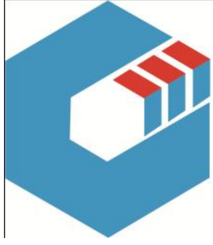
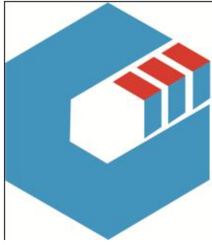


Consolidated Minerals Limited

Financial Results for the three months and six months to 30 June 2013

Table of Contents

	Page
Key Highlights	2
Key Performance Indicators	2
Comments from Managing Director, Marketing	3
About Consolidated Minerals	3
Marketing Review	
• Manganese	5
• Chromite	5
Operational Review	
• Manganese Segment	6
• Chromite Segment	8
• Other	8
Sustainable Development	9
People	9
Financial Review	10
• Unaudited Consolidated Financial Data	
○ Unaudited condensed consolidated statement of comprehensive income	18
○ Unaudited condensed consolidated statement of financial position	19
○ Unaudited condensed consolidated statement of changes in equity	20
○ Unaudited condensed consolidated statement of cash flows	21
Glossary of Defined Terms	31



CONSOLIDATED MINERALS

Consolidated Minerals Limited (‘Consmin’ or the ‘Company’)

Report for the Second Quarter ending 30 June 2013

29 August 2013

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 2013.

Key highlights

- Adjusted EBITDA for Q2 2013 was $74 million, an increase of $48 million compared to Q2 2012.
- Average manganese FOB sales prices achieved increased from $4.35 in Q2 2012 to $5.07 in Q2 2013.
- Average manganese ore price for Q2 2013 (CRU, 44%Mn CIF China) was $5.70/dmtu, up 5% from $5.45/dmtu for Q1 2013 and up 14% from $5.00/dmtu for Q2 2012. Prices have started to soften during Q3 2013.
- Port stocks at China’s major ports at the end of Q2 2013 were 2.6 million tonnes, down 300k tonnes compared to Q2 2012.
- Manganese C1 cash costs have continued to improve from $3.00/dmtu in Q2 2012 to $2.46/dmtu in Q2 2013.
- Manganese production for Q2 2013 was steady compared to Q2 2012. Australian manganese ore production increased 6% and Ghana manganese ore production decreased 6%. Overall, total manganese ore produced in the first half of 2013 was 4% higher compared to equivalent period in 2012.
- Manganese sales tonnes were steady in Q2 2013 compared to Q2 2012, as a result of strong demand for Ghanaian ore offset by lower sales tonnes from Australia.
- During Q2 2013 the Company spent $44 million on the repurchase of its bonds. Subsequent to the quarter end the Company spent an additional $28 million repurchasing further bonds.
- The latest mineral resource update for Ghana indicates a potential doubling of the total resource base to 95.8 million tonnes.

Key Performance Indicators

Unaudited	Quarter ended			Six months ended		
	30 June 2013	30 June 2012 (restated)[5]	% change	30 June 2013	30 June 2012 (restated)[5]	% change
Manganese ore produced (dry kt)	862.9	865.8	(0.3%)	1,693.2	1,621.9	4.4%
Manganese ore sales (dry kt)	836.2	825.4	1.3%	1,636.7	1,405.9	16.4%
Average C1 manganese unit cash cost ($/dmtu)[1]	2.46	3.00	(18.0%)	2.53	3.12	(18.9%)
Average manganese FOB Sales price ($/dmtu)	5.07	4.35	16.6%	4.95	4.19	18.1%
Chromite ore produced (kt)	116.8	110.8	5.4%	219.4	222.4	(1.3%)
Chromite sales (kt)	90.6	134.5	(32.6%)	201.8	210.0	(3.9%)
Average C1 chromite unit cash cost ($/t)[1]	152	222	(31.5%)	166	207	(19.8%)
Average chromite FOB sales price ($/t)	190	231	(17.7%)	214	221	(3.2%)
Revenue ($ million)	166.8	164.2	1.6%	333.5	262.2	27.2%
Adjusted EBITDA ($ million)[2]	74.3	26.5	180.4%	129.5	36.7	252.9%
‘Cash’ EBITDA ($ million)[4]	61.2	38.6	58.5%	117.8	18.0	554.4%
Profit / (loss) for the period	32.8	8.2	300.0%	56.4	(5.9)	(1,055.9%)

Unaudited	Quarter ended 30 June 2013	Year ended 31 December 2012	% change
Cash and cash equivalents ($ million)	113.8	86.3	31.9%
Gross debt ($ million)	(314.6)	(385.6)	(18.4%)
Gross debt excluding high yield bonds ($ million)	(18.2)	(31.0)	(41.3%)
Net debt ($ million)	(200.8)	(299.3)	(32.9%)

[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, non-cash inventory write-downs and exceptional items[3]. This is the key profitability measure used across the whole business and reflects the performance in a consistent manner and in line with how the business is managed and measured on a day to day basis. 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 items may not be readily comparable to other companies' figures.
[3] Exceptional items are material and 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.
[4] 'Cash' EBITDA is defined as Adjusted EBITDA after removing the impact of the non-cash items of deferred stripping and net movement in inventories.
[5] Balances related to 2012 have been restated to reflect the impact of the adoption of IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine. See note 2a of the interim consolidated financial statements.

Commenting on the results, Peter Allen (Managing Director, Marketing) said:
"Consmin has again delivered exceptional performance in Q2 with a 180 % increase in adjusted EBITDA to $74 million resulting from a 17% increase in manganese FOB pricing combined with an 18% reduction is cash costs.

Manganese production remained steady for Q2 with total ore produced in the first half of 2013 being 4% higher than the equivalent period of 2012. Manganese sales increased as a result of strong demand for Ghanaian ore.

The latest mineral resource update for Ghana indicates a potential doubling of the total resource base to 95.8 million tonnes, which is an outstanding result.

During the quarter the Company spent an additional $44 million on a buy-back of its bonds and a further $28 million after the quarter end whilst still maintaining a strong cash position."

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
Peter Allen, Managing Director, Marketing
Jurgen Eijgendaal, Managing Director, Ghana
Paul Muller, Managing Director, Australia
David Slater, Group Financial Controller

Conference Call
There will be a conference call for analysts and bondholders on 29 August 2013 at 1pm BST (British Summer Time).

To access the quarterly results conference call, you must first register in advance on:
http://emea.directeventreg.com/registration/event/18990317

The quarterly results conference call, conference ID 18990317, can then be accessed by dialling:
UK: +44 (0) 1452 322 716

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

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. Consmin markets a unique suite of differentiated products, produced from both our Australian and Ghana operations, specifically tailored to meet a variety of specialised metallurgical applications. Nearly 90% of manganese ore units are consumed by the carbon steel industry. Manganese is a non-substitutable additive used as both a deoxidizing and desulphurising agent during the steel production process. 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. China's stainless steel production grew by CAGR of 17% from 2007 to 2012. During that 6-year period, the proportion of 200 series stainless steel relative to total stainless steel production in China grew to over 30%.

Consmin's ability to differentiate its products to specific market segments is a result of the unique chemical composition of the ores produced from both Australian and Ghanaian operations. Consequently, the price Consmin achieves is consistently higher than on Manganese content basis alone.

Global steel production in Q2 2013 surpassed 400 million tonnes (1.6 billion tonnes on an annualised basis), up 3% both from Q1 2013 and from Q2 2012. Production and growth continued to emanate from Asia, where 67% of total global steel output was produced during the quarter. China alone accounted for over 49%, having produced 197 million tonnes in Q2 2013 and year to date 389 million tonnes, which is 778 million tonnes annualised, a rise of 9% compared to 2012 production of 716 million tonnes. In Q2, China imported a record 3.7 million tonnes of manganese ore and in the year to June 7.4 million tonnes (14.8 million tonnes annualised), which is up 25% year on year.

The Company shipped 836k tonnes of manganese ore during Q2 2013, representing a slight increase from the 825k tonnes of ore shipped in Q2 2012. Australian shipments of manganese were 330k tonnes during the quarter, 103k tonnes less than 433k tonnes in the same period last year. The strong volume of shipments in Q2 2012 was due to cyclonic weather in Q1 2012 affecting timing of vessels leading to a catch up of sales volumes in Q2 2012. In addition, the final shipment scheduled for Q2 2013 was delayed until early July thus depressing the quarter's sales. Overall, Australian manganese sales during H1 2013 (723k tonnes) outperformed those in the H1 2012 (707k tonnes).

Exports of manganese ore from Ghana were 506k tonnes during Q2 2013 compared with 392k tonnes during Q2 2012, a rise of 29%. Sales to China's leading EMM producer, Ningxia Tianyuan Manganese Industry (TMI), performed strongly throughout the quarter. The Company has a long-term sales off-take agreement with TMI, which underpins the Company's production and sales strategy for Ghana.

Consmin maintains a diverse customer base with customers in China, Ukraine, India, South Korea, Norway, Vietnam and Slovakia.

Demand for manganese ore remained robust throughout the quarter due to record steel production. Globally declared imports of seaborne ore was 5.31 million tonnes in Q2 2013, down 2.6% compared with the same quarter in 2012. Chinese imports of 3.7 million tonnes were representing 70% of all global imports.

Port stocks at China's major ports at the end of Q2 2013 were 2.6 million tonnes. Although this represents a 50k tonnes increase quarter on quarter, stocks were down 300k tonnes compared with the 2.9 million tonnes stockpiled at the end of Q2 2012. Port stocks in early August 2013 have fallen to 2.4 million tonnes and continue to amount to only circa two months of import consumption.

Average manganese ore price for Q2 2013 (CRU, 44%Mn CIF China) was $5.70/dmtu, up 5% from $5.45/dmtu for Q1 2013 and up 14% from $5.00/dmtu for Q2 2012. The Company's average price for its Australian 46% Mn lump product CIF China increased from $5.70/dmtu in Q1 2013 to $6.18/dmtu in Q2 2013. Starting from July 2013 prices have steadily declined for the first time since September 2012. The third quarter is traditionally a slower quarter and due to the continued margin weakness in China's steel and manganese alloy markets we have seen some price softening over the quarter with our Australian 46% Mn average selling price CIF China for Q3 expected to be around the averages achieved in Q1 2013.

Chromite Segment

As with manganese ore, the demand for chromite ore is primarily driven by China, which is reliant on imported chromite ore as feed for the production of ferro-chrome, a key input of stainless steel. China's stainless steel market continued to decline in Q2 2013, with prices falling in each consecutive month of the quarter and continuing through July. The ferro-chrome and chrome ore markets remained weak as a result.

In Q2 2013, the Company sold 91k tonnes of chromite ore to ferrochrome producers in China compared with 135k tonnes during the same period last year, down 33%. This drop in sales is primarily attributable to a focus on delivering more manganese ore during the quarter to capture stronger prices in that market, coupled with declining Cr grades at the Coobina mine.

Operational Review

Manganese Segment

Summary Overview (Unaudited)	Quarter ended 30 June 2013	Quarter ended 30 June 2012	% change	Six months ended 30 June 2013	Six months ended 30 June 2012	% change
Total mined (kBCM)	3,944.9	3,955.5	(0.3%)	7,382.3	8,945.1	(17.5%)
Manganese ore produced (dry kt)	862.9	865.8	(0.3%)	1,693.2	1,621.9	4.4%
Australia	*417.9*	*392.6*	*6.4%*	*823.2*	*757.3*	*8.7%*
Ghana	*445.0*	*473.2*	*(6.0%)*	*870.0*	*864.6*	*0.6%*
Manganese ore produced (mdmtu)	31.5	30.4	3.6%	61.8	57.7	7.1%
Australia	*19.0*	*17.0*	*11.8%*	*37.5*	*33.2*	*13.0%*
Ghana	*12.5*	*13.4*	*(6.7%)*	*24.3*	*24.5*	*(0.8%)*
Manganese ore sales (dry kt)	836.2	825.4	1.3%	1,636.7	1,405.9	16.4%
Australia	*330.1*	*433.1*	*(23.8%)*	*723.4*	*706.9*	*2.3%*
Ghana	*506.1*	*392.3*	*29.0%*	*913.3*	*699.0*	*30.7%*
Manganese ore sales (mdmtu)	29.5	30.6	(3.6%)	58.6	51.6	13.6%
Australia	*15.3*	*19.3*	*(20.7%)*	*32.7*	*31.6*	*3.5%*
Ghana	*14.2*	*11.3*	*25.7%*	*25.9*	*20.0*	*29.5%*
Total capex – including exploration ($ million)	9.2	14.4	(36.1%)	28.1	18.3	53.6%
Average unit cash cost ($/dmtu)	2.46	3.00	(18.0%)	2.53	3.12	(18.9%)

Australia: Woodie Woodie

Overview

Woodie Woodie is located in the Pilbara region of Western Australia, approximately 400km east of the town and port of Port Hedland. The Woodie Woodie tenements comprise of 5,400km2 of exploration tenements and a 100km2 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 manganese and low phosphorus ores and Port Hedland's location proximate to key Asian markets represents a key competitive advantage.

Safety

Whilst significant efforts continue to be made to improve safety performance, a low severity lost time injury was suffered during the quarter. A thorough investigation has been performed and preventative actions have been implemented.

Production

The second quarter of 2013 represented another strong quarter for mining production as incremental improvements to maintenance and operations practices lifted productivity. Whilst mining production was down 18% from the corresponding quarter in 2012 when mining was largely performed by a mining contractor prior to transition to owner operator, mining production increased by nearly 30% from Q1 2013. Mining centred in Greensnake, Dhufish and Parrot pits during the quarter. A further three pits are planned to be developed over the next two quarters which will provide additional planning and blending flexibility and opportunities to optimise fleet configurations.

Woodie mine achieved another strong production quarter, with 418kt of manganese ore produced in Q2 2013 with an average content of 45.5% manganese, an increase of 3% on the Q1 2013 and 6% on Q2 2012. Production for the first half of 2013 is 13% higher than for the corresponding period in 2012, driven largely by the high grade ore now being mined from Greensnake and operational improvements which continue to be made to the processing operations.

The Company continues to focus on key production elements, including planning and the productive use of our assets to drive productivity and efficiency.

Capex

No significant capital was spent on plant, property and equipment during the quarter

Exploration and Resource Development

During Q2 2013 over 25,000 metres of RC drilling was completed across more than 12 different prospects with 40% of the targets located in the Woodie mine corridor and the remainder being in the broader region surrounding the Woodie mine. Many encouraging manganese intercepts were encountered with most of the targets requiring second or third phase drilling.

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 was affected by two major reportable incidents during Q2 2013. A third party contractor's fuel tanker rolled over resulting in fuel spillage on-site and a Company vehicle collided with a shunting train. In both cases there were no personal injuries.

Production

Production during the quarter decreased by 6% to 445kt of manganese ore compared to the same period in 2012. With a total of 870kt of manganese ore produced during the year to date, GMC are slightly above 2012 production levels.

Capex

GMC spent $4.2 million on property, plant and equipment ('PP&E') during the quarter. Over the first half of 2013 GMC spent a total of $13.5 million with the majority targeted at the purchase of new major equipment and major components for the mobile and fixed plant.

Exploration

During Q2 2013 GMC received the SRK Mineral Resource Estimate (Phase 2) which concluded that the Company had more than doubled its previous resource base, i.e. growing from 41.8mt to 95.8mt. The Company is currently in the process of translating this information into an updated life of mine (LoM) plan with an updated reserve base. Drilling focused on continued resource development of Pit C, with a combination of infill drilling for JORC compliancy and exploration drilling. GMC started preparations to de-water Pit B in order to prepare for further exploration drilling and the start of ore production.

Projects

The Ghana Ports and Harbours Authority (GPHA) commenced the construction of a dredging project by the end of Q2. This is the first phase of the Master Plan that will result in the construction of a new bulk-handling jetty at Takoradi Port. GMC continued investigating the possibility of executing an offshore transhipment option, with studies still on-going.

Chromite Segment

Summary Overview	Quarter Ended 30 June 2013	30 June 2012	% change	Six Months Ended 30 June 2013	30 June 2012	% change
Chromite ore produced (dry kt)	116.8	110.8	5.4%	219.4	222.4	(1.3%)
Chromite ore sales (dry kt)	90.6	134.5	(32.6%)	201.8	210.0	(3.9%)
Average C1 chromite unit cash cost ($/dry t)	152	222	(31.5%)	166	207	(19.8%)
Average FOB sales price ($/dry t)	190	231	(17.7%)	214	221	(3.2%)

Australia: Coobina

Overview

The Company recently announced its decision to cease mining at its Coobina chromite mine, with effect from 22 July 2013. The decision is principally due to the recent decline in ore grades and yields reflecting the fact that the mine has reached the end of its life as a viable commercial operation. Coobina has produced chromite ore in the form of lump and sands which have been used as either direct or blending feed ore for the production of ferrochrome.

Safety

Whilst no lost time injuries were suffered during the quarter, the total recordable injury frequency rate increased as two low severity recordable injuries were suffered. We consider even these relatively low severity incidents as avoidable and continue to strive to eliminate them from our work.

Production

Despite a steady production performance during the quarter where 117kt of chrome ore was produced, an increase of 14% over the prior quarter and 5% on Q2 2012, the decision to cease mining operations was made in mid-July 2013, with processing to continue until all stockpiled ore has been processed, which is expected to conclude around the end of 2013.

Capex

No capital was spent at plant, property or equipment at Coobina during the quarter.

Exploration

No significant exploration was undertaken at Coobina.

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 currently subject to determination in the Warden's Court. The hearing in the Warden's Court has concluded, with the Warden reserving his decision. A decision in this matter is not expected until at least Q4 2013.

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 2013, the Company's holding in BC Iron had decreased from 23.2% to 23.1% as a result of conversion of an employee performance rights plan. The market value of the Company's holding in BC Iron at 30 June 2013 was US$84.1 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 2013, the Company's holding in OM Holdings had decreased to 8.0% from 8.7% at the end of Q1 2013 as a result of the dilutive effect of recent share placement issue. The market value of the Company's holding in OM Holdings as at 30 June 2013 was US$18.8 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 established the Mining Rehabilitation Fund (MRF), to replace the requirement for tenement holders to provide performance bonds as security for mine rehabilitation obligations. Tenement holders will be required to make annual contributions into the government-administered fund, based on a percentage of their total closure liabilities. The annual levy is proposed to be 1% of the estimated rehabilitation liability, which liability will be determined based on the area of disturbed land and the type of disturbance. Tenement holders may 'opt in' to the MRF levy system from 1 July 2013, with participation being compulsory from 1 July 2014. Although there is provision to opt in to the MRF system from 1 July 2013, full details of the regulations have yet to be finalised and as such Consmin is monitoring the situation closely before determining when to opt in.

People

Following the departure of Ms Jackie Callaway the recruitment process to fill the vacant CFO position is well progressed and the Company will announce an appointment in the near future. In the interim the Group Financial Controller, David Slater will cover the CFO role until the position is filled. The GEC members continue to be Peter Allen (Managing Director: Marketing), 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 2013	Quarter Ended 30 June 2012 (restated) [1]	Six Months Ended 30 June 2013	Six Months Ended 30 June 2012 (restated) [1]
Revenue	166.8	164.2	333.5	262.2
Cost of sales	(79.2)	(104.8)	(175.6)	(176.4)
Gross profit	87.6	59.4	157.9	85.8
Selling and distribution costs	(27.8)	(33.5)	(55.6)	(56.5)
General and administrative costs	(8.3)	(9.5)	(18.4)	(19.2)
Other operating income – net	0.9	2.0	1.8	3.2
Impairment of available for sale assets	(0.7)	-	(0.7)	-
Net foreign exchange (loss) / gain	(8.9)	1.0	(8.7)	2.1
Operating profit	42.8	19.4	76.3	15.4
Presented as:				
Adjusted EBITDA	**74.3**	**26.5**	**129.5**	**36.7**
Depreciation and amortisation	(21.9)	(21.9)	(43.8)	(43.8)
Net foreign exchange (loss) / gain	(8.9)	1.0	(8.7)	2.1
Non-cash inventory NRV write back	-	13.8	-	20.4
Impairment of available for sale assets	(0.7)	-	(0.7)	-
Operating profit	42.8	19.4	76.3	15.4
Net financing costs	(7.4)	(7.9)	(16.1)	(15.9)
Share of losses of associated undertakings	-	(0.3)	-	(0.5)
Profit on disposal of subsidiary company	-	0.8	-	0.8
Profit / (loss) before tax	35.4	12.0	60.2	(0.2)
Taxation	(2.6)	(3.8)	(3.8)	(5.7)
Profit / (loss) for the period	32.8	8.2	56.4	(5.9)

[1] Balances related to 2012 have been restated to reflect the impact of the adoption of IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine. See note 2a of the interim consolidated financial statements.

Unaudited Condensed Segment Information

Quarter Ended

30 June 2013 – $m	Manganese	Chromite	Other	Total
Revenue	149.6	17.2	-	166.8
Cost of sales	(64.6)	(14.2)	(0.4)	(79.2)
Gross profit	85.0	3.0	(0.4)	87.6

30 June 2012 – $m (restated) [1]	Manganese	Chromite	Other	Total
Revenue	133.1	31.1	-	164.2
Cost of sales	(83.2)	(21.2)	(0.4)	(104.8)
Gross profit	49.9	9.9	(0.4)	59.4

Six Months Ended

30 June 2013 – $m	Manganese	Chromite	Other	Total
Revenue	290.3	43.2	-	333.5
Cost of sales	(138.9)	(35.1)	(1.6)	(175.6)
Gross profit	151.4	8.1	(1.6)	157.9

30 June 2012 – $m (restated) [1]	Manganese	Chromite	Other	Total
Revenue	215.9	46.3	-	262.2
Cost of sales	(140.6)	(34.9)	(0.9)	(176.4)
Gross profit	75.3	11.4	(0.9)	85.8

[1] Balances related to 2012 have been restated to reflect the impact of the adoption of IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine. See note 2a of the interim consolidated financial statements.

Revenue

The consolidated revenue for the Group increased by 2% from $164 million in Q2 2012 to $167 million in Q2 2013 as a result of increased manganese revenues offset by lower chromite revenues.

Manganese revenues increased 13% from $133 million in Q2 2012 to $150 million in Q2 2013 primarily due to improved pricing. The average price of our manganese ore sold in Q2 2013 was $5.07/dmtu FOB, compared to $4.35/dmtu FOB in Q2 2012, an increase of 17%. The benchmark price began 2013 at $5.30/dmtu for January shipments and gradually increased to $5.90/dmtu for April shipments and $5.95 for May shipments and remained at this level for June shipments.

Revenue from sales of chromite ore decreased from $31 million in Q2 2012 to $17 million in Q2 2013, a decrease of 45%, as a result of a 33% decrease in volumes sold and an 18% decrease in price.

The nickel operations remained on care and maintenance during Q2 2013 and no revenue was recognised.

Cost of Sales

The cost of sales for the Group decreased from $105 million in Q2 2012 to $79 million in Q2 2013, a decrease of 24%. An analysis of the cost of sales is as follows:

$m	3 Months Ended			6 Months Ended		
	30 June 13	30 June 12 (restated) [1]	Movement	30 June 13	30 June 12 (restated) [1]	Movement
Manganese	64.6	83.2	(22.4%)	138.9	140.6	(1.2%)
Chromite	14.2	21.2	(33.0%)	35.1	34.9	0.6%
Other	0.4	0.4	0.0%	1.6	0.9	77.8%
Total	**79.2**	**104.8**	**(24.4%)**	**175.6**	**176.4**	**(0.5%)**

Manganese

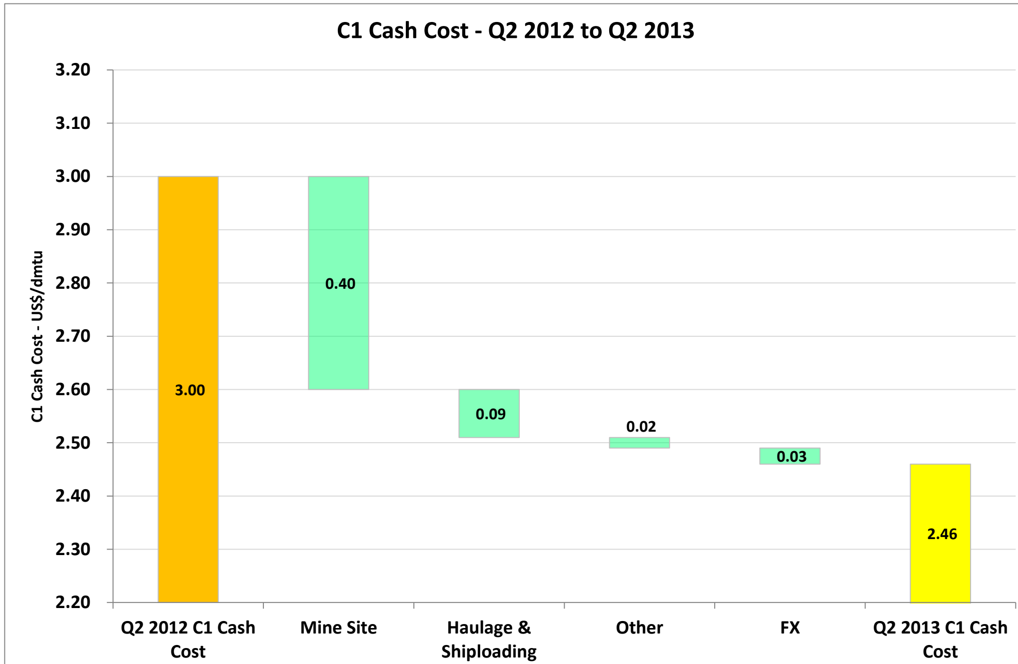
A breakdown of the manganese cost of sales is as follows:

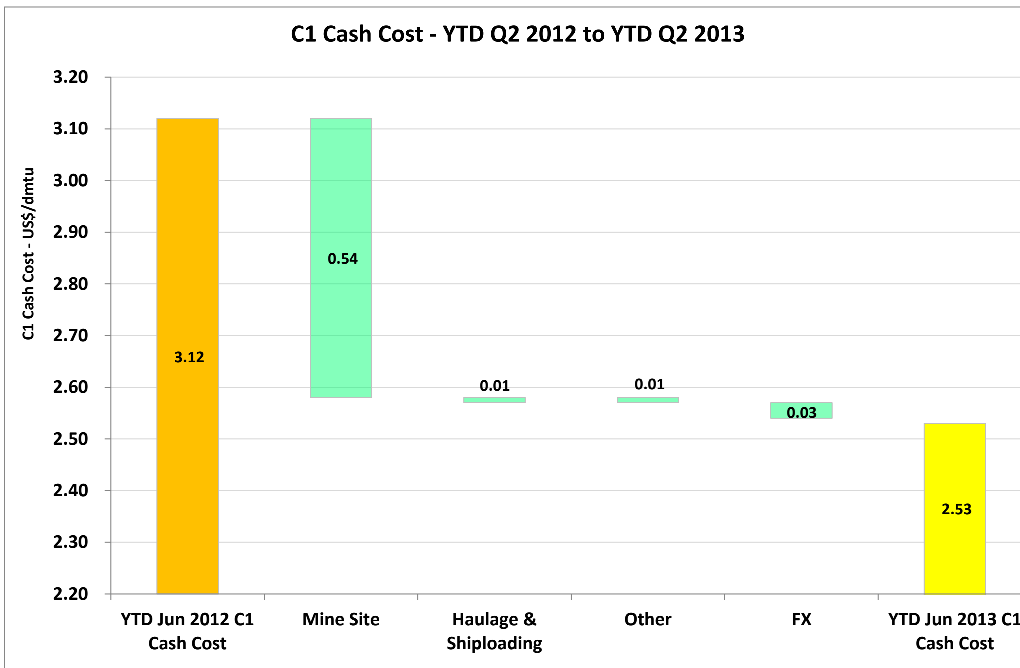
$m	3 Months Ended			6 Months Ended		
	30 June 13	30 June 12 (restated) [1]	Movement	30 June 13	30 June 12 (restated) [1]	Movement
Mining and production expenses	48.6	58.9	(17.5%)	98.9	124.2	(20.4%)
Depreciation and amortisation	17.7	18.0	(1.7%)	34.6	35.8	(3.4%)
Royalties and other taxes	9.4	9.4	0.0%	18.7	14.7	27.2%
Deferred stripping	(4.7)	(1.5)	213.3%	(5.5)	(9.2)	(40.2%)
Non-cash inventory NRV write back	-	(9.4)	(100.0%)	-	(15.5)	(100.0%)
Net movement in inventories	(6.6)	7.8	(184.6%)	(7.9)	(9.4)	(16.0%)
Other	0.2	-	-	0.1	-	-
Total	**64.6**	**83.2**	**(22.4%)**	**138.9**	**140.6**	**(1.2%)**

Manganese cost of sales reduced from $83 million in Q2 2012 to $65 million in Q2 2013. The principal movements in the $18 million reduction are as follows:

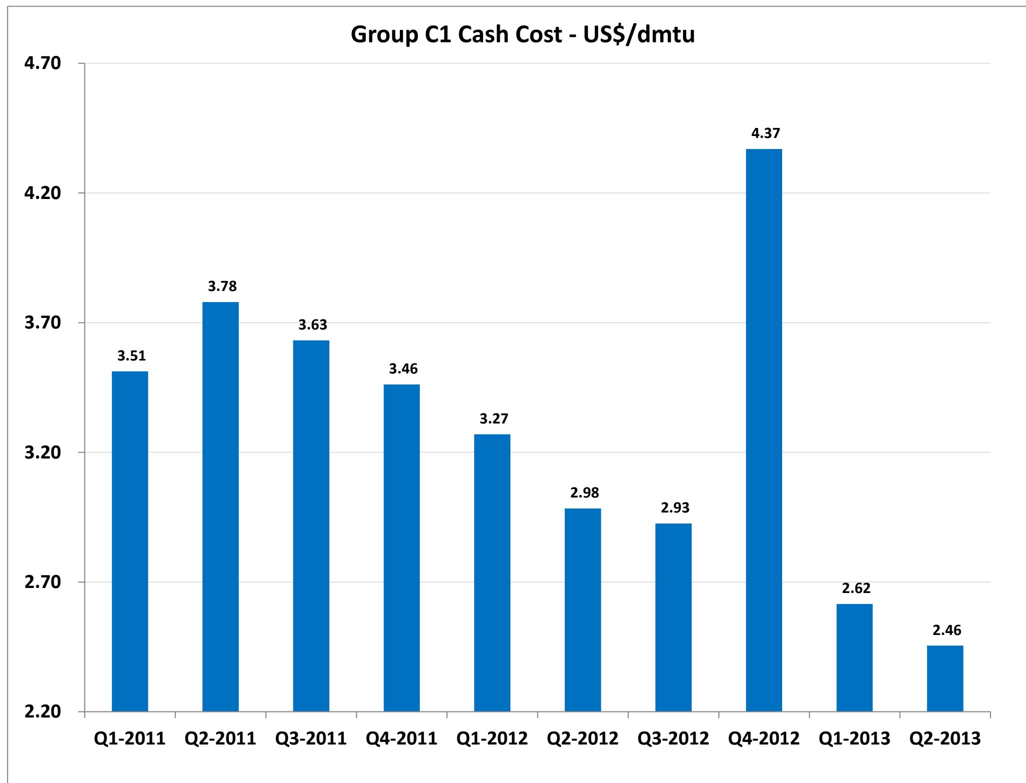
- A $14 million benefit in relation to movement in inventories as a result of accumulating inventory compared to selling inventory in the prior year.
- A $10 million benefit from the reduction in mining costs representing savings as a result of initiatives undertaken in load & haul (the reduction of excavator fleet numbers), drill & blast (owner operator drilling) and a reduction in costs as a result of the relative weakening of the Australian dollar. The 18% reduction in mining and production expenses reflects the 18% reduction in C1 manganese unit cash costs over the same period.
- A $3 million benefit as a result of an increase in the deferred stripping credit.
- These benefits are offset by $9 million increase in costs as a result of the favourable NRV write back in Q2 2012 due to the reversal of the provision as stockpiles had been sold.

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 $3.00/dmtu for Q2 2012 to $2.46/dmtu for Q2 2013 – as the graphs below for both Q2 and H1 show there have been substantial reductions in the underlying mine costs and a small incremental benefit in Q2 2013 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.





The graph below shows the continued progression in the reduction of C1 unit cash cost since Q1 2011. The C1 cash cost has decreased to $2.46/dmtu for Q2 2013 as a result of the continued successful implementation of efficiency programmes noted above. The increase in Q4 2012 C1 unit cash costs was as a direct result of the planned stripping programme in Ghana.



Chromite

Cost of sales for the chromite segment decreased by $7 million from $21 million in Q2 2012 to $14 million in Q2 2013. The 33% decrease was largely as a result of a lower C1 unit cash costs and the benefit of net stock movements and NRV write backs.

Gross Profit

Gross profit for the Group has increased from a $59 million in Q2 2012 to $88 million gross profit in Q2 2013.

Gross profit for the manganese segment increased from a $50 million in Q2 2012 to $85 million in Q2 2013. This improvement in gross profit is due to improved pricing, the substantial reductions in mining and production costs and the benefits of net stock movements offset by prior year NRV write-backs. The gross margin for Q2 2013 was 57% compared to 37% for Q2 2012.

Gross profit for the chromite segment decreased from $10 million in Q2 2012 to $3 million in Q2 2013. The decrease was predominantly as a result of the 33% lower volumes sold, 18% reductions in price offset by a 32% reduction in the unit cost of production. The gross margin for Q2 2013 was 17% compared to 32% for Q2 2012.

Cash EBITDA

Cash EBITDA is calculated as follows:

$m	3 Months Ended		6 Months Ended	
	30 June 13	30 June 12 (restated) [1]	30 June 13	30 June 12 (restated) [1]
Operating profit	**42.8**	**19.4**	**76.3**	**15.4**
Depreciation and amortisation	21.9	21.9	43.8	43.8
Net foreign exchange loss / (gain)	8.9	(1.0)	8.7	(2.1)
Impairment of available for sale financial assets	0.7	-	0.7	-
Non-cash NRV inventory write back	-	(13.8)	-	(20.4)
Adjusted EBITDA	**74.3**	**26.5**	**129.5**	**36.7**
Deferred stripping	(4.7)	(1.5)	(5.5)	(9.2)
Net movement in inventories	(8.4)	13.6	(6.2)	(9.5)
'Cash' EBITDA	**61.2**	**38.6**	**117.8**	**18.0**

[1] Balances related to 2012 have been restated to reflect the impact of the adoption of IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine. See note 2a of the interim consolidated financial statements.

Adjusted EBITDA is defined as operating profit before depreciation and amortisation, impairment write-back/expense, net foreign exchange gain or loss; non-cash inventory write-downs and exceptional restructuring items. It is the key profitability measure used across the whole business and reflects the performance in a consistent manner and in line with how the business is managed and measured on a day to day basis. Adjusted EBITDA has increased by $48 million from $27 million in Q2 2012 to $74 million in Q2 2013, primarily as a result a reduction in mining and production expenses ($13 million), net positive movement in inventories ($22 million), a reduction in selling and distribution expenses ($6 million), an increase in deferred stripping capitalised to the balance sheet ($3 million) and increased revenues ($3 million).

The 'Cash' EBITDA result removes the impact of certain non-cash items, including deferred stripping and movement in inventories, which are not excluded from the Adjusted EBITDA calculation. Cash EBITDA has increased by $22 million from $39 million in Q2 2012 to $61 million in Q2 2013, primarily as a result a reduction in mining and production expenses ($13 million), a reduction in selling and distribution expenses ($6 million) and increased revenues ($3 million).

Other Key Items

Selling and distribution expenses decreased from $34 million in Q2 2012 to $28 million in Q2 2013 largely as a result of a reduction in haulage rates and a 3% overall reduction in total volumes sold.

General and administrative expenses for the group decreased from $10 million in Q2 2012 to $8 million in Q2 2013. The decrease in general and administrative expenses was primarily due to 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 2013 of $3 million, compared to an income tax charge of $4 million in Q2 2012.

Profit for the Period

The Group has recognised a profit for Q2 2013 of $32.8 million compared to $8 million in Q2 2012.

Other Comprehensive (Loss) / Income

The Group recorded an other comprehensive loss of $46 million net of tax in Q2 2013, compared to a loss of $13 million in Q2 2012. The loss in the period was as a result of a net foreign currency translation loss of $47 million due to the movement in the closing position of the Australian dollar, which decreased 12% against the US dollar in the quarter.

Unaudited Condensed Consolidated Statement of Financial Position

$m	As at 30 June 13	31 December 12 (restated) [1]
Cash and cash equivalents	113.8	86.3
Other current assets	102.2	146.5
Non-current assets	593.2	650.0
Total assets	809.2	882.8
Current borrowings	(6.3)	(17.6)
Non-current borrowings	(308.3)	(368.0)
Other current liabilities	(68.7)	(80.5)
Other non-current liabilities	(103.2)	(110.0)
Total liabilities	(486.5)	(576.1)
Total equity	322.7	306.7

Cash and Cash Equivalents

Cash and cash equivalents increased from $86 million on 31 December 2012 to $114 million on 30 June 2013, an increase of $28 million. This increase is primarily due to strong cash flows from operating activities offset by bond buy-backs and capital expenditure.

Borrowings

Current borrowings have decreased from $18 million at 31 December 2012 to $6 million on 30 June 2013, a decrease of $12 million as a result of a significant decrease in the amount of the Ghana overdraft facility utilised. Non-current borrowings have decreased from $368 million on 31 December 2012 to $308 million on 30 June 2013 primarily as a result of bond buy-backs throughout 2013.

Guarantor Group

During the six months ended 30 June 2013, the Guarantors represented 100% (30 June 2012: 100%) of our consolidated revenues and 86.0% (30 June 2012: 12.9%) of our consolidated EBITDA. As of 30 June 2013, the Guarantors represented 83.8% of our consolidated total assets (30 June 2012: 84.0%). As of 30 June 2013, the non-guarantor subsidiaries have $1.1 million (30 June 2012: $2.9 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

$m	3 Months Ended 30 June 13	3 Months Ended 30 June 12	6 Months Ended 30 June 13	6 Months Ended 30 June 12
Cash inflow from operating activities	80.0	36.2	149.8	49.7
Cash outflow from investing activities	(6.3)	(2.6)	(24.5)	(16.5)
Cash (outflow) from financing activities	(63.5)	(46.1)	(80.3)	(58.2)
Increase / (decrease) in cash and cash equivalents	10.2	(12.5)	45.0	(25.0)
Cash and cash equivalents at the start of the period	110.1	124.2	73.9	138.1
Exchange (losses) / gains on cash and cash equivalents	(7.6)	3.2	(6.2)	1.8
Cash and cash equivalents at the end of the period	112.7	114.9	112.7	114.9

Cash Flows

Net cash generated from operating activities amounted to $80 million in Q2 2013 compared to $36 million in Q2 2013, an increase of $44 million. This increase in operating cash flow was as a result of the improved profitability of the Group as a result of improved pricing and substantial reductions in mining and production costs. The net cash outflow from investing activities was $6 million in Q2 2013 due to payments for capital expenditure net of interest received. The net cash outflow from financing activities was $64 million in Q2 2013 compared to a net cash outflow of $46 million in Q2 2012. The cash outflow in Q2 2013 relates principally to the repurchase of bonds and bond interest paid. The cash outflow in Q2 2012 relates to bond interest paid and the repayment of the stockpile funding element of the Australian working capital facility.

Overall the Group has managed to maintain a strong closing cash position through increased revenue, cost savings through operational efficiencies and effective working capital management. As a result total cash and cash equivalents increased from $86 million on 31 December 2012 to $113 million at 30 June 2013.

Liquidity

The Group has generated positive operating cash flows of $80 million in Q2 2013 compared to $36 million in Q2 2012. The Group is forecasting to continue to generate positive operating cash flows going forward. The liquidity position of the Group is further supported by over $100 million of the marketable securities held that could be converted to cash if such a need arose.

The Group had a total overdraft facility in Ghana of $29 million with $28 million remaining undrawn and available at the end of Q2 2013.

Consolidated Minerals Limited

Unaudited Condensed Consolidated Interim Financial Information
For the Three and Six Months Ended 30 June 2013

Unaudited condensed consolidated statement of comprehensive income for the three and six months ended 30 June 2013

$m	Note	Three months ended 30 June 2013	Three months ended 30 June 2012 *(restated - note 2a)*	Six months ended 30 June 2013	Six months ended 30 June 2012 *(restated - note 2a)*
Revenue	7	166.8	164.2	333.5	262.2
Cost of sales	8	(79.2)	(104.8)	(175.6)	(176.4)
Gross profit		87.6	59.4	157.9	85.8
Selling and distribution expenses		(27.8)	(33.5)	(55.6)	(56.5)
General and administrative expenses		(8.3)	(9.5)	(18.4)	(19.2)
Other operating income / (expenses) – net		0.9	2.0	1.8	3.2
Impairment of available for sale financial assets		(0.7)	-	(0.7)	-
Net foreign exchange (loss) / gain		(8.9)	1.0	(8.7)	2.1
Operating profit		42.8	19.4	76.3	15.4
Presented as:					
Adjusted EBITDA		74.3	26.5	129.5	36.7
Depreciation and amortisation		(21.9)	(21.9)	(43.8)	(43.8)
Net foreign exchange (loss) / gain		(8.9)	1.0	(8.7)	2.1
Non-cash inventory NRV write back		-	13.8	-	20.4
Impairment of available for sale financial assets		(0.7)	-	(0.7)	-
Operating profit		42.8	19.4	76.3	15.4
Financing income		1.5	2.2	2.5	4.2
Financing costs		(8.9)	(10.1)	(18.6)	(20.1)
Net financing costs		(7.4)	(7.9)	(16.1)	(15.9)
Share of losses of associated undertakings		-	(0.3)	-	(0.5)
Gain on disposal of subsidiary company		-	0.8	-	0.8
Profit / (loss) before tax		35.4	12.0	60.2	(0.2)
Income tax expense		(2.6)	(3.8)	(3.8)	(5.7)
Profit / (loss) for the period		32.8	8.2	56.4	(5.9)
Other comprehensive income					
Revaluation of available-for-sale financial assets		0.5	(3.6)	5.1	3.9
Net foreign currency translation differences		(46.8)	(9.4)	(45.6)	(2.3)
Income tax charge on other comprehensive income		-	-	0.6	(0.1)
Other comprehensive (cost) / income for the period, net of income tax		(46.3)	(13.0)	(39.9)	1.5
Total comprehensive (cost) / income for the period		(13.5)	(4.8)	16.5	(4.4)
Profit / (loss) attributable to:					
Owners of the parent company		32.3	7.6	55.7	(6.7)
Non-controlling interest		0.5	0.6	0.7	0.8
		32.8	8.2	56.4	(5.9)
Total comprehensive (cost) / income attributable to:					
Owners of the parent company		(14.0)	(5.4)	15.8	(5.2)
Non-controlling interest		0.5	0.6	0.7	0.8
Total comprehensive (cost) / income for the period		(13.5)	(4.8)	16.5	(4.4)

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 2013

$m	Note	As at 30 June 2013	As at 31 December 2012 *(restated - note 2a)*
Non-current assets			
Property, plant and equipment		366.2	405.2
Intangible assets		84.0	89.9
Goodwill		28.9	28.9
Investments in associated undertakings		56.3	65.4
Available-for-sale financial assets		19.4	17.0
Trade and other receivables		0.2	0.2
Deferred tax asset		38.2	43.4
		593.2	**650.0**
Current assets			
Inventories		71.1	73.1
Trade and other receivables		31.1	72.2
Income tax receivable		-	1.2
Cash and cash equivalents	9	113.8	86.3
		216.0	**232.8**
Current liabilities			
Borrowings	10	(6.3)	(17.6)
Trade and other payables		(62.2)	(73.4)
Provisions		(6.5)	(7.1)
		(75.0)	**(98.1)**
Net current assets		**141.0**	**134.7**
Non-current liabilities			
Borrowings	10	(308.3)	(368.0)
Trade and other payables		(6.0)	(6.7)
Provisions		(57.9)	(62.0)
Deferred tax liabilities		(39.3)	(41.3)
		(411.5)	**(478.0)**
Net assets		**322.7**	**306.7**
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		(13.5)	26.4
Retained losses		(848.0)	(903.7)
Total equity attributable to equity holders of the parent company		**309.4**	**293.6**
Non-controlling interests		13.3	13.1
Total equity		**322.7**	**306.7**

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 2013

$m	Share capital	Share premium	Shareholder equity	Reserves	Retained losses (*restated – note 2a*)	Total	Non-controlling interests	Total
	Attributable to equity shareholders of the parent Company							
Balance at 1 January 2013	10.0	194.7	966.2	26.4	(903.7)	293.6	13.1	306.7
Profit for the period	-	-	-	-	55.7	55.7	0.7	56.4
Revaluation of available-for-sale financial assets	-	-	-	5.1	-	5.1	-	5.1
Foreign currency translation differences	-	-	-	(45.6)	-	(45.6)	-	(45.6)
Income tax on other comprehensive income	-	-	-	0.6	-	0.6	-	0.6
Dividend	-	-	-	-	-	-	(0.5)	(0.5)
Balance at 30 June 2013	10.0	194.7	966.2	(13.5)	(848.0)	309.4	13.3	322.7

$m	Share capital	Share premium	Shareholder equity	Reserves	Retained losses (*restated – note 2a*)	Total	Non-controlling interests	Total
	Attributable to equity shareholders of the parent Company							
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	-	-	-	-	(6.7)	(6.7)	0.8	(5.9)
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	(861.3)	337.2	13.4	350.6

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 2013

$m	Note	Three months ended 30 June 2013	Three months ended 30 June 2012 *(restated - note 2a)*	Six months ended 30 June 2013	Six months ended 30 June 2012 *(restated - note 2a)*
Cash flow from operating activities					
Profit / (loss)before tax		35.4	12.0	60.2	(0.2)
Adjustments to add / (deduct) non-cash items:					
Depreciation and amortisation		21.9	21.9	43.8	43.8
Deferred stripping		(4.7)	(1.5)	(5.5)	(9.2)
Impairment of available for sale financial assets		0.7	-	0.7	-
Non-cash inventory NRV write (back) / down		-	(13.8)	-	(20.4)
Gain on sale of property, plant and equipment		-	(0.7)	-	(1.0)
Profit on disposal of subsidiary company		-	(0.8)	-	(0.8)
Share of losses / (profits) of associated undertakings		-	0.3	-	0.5
Net foreign exchange (gain) / loss		8.9	(1.0)	8.7	(2.1)
Net financing costs		7.4	7.9	16.1	15.9
Working capital adjustments:					
(Increase) / decrease in inventories		(0.9)	14.8	1.5	(9.4)
Decrease / (increase) in receivables		28.2	(3.5)	36.0	32.8
Increase in payables		(15.4)	1.7	(8.6)	3.8
Net movement in working capital		11.9	13.0	28.9	27.2
Income taxes paid		(1.5)	(1.1)	(3.1)	(4.0)
Net cash generated from operating activities		80.0	36.2	149.8	49.7
Cash flow from investing activities					
Payments for development expenditure		(5.4)	(2.2)	(6.6)	(4.9)
Purchase of property, plant and equipment		(2.6)	(4.2)	(16.6)	(9.4)
Proceeds from sale of property, plant and equipment		0.3	0.7	0.3	1.0
Payments for mineral exploration and evaluation expenditure		(0.5)	(2.5)	(5.3)	(5.8)
Interest received		1.9	0.4	2.5	0.8
Proceeds from dividends received		-	-	1.2	-
Proceeds from disposal of subsidiary company, net of cash disposed		-	5.1	-	5.1
Payments for investments in associates		-	0.1	-	(3.3)
Net cash outflow from investing activities		(6.3)	(2.6)	(24.5)	(16.5)
Cash flow from financing activities					
Proceeds from related party borrowings		-	2.0	-	2.6
Interest paid		(18.7)	(17.0)	(19.5)	(17.8)
Payments for repurchase of senior secured notes		(43.7)	(7.3)	(58.2)	(18.5)
Repayment of borrowings		(1.1)	(1.0)	(2.6)	(2.2)
Proceeds from stockpile funding		-	22.6	-	88.7
Repayment of stockpile funding		-	(45.4)	-	(111.0)
Net cash (outflow) / inflow from financing activities		(63.5)	(46.1)	(80.3)	(58.2)
Net (decrease) / increase in cash and cash equivalents		10.2	(12.5)	45.0	(25.0)
Cash and cash equivalents at the beginning of the period		110.1	124.2	73.9	138.1
Exchange gains / (losses) on cash and cash equivalents		(7.6)	3.2	(6.2)	1.8
Cash and cash equivalents at the end of the period	9	112.7	114.9	112.7	114.9

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 2013 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 2012, 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 2012 but comparative information is derived from those accounts. Statutory accounts for 2012 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 2013 relevant to the Group

- IFRIC 20 *Stripping Costs in the Production Phase of a Surface Mine* (effective 1 January 2013): IFRIC 20 sets out the accounting for costs of stripping activities during 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 adopted IFRIC 20 effective 1 January 2013. Upon adoption of IFRIC 20, we assessed the stripping asset at 1 January 2011 (being the beginning of the earliest period that will be presented in the 2013 annual financial results) and determined that there are identifiable components of the ore body with which stripping assets can be associated, and therefore no balance sheet adjustment was recorded. The adoption of IFRIC 20 for the Group has substituted the previous amounts charged to the income statement as deferred stripping costs (related to deferred stripping in periods where the stripping ratio is below that of the mine plan) and replaced these with a charge to depreciate the stripping asset over the identified component of ore body on a units of production basis. For the quantitative impact of adopting this standard on prior period consolidated financial statements, please refer to the tables below. All IFRIC 20 adjustments impacted the manganese segment.

Adjustments to the consolidated statement of income:

For the 3 months ended 30 June $m	2012 (previously stated)	Deferred stripping	Depreciation	2012 (restated)
Cost of sales	(106.4)	9.1	(7.5)	(104.8)
Increase in net income		9.1	(7.5)	1.6

For the 6 months ended 30 June $m	2012 (previously stated)	Deferred stripping	Depreciation	2012 (restated)
Cost of sales	(175.5)	14.6	(15.5)	(176.4)
Decrease in net income		14.6	(15.5)	(0.9)

Adjustments to the consolidated statement of financial position:

As at: $m	31 December 2012 (previously stated)	Deferred stripping	Depreciation	31 December 2012 (previously stated)
Property, plant and equipment	409.6	21.6	(26.0)	405.2
Increase in retained losses		21.6	(26.0)	(4.4)

Adjustments to the consolidated statement of cash flows:

For the 3 months ended 30 June $m	2012 (previously stated)	Deferred stripping	Depreciation	2012 (restated)
Profit before tax	10.4	9.1	(7.5)	12.0
Depreciation and amortisation	14.4	-	7.5	21.9
Deferred stripping	7.6	(9.1)	-	(1.5)
Net cash generated from operations		-	-	

Adjustments to the consolidated statement of cash flows:

For the 6 months ended 30 June $m	2012 (previously stated)	Deferred stripping	Depreciation	2012 (restated)
Profit before tax	0.7	14.6	(15.5)	(0.2)
Depreciation and amortisation	28.3	-	15.5	43.8
Deferred stripping	5.4	(14.6)	-	(9.2)
Net cash generated from operations		-	-	

- 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.

(b) New and amended standards mandatory for the first time for the financial year beginning 1 January 2013 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.
- 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.
- IAS 19 *Employee Benefits* amendments (effective 1 January 2013) regarding the treatment of defined benefit schemes which are not relevant to 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 and 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.
- IFRS 7 *Financial Instruments* offsetting financial assets and financial liabilities amendment (effective 1 January 2013) requires the disclosure of information about all recognised financial instruments that are set off in accordance with paragraph 42 of IAS 32, namely that there exists a legally enforceable right to offset the asset and the liability and that settlement is intended on a net basis.

(c) 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.

(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 2012, 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 rates:	Average 3 months to 30 June 2013	Average 6 months to 30 June 2013	Average 3 months to 30 June 2012	Average 6 months to 30 June 2012
Australian dollar	0.9918	1.0155	1.0195	1.0329

Period end rates:	30 June 2013	31 December 2012	30 June 2012
Australian dollar	0.9133	1.0371	1.0159

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 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 2013 and 2012 is as follows:

Three months ended 30 June 2013 **$m**	**Manganese**	**Chromite**	**Other**	**Total**
Revenue from external customers	149.6	17.2	-	166.8
Cost of goods sold	(64.6)	(14.2)	(0.4)	(79.2)
Gross profit	85.0	3.0	(0.4)	87.6
Adjusted EBITDA	80.3	2.2	(8.2)	74.3
Depreciation and amortisation	(17.7)	(4.1)	(0.1)	(21.9)
Net foreign exchange (loss) / gain	(5.5)	1.1	(4.5)	(8.9)
Impairment of available for sale financial assets	-	-	(0.7)	(0.7)
Finance income	-	-	1.5	1.5
Finance expense	(0.6)	(0.1)	(8.2)	(8.9)
Profit / (loss) before tax	56.5	(0.9)	(20.2)	35.4
Income tax expense				(2.6)
Profit for the period				32.8

Three months ended 30 June 2012 *(restated - note 2a)* **$m**	**Manganese**	**Chromite**	**Other**	**Total**
Revenue from external customers	133.1	31.1	-	164.2
Cost of goods sold	(83.2)	(21.2)	(0.4)	(104.8)
Gross profit	49.9	9.9	(0.4)	59.4
Adjusted EBITDA	34.9	0.6	(9.0)	26.5
Depreciation and amortisation	(18.0)	(3.8)	(0.1)	(21.9)
Net foreign exchange loss	(4.2)	(0.3)	5.5	1.0
Non-cash inventory NRV write down	9.4	4.4	-	13.8
Finance income	-	-	2.2	2.2
Finance expense	(0.6)	(0.1)	(9.4)	(10.1)
Share of profits of associated undertakings	-	-	(0.3)	(0.3)
Gain on disposal of subsidiary company	-	-	0.8	0.8
Profit / (loss) before tax	21.5	0.8	(10.3)	12.0
Income tax credit				(3.8)
Profit for the period				8.2

Six months ended 30 June 2013 **$m**	**Manganese**	**Chromite**	**Other**	**Total**
Revenue from external customers	290.3	43.2	-	333.5
Cost of goods sold	(138.9)	(35.1)	(1.6)	(175.6)
Gross profit	151.4	8.1	(1.6)	157.9
Adjusted EBITDA	140.6	5.0	(16.1)	129.5
Depreciation and amortisation	(34.6)	(8.4)	(0.8)	(43.8)
Net foreign exchange (loss) / gain	(5.5)	1.0	(4.2)	(8.7)
Impairment of available for sale financial assets	-	-	(0.7)	(0.7)
Finance income	-	-	2.5	2.5
Finance expense	(1.4)	(0.1)	(17.1)	(18.6)
Profit / (loss) before tax	99.1	(2.5)	(36.4)	60.2
Income tax expense				(3.8)
Profit for the period				56.4

30 June 2013 **$m**	**Manganese**	**Chromite**	**Other**	**Total**
Total assets	539.6	16.3	253.3	809.2
Total liabilities	(163.1)	(15.2)	(308.2)	(486.5)

Six months ended 30 June 2012 *(restated - note 2a)* **$m**	**Manganese**	**Chromite**	**Other**	**Total**
Revenue from external customers	215.9	46.3	-	262.2
Cost of goods sold	(140.6)	(34.9)	(0.9)	(176.4)
Gross profit	75.3	11.4	(0.9)	85.8
Adjusted EBITDA	52.1	-	(15.4)	36.7
Depreciation and amortisation	(35.8)	(7.8)	(0.2)	(43.8)
Net foreign exchange gain	(2.8)	-	4.9	2.1
Non-cash inventory NRV write down	15.5	4.9	-	20.4
Finance income	-	-	4.2	4.2
Finance expense	(1.2)	(0.1)	(18.8)	(20.1)
Share of profits of associated undertakings	-	-	(0.5)	(0.5)
Gain on disposal of subsidiary company	-	-	0.8	0.8
Profit / (loss) before tax	27.8	(3.0)	(25.0)	(0.2)
Income tax credit				(5.7)
Loss for the period				(5.9)

31 December 2012 *(restated - note 2a)* **$m**	**Manganese**	**Chromite**	**Other**	**Total**
Total assets	599.7	35.6	247.5	882.8
Total liabilities	(182.6)	(20.6)	(372.9)	(576.1)

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

$m	3 Months Ended 30 June 2013	3 Months Ended 30 June 2012 *(restated - note 2a)*	6 Months Ended 30 June 2013	6 Months Ended 30 June 2012 *(restated - note 2a)*
Adjusted EBITDA	74.3	26.5	129.5	36.7
Depreciation and amortisation	(21.9)	(21.9)	(43.8)	(43.8)
Net foreign exchange gain / (loss)	(8.9)	1.0	(8.7)	2.1
Non-cash inventory NRV write back	-	13.8	-	20.4
Impairment of available for sale financial asset	(0.7)	-	(0.7)	-
Net financing costs	(7.4)	(7.9)	(16.1)	(15.9)
Share of (losses) / profits of associated undertakings	-	(0.3)	-	(0.5)
Profit on disposal of subsidiary company	-	0.8	-	0.8
Profit / (loss) before tax	35.4	12.0	60.2	(0.2)

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-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 2013	3 Months Ended 30 June 2012	6 Months Ended 30 June 2013	6 Months Ended 30 June 2012
China	142.3	124.3	284.8	218.4
Ukraine*	12.1	21.3	14.0	21.3
Vietnam	5.0	-	8.9	-
South Korea	7.1	3.0	18.4	3.0
USA*	0.1	-	3.3	-
India	-	14.2	-	15.5
Other	0.2	1.4	4.1	4.0
Total revenue by geographic destination	166.8	164.2	333.5	262.2

*Sales to related parties – see note 12

8. Cost of sales

$m	3 Months Ended 30 June 2013	3 Months Ended 30 June 2012 *(restated - note 2a)*	6 Months Ended 30 June 2013	6 Months Ended 30 June 2012 *(restated - note 2a)*
Mining and production expenses	60.3	73.7	123.0	154.7
Depreciation and amortisation	21.7	21.8	43.6	43.7
Royalties and other taxes	10.3	11.0	20.7	17.1
Deferred stripping	(4.7)	(1.5)	(5.5)	(9.2)
Non-cash inventory NRV write (back) / down	-	(13.8)	-	(20.4)
Net movement in inventories	(8.4)	13.6	(6.2)	(9.5)
Total cost of sales	79.2	104.8	175.6	176.4

9. Cash and cash equivalents

$m	30 June 2013	31 December 2012
Cash at bank and in hand	74.3	42.1
Short-term bank deposits	39.5	44.2
Cash and cash equivalents at the end of the period	113.8	86.3
Less: bank overdrafts	(1.1)	(12.4)
Net cash and cash equivalents per the cash flow statement	112.7	73.9

10. Borrowings

$m	30 June 2013	31 December 2012
Current		
Bank overdrafts	1.1	12.4
Finance lease liabilities – hire purchase loans	5.2	5.2
	6.3	17.6
Non-current		
Senior secured high yield notes	296.4	354.6
Finance lease liabilities – hire purchase loans	11.9	13.4
	308.3	368.0
Total borrowings	314.6	385.6

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 $0.9 million and unamortised issue costs of $7.9 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.

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 2013	31 December 2012
Interest free and repayable on demand	-	-
6 months or less	1.1	12.4
6 - 12 months	-	-
1 - 5 years	-	-
Over 5 years	-	-
	1.1	12.4
Borrowings not exposed to changes in interest rates	313.5	373.2
	314.6	385.6

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

$m	30 June 2013	31 December 2012
US dollar	312.7	382.7
Australian dollar	1.9	2.9
	314.6	385.6

11. Contingent liabilities and contingent assets

There has been no change in circumstances relating to contingent liabilities already disclosed in the 31 December 2012 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 2013.

$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 2013	12.2	-	-	-		
3 months to 30 June 2012	21.3	-	-	-		
6 months to 30 June 2013	17.3	-	-	-		
6 months to 30 June 2012	21.3	-	-	-		
At 30 June 2013					-	-
At 31 December 2012					21.7	-
Banks related to the ultimate shareholder						
3 months to 30 June 2013	-	-	0.1	-		
3 months to 30 June 2012	-	-	0.3	-		
6 months to 30 June 2013	-	-	0.3	-		
6 months to 30 June 2012	-	-	0.6	-		
At 30 June 2013					-	-
At 31 December 2012					-	-
Other companies related to the ultimate shareholder						
3 months to 30 June 2013	-	0.7	-	-		
3 months to 30 June 2012	-	0.8	-	-		
6 months to 30 June 2013		1.3	-	-		
6 months to 30 June 2012	5.1	1.7	-	-		
At 30 June 2013					-	-
At 31 December 2012					-	0.7

Finance companies related to the ultimate shareholder

As at 30 June 2013, a related party loan balance of $966.2 million was recognised in equity.

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 2013, $6.4 million was held in current accounts with the bank (31 December 2012: $6.4 million).

13. Events occurring after the reporting period

Since 30 June 2013 a further $27.7 million (excluding accrued interest) was spent by the Group on repurchases of senior secured notes.

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.