Consolidated Minerals Limited
Financial Results for the three months and nine months to 30 September 2015

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Consolidated Minerals Limited ('Consmin' or the 'Company' or the 'Group')

Report for the Third Quarter ending 30 September 2015

27th November 2015

All figures in accordance with IFRS and in United States Dollars, unless otherwise stated

Consmin, a leading manganese ore producer with mining operations in Australia and Ghana, announces its quarterly results for the period ended 30 September 2015.

Key Highlights

- Total tonnes of manganese ore production for Q3 2015 decreased 22% compared to Q3 2014. Australian manganese ore production decreased by 41% and Ghanaian manganese ore production decreased by 3% compared to Q3 2014. Overall, total manganese ore produced year to date in 2015 was 17% lower compared to the equivalent period in 2014.
- The manganese C1 cash cost[1] for Q3 2015 was $2.20/dmtu, a decrease of 13% compared to $2.52/dmtu in Q3 2014, The manganese C1 cash cost year to date in 2015 was $2.05/dmtu compared to $2.43/dmtu year to date in 2014, a decrease of 16%, continuing the positive trend seen over recent years.
- Total manganese sales tonnes increased 53% in Q3 2015 compared to Q3 2014. Australian sales decreased 19% due to lower ore production from smaller pits on transition to the Topvar pit. Ghanaian sales increased 325% compared to Q3 2014 when sales were negatively impacted following the termination of the TMI contract. Overall, total manganese sales tonnes in the first nine months of 2015 were 2% higher compared to the equivalent period in 2014.
- Average manganese FOB sales price decreased 37% from $3.83 in Q3 2014 to $2.42 in Q3 2015. Overall, average manganese FOB sales price decreased 31% from $4.04 year to September 2014 to $2.77 in the first nine months of 2015.
- The average manganese ore price for Q3 2015 (CRU, 44%Mn CIF China) was $3.02/dmtu, a decrease of 3% from $3.10/dmtu in Q2 2015. The Company's average price for its Australian 46%Mn lump product (CIF China) was $3.27/dmtu in Q3 2015, having started the year at $4.65/dmtu and ended the third quarter at $3.20/dmtu.
- Adjusted EBITDA[2] for Q3 2015 was $4 million, down from $21 million in Q3 2014, principally due to lower pricing partially offset by reduced mining costs. Cash EBITDA for Q3 2015 was $17 million, up from $2 million in Q3 2014 mainly as a result of the higher benefit relating to net movement in inventories in Q3 2015 as stockpiles were drawn down.
- The Group recorded a loss of $15 million during Q3 2015, which is equivalent to the loss in Q3 2014.
- During the quarter the Group had an operating cash inflow of $10 million compared to an inflow from continuing operations of $20 million in Q3 2014.
- Cash and cash equivalents net of overdrafts decreased in Q3 2015 by $12 million to $102 million on 30 September 2015 with net debt reducing by $4 million to $286 million over the same period.
- During the quarter the Group spent $11 million on the repurchase of a part of its 2020 bonds.
- Total capital expenditure for the Group in Q3 2015 was $6 million, 52% lower than in Q3 2014, as a result of reduced exploration activity in order to maintain liquidity in light of the difficult current market conditions for manganese ore.

Key Performance Indicators

Unaudited	Quarter ended 30 Sept 2015	Quarter ended 30 Sept 2014	% change	Nine months ended 30 Sept 2015	Nine months ended 30 Sept 2014	% change
Manganese ore produced (dry kt)	679.5	871.3	(22.0%)	2,160.5	2,601.8	(17.0%)
Manganese ore sales (dry kt)	890.9	583.8	52.6%	2,166.1	2,121.2	2.1%
Average C1 manganese unit cash cost ($/dmtu)[1]	2.20	2.52	(12.7%)	2.05	2.43	(15.6%)
Average manganese FOB Sales price ($/dmtu)	2.42	3.83	(36.8%)	2.77	4.04	(31.4%)
Revenue ($ million)	75.2	92.7	(18.9%)	218.0	318.0	(31.4%)
Adjusted EBITDA ($ million)[2]	4.0	20.7	(80.7%)	43.0	107.7	(60.1%)
'Cash' EBITDA ($ million)[2]	17.0	1.5	1033.3%	33.9	61.1	(44.5%)
(Loss) / profit for the period from continuing operations	(14.6)	(14.6)	0.0%	3.9	4.7	(17.0%)

	At 30 Sept 2015	At 31 Dec 2014	% change
Cash and cash equivalents ($ million)	106.2	82.1	29.4%
Gross debt ($ million)	(392.5)	(428.6)	(8.4%)
Gross debt excluding high yield bonds ($ million)	(20.1)	(44.0)	(54.4%)
Net debt ($ million)	(286.3)	(346.5)	(17.4%)

[1] Average C1 manganese unit cash cost represents the cash cost incurred at each processing stage from mining through to shiploading, divided by the total manganese dmtus produced. Included within the C1 manganese cash costs are an allocation of offsite, non-corporate and support services. Depreciation, government royalty payments, deferred stripping adjustments and stockpile movements are not included in the calculation.

[2] "Adjusted EBITDA" is defined as operating profit before depreciation and amortisation, impairment write-back/expense, net foreign exchange gain/loss and exceptional items[3]. 'Cash' EBITDA is defined as Adjusted EBITDA after removing the impact of the non-cash items of deferred stripping and net movement in inventories. Adjusted EBITDA and Cash EBITDA are the key profitability measures used across the business and reflect performance in a consistent manner and in line with how the business is managed and measured on a day to day basis. Adjusted EBITDA and Cash EBITDA are not uniformly or legally defined measures and are not recognised under IFRS or any other generally accepted accounting principles. Other companies in the mining industry may calculate these measures differently and consequently, our presentation of Adjusted EBITDA and Cash EBITDA items may not be readily comparable to other companies' figures.

[3] Exceptional items are material or non-recurring items excluded from management's assessment of profits because by their nature they could distort the Group's underlying quality of earnings. These are excluded to reflect performance in a consistent manner and in line with how the business is managed and measured on a day to day basis.

Commenting on the results, David Slater (CFO of Consmin) said:

"During the third quarter Consmin's operational performance was adversely impacted by a 22% lower production compared to Q3 2014. Australian ore production declined 41% as a result of the combination of transition to the Topvar and Cracker pits that required pre-stripping and the uncharacteristically fine nature of the ore encountered in Homestead and Paystar which negatively impacting processing yields and production.

The manganese C1 cash cost for quarter was $2.20/dmtu, a decrease of 13% from $2.52/dmtu for Q3 2014, with the reduction largely driven by beneficial effect of the relative weakening of the Australian dollar. The increase in C1 costs compared to Q2 2015 was in-line with expectation as a result of additional waste stripping in Ghana as a result of increasing production and in Australia regarding the pre-stripping of Topvar and Cracker. The 2015 full year estimate for the C1 cash cost is now expected to be circa $2.20/dmtu based on an exchange rate of for the Australian dollar of 0.73 for the remainder of the year.

Manganese sales tonnes increased 53% in Q3 2015 compared to Q3 2014, driven by a four-fold increase in Ghanaian sales, which were negatively impacted in Q3 2014 by the termination of the TMI contract, offset by Australian sales which declined 19% as a result of the lower production. Despite the increase in sales volumes, revenue in Q3 2015 fell by 19% as a result of the average FOB manganese price decreasing 37% and the lower average grade sold as a result of a larger proportion of sales from Ghana.

As a result of the continuing difficult pricing environment and weaker Australian production, financial performance for the quarter worsened compared to the Q3 2014. Adjusted EBITDA for the quarter was down from $21 million in the Q3 2014 to $4 million, however cash EBITDA increased from $2 million to $17 million as a result of drawing down on stockpiles in the quarter.

Net cash generated from operations in the quarter at $10 million was lower than the $20 million in Q3 2014 largely as a result of the weaker pricing environment for manganese. This reduction was however partially mitigated by reduced payments for capital expenditure. During the quarter $11 million was spent on the repurchase on a portion of the 2020 senior secured notes. Total cash and cash equivalents net of overdrafts decreased in the quarter by $12 million to $102 million at 30 September 2015.

China's slowing economy, particularly in the construction sector, continues to exert downward pressure on its domestic steel and alloy industries. Further contraction in China steel production in Q3 has further increased the pressure on manganese ore demand and prices with November shipments coming under severe downward pressure with a further 15% fall in prices. At this

level of pricing many producers are expected to be below sustainable cost levels despite recent cost cutting and favourable currency movements. With demand likely to remain muted, substantial production cuts are required to restore market balance and stabilise ore prices. In the absence of such changes the company remains bearish on manganese ore prices in the near to mid-term.

Although Consmin ended the third quarter with net cash and cash equivalents balance of $102 million, the continued downward pricing will result in increased pressure on liquidity. As such the Group will continue to tightly control its capital expenditure and explore further efficiencies and cost reduction programmes."

About Consolidated Minerals Limited

Consmin is a leading manganese ore producer with mining operations in Australia and Ghana. The principal activities of the Company and its subsidiaries (the "Group") are the exploration, mining, processing and sale of manganese products. The Group's operations are primarily conducted through four major operating/trading subsidiaries: Pilbara Manganese Pty Limited (Australia), Ghana Manganese Company Limited (Ghana), Manganese Trading Limited (Jersey) and Pilbara Trading Limited (Jersey).

Consolidated Minerals Limited is headquartered in Jersey and the address of its office is Commercial House, 3 Commercial Street, St Helier, Jersey, Channel Islands, JE2 3RU.

Company Information

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Mark Camaj, General Manager, Marketing
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Paul Muller, Managing Director, Australia
David Slater, Executive Director and Chief Financial Officer

Conference Call

There will be a conference call for analysts and bondholders, the details of which will be released on the Company website www.consmin.com.

Market, Economic and Industry Data

Market, economic and industry data used throughout this report has been derived from various industry and other independent sources. Industry publications, surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed and such industry forecasts may not have been updated. Forecasts and other forward-looking information obtained from these sources are subject to the same qualifications and uncertainties as the other forward looking statements contained in this report.

Forward looking statements

This report includes "forward-looking statements" that express or imply expectations of future events or results. Forward-looking statements are statements that are not historical facts. These statements include, without limitation, financial projections and estimates and their underlying assumptions, statements regarding plans, objectives and expectations with respect to future production, operations, costs, products and services, and statements regarding future performance. Forward-looking statements are generally identified by the words 'plans,' 'expects,' 'anticipates,' 'believes,' 'intends,' 'estimates' and other similar expressions.

All forward-looking statements involve a number of risks, uncertainties and other factors. Although Consmin's management believes that the expectations reflected in such forward-looking statements are reasonable, investors are cautioned that forward-looking information and statements are subject to various risks and uncertainties, many of which are difficult to predict and generally beyond the control of Consmin, that could cause actual results and developments to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements contained in this report. Factors that could cause or contribute to differences between the actual results, performance and achievements of Consmin include, but are not limited to, political, economic and business conditions, industry trends, competition, commodity prices, changes in regulation, currency fluctuations (including the Australian dollar and US dollar exchange rates), Consmin's ability to recover its reserves or develop new reserves, including its ability to convert its resources into reserves and its mineral potential into resources or reserves, and to timely and successfully process its mineral reserves which may or may not occur. Consmin is also exposed to the risk of trespass, theft and vandalism, changes in its business strategy, as well as risks and hazards associated with the business of mineral exploration, development, mining and production. Accordingly, investors should not place reliance on forward looking statements contained in this report.

The forward-looking statements in this report reflect information available at the time of preparing this report. Subject to the requirements of the applicable law, Consmin explicitly disclaims any obligation or undertaking publicly to release the result of

any revisions to any forward- looking statements in this report that may occur due to any change in Consmin's expectations or to reflect events or circumstances after the date of this report. No statements made in this report regarding expectations of future profits are profit forecasts or estimates, and no statements made in this report should be interpreted to mean that Consmin's profits for any future period will necessarily match or exceed the historical published profits of Consmin or any other level.

Marketing Review

Manganese is used in metallurgical applications for carbon and stainless steel production as well as non-metallurgical industrial applications for the chemical and fertilizer industries.

The carbon steel industry accounts for 90% of end user demand for manganese, a non-substitutable additive used as both a deoxidizing and desulphurising agent. Steel production consumes various grades of manganese alloys, the intermediary product derived through the smelting of manganese oxide ore like that produced from our Woodie Woodie manganese mine in Australia.

Global steel production in Q3 2015 fell by 3.2% year on year to 396 million tonnes, according to Worldsteel. China accounted for 50% of global production, with its production declining by 3.7% year on year to 199 million tonnes during the quarter. Imports of manganese ore into China fell 7.6% year on year to 4.2 million tonnes in the quarter (16.7 million tonnes annualised) as a result of the decline in steel production. Year to date imports in 2015 were 11.8 million tonnes, down 4.3% from the 12.3 million tonnes imported for the equivalent period in 2014.

Stainless steel 200 series, the other key metallurgical application for manganese, consumes electrolytic manganese metal ('EMM') produced through the hydrometallurgical processing of manganese ore, predominantly carbonate manganese ore, like that mined at our Nsuta manganese mine in Ghana.

China produces circa 50% of global stainless steel production, with the proportion of 200 series stainless steel relative to total stainless steel produced in the country exceeding 30%. China accounts for circa 95% of global EMM production and has relied on domestic low-grade carbonate ores for the past 15 years, which has led to an annual decline in their grades and availability. This market is therefore the ideal end-user for Ghana carbonate ore.

Manganese ore shipments totalled 891k dry tonnes during Q3 2015, an increase of 53% compared to 584k dry tonnes shipped in Q3 2014. This increase was due to a ramp-up in sales from Ghana, which rose 325% year on year to 518k dry tonnes (2.1 million tonnes annualised), due to strong sales to TMI in the quarter compared to nil in the same period in 2014. Our shipments of Australian manganese were 373k dry tonnes in Q3 2015, a decrease of 19% year on year as a result of lower availability of ore due to the transition to the Topvar pit through a number of smaller pits.

The quarterly average price for manganese lump (CRU, 44%Mn CIF China) in Q3 2015 was $3.02/dmtu, a decrease of 2.6% from $3.10/dmtu in the previous quarter (Q2 2015) and a decrease of 30% from $4.35/dmtu in Q3 2014. Meanwhile, the average monthly pricing for the company's Australian WW46L ore in Q3 2015 was US$3.27/dmtu, having started 2015 at $4.65/dmtu and ended the third quarter at $3.20/dmtu. The price for the company's WW46L product has been rolled over at $3.20/dmtu for October shipments.

China's slowing economy, particularly in the construction sector, continues to put downward pressure on its domestic steel and alloying industries. Further contraction in China steel production in Q3 has extended the pressure on manganese ore demand and prices. After being stable from May to August 2015 manganese ore prices fell around 3% in September and were held at that level in October. However, they have come under severe downward pressure for November shipments, with up to a 15% fall in prices announced. At current level of prices many producers should be below sustainable cost levels even after recent rounds of cost cutting and favourable movements in local currencies versus the US dollar. With demand likely to remain muted substantial production cuts are required to restore market balance and stabilise ore prices. Unless supplier production cuts materialise the company remains bearish on Manganese ore prices in the near to mid-term.

Operational Review

Summary Overview (Unaudited)	Quarter ended			Nine months ended		
	30 Sept 2015	30 Sept 2014	% change	30 Sept 2015	30 Sept 2014	% change

Total mined (mBCM)	4.0	3.7	8.1%	10.4	10.8	(3.7%)
Manganese ore produced (dry kt)	679.5	871.3	(22.0%)	2,160.5	2,601.8	(17.0%)
Australia	*258.3*	*435.6*	*(40.7%)*	*1,033.5*	*1,257.5*	*(17.8%)*
Ghana	*421.2*	*435.7*	*(3.3%)*	*1,127.0*	*1,344.3*	*(16.2%)*
Manganese ore produced (mdmtu)	23.6	31.2	(24.4%)	78.8	91.8	(14.2%)
Australia	*11.5*	*19.2*	*(40.1%)*	*47.2*	*54.5*	*(13.4%)*
Ghana	*12.1*	*12.0*	*0.8%*	*31.6*	*37.3*	*(15.3%)*
Manganese ore sales (dry kt)	890.9	583.8	52.6%	2,166.0	2,121.2	2.1%
Australia	*372.7*	*461.9*	*(19.3%)*	*1,018.2*	*1,202.6*	*(15.3%)*
Ghana	*518.2*	*121.9*	*325.1%*	*1,147.8*	*918.6*	*25.0%*
Manganese ore sales (mdmtu)	31.1	24.2	28.5%	78.6	78.4	0.3%
Australia	*16.8*	*20.6*	*(18.4%)*	*46.8*	*52.4*	*(10.7%)*
Ghana	*14.3*	*3.6*	*297.2%*	*31.8*	*26.0*	*22.3%*
Total capex – including exploration ($ million)	6.4	13.3	(51.9%)	14.4	33.2	(56.6%)
Average unit cash cost ($/dmtu)	2.20	2.52	(12.7%)	2.05	2.43	(15.6%)

Australia: Woodie Woodie

Overview
Woodie Woodie is located in the Pilbara region of Western Australia, approximately 400km south east of the town and port of Port Hedland. The Woodie Woodie tenements comprise of approximately 3,200km^2 of exploration tenements and 100km^2 of currently active mining corridor. The mine is serviced by modern infrastructure including an accommodation village, administration buildings, maintenance workshop facilities, power generation infrastructure, a sealed all-weather airstrip and a sealed public road which connects the mine to Port Hedland. Woodie Woodie's high-grade manganese ore which is low in deleterious elements and Port Hedland's location proximate to key Asian markets represent key competitive advantages.

Safety
The total recordable injury frequency rate declined to 4.1 in September 2015, down from 5.1 in June 2015, despite two recordable injuries being sustained during Q3 2015.

Whilst Consmin is pleased with the continuing injury reduction trend, management remain committed to improving safety systems and processes, risk awareness and safety leadership.

Production
High stripping ratios were experienced during Q3 2015 as the new pits, Topvar and Cracker, continued to be pre-stripped. Mining volumes during the quarter totalled 2.5m bcm, in line with Q2 2015 and up 52% on Q3 2014.

Ore was mined during the quarter in Homestead, Paystar and Eat pits. The uncharacteristically fine nature of the ore encountered in Homestead and Paystar, caused by weathering, continued in the quarter, negatively impacting processing yields and production. Further exacerbating production challenges in the quarter was a wall failure in Homestead pit, which prevented the final 6 metres of the pit from being mined.

Production during the quarter was 258kt, down 30% on the prior quarter and 41% on the corresponding period in 2014. The grade of the ore produced was 44.6% manganese, down on 45.8% in Q2 2015 and up on 44.0% in Q3 2014.

Capital Expenditure
Capital expenditure in Q3 2015 was $5.8 million, comprising of $3.3 million spent on property, plant and equipment and $2.4 million on exploration and resource development. The property, plant and equipment spend related to dewatering infrastructure and components for heavy mobile equipment. Total year to date capital expenditure is $10.8 million comprising of $4.4 million on property, plant and equipment and $6.3 million on exploration and resource development.

Exploration and Resource Development
Exploration activities predominantly comprised of resource development drilling in and around the Topvar mining hub and some early stage exploration drilling in the broader Woodie Woodie region. In total, 27,000m of RC drilling was completed.

Cost reductions
Management are pleased to report positive progress with regard to the cost reduction program outlined in the Q2 operating report with the underlying total operational cost base reducing, largely offsetting the production challenges in the quarter.

In light of the low price for manganese ore, Consmin continues to explore all opportunities to optimise its operations, production and sales plans, improve productivity, efficiency and reduce costs.

Ghana: Ghana Manganese Company Limited ('GMC')

The GMC mine, also known as the Nsuta mine, comprises approximately 175km^2 of land in and around Nsuta in the Western Region of Ghana, of which the current active mining area is less than 3% of the total area. The Company's operations at Nsuta are located approximately 63km by rail or 92km by public tarred road from the port facilities at Takoradi. A 30-year mining lease

for manganese was granted to GMC in 2001 and Consmin operates under this lease. Manganese ore exported from Nsuta is a manganese carbonate (as opposed to a manganese oxide) with relatively high manganese to iron ratio, making it well suited for alloy and EMM production. When used for the production of EMM it is considered a high-grade ore, as it contains usually 2-3 times more manganese units than other manganese carbonates. The ore produced by GMC is also low in phosphorus and other deleterious elements, which enable it to be an excellent replacement for the low-grade carbonate ores of China.

Safety
The GMC mine continued to witness an excellent safety record which has resulted in no major reportable incidents or accidents during the first nine months of 2015.

Production
Production at GMC totaled at 421kt of manganese ore (12.1 million dmtu) during Q3 2015, representing a 3% decrease in tonnes (1% increase in dmtu) compared to Q3 2014. The production in Q3 2015 was accelerated following the decision to increase output in order to align production volumes with revised projected sales for 2015 (increased from 1.4 million tonnes to 1.6 million tonnes). With effect from Q3 the mine also accelerated its mine development program to prepare the Ghanaian operations for higher sales targets in 2016 and 2017. This decision led to an increased stripping ratio and resulted in the full GMC fleet utilization as well as the hiring of an additional contract fleet. Although the year to date total BCM mined was significantly lower than the equivalent period in 2014, it should be noted that 50% of the year to date BCM mined was moved during Q3.

Capital Expenditure
A total of $3.4 million, including $0.2 million on exploration (year to date 2014: $10.1 million, including $1.4 million on exploration) was spent on capital expenditure projects during the first nine months of 2015, with the majority of this spend on critical spares and components for the mobile and fixed equipment.

Exploration
During the third quarter of 2015 infill drilling was focused on the continued resource development of our main Pit C. During the third quarter 2015 GMC finalised its mid-year mineral resource and reserve statement at 30th June 2015. Below are the relevant summary results with changes mainly related to depletion:

	Tonnes		Mn %		
	30 June 2015	31 December 2014	30 June 2015	31 December 2014	Tonnes Movement
Total Reserves	44.3	45.0	28.1%	28.2%	(2%)
Total Resources	101.3	101.3	26.8%	26.8%	-

According to the reserves and resources statement at 30 June 2015 Nsuta is estimated to have a remaining life of 22 years (until 2037) based on a production rate of 2.0 million tonnes per annum with total reserves of 44.3 million tonnes at an average grade of 28.1%.

Projects

Port Development Project: The Ghana Ports and Harbours Authority (GPHA) continues to seek additional funding to finance the outstanding phases of the Master Plan project of upgrading the port of Takoradi. The GPHA is considering outsourcing the future Takoradi bulk commodity loading and discharging activities to a professional third party operator with a consultant being appointed to facilitate this process.

C-North Pit Development: A public hearing on re-entering the C-North pit was held with the community of Tarkwa Banso on the 2nd September 2015. Following the presentations made by the Company and regulatory bodies the community indicated that they would insist on the regulators applying the 500 meters boundary distance in order for the Company to obtain the social license. GMC expects the regulators to revert with a recommendation for the Company to calculate the economics of the project assuming a 500 meters boundary resettlement obligation and has started pro-actively developing plans based on these parameters.

Hotopo Exploration Project: Following the permitting and renewal of the prospecting licenses Hotopo Resources Limited, a subsidiary of the Company, has designed a two-phased exploration programme (mapping and geophysics).

Other Matters

Mindy Mindy
Consmin has a significant interest in the Mindy Mindy iron ore tenements through its 50% shareholding in Pilbara Iron Ore Pty Ltd ('PIO'). PIO's claim that it has earned an 80% ownership interest in one of the tenements is subject to court determination. A decision adverse to PIO was handed down in the Warden's Court on 16 September 2014. PIO has lodged an appeal in the Supreme Court of Western Australia against the Warden's decision. The appeal was part heard on 29-30 October 2015 and has been adjourned until 30-31 March 2016.

OM Holdings Limited ('OM Holdings')
OM Holdings is, primarily, a vertically integrated manganese marketing and mining company listed on the ASX (ticker: OMH). At 30 September 2015, the Company's holding in OM Holdings remained at 8.0%, consistent with 31 December 2014. The market value of the Company's holding in OM Holdings as at 30 September 2015 was $7.4 million.

Sustainable Development

Consolidated Minerals aims to manage its social and environmental obligations in the regions and the communities in which it interacts to ensure that the potential impacts of its operations are monitored, understood, effectively managed and minimised.

The Company's broader social and environmental objectives aim to protect and preserve the communities in which we operate and minimise our impact on the environment, through the efficient use of resources and the minimisation and responsible management of waste. We seek to support viable options for the harnessing and use of renewable energy in our operations where those opportunities exist.

In Australia we engage with local indigenous communities who have traditional links to the areas and regions in which we operate, to help ensure the protection of their culture and heritage, and we support opportunities to share the economic benefits of our regional activities. Our indigenous employment programme seeks to provide equitable opportunities for individuals to develop careers in the mining industry wherever those opportunities are available.

In Ghana we have continued to make significant contributions to the social infrastructure, supporting many local communities through infrastructure development, alternative livelihood training and educational bursaries and scholarships.

People

The operational management decisions of the Group are made by the Group Executive Committee ('GEC'). The GEC members are Mark Camaj (General Manager: Marketing), Jurgen Eijgendaal (Managing Director: Ghana), Paul Muller (Managing Director: Australia), Oleg Sheyko (CEO of Metals Solutions Limited) and David Slater (Executive Director and Chief Financial Officer).

Financial Review

Unaudited Condensed Consolidated Statement of Comprehensive Income

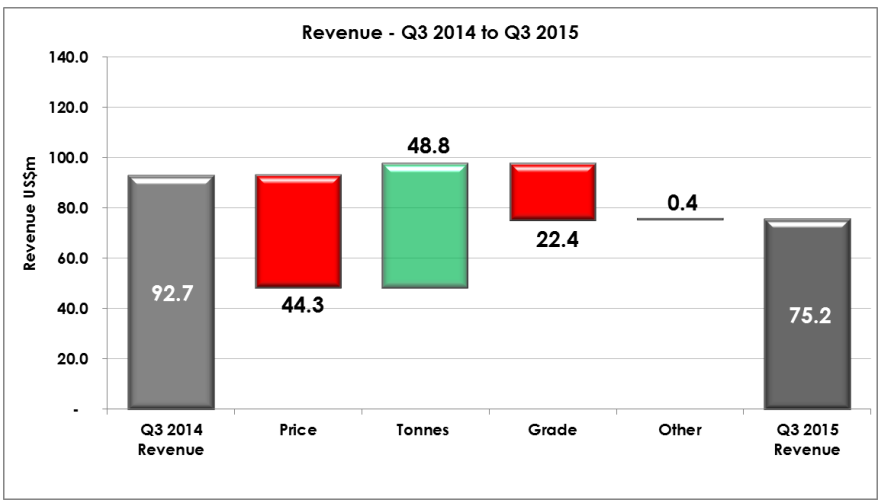
$m	Quarter ended 30 Sept 2015	Quarter ended 30 Sept 2014	Nine months ended 30 Sept 2015	Nine months ended 30 Sept 2014
Revenue	75.2	92.7	218.0	318.0
Cost of sales	(58.3)	(57.4)	(151.9)	(172.6)
Gross profit	**16.9**	**35.3**	**66.1**	**145.4**
Selling and distribution costs	(16.4)	(26.7)	(50.0)	(67.8)
General and administrative costs	(7.8)	(10.1)	(26.2)	(28.2)
Other operating income - net	0.4	0.8	51.3	2.5
Exploration write-off expense	0.2	-	(8.7)	-
Net foreign exchange (loss) / gain	(2.4)	(2.8)	(4.7)	(1.0)
Operating (loss) / profit	**(9.1)**	**(3.5)**	**27.8**	**50.9**
Presented as:				
Adjusted EBITDA	**4.0**	**20.7**	**43.0**	**107.7**
Depreciation and amortisation	(10.8)	(21.4)	(51.1)	(55.8)
Exploration write-off expense	0.2	-	(8.7)	-
Exceptional items	(0.1)	-	49.3	-
Net foreign exchange (loss) / gain	(2.4)	(2.8)	(4.7)	(1.0)
Operating (loss) / profit	**(9.1)**	**(3.5)**	**27.8**	**50.9**
Net financing costs	(5.4)	(9.2)	(23.6)	(39.7)
(Loss) / profit before tax from continuing operations	**(14.5)**	**(12.7)**	**4.2**	**11.2**
Income tax charge	(0.1)	(1.9)	(0.3)	(6.5)
(Loss) / profit from continuing operations	**(14.6)**	**(14.6)**	**3.9**	**4.7**
Profit from discontinued operations (attributable to owners of the parent company)	-	-	-	9.6
(Loss) / profit for the period	**(14.6)**	**(14.6)**	**3.9**	**14.3**

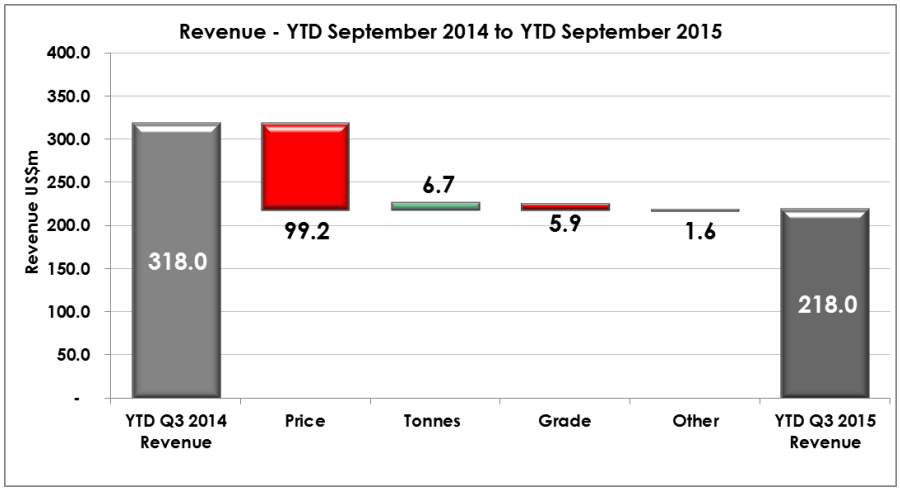
Revenue

The consolidated revenue for the Group decreased by 19% from $93 million in Q3 2014 to $75 million in Q3 2015 as a result of the combination of lower pricing and average grade sold, partially offset by an increase in volumes sold. The average price of our manganese ore sold in Q3 2015 was $2.42/dmtu FOB, compared to $3.83/dmtu FOB in Q3 2014, a decrease of 37% reflecting the reduction in the benchmark price over the same period.

Manganese volumes sold (in tonnes) increased by 53% in Q3 2015 compared to Q3 2014 with a 325% increase in Ghanaian sales tonnes partially offset by a 19% reduction in Australian sales tonnes. Sales from Ghana in Q3 2015 benefitted from the resumption of the trading relationship with TMI whilst sales in Q3 2014 were impacted by the termination of the long-term off-take agreement with TMI. Sales from Australia were affected by lower ore production from smaller pits on transition to the Topvar pit.

The graphs below summarise the decrease in revenue compared to Q3 2014 and YTD Q3 2014:





Cost of Sales

The cost of sales for the Group increased by 2% from $57 million in Q3 2014 to $58 million in Q3 2015. An analysis of the cost of sales is as follows:

$m	Quarter ended 30 Sept 2015	Quarter ended 30 Sept 2014	% Movement	Nine month ended 30 Sept 2015	Nine month ended 30 Sept 2014	% Movement
Manganese						
Mining and production expenses	29.0	46.7	(37.9%)	93.5	138.4	(32.4%)
Depreciation and amortisation	10.7	21.1	(49.3%)	50.7	55.2	(8.2%)
Royalties and other taxes	5.4	8.8	(38.6%)	16.3	24.0	(32.1%)
Deferred stripping	(10.4)	(7.3)	42.5%	(28.8)	(25.2)	14.3%
Net movement in inventories	23.4	(11.9)	(296.6%)	19.7	(21.4)	(192.1%)
Other	0.2	-	-	0.5	-	
Total manganese cost of sales	**58.3**	**57.4**	**1.6%**	**151.9**	**171.0**	**(11.2%)**
Other cost of sales	-	-	-	-	1.6	(100.0%)
Total cost of sales	**58.3**	**57.4**	**1.6%**	**151.9**	**172.6**	**(12.0%)**

The principal factors driving the $1 million increase in cost of sales are as follows:

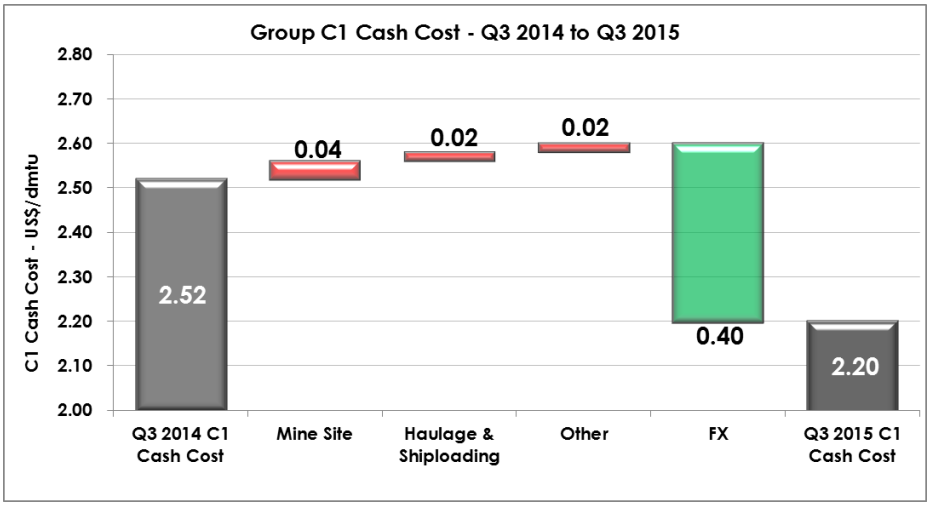
- An $18 million benefit from reduced mining and production costs reflecting the reduction in C1 manganese unit cash cost driven by reduced mine site costs and foreign exchange benefits due to the relative weakening of the Australian dollar;
- A $10 million reduction in depreciation driven by lower production levels in the quarter and foreign exchange benefits from the weakening of the Australian dollar;
- A $3 million decrease in royalties as a result of lower revenues in the quarter;
- A $3 million benefit in relation to an increase in the deferred stripping credit due to mining in higher strip ratio pits;

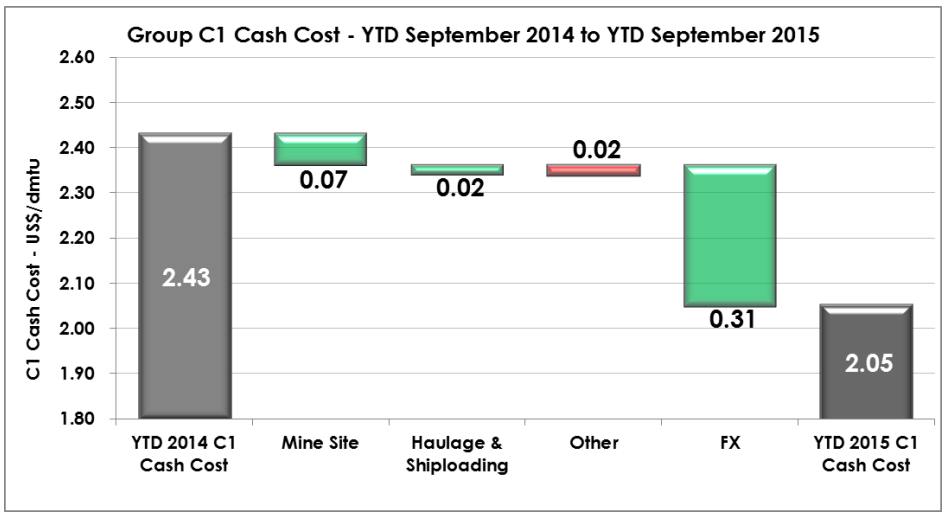
  offset by:

- A $35 million increased cost in relation to net movement in inventories compared to Q3 2014. Stock levels in Q3 2014 were exceptionally high due to increased levels of production and lower sales volumes as a result of the termination of the TMI contract. Comparatively, production in Q3 2015 has been significantly lower as a result of the transition phase from the major pit of Greensnake to Topvar in Australia resulting stockpiles being depleted to a more normalised level.

The Company uses the 'C1 cash cost' as a measure of average unit cost. The C1 unit cash cost represents the cash cost incurred at each processing stage from mining through to ship loading, divided by the total manganese dmtu produced. The average C1 unit cost of manganese production, on a "fully expensed" mining cost basis, was $2.20 for Q3 2015, a decrease of 13% from $2.52/dmtu for Q3 2014.

As the graph below shows, in the quarter there have been slight increases in mine site and haulage and shiploading costs as well as significant benefits due to the foreign exchange impact of the relative weakening of the Australian dollar.





Gross Profit

Gross profit for the Group was $17 million in Q3 2015, a decrease of 52% from $35 million in Q3 2014. The gross profit margin has decreased from 38% in Q3 2014 to 22% in Q3 2015. The reduction in both gross profit and gross profit margin has been driven by lower manganese ore prices and lower average ore grades sold, partially offset by an increase in ore tonnes sold, reduced mining costs and foreign exchange benefit.

Adjusted EBITDA and Cash EBITDA

Adjusted EBITDA and Cash EBITDA are calculated as follows:

$m	Quarter ended 30 Sept 2015	Quarter ended 30 Sept 2014	Nine months ended 30 Sept 2015	Nine months ended 30 Sept 2014
Operating profit	**(9.1)**	**(3.5)**	**27.8**	**50.9**
Depreciation and amortisation	10.8	21.4	51.1	55.8
Exploration write-off expense	(0.2)	-	8.7	-
Exceptional items	0.1	-	(49.3)	-
Net foreign exchange loss / (gain)	2.4	2.8	4.7	1.0
Adjusted EBITDA	**4.0**	**20.7**	**43.0**	**107.7**
Deferred stripping	(10.4)	(7.3)	(28.8)	(25.2)
Net movement in inventories	23.4	(11.9)	19.7	(21.4)
'Cash' EBITDA	**17.0**	**1.5**	**33.9**	**61.1**

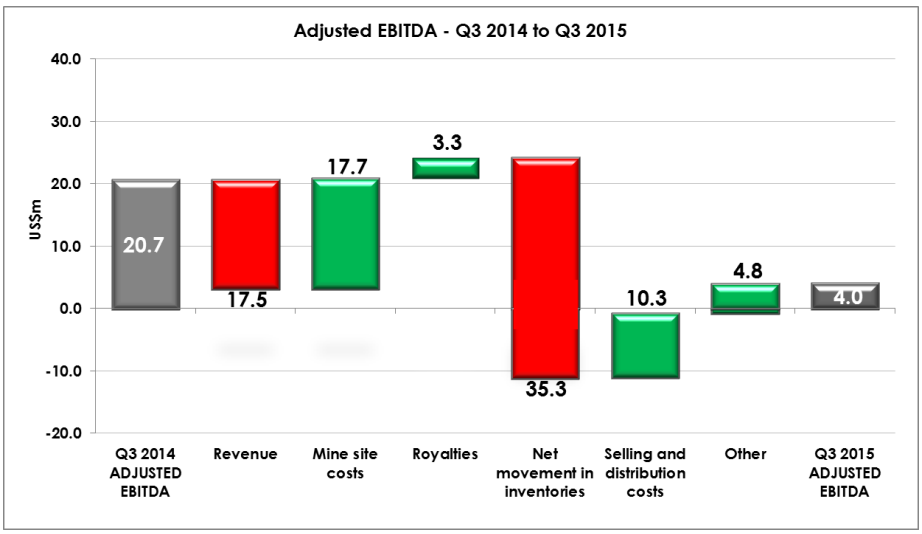
Adjusted EBITDA is defined as operating profit before depreciation and amortisation, impairment write-back / expense, net foreign exchange gain or loss and exceptional items. Cash EBITDA is defined as Adjusted EBITDA after removing the impact of the non-cash items of deferred stripping and net movement in inventories. Adjusted EBITDA and Cash EBITDA are the key profitability measures used across the whole business and reflect the performance in a consistent manner and in line with how the business is managed and measured on a day to day basis.

As the graph below shows Adjusted EBITDA was $4.0 million in Q3 2015, a decrease of $17 million from $21 million in Q3 2014, primarily as a result of the following key movements:

- A decrease in revenues of $18 million due to lower pricing and lower average grade sold partially offset by increased volumes sold;
- An increased cost of $35 million relating to net movement in inventories due to lower production and higher sales levels compared to Q3 2014 and a reduced valuation of the ROM stockpile;

  offset by:

- A reduction in mining and production expenses of $18 million due to reduced mine site costs and the relative weakening of the Australian dollar;
- A $10 million reduction in selling and distribution costs reflecting lower volumes hauled and shipped and benefits from lower fuel prices and foreign exchange;
- A reduction in royalties of $3 million due to lower revenues;
- A $3 million increase in the deferred stripping credit due to mining in higher strip ratio pits;
- A $2 million reduction in general and administration expenses as a result of cost saving measures.



Cash EBITDA has increased by $15 million from $2 million in Q3 2014 to $17 million in Q3 2015 due to the reasons outlined above for adjusted EBITDA and after deducting the impact of the negative net movement in inventories of $35 million and the increase in deferred stripping capitalised to the balance sheet of $3 million.

Other Key Items

Selling and distribution expenses decreased by $10 million to $16 million in Q3 2015 compared to Q3 2014 as a result of reduced sales volumes and volumes hauled in Australia and the benefits of the weakening of the Australian dollar. General and administrative expenses decreased by $2 million compared to Q3 2014 as a result of cost reducing measures and the foreign exchange benefit from the relative weakening of the Australian dollar.

Net financing costs are $5 million for the quarter, a reduction of $4 million from $9 million in Q3 2014. The reduction in net financing costs is a result of a $4 million gain recognised in finance income on the repurchase of a part of our senior secured notes.

The Group is subject to taxation in the jurisdictions in which it operates, primarily Australia and Ghana. The parent company is domiciled in Jersey and is subject to a corporate tax rate of 0%. The Group recognised an income tax charge of $0.1 million in Q3 2015 compared to an income tax charge of $2 million in Q3 2014.

(Loss) / profit for the Period

The Group has recognised a loss from continuing operations for Q3 2015 of $15 million, equal to a loss from continuing operations of $15 million in Q3 2014.

Unaudited Condensed Consolidated Statement of Financial Position

$m	As at 30 Sept 2015	31 Dec 2014
Cash and cash equivalents	106.2	82.1
Other current assets	76.7	122.2
Non-current assets	437.5	503.7
Total assets	620.4	708.0
Current borrowings	(11.7)	(29.7)
Non-current borrowings	(380.8)	(398.9)
Other current liabilities	(42.2)	(52.9)
Other non-current liabilities	(97.4)	(101.7)
Total liabilities	(532.1)	(583.2)
Net Assets	88.3	124.8

Cash and Cash Equivalents

Cash and cash equivalents at 30 September 2015 were $106 million, an increase of $24 million from $82 million at 31 December 2014. This is due to positive cashflows from operating activities supported by the $51 million received from TMI partially offset by bond interest paid, bond repurchases and capital expenditure.

Borrowings

Current borrowings have decreased to $12 million at 30 September 2015 from $30 million at 31 December 2014 as a result of the substantial repayment of the Ghanaian overdraft facility during the year. Non-current borrowings have decreased by $18 million since 31 December 2014 due to the repurchase of senior secured notes in the quarter and a decrease in non-current hire purchase liabilities.

Guarantor Group

During the nine months ended 30 September 2015 the Guarantors of the senior secured notes represented 100% (30 September 2014: 100%) of our consolidated revenues and 62.3% (30 September 2014: 81.7%) of our consolidated EBITDA. As of 30 September 2015 the Guarantors represented 60.7% of our consolidated total assets (30 September 2014: 68.3%). As of 30 September 2015 the non-guarantor subsidiaries have $4.1 million of indebtedness outstanding (30 September 2014: $15.9 million). The unrestricted subsidiaries are not significant subsidiaries and therefore not material to the Group. As a result, separate financial details have not been disclosed.

Unaudited Condensed Consolidated Statement of Cash Flows

$m	Quarter ended 30 Sept 2015	Quarter ended 30 Sept 2014	Nine months ended 30 Sept 2015	Nine months ended 30 Sept 2014
Cash inflow from continuing operating activities	9.5	19.7	93.9	11.6
Cash outflow from continuing investing activities	(6.1)	(15.1)	(13.8)	(33.4)
Cash outflow from continuing financing activities	(12.7)	(5.0)	(32.5)	(129.1)
Net (decrease) / increase in cash and cash equivalents from continuing activities	(9.3)	(0.4)	47.6	(150.9)
Net increase / (decrease) in cash and cash equivalents from discontinued activities	-	-	-	(0.8)
Net increase / (decrease) in cash and cash equivalents	**(9.3)**	**(0.4)**	**47.6**	**(151.7)**
Cash and cash equivalents at the beginning of the period	**113.7**	**68.0**	**59.5**	**219.9**
Exchange losses on cash and cash equivalents	(2.3)	2.1	(5.0)	1.5
Cash and cash equivalents at the end of the period	**102.1**	**69.7**	**102.1**	**69.7**

Cash Flows and Liquidity

Net cash generated from operating activities from continuing operations amounted to $10 million in Q3 2015 compared to an inflow of $20 million in Q3 2014, a decrease of $10 million. This decrease in operating cash flow was the result of reduced revenue due to a weaker pricing environment for manganese.

The net cash outflow from investing activities was $6 million in Q3 2015 compared to a cash outflow of $15 million in Q3 2014, a decrease of $9 million due to lower payments for capital expenditure in the current period.

The net cash outflow from financing activities was $13 million in Q3 2015 compared to a net cash outflow of $5 million in Q3 2014. The cash outflow in Q3 2015 substantially relates to a repurchase of 2020 senior secured notes at a cost of $11 million.

As a result total cash and cash equivalents net of overdrafts increased to $102 million at 30 September 2015 from $60 million at 31 December 2014.

The liquidity position of the Group is further supported by circa $8 million of the marketable securities held that could be converted to cash if such a need arose.

Consolidated Minerals Limited

Unaudited Condensed Consolidated Interim Financial Information

For the Three Months and Nine Months Ended 30 September 2015

Unaudited consolidated statement of comprehensive income for three and nine months ended 30 September 2015

		Three months ended 30 September		Nine months ended 30 September	
$m	**Note**	**2015**	**2014**	**2015**	**2014**
Revenue	7	75.2	92.7	218.0	318.0
Cost of sales	8	(58.3)	(57.4)	(151.9)	(172.6)
Gross profit		**16.9**	**35.3**	**66.1**	**145.4**
Selling and distribution costs		(16.4)	(26.7)	(50.0)	(67.8)
General and administrative costs		(7.8)	(10.1)	(26.2)	(28.2)
Other operating income – net		0.4	0.8	51.3	2.5
Exploration write-off expense		0.2	-	(8.7)	-
Net foreign exchange loss		(2.4)	(2.8)	(4.7)	(1.0)
Operating (loss) / profit		**(9.1)**	**(3.5)**	**27.8**	**50.9**
Presented as:					
Adjusted EBITDA		**4.0**	**20.7**	**43.0**	**107.7**
Depreciation and amortisation		(10.8)	(21.4)	(51.1)	(55.8)
Exploration write-off expense		0.2	-	(8.7)	-
Exceptional items	9	(0.1)	-	49.3	-
Net foreign exchange loss		(2.4)	(2.8)	(4.7)	(1.0)
Operating (loss) / profit		**(9.1)**	**(3.5)**	**27.8**	**50.9**
Finance income		3.7	0.2	3.9	0.8
Financing costs		(9.1)	(9.4)	(27.5)	(40.5)
Net financing costs		(5.4)	(9.2)	(23.6)	(39.7)
(Loss) / profit before tax from continuing operations		**(14.5)**	**(12.7)**	**4.2**	**11.2**
Income tax charge		(0.1)	(1.9)	(0.3)	(6.5)
(Loss) / profit for the period from continuing operations		**(14.6)**	**(14.6)**	**3.9**	**4.7**
Profit for the period from discontinued operations		-	-	-	9.6
(Loss) / profit for the period		**(14.6)**	**(14.6)**	**3.9**	**14.3**
Other comprehensive income					
Items that may be subsequently reclassified to profit or loss:					
Revaluation of available-for-sale financial assets		(4.1)	3.9	(6.9)	7.5
Net foreign currency translation differences		(18.3)	(21.5)	(33.5)	(5.9)
Other comprehensive (cost) / income for the period, net of tax		**(22.4)**	**(17.6)**	**(40.4)**	**1.6**
Total comprehensive (cost) / income for the period		**(37.0)**	**(32.2)**	**(36.5)**	**15.9**
Profit attributable to:					
Owners of the parent company		(14.7)	(15.0)	3.8	13.1
Non-controlling interest		0.1	0.4	0.1	1.2
(Loss) / profit for the period		(14.6)	(14.6)	3.9	14.3
Total comprehensive income attributable to:					
Owners of the parent company		(37.1)	(32.6)	(36.6)	14.7
Non-controlling interest		0.1	0.4	0.1	1.2
Total comprehensive (cost) / income for the period		**(37.0)**	**(32.2)**	**(36.5)**	**15.9**

The notes on pages 20 to 26 are an integral part of this unaudited Consolidated Interim Financial Information.

Unaudited consolidated statement of financial position as at 30 September 2015

$m	Note	As at 30 September 2015	As at 31 December 2014
Non-current assets			
Property, plant and equipment		300.0	336.6
Intangible assets		69.8	85.4
Goodwill		28.9	28.9
Available-for-sale financial assets		7.7	16.4
Deferred tax asset		31.1	36.4
		437.5	**503.7**
Current assets			
Inventories		44.3	70.6
Trade and other receivables		29.7	48.6
Income tax receivable		2.7	3.0
Cash and cash equivalents	10	106.2	82.1
		182.9	**204.3**
Current liabilities			
Borrowings	11	(11.7)	(29.7)
Trade and other payables		(37.7)	(46.0)
Provisions		(4.5)	(6.9)
		(53.9)	**(82.6)**
Net current assets		**129.0**	**121.7**
Non-current liabilities			
Borrowings	11	(380.8)	(398.9)
Trade and other payables		(5.0)	(5.9)
Provisions		(54.9)	(57.9)
Deferred tax liabilities		(37.5)	(37.9)
		(478.2)	**(500.6)**
Net assets		**88.3**	**124.8**
Attributable to the equity shareholders of the parent company			
Share capital		10.0	10.0
Share premium		194.7	194.7
Subordinated shareholder loans treated as equity		737.5	737.5
Reserves		(90.3)	(49.9)
Accumulated losses		(776.7)	(780.5)
Total equity attributable to equity holders of the parent company		**75.2**	**111.8**
Non-controlling interests		13.1	13.0
Total equity		**88.3**	**124.8**

The notes on pages 20 to 26 are an integral part of this unaudited Consolidated Interim Financial Information.

Unaudited consolidated statement of changes in equity for the nine months ended 30 September 2015

	Attributable to equity owners of the parent Company							
$m	**Share capital**	**Share premium**	**Shareholder equity**	**Reserves**	**Accumulated losses**	**Total**	**Non-controlling interests**	**Total equity**
Balance at 1 January 2015	10.0	194.7	737.5	(49.9)	(780.5)	111.8	13.0	124.8
Profit for the period	-	-	-	-	3.8	3.8	0.1	3.9
Revaluation of available-for-sale financial assets	-	-	-	(6.9)	-	(6.9)	-	(6.9)
Foreign currency translation differences	-	-	-	(33.5)	-	(33.5)	-	(33.5)
Balance at 30 September 2015	10.0	194.7	737.5	(90.3)	(776.7)	75.2	13.1	88.3

	Attributable to equity owners of the parent Company							
$m	**Share capital**	**Share premium**	**Shareholder equity**	**Reserves**	**Accumulated losses**	**Total**	**Non-controlling interests**	**Total equity**
Balance at 1 January 2014	10.0	194.7	966.2	(27.1)	(760.2)	383.6	14.3	397.9
Profit for the period	-	-	-	-	13.1	13.1	1.2	14.3
Revaluation of available-for-sale financial assets	-	-	-	7.5	-	7.5	-	7.5
Foreign currency translation differences	-	-	21.3	(5.9)	(21.3)	(5.9)	-	(5.9)
Repayment of shareholder loan	-	-	(250.0)	-	-	(250.0)	-	(250.0)
Dividends	-	-	-	-	-	-	(1.6)	(1.6)
Balance at 30 September 2014	10.0	194.7	737.5	(25.5)	(768.4)	148.3	13.9	162.2

The notes on pages 20 to 26 are an integral part of this unaudited Consolidated Interim Financial Information.

Unaudited consolidated statement of cash flows for three and nine months ended 30 September 2015

		Three months ended 30 September		Nine months ended 30 September	
$m	**Note**	**2015**	**2014**	**2015**	**2014**
Cash flow from operating activities					
(Loss) / profit before tax		(14.5)	(12.7)	4.2	11.2
Adjustments to add / (deduct) non-cash items:					
Depreciation and amortisation		10.8	21.4	51.1	55.8
Deferred stripping		(10.4)	(7.3)	(28.8)	(25.2)
Exploration (write back) / write-off expense		(0.2)	-	8.7	-
Loss on sale of property, plant and equipment		0.2	1.0	0.8	1.0
Net foreign exchange loss / (gain)		2.4	2.8	4.7	1.0
Net financing costs		5.4	9.2	23.6	39.7
Working capital adjustments:					
Decrease / (increase) in inventories		26.4	(12.4)	26.1	(17.3)
(Increase) / decrease in receivables		(7.0)	14.1	17.7	(0.5)
(Decrease) / increase in payables		(3.6)	4.7	(14.0)	(2.5)
Decrease in provisions in contractual obligations		-	(1.1)	-	(40.4)
Net movement in working capital		15.8	5.3	29.8	(60.7)
Income taxes paid		-	-	(0.2)	(11.2)
Net cash generated from continuing operating activities		9.5	19.7	93.9	11.6
Net cash generated from discontinued operating activities		-	-	-	(0.8)
Net cash generated from operating activities		**9.5**	**19.7**	**93.9**	**10.8**
Cash flow from investing activities					
Payments for mineral exploration and development expenditure		(2.8)	(8.8)	(6.9)	(21.4)
Purchase of property, plant and equipment		(3.5)	(4.5)	(7.5)	(11.8)
Proceeds from sale of property, plant and equipment		0.1	(0.9)	0.3	0.1
Interest received		0.1	0.2	0.3	0.8
Payment for investment in subsidiary company		-	(1.1)	-	(1.1)
Net cash outflow from continuing investing activities		(6.1)	(15.1)	(13.8)	(33.4)
Net cash outflow from discontinued investing activities		-	-	-	-
Net cash outflow from investing activities		**(6.1)**	**(15.1)**	**(13.8)**	**(33.4)**
Cash flow from financing activities					
Interest paid		(0.6)	(0.6)	(17.3)	(12.1)
Payments for repurchase of senior secured notes		(10.5)	-	(10.5)	(245.6)
Net (payments regarding) / proceeds from the issue of senior secured notes		-	(2.6)	-	383.1
Repayment of related party borrowings		-	-	-	(250.0)
Repayment of hire purchase borrowings		(1.6)	(1.8)	(4.7)	(4.5)
Net cash outflow from financing activities of continuing operations		(12.7)	(5.0)	(32.5)	(129.1)
Net cash outflow from financing activities of discontinued operations		-	-	-	-
Net cash outflow from financing activities		**(12.7)**	**(5.0)**	**(32.5)**	**(129.1)**
Net increase in cash and cash equivalents from continuing operations		(9.3)	(0.4)	47.6	(150.9)
Net decrease in cash and cash equivalents from discontinued operations		-	-	-	(0.8)
Net (decrease) / increase in cash and cash equivalents		**(9.3)**	**(0.4)**	**47.6**	**(151.7)**
Cash and cash equivalents at the beginning of the period	10	113.7	68.0	59.5	219.9
Exchange losses on cash and cash equivalents		(2.3)	2.1	(5.0)	1.5
Cash and cash equivalents at the end of the period	10	**102.1**	**69.7**	**102.1**	**69.7**

The notes on pages 20 to 26 are an integral part of this unaudited Consolidated Interim Financial Information.

Notes to the unaudited consolidated interim financial information

1. General information

Consolidated Minerals Limited (formerly Palmary Enterprises Limited) ('the Company') was incorporated in Belize, in 2004 and redomiciled to Jersey in 2008. The address of its registered office is Commercial House, 3 Commercial Street, St Helier, Jersey JE2 3RU.

Consmin is a leading manganese ore producer with mining operations in Australia and Ghana. The principal activities of the Company and its subsidiaries (the 'Group') are the exploration, mining, processing and sale of manganese ore. The Group's operations are primarily conducted through four major operating/trading subsidiaries: Pilbara Manganese Pty Limited (Australia), Ghana Manganese Company Limited, Manganese Trading Limited (Jersey) and Pilbara Trading Limited (Jersey).

2. Basis of preparation of interim report

This condensed consolidated interim financial information for the three and nine months ended 30 September 2015 has been prepared in accordance with IAS 34 "Interim financial reporting". The condensed consolidated interim financial information should be read in conjunction with the annual financial information for the year ended 31 December 2014, which has been prepared in accordance with IFRS.

The financial information set out above does not constitute the Company's statutory accounts for the year ended 31 December 2014 but comparative information is derived from those accounts. Statutory accounts for 2014 have been filed with the Jersey registrar of companies and the auditors have issued an unqualified audit opinion on these accounts.

(a) New and amended standards mandatory for the first time for the financial year beginning 1 January 2015 relevant to the Group

There are no new or amended accounting standards mandatory for the first time for the financial year beginning 1 January 2015, or new standards and revisions to existing standards that are not yet effective and have not been early adopted that are relevant to the Group other than those disclosed in the Company's statutory accounts for the year ended 31 December 2014.

(b) Comparatives

Comparatives have been prepared on the same basis as current period figures.

(c) Changes in accounting policies

There have been no material changes in accounting policies since the presentation of the annual report for the year ended 31 December 2014 and all accounting policies have been consistently applied in the preparation of these interim financial statements.

(d) Foreign currency translation

The following foreign exchange rate against the USD has been used in the preparation of the consolidated financial statements:

Average rates:	Average 3 months to 30 Sept 2015	Average 9 months to 30 Sept 2015	Average 3 months to 30 Sept 2014	Average 9 months to 30 Sept 2014
Australian dollar	0.7264	0.7634	0.9258	0.9186

Period end rates:	30 September 2015	31 December 2014	30 September 2014
Australian dollar	0.6976	0.8156	0.8725

3. Critical accounting judgments and key sources of estimation uncertainty

There have been no material changes in critical accounting judgements since the presentation of the annual report for the year ended 31 December 2014.

4. Principal risks and uncertainties

There have been no changes to the principal risks and uncertainties that could affect Consolidated Minerals since the presentation of the annual report for the year ended 31 December 2014.

5. Discontinued operations

Chromite operations at the Coobina mine site in Western Australia were concluded during the first quarter of 2014. As a result the Chromite operations have been treated as discontinued operations for the periods ending 30 September 2015 and 30 September 2014.

A breakdown of the profit / (loss) for the period from discontinued operations included in the statement of comprehensive income is shown below:

	Three months ended 30 September		Nine months ended 30 September	
$m	**2015**	**2014**	**2015**	**2014**
Revenue	-	-	-	4.7
Cost of sales	-	-	-	(4.0)
Selling and distribution costs	-	-	-	(1.0)
Operating loss	-	-	-	(0.3)
Profit on disposal of chrome assets	-	-	-	9.9
Profit for the period	-	-	-	9.6
Adjusted EBITDA	-	-	-	(0.3)

Cash flows from discontinued operations are shown below:

	Three months ended 30 September		Nine months ended 30 September	
$m	**2015**	**2014**	**2015**	**2014**
Net cash generated / (outflow) from discontinued operations	-	-	-	(0.8)

6. Segment analysis

Management considers the business from a product perspective and has determined the operating segments based on the reports reviewed by the Group Executive Committee, who are the Chief Operating Decision Makers. The primary products of the Group are processed manganese ores. The "Other" segment consists of iron ore projects and administration and head office functions. The Chromite segment is a discontinued operation.

The segment information provided for the three and nine month periods ended 30 September 2015 and 2014 is as follows:

Three months ended 30 September 2015 **$m**	**Manganese**	**Other**	**Total from continuing operations**	**Chromite (discontinued operations)**	**Total**
Revenue from external customers	75.2	-	75.2	-	75.2
Cost of goods sold	(58.3)	-	(58.3)	-	(58.3)
Gross profit	16.9	-	16.9	-	16.9
Adjusted EBITDA	7.5	(3.5)	4.0	-	4.0
Depreciation	(10.7)	(0.1)	(10.8)	-	(10.8)
Exploration write-off expense	0.2	-	0.2	-	0.2
Exceptional items	-	(0.1)	(0.1)	-	(0.1)
Net foreign exchange loss	(1.2)	(1.2)	(2.4)	-	(2.4)
Finance income	-	3.7	3.7	-	3.7
Finance expense	(0.5)	(8.6)	(9.1)	-	(9.1)
Loss before tax	(4.7)	(9.8)	(14.5)	-	(14.5)
Income tax charge*			(0.1)		(0.1)
Loss for the period			(14.6)	-	(14.6)

Three months ended 30 September 2014 **$m**	**Manganese**	**Other**	**Total from continuing operations**	**Chromite (discontinued operations)**	**Total**
Revenue from external customers	92.7	-	92.7	-	92.7
Cost of goods sold	(57.4)	-	(57.4)	-	(57.4)
Gross profit	35.3	-	35.3	-	35.3
Adjusted EBITDA	35.1	(14.4)	20.7	-	20.7
Depreciation	(21.1)	(0.3)	(21.4)	-	(21.4)
Net foreign exchange gain	(1.9)	(0.9)	(2.8)	-	(2.8)
Finance income	-	0.2	0.2	-	0.2
Finance expense	(0.8)	(8.6)	(9.4)	-	(9.4)
Profit / (loss) before tax	11.3	(24.0)	(12.7)	-	(12.7)
Income tax charge*			(1.9)	-	(1.9)
Profit / (loss) for the period			(14.6)	-	(14.6)

Nine months ended 30 September 2015 $m	Manganese	Other	Total from continuing operations	Chromite (discontinued operations)	Total
Revenue from external customers	218.0	-	218.0	-	218.0
Cost of goods sold	(151.9)	-	(151.9)	-	(151.9)
Gross profit	66.1	-	66.1	-	66.1
Adjusted EBITDA	57.1	(14.1)	43.0	-	43.0
Depreciation	(50.7)	(0.4)	(51.1)	-	(51.1)
Exploration write-off expense	(8.7)	-	(8.7)	-	(8.7)
Exceptional items	49.6	(0.3)	49.3	-	49.3
Net foreign exchange loss	(2.5)	(2.2)	(4.7)	-	(4.7)
Finance income	-	3.9	3.9	-	3.9
Finance expense	(1.8)	(25.7)	(27.5)	-	(27.5)
Profit / (loss) before tax	43.0	(38.8)	4.2	-	4.2
Income tax charge*			(0.3)	-	(0.3)
Profit for the period			3.9	-	3.9
Total assets	469.7	150.6	620.3	0.1	620.4
Total liabilities	(155.8)	(376.2)	(532.0)	-	(532.0)

Nine months ended 30 September 2014 $m	Manganese	Other	Total from continuing operations	Chromite (discontinued operations)	Total
Revenue from external customers	316.4	1.6	318.0	4.7	322.7
Cost of goods sold	(171.0)	(1.6)	(172.6)	(4.0)	(176.6)
Gross profit	145.4	-	145.4	0.7	146.1
Adjusted EBITDA	126.7	(19.0)	107.7	(0.3)	107.4
Depreciation	(55.3)	(0.5)	(55.8)	-	(55.8)
Net foreign exchange (loss) / gain	(1.2)	0.2	(1.0)	-	(1.0)
Finance income	-	0.8	0.8	-	0.8
Finance expense	(2.1)	(38.4)	(40.5)	-	(40.5)
Profit on disposal of chrome assets	-	-	-	9.9	9.9
Profit / (loss) before tax	68.1	(56.9)	11.2	9.6	20.8
Income tax charge*			(6.5)	-	(6.5)
Profit for the period			4.7	9.6	14.3

31 December 2014	Manganese	Other	Total from continuing operations	Chromite (discontinued operations)	Total
Total assets	571.5	136.4	707.9	0.1	708.0
Total liabilities	(183.8)	(398.9)	(582.7)	(0.5)	(583.2)

* Income tax is not allocated to segments as tax is managed on a group basis.

A reconciliation of adjusted EBITDA to (loss) / profit before tax for continuing operations is provided as follows:

	Three months ended 30 September		Nine months ended 30 September	
$m	**2015**	**2014**	**2015**	**2014**
Adjusted EBITDA	4.0	20.7	43.0	107.7
Depreciation	(10.8)	(21.4)	(51.1)	(55.8)
Exploration write-off expense	0.2	-	(8.7)	-
Exceptional items	(0.1)	-	49.3	-
Net foreign exchange (loss) / gain	(2.4)	(2.8)	(4.7)	(1.0)
Net financing costs	(5.4)	(9.2)	(23.6)	(39.7)
(Loss) / profit before tax from continuing operations	(14.5)	(12.7)	4.2	11.2

Adjusted EBITDA is defined as operating profit before depreciation and amortisation, impairment write-back/expense, net foreign exchange gain/loss, and exceptional items.

The information provided to management with respect to total assets is measured in a manner consistent with that of the financial statements. These assets are allocated based on the operations of the segment.

7. Revenue

Revenue from the sale of ore by geographic destination was as follows:

	Three months ended 30 September		Nine months ended 30 September	
$m	**2015**	**2014**	**2015**	**2014**
China	64.9	57.5	144.7	217.2
India	4.6	11.0	15.8	19.8
Ukraine*	4.2	16.6	30.5	46.7
Slovakia	1.4	-	1.4	-
Vietnam	0.1	2.6	8.2	15.3
South Korea	-	5.0	12.9	15.2
Norway	-	-	2.6	2.3
Indonesia	-	-	1.8	1.2
Other	-	-	0.1	0.3
Total revenue by geographic destination from continuing operations	75.2	92.7	218.0	318.0
Revenue from discontinued operations	-	-	-	4.7

*Sales to related parties

8. Cost of sales

	Three months ended 30 September		Nine months ended 30 September	
$m	**2015**	**2014**	**2015**	**2014**
Mining and production expenses	29.0	46.7	93.5	138.4
Depreciation and amortisation	10.7	21.1	50.7	55.2
Royalties and other taxes	5.4	8.8	16.3	24.0
Deferred stripping	(10.4)	(7.3)	(28.8)	(25.2)
Net movement in inventories	23.4	(11.9)	19.7	(21.4)
Purchase of third party ore	-	-	-	1.6
Other	0.2	-	0.5	-
Total cost of sales from continuing operations	58.3	57.4	151.9	172.6
Cost of sales from discontinued operations	-	-	-	4.0

9. Exceptional items

	Three months ended 30 September		Nine months ended 30 September	
$m	**2015**	**2014**	**2015**	**2014**
TMI settlement income*	-	-	50.0	-
Restructuring costs	(0.1)	-	(0.7)	-
Total exceptional items from continuing operations	(0.1)	-	49.3	-
Exceptional items from discontinued operations	-	-	-	-

* On 27th May 2015, Consmin and TMI entered into an agreement concluding the differences that had arisen in their relationship. As part of that negotiated conclusion, Consmin has received $50 million from TMI for access to future purchases of Ghanaian manganese ore.

10. Cash and cash equivalents

$m	As at 30 September 2015	As at 31 December 2014
Cash at bank and in hand	106.2	82.0
Short-term bank deposits	-	0.1
Cash and cash equivalents at the end of the year	106.2	82.1
Less: bank overdrafts (see note 11)	(4.1)	(22.6)
Net cash and cash equivalents per the cash flow statement	102.1	59.5

11. Borrowings

$m	As at 30 September 2015	As at 31 December 2014
Non-current		
Senior secured high yield notes	372.4	384.6
Finance lease liabilities – hire purchase loans	8.4	14.3
	380.8	398.9
Current		
Bank overdrafts	4.1	22.6
Finance lease liabilities – hire purchase loans	7.6	7.1
	11.7	29.7
Total borrowings	392.5	428.6

The senior secured notes are stated net of repurchases, unamortised discount of $7.3 million and unamortised issue costs of $5.9 million. Unamortised discount and issue costs are charged to the statement of comprehensive income over the six year term of the notes.

Finance lease liabilities are secured by charges over each respective leased asset.

The carrying value of borrowings approximates their fair value.

The exposure of the Group's borrowings to interest rate changes and the contractual re-pricing dates at the statement of financial position date:

$m	As at 30 September 2015	As at 31 December 2014
Repayable on demand	4.1	22.6
6 months or less	-	-
6 - 12 months	-	-
1 - 5 years	-	-
Over 5 years	-	-
	4.1	22.6
Borrowings not exposed to changes in interest rates	388.3	406.0
	392.4	428.6

12. Contingent liabilities and contingent assets

There has been no change in circumstances relating to contingent liabilities already disclosed in the 31 December 2014 financial information other than those mentioned below:

- Group entities have pledged $1.4m (31 December 2014: $1.5 million) relating to bank guarantees provided to lessors of business premises.

- During Q2 2015 Consmin received $51 million from TMI, which comprises a payment to access manganese ore from Ghana in the future and an advance payment in respect of future purchases of manganese ore. This concludes the legal claims with TMI as disclosed in the 31 December 2014 financial information.

13. Related party transactions

Transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note.

Management considers that the Group has appropriate procedures in place to identify and properly disclose transactions with related parties and has disclosed all of the relationships identified and which it deemed to be significant.

The following table provides the total amount of transactions which have been entered into with related parties for the relevant financial year:

$m	Sales to related parties	Purchases from related parties	Finance income from related parties	Charges from related parties	Amounts owed by related parties	Amounts owed to related parties
Trading companies related to the ultimate shareholder						
3 months to 30 September 2015	4.2	-	-	-		
3 months to 30 September 2014	16.6	-	-	-		
9 months to 30 September 2015	30.5	-	-	-		
9 months to 30 September 2014	46.7	-	-	-		
At 30 September 2015					-	-
At 31 December 2014					13.0	0.1
Other companies related to the ultimate shareholder						
3 months to 30 September 2015	-	0.8	-	-		
3 months to 30 September 2014	-	0.7	-	-		
9 months to 30 September 2015	-	2.4	-	-		
9 months to 30 September 2014	-	2.2	-	-		
At 30 September 2015					0.2	-
At 31 December 2014					-	-

Trading companies related to the ultimate shareholder

During 2015 and 2014 Manganese Trading Limited (Jersey) and Pilbara Trading Limited (Jersey) traded with trading companies related to the ultimate shareholder.

Ore sold to related parties is shipped to Ukraine. The sales prices for transactions with related parties have been determined by reference to the sales prices of ore sold to China and/or Metal Bulletin indices, adjusted for the freight differential for shipping to the country of the related party, the end use application for the ores and their manganese content.

Finance companies related to the ultimate shareholder

As at 30 September 2015, a related party loan balance of $737.5 million (31 December 2014: $737.5 million) was recognised in equity.

Banks related to the ultimate shareholder

The Group holds bank accounts with Privat Bank (Cyprus), which the ultimate shareholder has a minority interest in. As at 30 September 2015, less than $0.1 million was held in current accounts with the bank (31 December 2014: less than $0.1 million).

Other companies related to the ultimate shareholder

Transactions with other companies related to the ultimate shareholder primarily relate to the provision of management services to the Company.

14. Events after the reporting period

Manganese ore price came under severe downward pressure for November shipments, with up to a 15% fall in prices announced versus the prices seen at the end of Q3 2015. The prices for December shipments have been reduced further and reached a level circa 25% below the prices seen at the end of Q3 2015.

Glossary of Defined Terms

"ASX"	The Australian Securities Exchange, operated by ASX Limited (ABN 98 008 624 691).
"BCM"	Bank cubic meter, being one cubic meter of undisturbed (in situ) material before it is drilled, blasted or mined.
"beneficiation"	The act or process of increasing the concentration of valuable material (e.g., manganese) contained in ore as it naturally occurs in the environment on a per unit basis, and, at the same time, reducing the concentration of some of the non-valuable substances (e.g., iron and silica).
"blending"	A process in which manganese ores of varying grades are mixed together to produce ores or products with an average grade according to the product specification.
"CFR"	International commercial term meaning "Cost and Freight," whereby the quoted price includes all costs and freight to bring the goods to the port of destination from the port of departure, but does not require the seller to procure marine insurance against the risk of loss or damage to the goods during transit.
"CIF"	International commercial term meaning "Cost, Insurance and Freight," whereby the quoted price includes all costs, insurance and freight to bring the goods to the port of destination from the port of departure.
"concession"	A mining concession as defined in the Minerals and Mining Act.
"CRU"	CRU International Limited, a company incorporated in England and Wales with company number 00940750. CRU is an independent business analysis and consultancy group, focused on the mining, metals, power, cables, fertilizer and chemical sectors.
"dmtu"	A "dry metric tonne unit," which corresponds to one 10 kilogram unit of manganese. By way of example, the price in $ of a consignment of manganese ore is calculated by multiplying the U.S. dollar per dmtu price by the units of manganese of the ore in that shipment. For instance, if manganese ore with a manganese content of 48% is priced at $5.00/dmtu, the price for three tonnes of such ore will be $720, calculated as follows: 48% × 3,000kg = 1,440 kg of manganese 1,440kg ÷ 10kg = 144 dmtu of manganese 144 dmtu × $5.00 per dmtu = $720
"dry tonne" or "dt"	A tonne, being a metric unit of weight equivalent to 1,000 kilograms, measured excluding the weight of any water content.
"EMM"	Electrolytic manganese metal.
"Fe"	Chemical symbol for Iron, based on the periodic table
"ferroalloy"	A metal product, usually containing iron and other metals, that is commonly used as a raw material feed in steelmaking to add strength or to aid various stages of the steelmaking process such as deoxidisation and desulphurisation. Examples include ferrochrome, ferromanganese and ferrosilicon.
"fines" or "ore fines" or "fine ore"	Manganese ore with the majority of individual particles measuring less than a specified size. While there is no industry standard measurement, the Group's Australian and Ghanaian operations specify ores with particles measuring between 1 and 12.5 millimeters and less than 25 millimeters, respectively, as fines.
"FOB"	International commercial term meaning "Free On Board," whereby the quoted price includes all activities needed to deliver the product to the port of departure, with the last cost included in the price being ship loading. As such, it excludes the cost of marine freight transport and insurance as well as unloading and transportation from the arrival port to the final destination.
"Greensnake"	An open pit located in the Woodie Woodie mining corridor. Mining in Greensnake was completed in Q1 2015.
"Guarantor"	Each of GMC, CMAL, Stratford Sun Limited, Consolidated Minerals (Hong Kong) Limited, PTL, MTL, Consolidated Minerals (Belgium) Limited, Consolidated Minerals Holdings (Australia) Pty Limited, CMPL, PMPL, Pilbara Chromite Pty Limited, Pilbara Contracting Pty Limited and Pilbara Trucking Pty Limited.
"high grade"	A measure of the manganese content of manganese ore. There is generally no agreed industry definition of "high grade." Our Australian operations consider ore with an average manganese content above 44% to be "high grade." Unless otherwise specified, references to "high grade" are to the definition used by our Australian operations.

"IFRS"	International Financial Reporting Standards of the International Accounting Standards Board.
"JORC"	The Australasian Joint Ore Reserves Committee.
"kBCM"	1,000 bank cubic meters, being 1,000 cubic meter of undisturbed (in situ) material before it is drilled, blasted or mined.
"kt"	Kilo tonne. A unit of weight or capacity equal to 1,000 tonnes.
"low grade"	A measure of the manganese content of manganese ore. There is generally no agreed industry definition of "low grade." Our Australian operations consider ore with an average manganese content of less than 44% to be "low grade." Unless otherwise specified, references to "low grade" are to the definition used by our Australian operations.
"LTI"	A work-related injury or illness resulting in the employee or contractor being unable to attend work for a full working day after an injury or illness has occurred.
"lump" or "lump ore"	Manganese ore with the majority of individual particles measuring more than a specified size. While there is no industry standard measurement, the Group specifies ore with particles measuring 6.3 millimeters or more as lump. Chromite ore has lump particle size measuring 6.3 millimeters or more.
"mdmtu"	One million dry metric tonne units.
"Mn"	Chemical symbol for Manganese, based on the periodic table.
"open pit mining"	A method of extracting rock or minerals from the earth by stripping away the top soil and the earth above the rock or minerals creating a pit from which the rock or minerals are removed. This method of mining can be contrasted with mining using extractive methods that require tunneling into the earth (i.e., underground mining).
"ore"	A mineral or an aggregate of minerals (containing valuable constituents, including metals) of sufficient value to be mined or extracted.
"overburden"	The material that lies above the mining area of economic interest, i.e., the rock and soil that lies above a manganese or chromite ore body.
"reductant"	Solid fuel added to a furnace to remove oxygen from the manganese ore fed into the furnace.
"seaborne market"	The part of the manganese ore market that is composed of exported manganese ore.
"Shareholder"	Means Ultimate Beneficial Owner of the Company
"sinter"	The product of sintering.
"sintering"	The process of combining or fusing metals, usually with pressure and temperature, by exposing them to a temperature just below their melting point.
"spot price"	The price at which a physical commodity for immediate sale is selling at a given time and place.
"stripping ratio"	The ratio of the volume of overburden waste material to the volume of ore in an open pit mine. For instance, a stripping ratio of "5" means that five BCM of waste rock must be removed for every one BCM of ore mined.
"sump"	An excavation made in a pit (generally at the lowest point) to collect water, which can then be pumped to the surface or to another sump nearer the surface.
"tailings"	Finely ground waste rock from which the majority of valuable minerals or metals have been extracted.
"tenement"	A mining tenement as defined in the Mining Act.
"Topvar"	An open pit located in the Woodie Woodie mining corridor. Mining in Topvar commenced in Q4 2014.
"wet tonne"	A tonne, being a unit of weight equivalent to 1,000 kilograms, measured including the weight of any water content.
"Woodie Woodie corridor"	The approximately 100 square kilometer area inside the Woodie Woodie tenement package within which all of our current Australian manganese mining operations take place.
"Woodie Woodie region"	The approximately 3,200 square kilometers of land in and around the Woodie Woodie mine in the Pilbara region of Western Australia, excluding the Woodie Woodie corridor.