Consolidated Minerals Limited

Financial Results for the three months and six months to 30 June 2012

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CONSOLIDATED MINERALS

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

Report for the Second Quarter ending 30 June 2012

29 August 2012

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 June 2012.

Key highlights

- Although Manganese sales tonnes were slightly down (7%) in Q2 2012, compared to Q2 2011, chromite sales over the same period increased by 191%. Sales volumes increased from Q1 2012 to Q2 2012 by 42%.
- During the quarter, strong market fundamentals contributed to falling Chinese port stocks' which resulted in the benchmark price increasing from the previous quarter by 8% with June shipments at US$5.15/dmtu for manganese lump CIF China 45.5% grade material. A further increase of 4% occurred in July with this price rolling over into August and September.
- Revenue decreased by 7% from Q2 2011 as a result of lower manganese pricing partially offset by increased chromite volumes.
- In line with the mine plans, Australian manganese ore production increased 2% and Ghana manganese ore production increased 19% in Q2 2012 compared to Q2 2011. Overall, total manganese ore produced in Q2 2012 was 10% higher compared to Q2 2011.
- Manganese C1 cash costs in Q2 2012 were down 21% to $ 3.00/dmtu, compared to Q2 2011. After normalising for the previous strengthening of the Australian dollar C1 cash costs were down 16% to $3.12/dmtu. C1 cash costs have continued to reduce each quarter over the last five quarters from a peak of $3.78 in Q2 2011 to $3.00 in Q2 2012.
- Consmin continues to focus on safety and is pleased to report a Lost Time Injury free quarter.

Key Performance Indicators

Unaudited	Quarter ended			Six months ended		
	30 June 2012	30 June 2011	% change	30 June 2012	30 June 2011	% change
Manganese ore produced (dry kt)	865.8	787.6	9.9%	1,621.9	1,581.1	2.6%
Manganese ore sales (dry kt)	825.4	883.7	(6.6%)	1,405.9	1,683.1	(16.5%)
Average C1 manganese unit cash cost ($/dmtu)[1]	3.00	3.78	(20.6%)	3.12	3.65	(14.5%)
Average C1 manganese unit cash cost restated to corresponding average 2011 FX rate ($/dmtu) [1]	3.12	3.70	(15.7%)	3.12	3.65	(14.5%)
Average manganese FOB Sales price ($/dmtu)	4.35	4.93	(11.8%)	4.19	5.12	(18.2%)
Chromite ore produced (kt)	110.8	76.2	45.4%	222.4	131.6	69.0%
Chromite sales (kt)	134.5	46.2	191.1%	210.0	92.8	126.3%
Average C1 chromite unit cash cost ($/t)[1]	222	250	(11.2%)	207	263	(21.3%)
Average chromite FOB sales price ($/t)	231	261	(11.5%)	221	282	(21.6%)
Revenue ($ million)	164.2	176.9	(7.2%)	262.2	348.3	(24.7%)
Adjusted EBITDA ($ million)[2]	17.4	31.5	(44.8%)	22.1	90.6	(75.6%)
'Cash' EBITDA ($ million)[3]	38.6	35.1	10.0%	18.0	77.8	(76.9%)
Profit / (loss) for the period	6.6	(20.8)	(131.7%)	(5.0)	1.2	(516.7%)

Unaudited	Quarter ended 30 June 2012	Year ended 31 December 2011	% change
Cash and cash equivalents ($ million)	117.5	155.2	(24.3%)
Gross debt ($ million)	(359.9)	(417.4)	(13.8%)
Gross debt excluding high yield bonds ($ million)	(6.8)	(44.0)	(84.5%)
Net debt ($ million)	(242.4)	(262.2)	(7.6%)

[1] Average C1 manganese or chromite unit cash cost represents the cash cost incurred at each processing stage from mining through to shiploading, over the total manganese dmtus or chromite tonnes produced. Included within the C1 manganese and chromite unit 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 non-cash inventory write-downs. Adjusted EBITDA is not a uniformly or legally defined measure and is not recognised under IFRS or any other generally accepted accounting principles. The Directors use this measure as an indicator of our representative, recurring operations and to reflect how the business is managed and measured. Other companies in the mining industry may calculate this measure differently and consequently, our presentation of Adjusted EBITDA may not be readily comparable to other companies' figures.

[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.

Commenting on the results, Jackie Callaway (CFO of Consmin) said:

"Manganese C1 cash costs continued to reduce as a result of the successful implementation of cost reduction initiatives. The transition to owner operator has now been completed with a successful transition to business as usual operations.

Consmin has again produced a strong operational performance in the quarter with a 10% increase in the volumes of manganese ore produced and a 45% increase in the volume of chromite ore produced compared to the same quarter of the previous year.

Total sales volumes of manganese and chromite ore in the quarter increased by 3% compared to the same quarter of the previous year. Manganese sales volumes were slightly lower in the quarter and chromite sales volumes almost trebled. Revenues fell compared to the same quarter in the prior year, driven by the lower sales prices for manganese and chromite ore, offset by the increase in chromite volumes sold. During the quarter, improved Chinese steel sentiment combined with reduced Chinese port stocks' resulted in an increase in the benchmark price in the quarter by 8%. A further increase in price of 4% occurred for July shipments with this price being maintained for August and September."

About Consolidated Minerals Limited

Consmin is a leading manganese ore producer within 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; Consolidated Minerals 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

For further information, please visit our website www.consmin.com or contact:

Consmin +44(0)1534 513 300
Jackie Callaway, CFO
Peter Allen, Managing Director, Marketing
Paul Muller, Managing Director, Australia
Jurgen Eijgendaal, Managing Director, Ghana

Conference Call

There will be a conference call for analysts and bondholders on 29 August 2012 at 10am BST (British Summer Time).

To access the quarterly results conference call, you must first register in advance on:
http://emea.directeventreg.com/registration/event/20815036

The quarterly results conference call, conference ID 20815036, can then be accessed by dialling:
UK: +44 (0) 1452 580 655

Market, Economic and Industry

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 Segment

The second quarter of 2012 saw continued robust Chinese steel production after a slower first quarter (due to Chinese New Year celebrations) resulting in strong demand for manganese ore.

This continued strong steel production combined with falling port stocks resulted in price increases for manganese ore in China during the quarter, with the reference price increasing 8% during the quarter to US$5.15/dmtu and further increasing 4% to US$5.35/dmtu in July, rolling over into August and September for manganese lump CIF China 45.5% grade material.

Global steel production for Q2 2012 reached 392 million tonnes driven by record Chinese quarterly output of 182 million tonnes, the key market driving steel production and hence manganese ore demand. Chinese manganese ore imports were slightly below 3.0 million tonnes for the quarter whilst port stocks fell to 2.9 million tonnes at the end of June, down 12% during the quarter and 25% since the commencement of 2012, a clear sign of the tight fundamentals of the seaborne manganese ore market. On the basis of the fall witnessed in port stocks and imports of manganese ore for H1 2012, China is expected to consume in excess of 13 million tonnes of imported manganese ore in 2012.

The Company shipped 825.4kt of ore during the quarter compared to 883.7kt of ore during the same period in 2011 - a decrease of 7% year on year. This variance was principally due to an increase in chromite shipments from Australia.

Consmin's ability to differentiate its products to specific market segments as a result of the unique chemical composition of the ores produced from both the Australian and Ghanaian operations resulted in premiums for Consmin's high grade products remaining consistently higher to the reference price than on manganese content alone during the quarter.

Manganese Use

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 approximately 90% of end user demand for manganese, which is a non-substitutable additive, used as both a deoxidising and desulphurising agent. Steel consumes various grades of manganese alloys, the intermediary product derived through the smelting of manganese oxide ore like that produced from the Woodie Woodie manganese mine.

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 produced from Consmin's Ghana operations.

Whilst robust demand for oxide ore from Chinese alloy producers has been apparent for over a decade, demand for carbonate manganese ore is relatively new, as Chinese stainless steel production compound annual growth rate (CAGR) for the period 2007 to 2011 reached 15%. During the same period, the proportion of 200 series stainless steel relative to total stainless steel production grew from 16% to approximately 20% according to industry sources. This growth appears to have driven the over exploitation of Chinese domestic high grade carbonate ore mineral inventories which continue to show evidence of decline, leading EMM producers to seek alternative sources of supply such as that produced from Ghana.

Chromite Segment

Shipments of chromite totalled 134.5kt for the quarter, an increase of 191% compared to the first quarter of 2011 as stocks were drawn down during the quarter.

Chromite prices remained relatively flat throughout the quarter in-line with ferrochrome pricing.

Market prices continued to come under pressure due mainly to an increase in Chinese imports from South Africa. South African chromite supply has increased in recent times due to the continued electricity shortages faced by domestic ferrochrome producers in South Africa, forcing producers to export ore instead of processing into alloy. Despite increased competition in the Chromite ore market, Consmin continued to achieve price premiums for Australian lumpy ore above its closest rivals on the basis of the qualitative benefits of the ore.

Chromite Use

As with manganese ore, the demand for chromite ore is primarily driven by China, which is heavily dependent on imported chromite ore as feed for the production of ferrochrome, which is a key input of stainless steel.

Global stainless steel production increased 6% year on year to 33.6 million tonnes in 2011 with China producing 14.3 million tonnes of stainless steel, up 17% year on year. Chinese stainless steel production rose 11.6% year on year in the first quarter of 2012 to 3.4 million tonnes.

Operational Review

Manganese Segment

Summary Overview (Unaudited)	Quarter ended 30 June 2012	Quarter ended 30 June 2011	% change	Six months ended 30 June 2012	Six months ended 30 June 2011	% change
Total mined (kBCM)	3,955.5	5,982.3	(33.9%)	8,945.1	12,261.6	(27.0%)
Manganese ore produced (dry kt)	865.8	787.6	9.9%	1,621.9	1,581.1	2.6%
Australia	*392.6*	*385.5*	*1.8%*	*757.3*	*706.1*	*7.3%*
Ghana	*473.2*	*402.1*	*17.7%*	*864.6*	*875.0*	*(1.2%)*
Manganese ore produced (mdmtu)	30.4	28.0	8.6%	57.7	55.6	3.8%
Australia	*17.0*	*16.7*	*1.8%*	*33.2*	*30.8*	*7.8%*
Ghana	*13.4*	*11.3*	*18.6%*	*24.5*	*24.8*	*(1.2%)*
Manganese ore sales (dry kt)	825.4	883.7	(6.6%)	1,405.9	1,683.1	(16.5%)
Australia	*433.1*	*446.1*	*(2.9%)*	*706.9*	*746.6*	*(5.3%)*
Ghana	*392.3*	*437.6*	*(10.4%)*	*699.0*	*936.5*	*(25.4%)*
Manganese ore sales (mdmtu)	30.6	32.0	(4.4%)	51.6	60.4	(14.6%)
Australia	*19.3*	*19.4*	*(0.5%)*	*31.5*	*33.6*	*(6.3%)*
Ghana	*11.3*	*12.6*	*(10.3%)*	*20.0*	*26.8*	*(25.4%)*
Total capex – including exploration ($ million)	14.4	18.3	(21.3%)	18.3	31.7	(42.3%)
Average unit cash cost ($/dmtu)	3.00	3.78	(20.6%)	3.12	3.65	(14.5%)
Average unit cash cost restated to average 2011 FX rate ($/dmtu)	3.12	3.70	(15.7%)	3.12	3.65	(14.5%)

Australia: Woodie Woodie

Overview

The Woodie Woodie tenements comprise approximately 5,500km^2 of land in and around the Woodie Woodie mine in the Pilbara region of Western Australia, of which the current active mining area is approximately 100km^2 (the 'Woodie Woodie corridor'). The Company's operations at Woodie Woodie are located approximately 425km inland from Port Hedland, which is well situated to serve high-demand Asian markets, such as China. The infrastructure at Woodie Woodie includes a government-owned sealed road to Port Hedland and a Company owned dedicated all-weather airstrip, allowing for air travel time of less than two hours from Perth. The manganese ore produced at Woodie Woodie is in high demand due to its high manganese and low phosphorous content and excellent manganese to iron ratios, making it well-suited for blending with the lower grade domestic ores of China and Ukraine. The attractive characteristics of the Company's Australian high grade manganese ore generally attract a premium over prevailing market prices.

Safety

No major reportable incidents or injuries were suffered during the quarter. Whilst the Woodie Woodie Lost Time Injury Frequency Rate remains significantly lower than the industry average, the business continues to strive to reduce the incidence of injury and illness.

Production

Production at the Woodie Woodie mine site increased by 2% to 392.6kt of manganese ore produced in Q2 2012, compared to Q2 2011. The majority of the ore produced came from Greensnake, Demon, Big Mac and the Sardine complex of pits. Production in Q2 2012 has benefitted from modifications to the process plant allowing feed rates to be increased when treating lower grade ores.

Total material mined reduced significantly in line with the revised mine plan which identified the ability to transition to 100% owned and operated mining fleet whilst, concurrently reducing the overall mining fleet requirements through optimisation of the mine plan. This transition has seen the total number of mining fleets fall from five in Q2 2011 to four in 2012 with the final contractor mining plan demobilised ahead of schedule in May. The early demobilisation of the final contractor fleet was identified as an opportunity to modify the current mining plan without detrimental effect to production.

Development of the Greensnake pit continues at a rate consistent with the mine plan and ore delivery from stages three and four remains on track for the first half of 2013. The Greensnake pit will underpin 2013 and 2014 operations and provides significant ability to remain flexible when responding to changes in customer requirements and demands.

Capex

A total of $0.8 million was spent on property, plant and equipment ('PP&E') capex at Woodie Woodie during the quarter. The key capex items were the scheduled replacement of a major component in the processing plant, the finalisation of the planned refurbishment of the weighbridge, commencement of the centralised stores facility and the purchase of mine operations logistics equipment.

Owner Operator Update

Demobilisation of the contractor mining fleets and personnel was completed during the quarter. By the end of May 2012, the final contractor mining fleet was demobilised ahead of schedule, enabling further savings.

The tender and award process for the hire of ancillary mining equipment was completed, with the second tranche of ancillary equipment mobilised, including bulldozers, motor graders and mobile maintenance equipment.

Exploration and Resource Development

The quarter saw the continuation of success achieved in previous quarters by the resource development team, with a total of 23,411m drilled to develop the Chutney, Spinifex, Topvar and Big Mack resources. Significant highlights included 4 intercepts at over 35m in thickness and 30% Manganese at Topvar, and 5 intercepts at over20m in thickness and 40% Manganese at the Big Mack resource.

Ghana: Ghana Manganese Company Limited ('GMC')

Overview

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 GMC are located approximately 63km by rail or 92km by public tarred road from the port facilities at Takoradi. A 30 year mining concession for manganese was granted to GMC in 2001 and Consmin operates under this lease. The manganese ore exported from GMC is a high grade manganese carbonate (as opposed to a manganese oxide) with excellent manganese to iron ratio, which makes it well suited to alloy and electrolytic manganese metal ('EMM') production. The ore produced at GMC is low in phosphorus and other deleterious elements, which enables it to be an excellent replacement for the low grade carbonate ores of China.

Safety

The excellent safety record at Nsuta continued, with no major reportable incidents or accidents reported during Q2 2012.

Production

Production during the quarter increased by 18% to 473.2kt of manganese ore compared to the same period in 2011. With a total of 864.6kt of manganese ore produced during the year to date, GMC are slightly below the 2011 production levels as a result of higher waste stripping in Q1 2012.

Capex

GMC spent $1.0 million on property, plant and equipment ('PP&E') during the quarter. Over the first half of 2012 GMC spent a total of $3.2 million with the majority targeted at the purchase of new mobile plant and major components for the mobile and fixed plant.

Exploration

Drilling focused on the continued resource development of Pit C, whilst the first exploration phase in the Pit A Area was completed in April 2012. Drilling in Pit C focused on a combination of infill drilling for JORC compliancy and the drilling of geotechnical holes. The drilling in Pit A was the first for 17 years and confirms the company's commitment to further increasing the resource base at Nsuta. The initial drilling results were highly positive including 77m at 30% Mn, 108m at 27% Mn, 72m at 27% Mn and 90m at 26% Mn. GMC started preparations to commence a new drilling campaign at Pit B area, which commenced in July 2012.

Projects

GMC initiated a study to investigate the further upgrade of the loading facilities at Takoradi Port by investigating the offshore transhipment options for loading manganese ore. GMC has received two feasibility studies which are currently being reviewed. In addition, GMC is in consultation with the Ghana Port and Harbour Authorities (GPHA) on the possible execution of the Master Plan for Takoradi Port.

Chromite Segment

Summary Overview	Quarter Ended 30 June 2012	Quarter Ended 30 June 2011	% change	Six Months Ended 30 June 2012	Six Months Ended 30 June 2011	% change
Chromite ore produced (dry kt)	110.8	76.2	45.4%	222.4	131.6	69.0%
Chromite ore sales (dry kt)	134.5	46.2	191.1%	210.0	92.8	126.3%
Average C1 chromite unit cash cost ($/dry t)	222	250	(11.2%)	207	263	(21.3%)
Average FOB sales price ($/dry t)	231	261	(11.5%)	221	282	(21.6%)

Australia: Coobina

Overview

The Coobina mine ('Coobina') produces chromite ore in the form of lump and sands. The operation is located approximately 550km inland from Port Hedland, Western Australia and is well situated to serve the growth market of China. Coobina's mining operations were placed under care and maintenance in December 2008, as a result of the decline in price of Chromite ore during the global financial crisis. Following a positive feasibility analysis and extremely positive drilling results confirming the structural geology of the Coobina region in early 2010, the mine recommenced full production in August 2010. The Coobina ores can be used as either direct or blending feed ore for the production of ferrochrome. Coobina chromite ore is characterised by its good chromium percentage above 40% and attractive chromium to iron ratios above 1.5 which make it highly valued by alloy producers as a blending product.

Safety

The excellent safety record at Coobina continues with the over 5 years LTI free achieved.

Production

Production at Coobina increased by 45% to 110.8kt of chromite ore produced in Q2 2012, compared to Q2 2011. Ore was mined from Newlands, Falcon and Frights pits. The significant increase in production from the prior year is due largely to improved ore recoveries and a production ramp up which is now complete.

Capex

Total spend on property, plant and equipment ('PP&E') capex was $0.3 million for the quarter, with the majority being spent on the finalisation of the new wash pad facility.

Exploration

During this period, exploration has focused on interpreting and documenting exploration activity results from the previous drilling campaign and planning for potential targets and programmes later in the year.

Other

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'). Ownership of one of the tenements is subject to court determination. A decision on preliminary issues was handed down against PIO in the Warden's Court on 24 July 2012. PIO has since lodged a notice of appeal against the decision in the Supreme Court of Western Australia. The date of that hearing is yet to be determined.

BC Iron Limited ('BC Iron')

BC Iron is an iron ore mining company listed on the ASX (ticker: BCI). As at the end of Q2 2012, the Company's holding in BC Iron remained the same as the previous quarter at 23.9%. The market value of the Company's holding in BC Iron at 30 June 2012 was US$65.5 million.

OM Holdings Limited ('OM Holdings')

OM Holdings is, primarily, a vertically integrated manganese marketing and mining company listed on the ASX (ticker: OMH). As at the end of Q2 2012, the Company's holding in OM Holdings remained the same as the previous quarter at 9.7%. The market value of the Company's holding in OM Holdings as at 30 June 2012 was US$23.9 million.

Sustainable Development

Consmin adopts an active approach toward sustainability and views it as a vital component of the corporate strategy. Consmin strives to create a safe and healthy workplace, whilst recognising that it has an obligation to all stakeholders, the wider community and environment. It is also committed to fostering an environment that creates opportunities for our people to grow towards their potential and contribute to the Company's success.

The Western Australian Government has proposed the establishment of a Mining Rehabilitation Fund (MRF), with the intention that the Fund would replace the requirement for tenement holders to provide performance bonds as security for mine rehabilitation obligations. Tenement holders would be required to make annual contributions based on a percentage of their total closure liabilities, which would then go into the government-administered fund. The MRF levy is anticipated to commence from 1 July 2013, with the annual levy likely to be 1% of closure liability on a tenement by tenement basis.

People

There have been no changes in the senior management team during the quarter. As previously noted the operational management decisions of the Group are made by the Group Executive Committee ('GEC') under its delegation from the Board. The GEC members are Peter Allen (Managing Director: Marketing), Jackie Callaway (CFO), Jurgen Eijgendaal (Managing Director: Ghana), Paul Muller (Managing Director: Australia) and Oleg Sheyko (CEO of Metals Solutions Limited).

Financial Review

Unaudited Condensed Consolidated Statement of Comprehensive Income

$m	Quarter Ended 30 June 2012	Quarter Ended 30 June 2011	Six Months Ended 30 June 2012	Six Months Ended 30 June 2011
Revenue	164.2	176.9	262.2	348.3
Cost of sales	(106.4)	(182.3)	(175.5)	(312.3)
Gross profit	57.8	(5.4)	86.7	36.0
Selling and distribution costs	(33.5)	(28.9)	(56.5)	(49.7)
General and administrative costs	(9.5)	(10.9)	(19.2)	(21.9)
Other operating income – net	2.0	2.5	3.2	3.5
Net foreign exchange gain / (loss)	1.0	(0.4)	2.1	0.5
Operating profit / (loss)	17.8	(43.1)	16.3	(31.6)
Presented as:				
Adjusted EBITDA	**17.4**	**31.5**	**22.1**	**90.6**
Depreciation and amortisation	(14.4)	(41.9)	(28.3)	(73.5)
Net foreign exchange gain / (loss)	1.0	(0.4)	2.1	0.5
Non-cash inventory NRV write back / (down)	13.8	(32.3)	20.4	(49.2)
Operating profit / (loss)	17.8	(43.1)	16.3	(31.6)
Net financing costs	(7.9)	(6.0)	(15.9)	(7.2)
Share of (losses) / profits of associated undertakings	(0.3)	0.4	(0.5)	0.1
Profit on disposal of subsidiary company	0.8	-	0.8	-
Profit / (loss) before tax	10.4	(48.7)	0.7	(38.7)
Taxation	(3.8)	27.9	(5.7)	39.9
Profit / (loss) for the period	6.6	(20.8)	(5.0)	1.2

Unaudited Condensed Segment Information

Quarter Ended

30 June 2012 – $m	**Manganese**	**Chromite**	**Other**	**Total**
Revenue	133.1	31.1	-	164.2
Cost of sales	(84.8)	(21.2)	(0.4)	(106.4)
Gross profit	48.3	9.9	(0.4)	57.8

30 June 2011 – $m	**Manganese**	**Chromite**	**Other**	**Total**
Revenue	157.6	12.1	7.2	176.9
Cost of sales	(158.1)	(16.5)	(7.7)	(182.3)
Gross profit	(0.5)	(4.4)	(0.5)	(5.4)

Six Months Ended

30 June 2012 – $m	**Manganese**	**Chromite**	**Other**	**Total**
Revenue	215.9	46.3	-	262.2
Cost of sales	(139.7)	(34.9)	(0.9)	(175.5)
Gross profit	76.2	11.4	(0.9)	86.7

30 June 2011 – $m	**Manganese**	**Chromite**	**Other**	**Total**
Revenue	309.2	26.2	12.9	348.3
Cost of sales	(266.1)	(32.8)	(13.4)	(312.3)
Gross profit	43.1	(6.6)	(0.5)	36.0

Revenue

The consolidated revenue for the Group decreased by 7% from $177 million in Q2 2011 to $164 million in Q2 2012 as a result of lower manganese revenues partially offset by increased chromite revenues.

Lower manganese revenues were primarily due to lower pricing. The average price of our manganese ore sold in Q2 2012 was $4.35/dmtu FOB, compared to $4.93/dmtu FOB in Q2 2011, a decrease of 12% reflecting movement in the benchmark price over the same period. Following the fall in the benchmark price in January 2012 to US$4.75, prices recovered during the second quarter with the benchmark price increasing by 5% for May shipments and a further 3% for June shipments to US$5.15/dmtu. July shipments increased a further 4% and have remained at this level for August and September.

Revenue from sales of chromite ore increased from $12 million in Q2 2011 to $31 million in Q2 2012, an increase of 157%, as a result of a 191% increase in volumes sold offset by a slight decrease in price. The significant increase in production is due largely to improved ore recoveries and a production ramp up.

The nickel operations remained on care and maintenance during Q2 2012 and no revenue was recognised.

Cost of Sales

The cost of sales for the Group decreased from $182 million in Q2 2011 to $106 million in Q2 2012, a decrease of 42%. An analysis of the cost of sales is as follows:

	3 Months Ended			6 Months Ended		
$m	**30 June 12**	**30 June 11**	**Movement**	**30 June 12**	**30 June 11**	**Movement**
Manganese	84.8	158.1	(46.4%)	139.7	266.1	(47.5%)
Chromite	21.2	16.5	28.5%	34.9	32.8	6.4%
Other	0.4	7.7	(94.8%)	0.9	13.4	(93.3%)
Total	**106.4**	**182.3**	**(41.6%)**	**175.5**	**312.3**	**(43.8%)**

Manganese

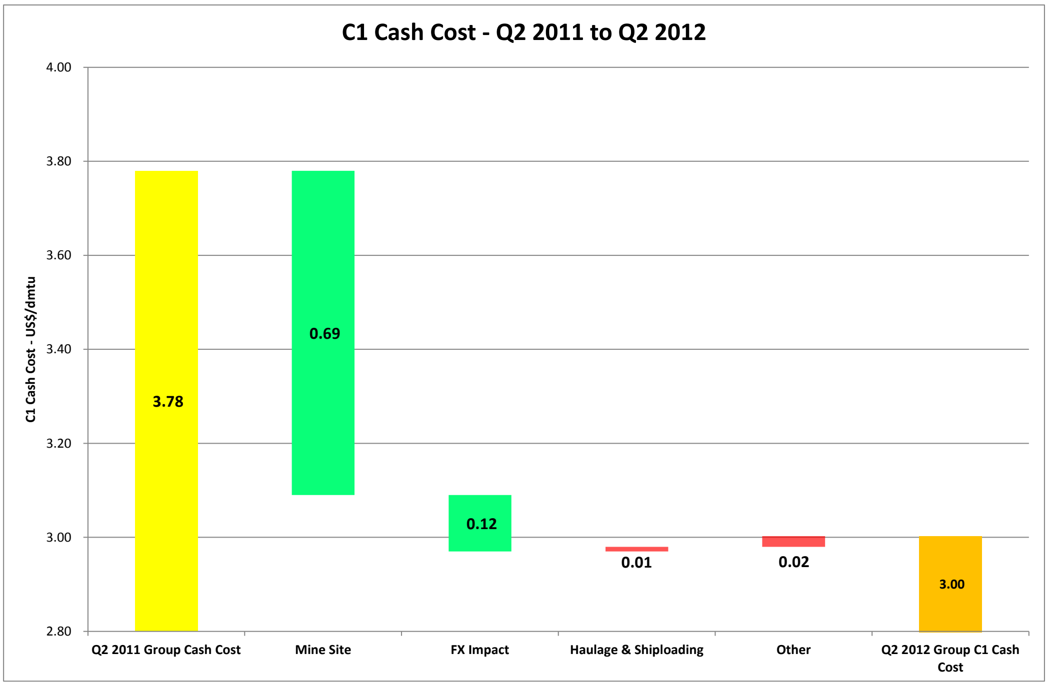
A breakdown of the manganese cost of sales is as follows:

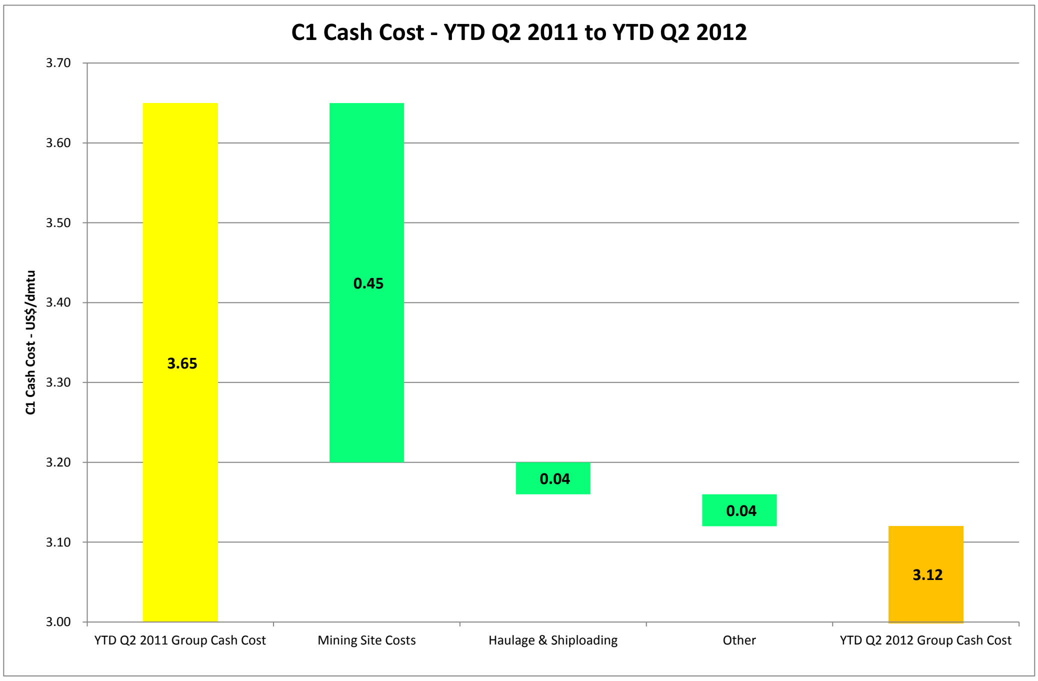
	3 Months Ended			6 Months Ended		
$m	**30 June 12**	**30 June 11**	**Movement**	**30 June 12**	**30 June 11**	**Movement**
Mining and production expenses	58.9	71.6	(17.7%)	124.2	140.7	(11.7%)
Depreciation and amortisation	10.5	38.0	(72.4%)	20.3	66.8	(69.6%)
Royalties and other taxes	9.4	10.0	(6.0%)	14.7	19.2	(23.4%)
Deferred stripping	7.6	(23.1)	(132.9%)	5.4	(24.8)	(121.8%)
Non-cash inventory NRV write (back) / down	(9.4)	28.1	(133.5%)	(15.5)	40.4	(138.4%)
Net movement in inventories	7.8	33.7	(76.9%)	(9.4)	23.5	(140.0%)
Other	-	(0.2)	(100.0%)	-	0.3	(100%)
Total	**84.8**	**158.1**	**(46.4%)**	**139.7**	**266.1**	**(47.5%)**

The principal movements in manganese cost of sales are as follows:

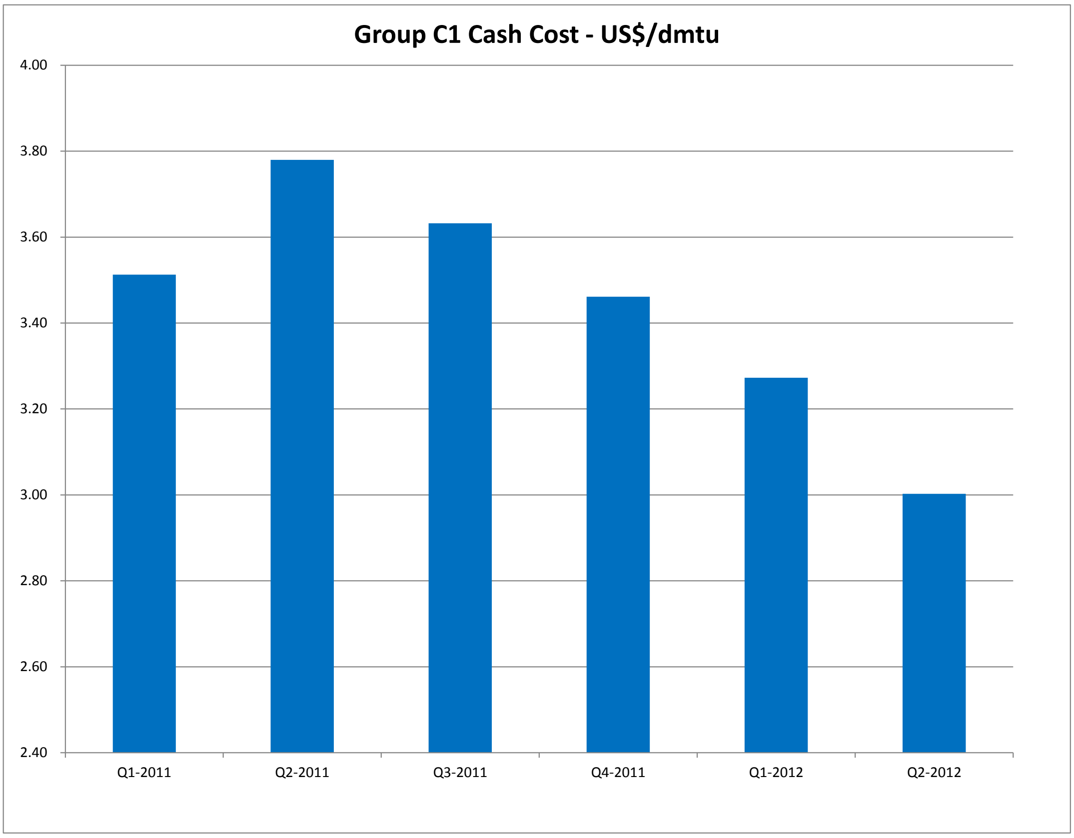
- A net reduction of $38 million in the valuation of inventory, moving from a NRV write down in Q2 2011 to a NRV write back in Q2 2012. The 2011 write down was as the result of the reduced manganese sales prices, with the write back in 2012 due to the reversal of the provision as stockpiles have been sold.
- A reduction in the depreciation and amortisation charge of $28 million due primarily to the significant impairment of non-current assets in 2011 which reduced the remaining carrying value to be depreciated and amortised.
- A $26 million benefit in relation to movement in inventories as a result selling less inventory than in the prior year.
- The net reduction in mining costs of $13 million represents savings as a result of lower total BCM movements, initiatives undertaken in load & haul (the reduction of excavator fleet numbers), drill & blast (owner operator drilling) and a reduction in costs as a result of the relative weakening of the Australian dollar.
- An increased in deferred stripping of $31 million as a result of moving from a credit in 2011 to a charge in 2012. The credit in 2011 was as a result of a major stripping programme during that period.

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, decreased from $3.78/dmtu for Q2 2011 to $3.00/dmtu for Q2 2012 – as the graphs below for both Q2 and H1 show there have been substantial reductions in the underlying mine costs. There was an additional benefit in Q2 2012 due to the foreign exchange impact of the relative weakening of the Australian dollar. As previously noted, the savings in mine site costs per unit are as a result of the initiatives undertaken in load & haul and drill and blast in addition to improved ore recovery.


C1 Cash Cost - Q2 2011 to Q2 2012
C1 Cash Cost - US$/dmtu
4.00
3.80
3.60
3.40
3.20
3.00
2.80
3.78
0.69
0.12
0.01
0.02
3.00
Q2 2011 Group Cash Cost
Mine Site
FX Impact
Haulage & Shiploading
Other
Q2 2012 Group C1 Cash Cost


C1 Cash Cost - YTD Q2 2011 to YTD Q2 2012
C1 Cash Cost - US$/dmtu
3.70
3.60
3.50
3.40
3.30
3.20
3.10
3.00
3.65
0.45
0.04
0.04
3.12
YTD Q2 2011 Group Cash Cost
Mining Site Costs
Haulage & Shiploading
Other
YTD Q2 2012 Group Cash Cost

The graph below shows the continued progression in the reduction of C1 cash cost over the last year. The C1 cash cost has decreased from a peak in Q2 2011 of $3.78/dmtu to $3.00/dmtu for Q2 2012 as a result of the continued successful implementation of efficiency programmes as noted above.



Chromite

Cost of sales for the chromite segment increased by $5 million from $16 million in Q2 2011 to $21 million in Q2 2011. The increase was as a result of a $4 million net stock movement arising primarily through the impact of lower stock levels.

Gross Profit

Gross profit for the Group has increased from a $5 million loss in Q2 2011 to a $58 million gross profit in Q2 2012.

Gross profit for the manganese segment increased from a $1 million loss in Q2 2011 to $48 million gross profit in Q2 2012. This improvement in gross profit is due to the substantial reductions in mining and production costs, reduced depreciation and amortisation as a result of the prior year impairment and the benefits of net stock movements and NRV write-backs. This improvement was offset by reductions in revenue as primarily a result of pricing.

Gross profit for the chromite segment increased from a $4 million loss in Q2 2011 to a $10 million gross profit in Q2 2012. The increase was predominantly due to a combination of a substantial increase in revenues resulting from a 191% increase in volumes sold offset by a 12% reduction in pricing. Chromite cost of sales, before stock adjustments have been held at similar levels to 2011 despite a 45% increase in production as the mine is now running at full production after previously being on care and maintenance.

Cash EBITDA

Cash EBITDA is calculated as follows:

$m	3 Months Ended		6 Months Ended	
	30 June 12	**30 June 11**	**30 June 12**	**30 June 11**
Operating profit / (loss)	**17.8**	**(43.1)**	**16.3**	**(31.6)**
Depreciation and amortisation	14.4	41.9	28.3	73.5
Net foreign exchange (gain) / loss	(1.0)	0.4	(2.1)	(0.5)
Non-cash NRV inventory write (back) / down	(13.8)	32.3	(20.4)	49.2
Adjusted EBITDA	**17.4**	**31.5**	**22.1**	**90.6**
Deferred stripping	7.6	(23.1)	5.4	(24.8)
Net movement in inventories	13.6	26.7	(9.5)	12.0
'Cash' EBITDA	**38.6**	**35.1**	**18.0**	**77.8**

The 'Cash' EBITDA result removes the impact of the non-cash items of deferred stripping and movement in inventories, which are not excluded from the Adjusted EBITDA calculation. The cash EBITDA for Q2 2012 is $39 million compared to $35 million for Q2 2011. The favourable variance to Q2 2011 is driven by the following:

- An improvement in the operating profit of $61 million largely as a result of the improvements in gross margin in both the manganese and chromite segments margin noted above.
- This is offset by a $28 million reduction in depreciation and amortisation as a result of the prior year impairment, a net movement of $46 million in the non-cash inventory NRV representing a reversal in Q2 2012 of a portion of the NRV adjustment made in 2011 and a net movement of $13 million from inventory movements.

Other Key Items

Selling and distribution expenses increased from $29 million in Q2 2011 to $34 million in Q2 2012 as a result of increased ship loading rates offset by a reduction in haulage rates.

General and administrative expenses for the group decreased from $10.9 million in Q2 2011 to $9.5 million in Q2 2012. The decrease in general and administrative expenses was primarily due to the abolition of the charges relating to the Government of Ghana's National Fiscal Stabilisation levy and lower corporate costs in Australia.

The Group is subject to taxation in the jurisdictions in which it operates, primarily Australia and Ghana. The Company is domiciled in Jersey and is subject to a corporate tax rate of 0%. The Group recognised an income tax charge in Q2 2012 of $3.8 million, compared to an income tax credit of $27.9 million in Q2 2011. The prior year credit was as a result of the recognition of the ability to utilise tax losses primarily arising in the in the Australian manganese operations. The Company has since concluded that it is not currently able to utilise these losses in the foreseeable future and as such no credits were recognised in Q2 2012.

Profit for the Period

The Group has recognised a profit for Q2 2012 of $6.6 million compared to a loss of $20.8 million in Q2 2011.

Other Comprehensive (Loss) / Income

The Group recorded an other comprehensive loss of $13 million net of tax in Q2 2012, compared to a loss of $4 million in Q2 2011. The loss in the period was as a result of a net foreign currency translation loss of $9 million due to the movement in the closing position of the Australian dollar, which increased 2.2% against the US dollar in the quarter, and a $3.6 million decrease in the value of available-for-sale assets.

Unaudited Condensed Consolidated Statement of Financial Position

$m	As at 30 June 12	31 December 11
Cash and cash equivalents	117.5	155.2
Other current assets	165.8	168.8
Non-current assets	625.7	642.3
Total assets	909.0	966.3
Current borrowings	(5.2)	(41.3)
Non-current borrowings	(354.7)	(376.1)
Other current liabilities	(94.9)	(89.1)
Other non-current liabilities	(102.7)	(103.2)
Total liabilities	(557.5)	(609.7)
Total equity	351.5	356.6

Cash and Cash Equivalents

Cash and cash equivalents decreased from $155 million on 31 December 2011 to $117 million on 30 June 2012, a decrease of $38 million. This reduction is primarily due to repaying the $40 million Australian working capital facility in the quarter, with positive operating cash flows being offset by capital spend and bond buy backs.

Borrowings

Current borrowings have decreased from $41 million on 31 December 2011 to $5 million on 30 June 2012, a decrease of $36m as a result of the repayment of the Australian working capital facility. Non-current borrowings have decreased from $376 million on 31 December 2011 to $355 million on 30 June 2012 primarily as a result of bond buy-backs throughout 2012.

Liquidity

The Group has generated positive operating cash flows of $33 million and is forecasting to continue to generate positive operating cash flows going forward. The liquidity position of the Group is further supported by $87 million of the marketable securities held (at 28th August 2012) that could be converted to cash if such a need arose.

The Group had a total overdraft facility in Ghana of $30 million with $27 million remaining undrawn and available at the end of Q2 2012.

As previously noted the Group repaid its Australian working capital facilities. These facilities were repaid on 29 May 2012, with the total amount repaid being $40 million. This decision was made as part of the Group's capital management process and to lower the overall cost of financing in 2012 and beyond.

Guarantor Group

During the six months ended 30 June 2012, the Guarantors represented 82.1% (30 June 2011: 82.3%) of our consolidated revenues and 12.9% (30 June 2011: 73.0%) of our consolidated EBITDA. As of 30 June 2012, the Guarantors represented 84.0% of our consolidated total assets (30 June 2011: 90.7%). As of 30 June 2012, the non-guarantor subsidiaries have $2.9 million (30 June 2011: $18.8 million) of indebtedness outstanding. 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

	3 Months Ended		6 Months Ended	
$m	**30 June 12**	**30 June 11**	**30 June 12**	**30 June 11**
Cash inflow from operating activities	19.6	23.5	32.7	64.2
Cash outflow from investing activities	(3.0)	(29.4)	(17.3)	(43.3)
Cash (outflow) / inflow from financing activities	(29.1)	94.2	(40.4)	95.8
(Decrease) / increase in cash and cash equivalents	(12.5)	88.3	(25.0)	116.6
Cash and cash equivalents at the start of the period	124.2	89.7	138.1	62.1
Exchange gains on cash and cash equivalents	3.2	0.7	1.8	-
Cash and cash equivalents at the end of the period	**114.9**	**178.7**	**114.9**	178.7

Cash Flows

Net cash generated from operating activities amounted to $20 million in Q2 2012 compared to $24 million in Q2 2011, a decrease of $4 million. This reduction in operating cash flow was as a result interest paid on the bond in the quarter offset by improvements in the 'cash' EBITDA of the business and reduced taxes paid. The net cash outflow from investing activities was $3 million in Q2 2012 compared to a $29 million outflow in Q2 2011 as result of lower capital expenditure in 2012 and payments in 2011 for investments in associates. Cash flow from investing activities in Q2 2012 also benefitted by $5 million from the proceeds of the sale of Nsuta Gold. The net cash outflow from financing activities was $29 million in Q2 2012 compared to a net cash inflow of $94 million in Q2 2011. The cash outflow in Q2 2012 relates to the repayment of the stockpile funding element of the Australian working capital facilities. The significant cash inflow in Q2 2011 relates to the receipt of funds from the issue of the bond, net of fees and distributions to the shareholder.

Overall the Group has managed to maintain a strong closing cash position through effective working capital management and cost savings through operational efficiencies. Total cash and cash equivalents decreased from $138 million on 31 December 2011 to $115 million in Q2 2012 primarily as a result of the repayment of the stockpile funding element of the Australian working capital facility as part of the repayment of this entire facility.

Consolidated Minerals Limited

Unaudited Condensed Consolidated Interim Financial Information
For the Three and Six Months Ended 30 June 2012

Unaudited condensed consolidated statement of comprehensive income for the three and six months ended 30 June 2012

		Three months ended 30 June		Six months ended 30 June	
$m	**Note**	**2012**	**2011**	**2012**	**2011**
Revenue	7	164.2	176.9	262.2	348.3
Cost of sales	8	(106.4)	(182.3)	(175.5)	(312.3)
Gross profit		57.8	(5.4)	86.7	36.0
Selling and distribution expenses		(33.5)	(28.9)	(56.5)	(49.7)
General and administrative expenses		(9.5)	(10.9)	(19.2)	(21.9)
Other operating income / (expenses) – net		2.0	2.5	3.2	3.5
Net foreign exchange gain / (loss)		1.0	(0.4)	2.1	0.5
Impairment write-back		-		-	
Operating profit / (loss)		17.8	(43.1)	16.3	(31.6)
Presented as:					
Adjusted EBITDA		17.4	31.5	22.1	90.6
Depreciation and amortisation		(14.4)	(41.9)	(28.3)	(73.5)
Net foreign exchange gain		1.0	(0.4)	2.1	0.5
Non-cash inventory NRV write back / (down)		13.8	(32.3)	20.4	(49.2)
Operating profit / (loss)		**17.8**	**(43.1)**	**16.3**	(31.6)
Financing income		2.2	2.0	4.2	2.3
Financing costs		(10.1)	(8.0)	(20.1)	(9.5)
Net financing costs		(7.9)	(6.0)	(15.9)	(7.2)
Share of (losses) / profit of associated undertakings		(0.3)	0.4	(0.5)	0.1
Gain on disposal of subsidiary company		0.8	-	0.8	-
Profit / (loss) before tax		10.4	(48.7)	0.7	(38.7)
Income tax (expense) / credit		(3.8)	27.9	(5.7)	39.9
Profit / (loss) for the period		6.6	(20.8)	(5.0)	1.2
Other comprehensive income					
Revaluation of available-for-sale financial assets		(3.6)	(31.4)	3.9	(30.1)
Net foreign currency translation differences		(9.4)	27.1	(2.3)	39.5
Income tax charge on other comprehensive income		-	-	(0.1)	(0.3)
Other comprehensive (cost) / income for the period, net of tax		(13.0)	(4.3)	1.5	9.1
Total comprehensive (cost) / income for the period		(6.4)	(25.1)	(3.5)	10.3
Profit / (loss) attributable to:					
Owners of the parent company		6.0	(21.2)	(5.8)	-
Non-controlling interest		0.6	0.4	0.8	1.2
		6.6	(20.8)	(5.0)	1.2
Total comprehensive income attributable to:					
Owners of the parent company		(7.0)	(25.5)	(4.3)	9.1
Non-controlling interest		0.6	0.4	0.8	1.2
Total comprehensive income for the period		(6.4)	(25.1)	(3.5)	10.3

The notes on pages 22 to 30 are an integral part of this unaudited Consolidated Interim Financial Information.

Unaudited condensed consolidated statement of financial position as at 30 June 2012

$m	Note	As at 30 June 2012	As at 31 December 2011
Non-current assets			
Property, plant and equipment		401.6	430.9
Intangible assets		83.4	77.3
Goodwill		28.9	28.9
Investments in associated undertakings		43.7	40.9
Available-for-sale financial assets		25.2	21.3
Trade and other receivables		0.4	0.4
Deferred tax asset		42.5	42.6
		625.7	**642.3**
Current assets			
Inventories		112.4	81.7
Trade and other receivables		53.4	87.1
Cash and cash equivalents	9	117.5	155.2
		283.3	**324.0**
Current liabilities			
Borrowings	10	(5.2)	(41.3)
Trade and other payables		(85.3)	(81.4)
Provisions		(9.6)	(7.7)
		(100.1)	**(130.4)**
Net current assets		**183.2**	**193.6**
Non-current liabilities			
Borrowings	10	(354.7)	(376.1)
Trade and other payables		(6.5)	(6.4)
Provisions		(50.3)	(49.8)
Deferred tax liabilities		(45.9)	(47.0)
		(457.4)	**(479.3)**
Net assets		**351.5**	**356.6**
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		966.2	966.2
Reserves		27.6	26.1
Retained losses		(860.4)	(854.6)
Total equity attributable to equity holders of the parent company		**338.1**	**342.4**
Non-controlling interests		13.4	14.2
Total equity		**351.5**	**356.6**

The notes on pages 22 to 30 are an integral part of this unaudited Consolidated Interim Financial Information.

Unaudited condensed consolidated statement of changes in equity for the six months ended 30 June 2012

	Attributable to equity shareholders of the parent Company							
$m	**Share capital**	**Share premium**	**Shareholder equity**	**Reserves**	**Retained losses**	**Total**	**Non-controlling interests**	**Total**
Balance at 1 January 2012	10.0	194.7	966.2	26.1	(854.6)	342.4	14.2	356.6
(Loss) / profit for the period	-	-	-	-	(5.8)	(5.8)	0.8	(5.0)
Revaluation of available-for-sale financial assets	-	-	-	3.9	-	3.9	-	3.9
Foreign currency translation differences	-	-	-	(2.3)	-	(2.3)	-	(2.3)
Income tax on other comprehensive income	-	-	-	(0.1)	-	(0.1)	-	(0.1)
Disposal of subsidiary company	-	-	-	-	-	-	(1.6)	(1.6)
Balance at 30 June 2012	10.0	194.7	966.2	27.6	(860.4)	338.1	13.4	351.5

	Attributable to equity shareholders of the parent Company							
$m	**Share capital**	**Share premium**	**Shareholder equity**	**Reserves**	**Retained losses**	**Total**	**Non-controlling interests**	**Total**
Balance at 1 January 2011	10.0	194.7	1,219.0	82.0	(312.0)	1,193.7	13.5	1,207.2
Profit for the period	-	-	-	-	-	-	1.2	1.2
Revaluation of available-for-sale financial assets	-	-	-	(30.1)	-	(30.1)	-	(30.1)
Foreign currency translation differences	-	-	-	39.5	-	39.5	-	39.5
Income tax on other comprehensive income	-	-	-	(0.3)	-	(0.3)	-	(0.3)
Repayment of shareholder loan treated as equity	-	-	(252.8)	-	-	(252.8)	-	(252.8)
Dividend paid	-	-	-	-	(50.0)	(50.0)	-	(50.0)
Balance at 30 June 2011	10.0	194.7	966.2	91.1	(362.0)	900.0	14.7	914.7

The notes on pages 22 to 30 are an integral part of this unaudited Consolidated Interim Financial Information.

Unaudited condensed consolidated statement of cash flows for the three month and six months ended 30 June 2012

		Three months ended 30 June		Six months ended 30 June	
$m	**Note**	**2012**	**2011**	**2012**	**2011**
Cash flow from operating activities					
Profit / (loss)before tax		10.4	(48.7)	0.7	(38.7)
Adjustments to add / (deduct) non-cash items:					
Depreciation and amortisation		14.4	41.9	28.3	73.5
Deferred stripping		7.6	(23.1)	5.4	(24.8)
Non-cash inventory NRV write (back) / down		(13.8)	32.3	(20.4)	49.2
Gain on sale of fixed assets		(0.7)	-	(1.0)	-
Profit on disposal of subsidiary company		(0.8)	-	(0.8)	-
Share of losses / (profits) of associated undertakings		0.3	(0.4)	0.5	(0.1)
Dividend income		-	(1.2)	-	(1.2)
Net foreign exchange (gain) / loss		(1.0)	0.4	(2.1)	(0.5)
Net financing costs		7.9	6.0	15.9	7.2
Working capital adjustments:					
Decrease / (increase) in inventories		14.8	22.2	(9.4)	2.0
(Increase) / decrease in receivables		(3.5)	(5.5)	32.8	(1.0)
Increase in payables		1.7	7.8	3.8	8.8
Net movement in working capital		13.0	24.5	27.2	9.8
Interest received		0.4	1.9	0.8	2.1
Interest paid		(17.0)	(0.9)	(17.8)	(1.7)
Income taxes paid		(1.1)	(9.2)	(4.0)	(10.6)
Net cash generated from operating activities		19.6	23.5	32.7	64.2
Cash flow from investing activities					
Payments for development expenditure		(2.2)	(5.2)	(4.9)	(11.1)
Purchase of property, plant and equipment		(4.2)	(9.5)	(9.4)	(15.3)
Proceeds from sale of property, plant and equipment		0.7	0.1	1.0	0.2
Payments for mineral exploration and evaluation expenditure		(2.5)	(3.7)	(5.8)	(5.3)
Proceeds from dividends received		-	1.2	-	1.2
Proceeds from disposal of subsidiary company, net of cash disposed	12	5.1		5.1	
Payments for investments in associates		0.1	(12.3)	(3.3)	(12.3)
Proceeds from sale of available-for-sale financial investments		-	0.7	-	0.7
Purchase of available-for-sale financial investments		-	-	-	(0.7)
Payments for other financial assets		-	(0.7)	-	(0.7)
Net cash outflow from investing activities		(3.0)	(29.4)	(17.3)	(43.3)
Cash flow from financing activities					
Proceeds from related party borrowings		2.0	-	2.6	-
Repayments of shareholder loan treated as equity		-	(250.0)	-	(252.8)
Dividends paid to owners of the parent company		-	(50.0)	-	(50.0)
Net proceeds from issue of senior secured notes		-	389.9	-	389.9
Payments for repurchase of senior secured notes		(7.3)	-	(18.5)	
Repayment of borrowings		(1.0)	3.5	(2.2)	1.4
Proceeds from stockpile funding		22.6	1.1	88.7	35.9
Repayment of stockpile funding		(45.4)	(0.3)	(111.0)	(28.7)
Net cash (outflow) / inflow from financing activities		(29.1)	94.2	(40.4)	95.7
Net (decrease) / increase in cash and cash equivalents		(12.5)	88.3	(25.0)	116.6
Cash and cash equivalents at the beginning of the period		124.2	89.7	138.1	62.1
Exchange gains on cash and cash equivalents		3.2	0.7	1.8	-
Cash and cash equivalents at the end of the period	9	114.9	178.7	114.9	178.7

The notes on pages 22 to 30 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 ('Consmin' or the 'Company') was incorporated in Belize, in 2004 and redomiciled in Jersey in April 2008. The address of its registered office is First Floor, Commercial House, 3 Commercial Street, St Helier, Jersey, Channel Islands, 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 and chromite ore. The Group's operations are primarily conducted through four major operating/trading subsidiaries; Consolidated Minerals Pty Limited (Australia), Ghana Manganese Company Limited (Ghana), Manganese Trading Limited (Jersey) and Pilbara Trading Limited (Jersey).

2. Basis of preparation of interim report

This condensed consolidated interim financial information for the second quarter and six months ended 30 June 2012 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 2011, which have 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 2011 but comparative information is derived from those accounts. Statutory accounts for 2011 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 01 January 2012 but not currently relevant to the Group

- IAS 12 *Income taxes* has been updated to include a rebuttable presumption that deferred tax on investment property measured using the fair value model in IAS 40 should be determined on the basis that its carrying amount will be recovered through sale, and a requirement that deferred tax on non-depreciable assets, measured using the revaluation model in IAS 16, should always be measured on a sale basis.
- IFRS 7 *Financial Instruments: Disclosures* has been updated as part the IASB's comprehensive review of off balance sheet activities to enhance derecognition disclosure requirements and promote transparency in the reporting of transfer transactions and improve users' understanding of the risk exposures relating to transfers of financial assets and the effect of those risks on an entity's financial position.

(b) New Standards and revisions to existing standards that are not yet effective and have not been early adopted by the Group

- IFRS 9 *Financial Instruments: Classification and Measurement* (effective 1 January 2015): IFRS 9 was issued by the IASB in November 2009 and subsequently amended in October 2010. This new standard represents the first phase of the IASB's work on the replacement of IAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. In subsequent phases, the IASB will address hedge accounting and recognition. The Group has not yet completed its evaluation of the effect of adoption.
- IFRIC 20 *Stripping Costs in the Production Phase of a Surface Mine* (effective 1 January 2013): IFRIC 20 sets out the accounting for over burden waste removal (stripping costs) in the production phase of a mine and the associated future benefits of access to usable ore that can be used to produce inventory and improved access to further quantities of material that will be mined in future periods. IFRIC 20 considers when and how to account separately for these two benefits, as well as how to measure these benefits both initially and subsequently. The Group has not yet completed its evaluation of the effect of adoption.
- IAS 1 *Presentation of Financial Statements - Presentation of Other Comprehensive Income* (effective 1 July 2012): The IASB has issued an amendment to the standard requiring entities to separate items presented in OCI into two groups based on whether or not they may be recycled to profit or loss in the future.
- IFRS 10 *Consolidated Financial Statements* (effective 1 January 2013): IFRS 10 is a new standard that replaces all of the guidance on control and consolidation in IAS 27 and SIC-12. IFRS 10 changes the definition of control so that the same criteria are applied to all entities to determine control. The core principle that a consolidation entity presents a parent and its subsidiaries as if they are a single entity, and the mechanics of consolidation, remain unchanged. The standard has not been early adopted by the Group and is not expected to have an impact on the consolidation of the Group.
- IFRS 11 *Joint Arrangements* (effective 1 January 2013): IFRS 11 is a new standard focusing on the rights and obligations of the arrangement, rather than its legal form. The standard defines two types of joint arrangements: joint operations and joint ventures. Joint operations arise where a joint operator has rights to the assets and obligations relating to the arrangement and hence accounts for its interest in assets, liabilities, revenue and expenses. Joint ventures arise where the joint operator has rights to the net assets of the arrangement and hence equity accounts for its interest. Proportional consolidation of joint ventures is no longer allowed. The Group has not yet completed its evaluation of the effect of adoption.
- IFRS 12 *Disclosure of Interests in Other Entities* (effective 1 January 2013): This standard requires entities to disclose information that helps financial statement readers to evaluate the nature, risks and financial effects associated with the entity's interests in subsidiaries, associates, joint arrangements and unconsolidated structured

entities. includes the disclosure requirements for all forms of interests in other entities, Adoption of the standard is likely to results in increased disclosure in the Group financial statements.

- IRFS 13 *Fair Value Measurement* (effective 1 January 2013): This standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs.

(c) Interpretations and amendments to existing standards that are not yet effective and have not been early adopted by the Group

In May 2012 the IASB published its 'annual improvements' to six IFRS's for 2013 year ends. The more significant changes to the standards arising from annual improvements project are:

- IAS 16 *Property, Plant and Equipment*: The amendment clarifies that spare parts and servicing equipment are classified as property, plant and equipment rather than inventory when they meet the definition of property, plant and equipment. The previous wording of IAS 16 indicated that servicing equipment should be classified as inventory, even if it was used for more than one period. Following the amendment, this equipment used for more than one period is classified as property, plant and equipment.
- IAS 34 *Interim Financial Reporting:* The amendment clarifies the disclosure requirements for segment assets and liabilities in interim financial statements and brings IAS 34 into line with the requirements of IFRS 8 *Operating Segments.* A measure of total assets and liabilities is required for an operating segment in interim financial statements if such information is regularly provided to chief operating decision makers.

(d) Comparatives

Where applicable, comparatives have been prepared on the same basis as current period figures.

3. Accounting policies
The accounting policies are consistent with those of the annual financial information for the year ended 31 December 2011, except as described below.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings. Our revenue is closely related to demand and the prices obtained for manganese ore, and to a lesser extent, chromite ore produced by our Australian operations. Cyclical and other changes in world market prices of these products affect the results of our operations. The changes in these prices result from factors, such as market supply and demand, which are beyond our control.

(a) Foreign currency translation
The following foreign exchange rate against the United States Dollar has been used in the preparation of the consolidated financial statements:

	Average 3 months to 30 June 2012	Average 6 months to 30 June 2012	30 June 2012	Average 3 months to 30 June 2011	Average 6 months to 30 June 2011	31 December 2011
Australian dollar	1.0195	1.0329	1.0159	1.0644	1.0342	1.0174

4. Critical accounting judgements and key sources of estimation uncertainty
The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Impairment
In accordance with IAS 36 *Impairment of Assets*, assets and investments are tested for impairment when circumstances indicate there may be a potential impairment. Factors considered to be important which could trigger an impairment review include:

- Significant fall in market values;
- Significant changes in foreign exchange rates
- Significant underperformance relative to historical or projected future operating results;
- Significant changes in the use of assets or the overall business strategy; and
- Significant negative industry or economic trends.

An assessment is made based on the estimated recoverable amount, which is the higher of an asset's fair value less costs to sell and its value in use. When such amounts are less than the carrying amount of the asset, a write down to the estimated recoverable amount is recorded.

Net realisable value adjustments on ore stockpiles
In accordance with IAS 2 *Inventories*, the Group measures its inventories at the lower of cost and net realisable value. The determination of net realisable value requires the Group to use estimates and assumptions concerning selling prices and future costs to convert ore stocks to finished goods. When these assumptions become known in the future, and to the extent that they differ from the assumptions made, such differences will impact pre-tax profit and the carrying values of inventories.

Taxation
The Group is subject to income taxes in several jurisdictions. Significant judgment is required in determining the worldwide provision for income taxes. There are many transactions and calculations undertaken during the ordinary course of business for which the ultimate tax determination is uncertain. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax provisions in the period in which such determination is made.

Deferred tax assets are recognised for deductible temporary differences as management considers that it is probable that future taxable profits will be available to utilise those temporary differences.

Rehabilitation provision
Provision is made for mine rehabilitation obligations when the related environmental disturbance takes place. Provisions are recognised at the net present value of future expected costs.

Significant judgement is required in determining the provision for rehabilitation as there are many transactions and other factors that will affect the ultimate liability payable to rehabilitate the mine site. Factors that will affect this liability include future development, changes in technology, commodity price changes and changes in interest rates. When these factors change or become known in the future, such difference will impact the mine rehabilitation provision in the period in which they change or become known.

Open pit overburden removal costs

The Group assesses its expensing of overburden removal mining costs using assumptions concerning the estimated useful life of the open pit mine, together with an estimate of the contained ore and waste that will ultimately be mined. To the extent that an open pit mine is judged to be mined to completion within twelve months of balance date, the net amount of deferred over burden removal costs are classified as current in the statement of financial position.

Units of production method of depreciation and amortisation

The Group applies the unit of production method for depreciation of its mine assets based on ore tonnes mined. These calculations require the use of estimates and assumptions. Significant judgement is required in assessing the available reserves and the production capacity of the assets to be depreciated under this method. Factors that must be considered in determining reserves and resources and production capacity are the Group's history of converting resources to reserves and the relevant time frames, and markets and future developments.

When these factors change or become known in the future, such differences will impact pre-tax profit and carrying values of assets. It is impracticable to quantify the effect of changes in these estimates and assumptions in future periods.

5. Principal risks and uncertainties

The following describes the material risks that could affect Consolidated Minerals Limited. The Group's view of its principal risks and uncertainties can be summarised as follows:

There may be additional risks unknown to Consolidated Minerals and other risks, currently believed to be immaterial, which could turn out to be material. These risks, whether they materialise individually or simultaneously could significantly affect the Group's business and financial results.

a) External

Commodity prices and global demand for the Group's products are expected to remain uncertain, which could have a positive or negative impact on the Group's business. Continued growth in demand for the Group's products in China could be affected by future developments in that country. Consolidated Minerals is exposed to foreign currency fluctuations that could have a positive or negative impact on its overall business results. Political, legal and commercial instability, changes in fiscal policies or community disputes in the countries and territories in which the Group operates could affect the viability of its operations. The Group's land and resource tenure could be disputed resulting in disruption to the operation or development of resource. Changes in the cost and/or interruptions in the supply of energy, water, fuel or other key inputs could adversely affect the economic viability of the Group's operations.

b) Strategic

The Group's business and growth prospects may be affected by changes in its capital expenditure programme. The Group's exploration and development of new projects might be unsuccessful, expenditures may not be fully recovered and depleted ore reserves may not be replaced.

c) Financial

The Group's reported results could be adversely affected by the impairment of assets and goodwill.

d) Operational

Estimates of ore reserves are based on many assumptions and changes in the assumptions could lead to reported ore reserves being restated. Labour disputes could lead to lost production and/or increased or decreased costs. The Group depends on the continued services of key personnel. The Group's mining operations are vulnerable to inclement weather events, natural disasters, operating difficulties and infrastructure constraints, not all of which are covered by insurance, which could have an impact on its productivity. The Group may be exposed to major failures in the supply chain for specialist equipment and materials.

e) Sustainable development

Increased environmental regulations could adversely affect the Group's cost of operations. The Group's costs of close down, restoration and rehabilitation could be higher than expected due to unforeseen changes in legislation, standards and techniques, or underestimated costs. Health, safety, environment and other regulations, standards and expectations evolve over time and unforeseen changes could have an adverse effect on the Group's earnings and cash flows.

6. Segment information

Management considers the business from a product perspective and has determined the operating segments based on the reports reviewed by the board, who are the CODM ('Chief Operating Decision Makers'), in making strategic decisions. The primary products of the Group are processed manganese and chromite ores. Other operations consist of trading of ferroalloys, iron ore projects, nickel operations (which have been put on care and maintenance) and administration and corporate head office functions.

The segment information provided for the three and six months ended 30 June 2012 and 2011 is as follows:

Three months ended 30 June 2012 $m	**Manganese**	**Chromite**	**Other**	**Total**
Revenue from external customers	133.1	31.1	-	164.2
Cost of goods sold	(84.8)	(21.2)	(0.4)	(106.4)
Gross profit	48.3	9.9	(0.4)	57.8
Adjusted EBITDA	25.8	0.6	(9.0)	17.4
Depreciation and amortisation	(10.5)	(3.8)	(0.1)	(14.4)
Net foreign exchange gain / (loss)	(4.2)	(0.3)	5.5	1.0
Non-cash inventory NRV write back	9.4	4.4	-	13.8
Finance income	-	-	2.2	2.2
Finance expense	(0.6)	(0.1)	(9.4)	(10.1)
Gain on disposal of subsidiary company	-	-	0.8	0.8
Share of losses of associated undertakings	-	-	(0.3)	(0.3)
Profit / (loss) before tax	19.9	0.8	(10.3)	10.4
Income tax expense				(3.8)
Profit for the period				6.6

Three months ended 30 June 2011 $m	**Manganese**	**Chromite**	**Other**	**Total**
Revenue from external customers	157.6	12.1	7.2	176.9
Cost of goods sold	(158.1)	(16.5)	(7.7)	(182.3)
Gross profit	(0.5)	(4.4)	(0.5)	(5.4)
Adjusted EBITDA	38.1	(0.3)	(6.3)	31.5
Depreciation and amortisation	(38.2)	(3.6)	(0.1)	(41.9)
Net foreign exchange loss	(0.2)	-	(0.2)	(0.4)
Non-cash inventory NRV write down	(28.0)	(4.3)	-	(32.3)
Finance income	0.1	-	1.9	2.0
Finance expense	(0.7)	-	(7.3)	(8.0)
Share of profits of associated undertakings	-	-	0.4	0.4
Loss before tax	(28.9)	(8.2)	(11.6)	(48.7)
Income tax credit				27.9
Loss for the period				(20.8)

Six months ended 30 June 2012 **$m**	**Manganese**	**Chromite**	**Other**	**Total**
Revenue from external customers	215.9	46.3	-	262.2
Cost of goods sold	(139.7)	(34.9)	(0.9)	(175.5)
Gross profit	76.2	11.4	(0.9)	86.7
Adjusted EBITDA	37.5	-	(15.4)	22.1
Depreciation and amortisation	(20.3)	(7.8)	(0.2)	(28.3)
Net foreign exchange gain / (loss)	(2.8)	-	4.9	2.1
Non-cash inventory NRV write back	15.5	4.9	-	20.4
Finance income	-	-	4.2	4.2
Finance expense	(1.2)	(0.1)	(18.8)	(20.1)
Gain on disposal of subsidiary company	-	-	0.8	0.8
Share of losses of associated undertakings	-	-	(0.5)	(0.5)
Profit / (loss) before tax	28.7	(3.0)	(25.0)	0.7
Income tax expense				(5.7)
Loss for the period				(5.0)

30 June 2012 **$m**	**Manganese**	**Chromite**	**Other**	**Total**
Total assets	606.9	52.9	249.2	909.0
Total liabilities	(172.8)	(20.2)	(364.5)	(557.5)

Six months ended 30 June 2011 **$m**	**Manganese**	**Chromite**	**Other**	**Total**
Revenue from external customers	309.2	26.2	12.9	348.3
Cost of goods sold	(266.1)	(32.8)	(13.4)	(312.3)
Gross profit	43.1	(6.6)	(0.5)	36.0
Adjusted EBITDA	101.7	2.6	(13.7)	90.6
Depreciation and amortisation	(67.2)	(6.1)	(0.2)	(73.5)
Net foreign exchange gain	0.4	-	0.1	0.5
Non-cash inventory NRV write down	(40.4)	(8.8)	-	(49.2)
Finance income	0.2	-	2.1	2.3
Finance expense	(1.3)	(0.1)	(8.1)	(9.5)
Share of profits of associated undertakings	-	-	0.1	0.1
Loss before tax	(6.6)	(12.4)	(19.7)	(38.7)
Income tax credit				39.9
Loss for the period				(1.2)

31 December 2011 **$m**	**Manganese**	**Chromite**	**Other**	**Total**
Total assets	606.4	51.1	308.8	966.3
Total liabilities	(197.5)	(17.4)	(394.8)	(609.7)

A reconciliation of adjusted EBITDA to profit before tax and finance items is provided as follows:

	3 Months Ended 30 June		**6 Months Ended 30 June**	
$m	**2012**	**2011**	**2012**	**2011**
Adjusted EBITDA	17.4	31.5	22.1	90.6
Depreciation and amortisation	(14.4)	(41.9)	(28.3)	(73.5)
Net foreign exchange gain / (loss)	1.0	(0.4)	2.1	0.5
Non-cash inventory NRV write back / (down)	13.8	(32.3)	20.4	(49.2)
Net financing costs	(7.9)	(6.0)	(15.9)	(7.2)
Share of (losses) / profits of associated undertakings	(0.3)	0.4	(0.5)	0.1
Profit on disposal of subsidiary company	0.8	-	0.8	-
Profit / (loss) before tax	10.4	(48.7)	0.7	(38.7)

Adjusted EBITDA is defined as operating profit before depreciation and amortisation, impairment write-back/expense, net foreign exchange gain/loss and non-cash inventory write-back / down. Adjusted EBITDA is the key profitability measure used by management across the business and reflects the performance of our core activities in a consistent manner and in-line with how the business is managed and measured. Adjusted EBITDA is not a uniformly or legally defined measure and is not recognised under IFRS or any other generally accepted accounting principles. Other companies in the mining industry may calculate this measure differently and consequently, our presentation of Adjusted EBITDA may not be readily comparable to other companies' figures.

7. Revenue

Revenue by geographic destination was as follows:

$m	3 Months Ended 30 June 2012	2011	6 Months Ended 30 June 2012	2011
China	124.3	96.0	218.4	203.8
Ukraine*	21.3	49.5	21.3	101.2
India	14.2	8.3	15.5	8.3
South Korea	3.0	-	3.0	-
Georgia*	-	11.7	-	12.9
Other	1.4	11.4	4.0	22.1
Total revenue by geographic destination	164.2	176.9	262.2	348.3

*Sales to related parties – see note 12

8. Cost of sales

$m	3 Months Ended 30 June 2012	2011	6 Months Ended 30 June 2012	2011
Mining and production expenses	73.7	87.3	154.7	169.7
Depreciation and amortisation	14.3	41.7	28.2	73.1
Royalties and other taxes	11.0	10.5	17.1	20.3
Deferred stripping	7.6	(23.1)	5.4	(24.8)
Non-cash inventory NRV write (back) / down	(13.8)	32.3	(20.4)	49.2
Net movement in inventories	13.6	26.7	(9.5)	12.0
Purchases of ferroalloys for sale	-	7.2	-	12.6
Other	-	(0.3)	-	0.2
Total cost of sales	106.4	182.3	175.5	312.3

9. Cash and cash equivalents

$m	30 June 2012	31 December 2011
Cash at bank and in hand	117.4	155.1
Short-term bank deposits	0.1	0.1
Cash and cash equivalents at the end of the period	117.5	155.2
Less: bank overdrafts	(2.6)	(17.1)
Net cash and cash equivalents per the cash flow statement	114.9	138.1

10. Borrowings

$m	30 June 2012	31 December 2011
Current		
Bank overdrafts	2.6	17.1
Finance lease liabilities – hire purchase loans	2.6	3.4
Stockpile funding	-	20.8
	5.2	41.3
Non-current		
Senior secured high yield notes	353.1	373.4
Finance lease liabilities – hire purchase loans	1.6	2.7
	354.7	376.1
Total borrowings	359.9	417.4

On 28 April 2011, the Company issued $405 million in principal amount of 8.875% senior secured notes due 2016 which pay interest semi-annually on 1 May and 1 November. The senior secured notes are guaranteed on a senior basis by the Company and certain of our subsidiaries (the Guarantors) and rank pari passu to all of existing and future indebtedness that is not subordinated in right of payment of the notes.

The senior secured notes are stated net of repurchases, unamortised discount of $1.5 million and unamortised issue costs of $10.5 million. Unamortised discount and issue costs are charged to the statement of comprehensive income over the five year term of the bond. Finance lease liabilities are secured by charges over each respective leased asset.

On 29 May 2012 Group repaid the Australian stockpile funding and overdraft facilities.

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 balance sheet date:

$m	**30 June 2012**	**31 December 2011**
Interest free and repayable on demand	-	-
6 months or less	2.7	39.4
6 - 12 months	-	1.5
1 - 5 years	-	3.1
Over 5 years	-	-
	2.7	44.0
Borrowings not exposed to changes in interest rates	357.2	373.4
	359.9	417.4

The carrying amounts of the Group's borrowings are denominated in the following currencies:

$m	**30 June 2012**	**31 December 2011**
US dollar	354.6	411.3
Australian dollar	4.2	6.1
Ghanaian Cedi	1.1	-
	359.9	417.4

11. Contingent liabilities and contingent assets

There has been no change in circumstances relating to contingent liabilities already disclosed in the 31 December 2011 financial information.

The Group has no contingent assets.

12. 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 during the quarter.

The following table provides the total amount of transactions which have been entered into with related parties for the three months and six months ended 30 June 2012.

$m	Sales to related parties	Purchases from related parties	Finance income from related parties	Finance costs to related parties	Amounts owed by related parties	Amounts owed to related parties
Trading companies related to the ultimate shareholder						
3 months to 30 June 2012	21.3	-	-	-		
3 months to 30 June 2011	61.2	7.2	-	-		
6 months to 30 June 2012	21.3	-	-	-		
6 months to 30 June 2011	114.1	12.6	-	-		
At 30 June 2012					1.7	-
At 31 December 2011					9.2	-
Banks related to the ultimate shareholder						
3 months to 30 June 2012	-	-	0.3	-		
3 months to 30 June 2011	-	-	1.2	-		
6 months to 30 June 2012	-	-	0.6	-		
6 months to 30 June 2011	-	-	1.3	-		
At 30 June 2012					-	-
At 31 December 2011					-	-
Other companies related to the ultimate shareholder						
3 months to 30 June 2012	-	0.8	-	-		
3 months to 30 June 2011	-	1.7	-	-		
6 months to 30 June 2012	5.1	1.7	-	-		
6 months to 30 June 2011	-	2.7	-	-		
At 30 June 2012					-	2.0
At 31 December 2011					-	2.1

Finance companies related to the ultimate shareholder
As at 30 June 2012, a related party loan balance of $966.2 million was recognised in equity.

Sale of subsidiary company related to the ultimate shareholder
On 12 June 2012 the Group sold a subsidiary company, Nsuta Gold Mining Corporation Limited (Jersey), to Grizal Enterprises Limited - a company related to the ultimate shareholder, for a consideration of $5.7m. Proceeds net of cash disposed were $5.1 million.

Banks related to the ultimate shareholder
The Group holds bank accounts with Privat Bank, which the ultimate shareholder has a minority interest in. As at 30 June 2012, $11.3 million was held in current accounts with the bank (31 December 2011: $11.2 million).

13. Events occurring after the reporting period
There have been no material events that have occurred after the end of the reporting period.

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.
"chips"	Chromite ore product that has a particle size between 1 and 16.5 millimeters.
"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.
"Cr"	Chemical symbol for Chromium, based on the periodic table
"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.
"flux"	Material (for example, lime in the form of limestone or magnesium oxide in the form of dolomite) added to a furnace to ensure the slag in the furnace is fluid enough to flow out of the furnace.

"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 corridor. This is the Company's largest Australian pit by reserve volume.
"Guarantor"	Each of GMC, CMAL, CMT, 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.
"JORC Code"	The Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (2004 edition).
"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"	Manganese.
"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.
"sands"	Chromite ore product that has a particle size between 50 microns and 2 millimeters.
"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.

"slag"	The by-product that results from smelting ore to separate the manganese from impurities and other unwanted elements.
"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.
"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 5,400 square kilometers of land in and around the Woodie Woodie mine in the Pilbara region of Western Australia, excluding the Woodie Woodie corridor.