cost, \$/t FOB	51.08	55.03
NPV @ 8%, \$m	109.3	100.2
IRR, %	78	74

Table 1: Option Summary

Notes:

- Based on 1.5 Mtpa DSO production rate
- Based on waste to ore strip ratio of 2.0 to 1
- Inclusive of a royalty of 5%, assuming full equity financing and ignoring taxation
- DSO Hematite price of \$110 per tonne
- All \$ are Australian



A lump/fines ratio of 50/50 was used for a base case price of \$108.67/tonne FOB Esperance. Both the operating scenarios were further evaluated for sensitivity to different iron ore prices and those results are summarised below.

	-10%	-5%	Base	15%	30%	45%	60%
DSO, \$/tonne	97.81	103.24	108.67	124.97	141.28	157.58	173.88
Irr, %	48	58	67	94	120	146	171
NPV 8%, \$m	69.61	87.89	106.18	161.05	215.92	270.79	325.66
NPV 10%, \$m	60.19	76.73	93.28	142.93	192.57	242.21	291.86

Table 2: Option 1 – Owner Crushing, contract mine and haul, Life of Mine

	-10%	-5%	Base	15%	30%	45%	60%
DSO, \$/tonne	97.81	103.24	108.67	124.97	141.28	157.58	173.88
Irr, %	48	59	70	101	131	160	189
NPV 8%, \$m	59.02	77.31	95.60	150.47	205.34	260.21	315.07
NPV 10%, \$m	51.04	67.58	84.13	133.77	183.42	233.06	282.70

Table 3: Option 2 – Contract mine, crush and haul, Life of Mine

		-10%	Base	60%
	DSO, \$/tonne	97.81	108.67	173.88
	Annual Revenue, \$m	146.7	163.0	260.8
Option 1	Annual Free Cash, \$m	70.1	86.4	184.2
	Capital Payback, years	1.1	0.9	0.4
Option 2	Annual Free cash, \$m	64.2	80.5	178.3
	Capital Payback, years	1.2	0.8	0.4

Table 4: Project Capital payback

Notes to tables 2, 3 and 4:

- Grade at 59.9% Fe
- Lump/Fines ratio of 50/50 assumed
- Royalty rates, Lump 7.5% and fines 5.625%
- Simple cash flow evaluation, assuming full equity financing and ignoring taxation
- All \$ are Australian

The Project albeit modest in DSO iron ore terms, has the potential to generate significant positive cash flow, and establish Jupiter in the Central Yilgarn region leading into the progression of its flagship Mt Ida Magnetite Project.

With Board approval to undertake the Feasibility Studies for both Mt Mason and Mt Ida, drilling contractors were mobilised to site in May along with an increased level of Jupiter geological and field staff.

The drilling has now been completed at Mt Mason, with all drill rigs now working on the Mt Ida central zone inferred resource to bring into measured and indicated status.

Further exploration drilling will then be undertaken testing the northern and southern extents of the Mt Ida Banded Iron Formation (BIF) system with the objective of substantially increasing the Mt Ida magnetite inferred resource base.



Consultants have been commissioned to work with the owners' team on the major components of the Feasibility Studies for both projects. SRK Consulting will undertake the key components related to geology, resources, mining and hydrology, ProMet the metallurgy and process design, and Keith Lindbeck, the environmental requirements.

Jupiter is fully funded to deliver the Feasibility Studies on both Mt Ida and Mt Mason; these projects broaden the foundation for Jupiter's strategy to provide raw material feedstock for the production of steel.

Tshipi Kalahari Manganese Project – Jupiter 49.9% Joint Venture Interest

Tshipi Borwa Mine Development

Activities during the June 2011 quarter by Tshipi were focussed and awarding final contracts with major suppliers for the bulk earth works (including all soil compacting), rail siding construction, rapid load out, plant construction and crusher fabrication. Rock and water necessary for road construction and soil compacting have been sourced from neighbouring mines in the area and good progress has been made to date. The designs of the mine and associated surface infrastructure including the crushing and screening plant, the load out station and the rail siding have all been finalised. The primary long lead item being the primary jaw crusher was ordered in April and delivery is scheduled in H2 2012. The preferred mining contractor has been shortlisted and negotiations are continuing to sign off on the final contract in order to commence pre-stripping during the next quarter

Tshipi has received further assay results which delineated the subcrop mineralisation and has engaged with independent geological consultants to update the mineral resource estimate during the next quarter.

Logistics

Tshipi has continued discussions with Transnet, the state owned rail network operator, to secure rail allocation to Port Elizabeth. Frik Gibhard, a former Manager at Transnet, has been appointed as the Tshipi Logistics Manager to drive this process.

Tshipi Bokone

Tshipi has received the assay results which confirmed the continuity of mineralisation and has engaged independent geological consultants to conduct the mineral resource estimate during the next quarter.



Site clearing, removal of topsoil



Impact compaction of the Kalahari Sands



Construction rock loading



Site clearing

Oakover Manganese Project

Jupiter did not conduct any field activities on the project during the quarter.

CORPORATE

Executive Appointments

In May Mr Richard Mehan was appointed Managing Director and CEO, with Mr Greg Durack agreeing to take a new position as COO.

Mr Mehan, an economics graduate from Monash University in Victoria, has spent more than 25 years in the iron ore and coal sectors, and most recently was President and CEO Asia Pacific of Cliffs Natural Resources Pty Limited. Mr Mehan was also a member of the global leadership team of Cliffs Natural Resources Inc, and S&P500 Company with significant iron ore and coal assets in North America, Australia, Latin America and Canada.

Prior to this, Mr Mehan held senior roles with Portman Limited including Managing Director and CEO, COO, General Manager Marketing, and General Manager Iron Ore. He was instrumental in transforming Portman from a small loss making business into a highly profitable~9Mtpa iron ore producer shipping from Esperance. Most of the issues (mine and customer development and infrastructure) facing Jupiter in developing its Mt Mason and Mt Ida iron ore projects are similar to those with Portman confronted in its transformation.

Mr Mehan started his career at Rio Tinto where he worked for 15 years in sales, marketing, business development and logistics roles.

Jupiter's Non-Executive Chairman Mr Brian Gilbertson commented: "We are delighted to have attracted such a talented and experienced executive to Jupiter. His appointment will strengthen the ranks of its leadership team as we develop and grow our asset base.

Further Mr Matt Finkelstein has joined Jupiter as CFO and Company Secretary.



Cash Position

At the end of the quarter the Company had a cash balance of \$143.65m and held marketable securities to the value of \$6.26m.

Yours Faithfully
Jupiter Mines Limited

Richard Mehan
Managing Director & CEO

Competent Persons Statement

The information in this release that relates to Exploration Results is based on information compiled by Mr Michael O'Mara a Member of the Australian Institute of Geoscientists.

Senior Exploration Geologist: Michael O'Mara Competent Person Inferred Resource Statement Mt Ida

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

Consultant David Milton: Competent Person Inferred Resource Statement- Mt Mason

The information in this report that relates to Mineral Resources at Mt Mason is based on information compiled by Mr David Milton, who is a Member of the Australian Institute of Mining and Metallurgy and a full time consultant. Mr David Milton has sufficient experience in the type of deposit under consideration and to the activities undertaken to qualify as a Competent Person as defined in the December 2004 Edition of the Australian Code for reporting Exploration Results, Mineral Resources and Ore Reserves and consents to the inclusion in the report of the matters based on his information in the form and the context in which it appear."