ConsMin

Consolidated Minerals Limited Financial Results for the three months to 31 March 2015

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

Report for the First Quarter ending 31 March 2015

19 May 2015

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

Consmin, a leading manganese ore producer with mining operations in Australia and Ghana, announces its quarterly results for the period ended 31 March 2015.

Key highlights

- Total tonnes of manganese ore production for Q1 2015 decreased 17% compared to Q1 2014. Australian manganese ore production was consistent with Q1 2014 offset by a 32% decrease in Ghanaian manganese ore production compared to Q1 2014 as a result of the decision taken to reduce production following the termination of the Tianyuan Manganese Industry Co. Ltd (TMI) contract to ensure normalised stock levels by the end of 2015.
- Manganese C1 cash costs[1] for Q1 2015 were $1.97/dmtu compared to $2.29/dmtu in Q1 2014, a decrease of 14% continuing the positive trend seen over recent years.
- Total manganese sales tonnes decreased 14% in Q1 2015 compared to Q1 2014. Australian manganese tonnes sold were 14% ahead of the same period but Ghanaian manganese tonnes sold were 40% lower as a result of the termination of the TMI contract in the second half of 2014 and allowing for the time to establish a new customer base in the EMM market in the south of China.
- Average manganese FOB sales price achieved decreased 22% from $4.61 in Q1 2014 to $3.59 in Q1 2015.
- The average manganese ore price for Q1 2015 (CRU, 44%Mn CIF China) was $3.83/dmtu, a decrease of 12% from $4.37/dmtu in Q4 2014. The Company's average price for its Australian 46%Mn lump product (CIF China) was $4.32/dmtu in Q1 2015, down 7% from $4.65/dmtu in Q4 2014.
- Adjusted EBITDA[2] for Q1 2015 was $24 million, down from $48 million in Q1 2014. This decrease is principally due to lower revenues partially offset by lower mining costs. Cash EBITDA for Q1 2015 was $16 million, down from $31 million in Q1 2014.
- The Group recorded a loss for the period of $4 million compared to a profit of $24 million in Q1 2014.
- During the quarter the group had an operating cash inflow of $30 million compared to an inflow of $32 million from continuing operations in Q1 2014.
- Cash and cash equivalents net of overdrafts increased in Q1 2015 by $21 million to $80 million on 31 March 2015 with net debt reducing by $22 million to $325 million over the same period.
- Total capital expenditure for the group in Q1 2015 was only $5 million, 35% lower than in Q1 2014, as a result of the phasing of exploration activity and more specifically to maintain liquidity in light of the current difficult market conditions for manganese ore.

Key Performance Indicators

Unaudited	Quarter ended 31 March 2015	31 March 2014	% change
Manganese ore produced (dry kt)	713.8	859.7	(17.0%)
Manganese ore sales (dry kt)	575.0	669.9	(14.2%)
Average C1 manganese unit cash cost ($/dmtu)[1]	1.97	2.29	(14.0%)
Average manganese FOB Sales price ($/dmtu)	3.59	4.61	(22.1%)
Revenue ($ million)	81.8	108.9	(24.9%)
Adjusted EBITDA ($ million)[2]	24.1	47.9	(49.7%)
'Cash' EBITDA ($ million)[2]	16.2	31.1	(47.9%)
(Loss) / profit for the period from continuing operations	(3.5)	24.3	(114.4%)
	At 31 March 2015	**At 31 December 2014**	**% change**
Cash and cash equivalents ($ million)	96.6	82.1	17.7%
Gross debt ($ million)	(421.3)	(428.6)	(1.7%)
Gross debt excluding high yield bonds ($ million)	(36.0)	(44.0)	(18.2%)
Net debt ($ million)	(324.7)	(346.5)	(6.3%)

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

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

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

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

"During the quarter Consmin delivered operational performance in line with its expectations. Financial performance for the quarter was lower as a result of the combination of a difficult pricing environment and the termination of the TMI contract along with its impact on the timing of sales of Ghanaian ore whilst the development of the EMM market took place in southern China.

The Manganese C1 cash cost for the quarter was $1.97/dmtu, a decrease of 14% from $2.29/dmtu for Q1 2014. This reduction in the C1 cash cost was a positive achievement benefitting from reduced mining costs and the impact of the relative weakening of the Australian dollar. The 2015 full year estimate for the C1 cash cost is below $2.25/dmtu based on an exchange rate of 0.78 for the Australian dollar.

Consmin remains cautious in its expectations for the remainder of 2015. Manganese prices have recently come under heavy downward pressure due to the slowdown in Chinese steel production, poor liquidity, stricter environmental measures and poor margins for both ferroalloy and steel producers, which have cumulatively led to a weaker demand for Mn ore. The oversupply in the manganese ore market has prompted more aggressive offers by some suppliers driving prices down to below cost levels for some producers. Prices in May appear to have stabilised with market sentiment suggesting that prices have reached or are close to the bottom.

With regard to the TMI agreement the Company continues to contest the injunction in the Chinese courts against the drawdown demand made on the $50 million standby letter of credit with the intention of lifting it. The Company also continues to pursue the arbitration proceedings in London."

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: Pilbara Manganese Pty Limited (Australia), Ghana Manganese Company Limited (Ghana), Manganese Trading Limited (Jersey) and Pilbara Trading Limited (Jersey).

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

Company Information

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Mark Camaj, General Manager, Marketing
Jurgen Eijgendaal, Managing Director, Ghana
Paul Muller, Managing Director, Australia
David Slater, Executive Director and CFO

Conference Call

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

Market, Economic and Industry Data

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

Forward looking statements

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

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

The forward-looking statements in this report reflect information available at the time of preparing this report. Subject to the requirements of the applicable law, Consmin explicitly disclaims any obligation or undertaking publicly to release the result of any revisions to any forward- looking statements in this report that may occur due to any change in Consmin's expectations or to reflect events or circumstances after the date of this report. No statements made in this report regarding expectations of future profits are profit forecasts or estimates, and no statements made in this report should be interpreted to mean that Consmin's profits for any future period will necessarily match or exceed the historical published profits of Consmin or any other level.

Marketing Review

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

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

Global steel production in Q1 2015 fell by 1.6% year on year to 400 million tonnes. China accounted for 50% of global production, with its production declining by 1.4% year on year to 200 million tonnes during the quarter. As a result of economic slowdown in China, leading to the decline in steel production, imports of manganese ore fell 2% year on year to 3.8 million tonnes in the quarter (15.3 million tonnes annualised), but were on par with imports during the previous quarter (Q4 2014).

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

China produces circa 50% of global stainless steel production, with the proportion of 200 series stainless steel relative to total stainless steel produced in the country exceeding 30%. China accounts for circa 95% of global EMM production and has relied on domestic low-grade carbonate ores for the past 15 years, which has led to an annual decline in their grades and availability. This market is therefore the ideal end-user for Ghana carbonate ore and, after the termination of the long-term sales offtake contract with TMI, the company has been marketing it extensively to other market participants since September 2014.

Consmin's marketing team continue its efforts to differentiate its products to specific market segments. Consequently, the price Consmin achieves is consistently higher than on a manganese content basis alone.

The company's manganese ore shipments totalled 575k dry tonnes during Q1 2015, a decrease of 14% year on year compared to 670k dry tonnes shipped in Q1 2014. Our shipments of Australian manganese were 363k dry tonnes in Q1 2015, an increase of 14% year on year. Sales from Ghana were down 40% to 212k dry tonnes compared to Q1 2014 as a result of the strategic systematic development of the EMM customer base after the termination of the TMI long-term sales offtake agreement in order to maintain a pricing premium for the Ghanaian carbonate ore.

The quarterly average price for manganese lump (CRU, 44%Mn CIF China) in Q1 2015 was $3.83/dmtu, a decrease of 12% from $4.37/dmtu in the previous quarter (Q4 2014). Meanwhile, the average monthly pricing for the company's Australian WW46L ore in Q1 2015 was US$4.32/dmtu, having started the year at $4.65/dmtu and ending the quarter at $3.90/dmtu. In April manganese prices continued to fall as a slowdown in China demand meant the market was in oversupply, leading to the company's price for WW46L falling 13% month-on-month to $3.40.

The Chinese government's reforms and restructuring of the economy have led to lower levels of growth in Q1 2015 as financing has been tightened and environmental initiatives have been implemented. The steel sector has been in contraction, leading to the decline in manganese ore demand. Manganese ore prices have fallen significantly as a result putting substantial pressure on marginal high-cost producers.

Update on marketing of Ghanaian ore

Marketing efforts to develop a more diverse customer base, which focuses on EMM producers in Southern China, have progressed well with memorandums of understanding (MoU) signed for 610kt per year of Ghanaian carbonate ore. These MoUs are frame non-enforceable agreements where both buyer and seller indicate a minimum annual tonnage of potential sales. Several more MoUs are expected to be signed throughout 2015 as discussions are ongoing with key customers. Prices for Ghanaian ore have exceeded the ones for South African semi-carbonate ores from March through May, demonstrating the higher value-in-use for Ghanaian ore in the EMM production process.

In line with our strategy to have a strong and diversified EMM customer base we have continued to hold marketing discussions with TMI, and have concluded in early May our first shipment to the company in 2015 of around 100kt. These sales efforts are separate from the previously reported legal processes in China and the UK between the company and TMI. Consmin and TMI continue to assess the possibility of additional future shipments without longer-term obligations to either party.

Sales of bonded warehouse stocks

As a result of the termination of the TMI agreement in August 2014 three shipments (283k wet tonnes) originally scheduled for TMI were shipped from Ghana and placed in a bonded warehouse in Southern China. Marketing efforts were undertaken to develop the EMM customer base in the South, in what is known as the Manganese Triangle, where a vast majority of EMM producers are located. To date, all of the bonded warehouse volumes have been contracted, principally to these target EMM producers, with over 80% of total expected cash from the sales of the bonded warehouse material having been received.

Operational Review

Summary Overview (Unaudited)	Quarter ended 31 March 2015	31 March 2014	% change
Total mined (mBCM)	3.0	3.6	(16.7%)
Manganese ore produced (dry kt)	713.8	859.7	(17.0%)
Australia	*403.9*	*405.5*	*(0.4%)*
Ghana	*309.9*	*454.2*	*(31.8%)*
Manganese ore produced (mdmtu)	27.6	29.8	(7.4%)
Australia	*18.6*	*17.2*	*8.1%*
Ghana	*9.0*	*12.6*	*(28.6%)*
Manganese ore sales (dry kt)	575.0	669.9	(14.2%)
Australia	*363.3*	*319.3*	*13.8%*
Ghana	*211.7*	*350.6*	*(39.6%)*
Manganese ore sales (mdmtu)	22.8	23.5	(3.0%)
Australia	*16.9*	*13.7*	*23.4%*
Ghana	*5.9*	*9.8*	*(39.8%)*
Total capex – including exploration ($ million)	4.9	7.5	(34.7%)
Average unit cash cost ($/dmtu)	1.97	2.29	(14.0%)

Australia: Woodie Woodie

Overview
Woodie Woodie is located in the Pilbara region of Western Australia, approximately 400km south east of the town and port of Port Hedland. The Woodie Woodie tenements comprise of approximately 5,200km^2 of exploration tenements and 100km^2 of currently active mining corridor. The mine is serviced by modern infrastructure including an accommodation village, administration buildings, maintenance workshop facilities, power generation infrastructure, a sealed all-weather airstrip and a sealed public road which connects the mine to Port Hedland. Woodie Woodie's high grade manganese ore which is low in deleterious elements and Port Hedland's location proximate to key Asian markets represent key competitive advantages.

Safety
As reported in the 2014 financial report, an exploration contractor was fatally injured on 20 January 2015 when the engine under-guard he was attempting to remove fell, crushing the contractor. Consolidated Minerals is deeply saddened by this tragic accident.

Within the mine the total recordable injury frequency rate during the quarter reduced to 6.2 from 7.2 in the prior quarter with one recordable injury being sustained.

Production
Total mining volumes for the quarter were 2.3 million bcm, down 8% on the prior period yet up 64% from the corresponding period in 2014 due largely to a relatively mild wet season experienced so far in 2015 and operational efficiencies achieved throughout last year.

The mine plan transition from Greensnake to Topvar continued during the quarter, with the completion of mining in Greensnake and the ongoing development of Topvar. During the transition period, ore will be sourced from a number of smaller pits including Homestead, Paystar, Eat and Cracker.

Whilst processing production was down 8% on the very strong performance in Q4 2014, it was in line with the corresponding period of 2014 at 404kt of manganese ore. The grade of the ore produced, however, was substantially higher, with an average manganese content of 46.1% compared to 42.4% in Q1 2014, reflecting a strong preference to produce and sell higher grade ores whenever possible.

Capital Expenditure
Capital expenditure in Q1 2015 was $2.6 million, comprising of $0.5 million on property, plant and equipment and $2.1 million on exploration and resource development.

Exploration and Resource Development
Commencement of the 2015 exploration drilling program was delayed in part due to the fatal accident in January, but more specifically to conserve cash in light of the current market circumstances. Field reconnaissance, mapping and planning activities were completed with drilling planned to commence during Q2 2015. The 2015 exploration program has been revised down from a planned 130km of RC drilling to approximately 50km.

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

Safety
The GMC mine witnessed an excellent safety record at Nsuta, with no major reportable incidents or accidents during Q1 2015.

Production
Production at GMC totalled at 310 thousand tonnes of manganese ore (9.0 million dmtu) during the first quarter of 2015, representing a 32% (29% in dmtu) decrease compared to the first quarter of 2014. The production in the first quarter was in line with expectations following the decision taken in 2014 to reduce output in order to align production volumes with revised projected sales for 2015 and to utilise stockpiles built up during 2014. The Company continues to focusing on a stringent cost reduction exercise with a substantial decrease in shift production hours and associated operational fleets. Production during the quarter was from Pit C with a 68% decrease in total BCM mined compared to the same period in 2014, resulting from a reduced stripping ratio.

Capital Expenditure
A total of $2.2 million (2014: $3.1 million) was spent on capital expenditure projects during the year, with the majority of this spend ($1.9 million) on critical spares and components for the mobile and fixed equipment.

Exploration
During the first quarter of 2015, infill drilling focused on the continued resource development of our main Pit C. Earlier drilling campaigns have identified further opportunities and confidence in and around Pits A, B and C.

Projects
The Ghana Harbours and Ports Authority (GPHA) commenced a dredging program early 2015, which is part of the bigger Master Plan project of upgrading the port of Takoradi.

It has been decided to defer the oxide plant commissioning, and, consequently, the oxide production and sales until market conditions improve.

In order to investigate the future manganese potential of the newly acquired Hotopo Resources Limited (HRL) prospecting area, the Company has lodged the request for an exploration permit at the Minerals Commission Ghana. It is anticipated to commence some reconnaissance work later in 2015.

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'). PIO's claim that it has earned an 80% ownership interest in one of the tenements is subject to court determination. A decision adverse to PIO was handed down in the Warden's Court on 16 September 2014. PIO has lodged an appeal in the Supreme Court of Western Australia against the Warden's decision. The appeal is listed for hearing on 29-30 October 2015.

OM Holdings Limited ('OM Holdings')
OM Holdings is, primarily, a vertically integrated manganese marketing and mining company listed on the ASX (ticker: OMH). At 31 March 2015, the Company's holding in OM Holdings remained at 8.0%, consistent with 31 December 2014. The market value of the Company's holding in OM Holdings as at 31 March 2015 was $13.5 million.

Sustainable Development

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

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

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

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

People

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

Financial Review

Unaudited Condensed Consolidated Statement of Comprehensive Income

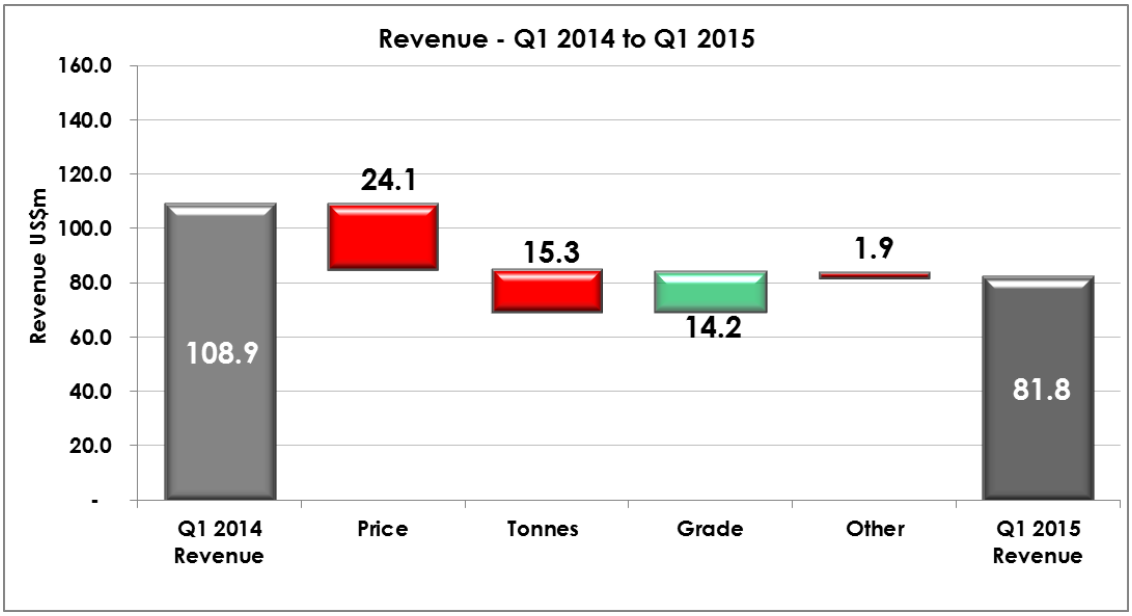
$m	Quarter ended 31 March 2015	31 March 2014
Revenue	81.8	108.9
Cost of sales	(47.3)	(54.0)
Gross profit	**34.5**	**54.9**
Selling and distribution costs	(18.5)	(17.4)
General and administrative costs	(9.2)	(8.4)
Other operating income - net	0.2	1.5
Net foreign exchange (loss) / gain	(1.8)	1.1
Operating profit	**5.2**	**31.7**
Presented as:		
Adjusted EBITDA	**24.1**	**47.9**
Depreciation and amortisation	(17.1)	(17.3)
Net foreign exchange (loss) / gain	(1.8)	1.1
Operating profit	**5.2**	**31.7**
Net financing costs	(9.0)	(6.2)
(Loss) / profit before tax from continuing operations	**(3.8)**	**25.5**
Income tax credit / (charge)	0.3	(1.2)
(Loss) / profit from continuing operations	**(3.5)**	**24.3**
Loss from discontinued operations (attributable to owners of the parent company)	-	(0.3)
(Loss) / profit for the period	**(3.5)**	**24.0**

Revenue

The consolidated revenue for the Group decreased by 25% from $109 million in Q1 2014 to $82 million in Q1 2015 as a result of the combination of lower volumes sold and lower pricing partially offset by improved grades sold. Manganese volumes sold (in tonnes) decreased by 14% in Q1 2015, however volumes sold in dmtus only fell by 3% due to the increase in average grade sold from 35.1% to 39.7%. Sales tonnes from Australia were 14% higher than in Q1 2014 whilst those from Ghana decreased by 40%, primarily due to the change in the production profile following the termination of the TMI contract in the second half of 2014.

The average price of our manganese ore sold decreased by 22% from $4.61/dmtu FOB in Q1 2014 to $3.59/dmtu FOB in Q1 2015 reflecting the reduction in the benchmark price over the same period.

The graph below summarises the decrease in revenue compared to Q1 2014:



Cost of Sales

The cost of sales for the Group decreased by 12% from $54 million in Q1 2014 to $47 million in Q1 2015. An analysis of the cost of sales is as follows:

$m	31 March 2015	Quarter ended 31 March 2014	Movement
Manganese			
Mining and production expenses	31.5	45.9	(31.4%)
Depreciation and amortisation	17.0	17.2	(1.2%)
Royalties and other taxes	6.6	7.1	(7.0%)
Deferred stripping	(7.9)	(7.9)	-
Net movement in inventories	-	(8.9)	(100.0%)
Other	0.1	-	100.0%
Total manganese cost of sales	**47.3**	**53.4**	**(11.4%)**
Other cost of sales	-	0.6	(100.0%)
Total cost of sales	**47.3**	**54.0**	**(12.4%)**

Manganese cost of sales reduced by 11% from $53 million in Q1 2014 to $47 million in Q1 2015. The principal factors driving this $6 million reduction are as follows:

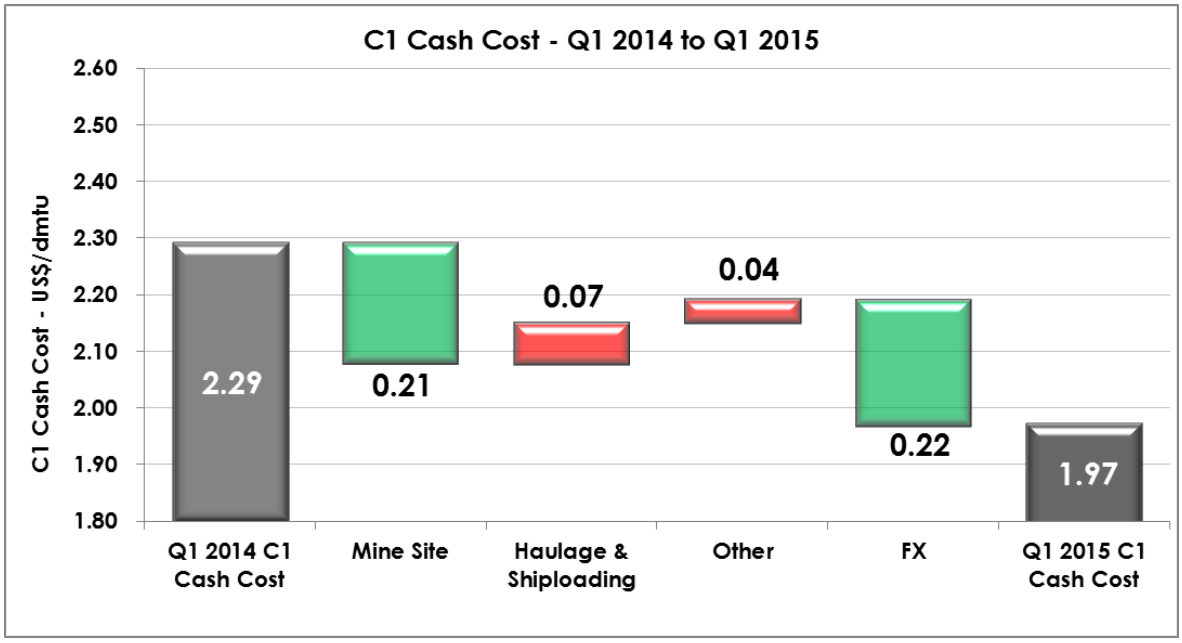
- A $14 million benefit from reduced mining and production costs reflecting the reduction in C1 manganese unit cash cost over the same period driven by reduced mine site costs and foreign exchange benefits due to the relative weakening of the Australian dollar;
- A $1 million decrease in royalties as a result of lower revenues in the quarter;

  offset by:

- A $9 million increased cost in relation to net overall movement in inventories.

The Company uses the 'C1 cash cost' as a measure of average unit cost. The C1 unit cash cost represents the cash cost incurred at each processing stage from mining through to ship loading, divided by the total manganese dmtu produced. The average C1 unit cost of manganese production, on a "fully expensed" mining cost basis, was $1.97 for Q1 2015, a decrease of 14% from $2.29/dmtu for Q1 2014.

As the graph below shows, there have been substantial reductions in mine site costs and benefits due to the foreign exchange impact of the relative weakening of the Australian dollar partially offset by small increases haulage costs.



Gross Profit

Gross profit for the Group was $35 million in Q1 2015, a decrease of 37% from $55 million in Q1 2014. The gross profit margin was 42% in Q1 2015, a decrease from 50% in Q1 2014. The reduction in both gross profit and gross profit margin has been driven by lower manganese ore prices and lower sales volumes partially offset by reduced mining costs and foreign exchange benefit.

Adjusted EBITDA and Cash EBITDA

Adjusted EBITDA and Cash EBITDA are calculated as follows:

	Quarter ended	
$m	**31 March 2015**	**31 March 2014**
Operating profit	**5.2**	**31.7**
Depreciation and amortisation	17.1	17.3
Net foreign exchange loss / (gain)	1.8	(1.1)
Adjusted EBITDA	**24.1**	**47.9**
Deferred stripping	(7.9)	(7.9)
Net movement in inventories	-	(8.9)
'Cash' EBITDA	**16.2**	**31.1**

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

Adjusted EBITDA was $24 million, a decrease of $24 million from $48 million in Q1 2014, primarily as a result of the following:

- A decrease in revenues of $27 million due to lower pricing and volumes sold, partially offset by higher grade;
- A $9 million reduction of net positive movement in inventories;
- A $1 million increase in selling and distribution costs;
- A $1 million increase in general and administration costs;
- A $1 million decrease in net other operating income;

  offset by:

- A reduction in mining and production expenses of $14 million due to reduced mine site costs and the relative weakening of the Australian dollar;
- A reduction in royalties of $1 million due to lower revenues.

Cash EBITDA has decreased by $15 million from $31 million in Q1 2014 to $16 million in Q1 2015 due to the reasons outlined for adjusted EBITDA above net of the positive net movement in inventories of $9 million.

Other Key Items

Selling and distribution expenses increased by $1 million to $19 million in Q1 2015 compared to Q1 2014. This is a result of an incremental shiploading cost per tonne in Ghana due to fixed costs being spread over lower volumes. General and administrative expenses increased by $1 million compared to Q1 2014 as a result of a reclassification of certain costs from cost of sales to general and administration costs in Q1 2015. The cost reclassification has also affected net other operating income which has decreased by $1 million compared to Q1 2014.

The Group is subject to taxation in the jurisdictions in which it operates; primarily Australia and Ghana. The parent company is domiciled in Jersey and is subject to a corporate tax rate of 0%. The Group recognised an income tax credit of $0.3 million in Q1 2015 compared to an income tax charge of $1.2 million in Q1 2014.

Net financing costs are $9 million for the quarter, an increase of $3 million from $6 million in Q1 2014 primarily due to increased borrowing levels.

Loss / profit for the Period

The Group has recognised a loss from continuing operations for Q1 2015 of $4 million compared to a profit from continuing operations of $24 million in Q1 2014.

Unaudited Condensed Consolidated Statement of Financial Position

$m	As at 31 March 2015	31 December 2014
Cash and cash equivalents	96.6	82.1
Other current assets	105.8	122.2
Non-current assets	478.7	503.7
Total assets	681.1	708.0
Current borrowings	(23.5)	(29.7)
Non-current borrowings	(397.8)	(398.9)
Other current liabilities	(54.2)	(52.9)
Other non-current liabilities	(100.2)	(101.7)
Total liabilities	(575.7)	(583.2)
Net Assets	105.4	124.8

Cash and Cash Equivalents

Cash and cash equivalents at 31 March 2015 were $97 million, an increase of $15 million from $82 million at 31 December 2014. This is due to strong cash flows from operations partially offset by capital expenditure.

Borrowings

Current borrowings have decreased to $24 million at 31 March 2015 from $30 million at 31 December 2014 as a result of the partial repayment of the Ghanaian overdraft facility in the quarter. Non-current borrowings have decreased by $1 million since 31 December 2014.

Guarantor Group

During the three months ended 31 March 2015, the Guarantors of the senior secured notes represented 100% (31 March 2014: 100%) of our consolidated revenues and 83.4% (31 March 2014: 85.4%) of our consolidated EBITDA. As of 31 March 2015, the Guarantors represented 63.8% of our consolidated total assets (31 March 2014: 73.6%). As of 31 March 2015, the non-guarantor subsidiaries have $16 million of indebtedness outstanding (31 March 2014: $7 million). The unrestricted subsidiaries are not significant subsidiaries and therefore not material to the Group. As a result, separate financial details have not been disclosed.

Unaudited Condensed Consolidated Statement of Cash Flows

$m	Quarter ended 31 March 2015	31 March 2014
Cash inflow from continuing operating activities	29.7	32.3
Cash outflow from continuing investing activities	(4.6)	(7.9)
Cash outflow from continuing financing activities	(1.9)	(12.3)
Net increase in cash and cash equivalents from continuing activities	23.2	12.1
Net decrease in cash and cash equivalents from discontinuing activities	-	(1.7)
Net increase in cash and cash equivalents	**23.2**	**10.4**
Cash and cash equivalents at the beginning of the period	**59.5**	**219.9**
Exchange losses on cash and cash equivalents	(2.5)	(1.3)
Cash and cash equivalents at the end of the period	**80.2**	**229.0**

Cash Flows and Liquidity

Net cash generated from operating activities from continuing operations amounted to $30 million in Q1 2015 compared to $32 million in Q1 2014, a decrease of $2 million. This decrease in operating cash flow was a result of reduced revenue from the weaker pricing environment for manganese ore offset by reduced mining costs.

The net cash outflow from investing activities was $5 million in Q1 2015 compared to a cash outflow of $8 million in Q1 2014, a decrease of $3 million due to lower payments for capital expenditure in the current period.

The net cash outflow from financing activities was $2 million in in Q1 2015 compared to a net cash outflow of $12 million in Q1 2014. In Q1 2014 the cash outflow relates principally to the repurchase of the 2016 senior secured notes.

As a result total cash and cash equivalents net of overdrafts increased to $80 million at 31 March 2015 from $60 million at 31 December 2014.

The liquidity position of the Group is further supported by circa $14 million of the marketable securities held that could be converted to cash if such a need arose.

Consolidated Minerals Limited

Unaudited Condensed Consolidated Financial Statements

For the Three Months Ended 31 March 2015

Unaudited consolidated statement of comprehensive income for three months ended 31 March 2015

$m	Note	Three months ended 31 March 2015	2014
Revenue	7	81.8	108.9
Cost of sales	8	(47.3)	(54.0)
Gross profit		**34.5**	**54.9**
Selling and distribution costs		(18.5)	(17.4)
General and administrative costs		(9.2)	(8.4)
Other operating income – net		0.2	1.5
Net foreign exchange (loss) / gain		(1.8)	1.1
Operating profit		**5.2**	**31.7**
Presented as:			
Adjusted EBITDA		**24.1**	**47.9**
Depreciation and amortisation		(17.1)	(17.3)
Net foreign exchange (loss) / gain		(1.8)	1.1
Operating profit		**5.2**	**31.7**
Finance income		0.1	0.3
Financing costs		(9.1)	(6.5)
Net financing costs		9.0	(6.2)
(Loss) / profit before tax from continuing operations		**(3.8)**	**25.5**
Income tax credit / (charge)		0.3	(1.2)
(Loss) / profit for the period from continuing operations		**(3.5)**	**24.3**
Loss for the period from discontinued operations		-	(0.3)
(Loss) / profit for the period		**(3.5)**	**24.0**
Other comprehensive income			
Items that may be subsequently reclassified to profit or loss:			
Revaluation of available-for-sale financial assets		(1.3)	(0.8)
Net foreign currency translation differences		(14.6)	10.3
Other comprehensive (cost) / income for the period, net of tax		**(15.9)**	**9.5**
Total comprehensive (cost) / income for the period		**(19.4)**	**33.5**
(Loss) / profit attributable to:			
Owners of the parent company		(3.5)	23.8
Non-controlling interest		-	0.2
(Loss) / profit for the period		(3.5)	24.0
Total comprehensive (cost) / income attributable to:			
Owners of the parent company		(19.4)	33.3
Non-controlling interest		-	0.2
Total comprehensive (cost) / income for the year period		**(19.4)**	**33.5**

The notes on pages 18 to 23 are an integral part of this unaudited Consolidated Interim Financial Information.

Unaudited consolidated statement of financial position

$m	Note	As at 31 March 2015	As at 31 December 2014
Non-current assets			
Property, plant and equipment		319.5	336.6
Intangible assets		81.9	85.4
Goodwill		28.9	28.9
Available-for-sale financial assets		14.1	16.4
Deferred tax asset		34.3	36.4
		478.7	**503.7**
Current assets			
Inventories		67.4	70.6
Trade and other receivables		35.1	48.6
Income tax receivable		3.3	3.0
Cash and cash equivalents	9	96.6	82.1
		202.4	**204.3**
Current liabilities			
Borrowings	10	(23.5)	(29.7)
Trade and other payables		(47.8)	(46.0)
Provisions		(6.4)	(6.9)
		(77.7)	**(82.6)**
Net current assets		**124.7**	**121.7**
Non-current liabilities			
Borrowings	10	(397.8)	(398.9)
Trade and other payables		(5.6)	(5.9)
Provisions		(56.9)	(57.9)
Deferred tax liabilities		(37.7)	(37.9)
		(498.0)	**(500.6)**
Net assets		**105.4**	**124.8**
Attributable to the equity shareholders of the parent company			
Share capital		10.0	10.0
Share premium		194.7	194.7
Subordinated shareholder loans treated as equity		737.5	737.5
Reserves		(65.8)	(49.9)
Accumulated losses		(784.0)	(780.5)
Total equity attributable to equity holders of the parent company		**92.4**	**111.8**
Non-controlling interests		13.0	13.0
Total equity		**105.4**	**124.8**

The notes on pages 18 to 23 are an integral part of this unaudited Consolidated Interim Financial Information.

Unaudited consolidated statement of changes in equity

	Attributable to equity owners of the parent Company							
$m	**Share capital**	**Share premium**	**Shareholder equity**	**Reserves**	**Accumulated losses**	**Total**	**Non-controlling interests**	**Total equity**
Balance at 1 January 2015	10.0	194.7	737.5	(49.9)	(780.5)	111.8	13.0	124.8
Profit for the year	-	-	-	-	(3.5)	(3.5)	-	(3.5)
Revaluation of available-for-sale financial assets	-	-	-	(1.3)	-	(1.3)	-	(1.3)
Foreign currency translation differences	-	-		(14.6)		(14.6)	-	(14.6)
Balance at 31 March 2015	10.0	194.7	737.5	(65.8)	(784.0)	92.4	13.0	105.4

	Attributable to equity owners of the parent Company							
$m	**Share capital**	**Share premium**	**Shareholder equity**	**Reserves**	**Accumulated losses**	**Total**	**Non-controlling interests**	**Total equity**
Balance at 1 January 2014	10.0	194.7	966.2	(27.1)	(760.2)	383.6	14.3	397.9
Profit for the year	-	-	-	-	23.8	23.8	0.2	24.0
Revaluation of available-for-sale financial assets	-	-	-	(0.8)	-	(0.8)	-	(0.8)
Foreign currency translation differences	-	-	-	10.3	-	10.3	-	10.3
Balance at 31 March 2014	10.0	194.7	966.2	(17.6)	(736.4)	416.9	14.5	431.4

The notes on pages 18 to 23 are an integral part of this unaudited Consolidated Interim Financial Information.

Unaudited condensed consolidated statement of cash flows for the three months ended 31 March 2015

		Three months ended 31 March	
$m	**Note**	**2015**	**2014**
Cash flow from operating activities			
(Loss) / profit before tax		(3.8)	25.5
Adjustments to add / (deduct) non-cash items:			
Depreciation and amortisation		17.1	17.2
Deferred stripping		(7.9)	(7.9)
Loss on sale of property, plant and equipment		0.4	0.2
Net foreign exchange loss / (gain)		1.8	(1.1)
Net financing costs		9.0	6.2
Working capital adjustments:			
Decrease / (increase) in inventories		2.3	(8.0)
Decrease / (increase) in receivables		12.7	5.0
Decrease in payables		(1.7)	(1.0)
Net movement in working capital		13.3	(4.0)
Income taxes paid		(0.2)	(3.8)
Net cash generated from continuing operating activities		29.7	32.3
Net cash generated from discontinued operating activities		-	(1.7)
Net cash generated from operating activities		**29.7**	**30.6**
Cash flow from investing activities			
Payments for development expenditure		(0.6)	(2.8)
Purchase of property, plant and equipment		(3.2)	(3.2)
Proceeds from sale of property, plant and equipment		0.2	0.2
Payments for mineral exploration and evaluation expenditure		(1.1)	(2.4)
Interest received		0.1	0.3
Net cash outflow from continuing investing activities		(4.6)	(7.9)
Net cash outflow from discontinued investing activities		-	-
Net cash outflow from investing activities		**(4.6)**	**(7.9)**
Cash flow from financing activities			
Interest paid		(0.4)	(0.3)
Payments for repurchase of senior secured notes		-	(10.5)
Repayment of hire purchase borrowings		(1.5)	(1.5)
Net cash outflow from financing activities of continuing operations		(1.9)	(12.3)
Net cash outflow from financing activities of discontinued operations		-	-
Net cash outflow from financing activities		**(1.9)**	**(12.3)**
Net increase in cash and cash equivalents from continuing operations		23.2	12.1
Net decrease in cash and cash equivalents from discontinued operations		-	(1.7)
Net increase in cash and cash equivalents		**23.2**	**10.4**
Cash and cash equivalents at the beginning of the period	9	59.5	219.9
Exchange losses on cash and cash equivalents		(2.5)	(1.3)
Cash and cash equivalents at the end of the period	9	**80.2**	**229.0**

The notes on pages 18 to 23 are an integral part of this unaudited Consolidated Interim Financial Information.

Notes to the unaudited consolidated financial statements

1. General information

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

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

2. Basis of preparation of interim report

This condensed consolidated interim financial information for the three months ended 31 March 2015 has been prepared in accordance with IAS 34 "Interim financial reporting". The condensed consolidated interim financial information should be read in conjunction with the annual financial information for the year ended 31 December 2014, which 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 2014 but comparative information is derived from those accounts. Statutory accounts for 2014 have been filed with the Jersey registrar of companies and the auditors have issued an unqualified audit opinion on these accounts.

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

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

(b) Comparatives

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

(c) Changes in accounting policies

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

(d) Foreign currency translation

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

	31 March 2015	Average 3 months to 31 March 2015	31 December 2014	31 March 2014	Average 3 months to 31 March 2014
Australian dollar	0.7689	0.7873	0.8156	0.9247	0.8962

3. Critical accounting judgments and key sources of estimation uncertainty

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

4. Principal risks and uncertainties

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

5. Discontinued operations

Chromite operations at the Coobina mine site in Western Australia were concluded during the first quarter of 2014. As a result the Chromite operations have been treated as discontinued operations for the periods ending 31 March 2015 and 31 March 2014.

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

For the three months ended 31 March	**2015**	**2014**
$m		
Revenue	-	4.7
Cost of sales	-	(4.0)
Selling and distribution costs	-	(1.0)
Operating loss	-	(0.3)
Loss for the period	-	(0.3)
Adjusted EBITDA	-	(0.3)

Cash flows from discontinued operations are shown below:

For the three months ended 31 March	**2015**	**2014**
$m		
Net cash outflow from operating activities	-	(1.7)
Net cash outflow from discontinued operations	-	(1.7)

6. Segment analysis

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

The segment information provided for the three month periods ended 31 March 2015 and 2014 is as follows:

31 March 2015 **$m**	**Manganese**	**Other**	**Total from continuing operations**	**Chromite (discontinued operations)**	**Total**
Revenue from external customers	81.8	-	81.8	-	81.8
Cost of goods sold	(47.3)	-	(47.3)	-	(47.3)
Gross profit	34.5	-	34.5	-	34.5
Adjusted EBITDA	26.7	(2.6)	24.1	-	24.1
Depreciation	(17.0)	(0.1)	(17.1)	-	(17.1)
Net foreign exchange loss	(1.2)	(0.6)	(1.8)	-	(1.8)
Finance income	-	0.1	0.1	-	0.1
Finance expense	(0.7)	(8.4)	(9.1)	-	(9.1)
(Loss) / profit before tax	7.8	(11.6)	(3.8)	-	(3.8)
Income tax credit*			0.3	-	0.3
Loss for the period			(3.5)	-	(3.5)
Total assets	559.9	121.1	681.0	0.1	681.1
Total liabilities	(188.4)	(386.9)	(575.3)	(0.4)	(575.7)

31 March 2014 **$m**	**Manganese**	**Other**	**Total from continuing operations**	**Chromite (discontinued operations)**	**Total**
Revenue from external customers	108.4	0.5	108.9	4.7	113.6
Cost of goods sold	(53.4)	(0.6)	(54.0)	(4.0)	(58.0)
Gross profit / (loss)	55.0	(0.1)	54.9	0.7	55.6
Adjusted EBITDA	53.0	(5.1)	47.9	(0.3)	47.6
Depreciation	(17.2)	(0.1)	(17.3)	-	(17.3)
Net foreign exchange gain	0.2	0.9	1.1	-	1.1
Finance expense	(0.6)	(5.6)	(6.2)	-	(6.2)
Profit / (loss) before tax	35.4	(9.9)	25.5	(0.3)	25.2
Income tax charge*			(1.2)	-	(1.2)
Profit / (loss) for the period			24.3	(0.3)	24.0

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

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

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

$m	Three months ended 31 March 2015	2014
Adjusted EBITDA	24.1	47.9
Depreciation	(17.1)	(17.3)
Net foreign exchange (loss) / gain	(1.7)	1.1
Net financing costs	(9.1)	(6.2)
(Loss) / profit before tax from continuing operations	(3.8)	25.5

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.

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

7. Revenue

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

$m	Three months ended 31 March 2015	2014
China	49.9	88.1
South Korea	10.4	7.2
Ukraine*	7.9	6.3
Vietnam	5.1	7.6
India	4.0	-
Norway	2.6	-
Indonesia	1.8	-
Other	0.1	(0.3)
Total revenue by geographic destination from continuing operations	81.8	108.9
Revenue from discontinued operations	-	4.7

*Sales to related parties

8. Cost of sales

$m	Three months ended 31 March 2015	2014
Mining and production expenses	31.5	45.9
Depreciation and amortization	17.0	17.2
Royalties and other taxes	6.6	7.1
Deferred stripping	(7.9)	(7.9)
Net movement in inventories	-	(8.9)
Other	0.1	0.6
Total cost of sales from continuing operations	47.3	54.0
Cost of sales from discontinued operations	-	4.0

9. Cash and cash equivalents

$m	As at 31 March 2015	As at 31 December 2014
Cash at bank and in hand	96.6	82.0
Short-term bank deposits	-	0.1
Cash and cash equivalents at the end of the year	96.6	82.1
Less: bank overdrafts (see note 10)	(16.4)	(22.6)
Net cash and cash equivalents per the cash flow statement	80.2	59.5

10. Borrowings

$m	As at 31 March 2015	As at 31 December 2014
Non-current		
Senior secured high yield notes	385.3	384.6
Finance lease liabilities – hire purchase loans	12.5	14.3
	397.8	398.9
Current		
Bank overdrafts	16.4	22.6
Finance lease liabilities – hire purchase loans	7.1	7.1
	23.5	29.7
Total borrowings	421.3	428.6

The senior secured notes are stated net of unamortised discount of $8.5 million and unamortised issue costs of $6.9 million. Unamortised discount and issue costs are charged to the statement of comprehensive income over the six year term of the notes.

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

The carrying value of borrowings approximates their fair value.

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

$m	As at 31 March 2015	As at 31 December 2014
Repayable on demand	16.4	22.6
6 months or less	-	-
6 - 12 months	-	-
1 - 5 years	-	-
Over 5 years	-	-
	16.4	22.6
Borrowings not exposed to changes in interest rates	404.9	406.0
	421.3	428.6

11. Contingent liabilities and contingent assets

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

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

<u>On-going dispute</u>

- Following the termination of the TMI agreement in August 2014, as a result of TMI's breaches and non-performance, the Company made a drawdown demand on the $50 million standby letter of credit and commenced arbitration proceedings in London in order to recover its losses. TMI obtained a temporary injunction in China, alleging fraud in order to prevent payment under the standby letter of credit. The Company continues to contest this injunction in the Chinese Courts with the intention of lifting it. The Company continues to pursue the arbitration proceedings in London. It is not currently practical to estimate the potential timing and outcome of these claims.

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.

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

$m	Sales to related parties	Purchases from related parties	Finance income from related parties	Charges from related parties	Amounts owed by related parties	Amounts owed to related parties
Trading companies related to the ultimate shareholder						
3 months to 31 March 2015	7.9	-	-	-		
3 months to 31 March 2014	6.3	-	-	-		
At 31 March 2015					3.8	-
At 31 December 2014					13.0	0.1
Banks related to the ultimate shareholder						
3 months to 31 March 2015	-	-	-	-		
3 months to 31 March 2014	-	-	-	-		
At 31 March 2015					-	
At 31 December 2014					-	
Other companies related to the ultimate shareholder						
3 months to 31 March 2015	-	0.8	-	-		
3 months to 31 March 2014	-	0.7	-	-		
At 31 March 2015					0.3	-
At 31 December 2014					-	-

Trading companies related to the ultimate shareholder

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

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

Finance companies related to the ultimate shareholder

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

Banks related to the ultimate shareholder

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

Other companies related to the ultimate shareholder

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

16. Events after the reporting period

There have been no reportable events occurring after 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.
"CIF"	International commercial term meaning "Cost, Insurance and Freight," whereby the quoted price includes all costs, insurance and freight to bring the goods to the port of destination from the port of departure.
"concession"	A mining concession as defined in the Minerals and Mining Act.
"CRU"	CRU International Limited, a company incorporated in England and Wales with company number 00940750. CRU is an independent business analysis and consultancy group, focused on the mining, metals, power, cables, fertilizer and chemical sectors.
"dmtu"	A "dry metric tonne unit," which corresponds to one 10 kilogram unit of manganese. By way of example, the price in $ of a consignment of manganese ore is calculated by multiplying the U.S. dollar per dmtu price by the units of manganese of the ore in that shipment. For instance, if manganese ore with a manganese content of 48% is priced at $5.00/dmtu, the price for three tonnes of such ore will be $720, calculated as follows: 48% × 3,000kg = 1,440 kg of manganese 1,440kg ÷ 10kg = 144 dmtu of manganese 144 dmtu × $5.00 per dmtu = $720
"dry tonne" or "dt"	A tonne, being a metric unit of weight equivalent to 1,000 kilograms, measured excluding the weight of any water content.
"EMM"	Electrolytic manganese metal.
"Fe"	Chemical symbol for Iron, based on the periodic table
"ferroalloy"	A metal product, usually containing iron and other metals, that is commonly used as a raw material feed in steelmaking to add strength or to aid various stages of the steelmaking process such as deoxidisation and desulphurisation. Examples include ferrochrome, ferromanganese and ferrosilicon.
"fines" or "ore fines" or "fine ore"	Manganese ore with the majority of individual particles measuring less than a specified size. While there is no industry standard measurement, the Group's Australian and Ghanaian operations specify ores with particles measuring between 1 and 12.5 millimeters and less than 25 millimeters, respectively, as fines.
"FOB"	International commercial term meaning "Free On Board," whereby the quoted price includes all activities needed to deliver the product to the port of departure, with the last cost included in the price being ship loading. As such, it excludes the cost of marine freight transport and insurance as well as unloading and transportation from the arrival port to the final destination.
"Greensnake"	An open pit located in the Woodie Woodie 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"	Chemical symbol for Manganese, based on the periodic table.
"open pit mining"	A method of extracting rock or minerals from the earth by stripping away the top soil and the earth above the rock or minerals creating a pit from which the rock or minerals are removed. This method of mining can be contrasted with mining using extractive methods that require tunneling into the earth (i.e., underground mining).
"ore"	A mineral or an aggregate of minerals (containing valuable constituents, including metals) of sufficient value to be mined or extracted.
"overburden"	The material that lies above the mining area of economic interest, i.e., the rock and soil that lies above a manganese or chromite ore body.
"reductant"	Solid fuel added to a furnace to remove oxygen from the manganese ore fed into the furnace.
"seaborne market"	The part of the manganese ore market that is composed of exported manganese ore.
"Shareholder"	Means Ultimate Beneficial Owner of the Company
"sinter"	The product of sintering.
"sintering"	The process of combining or fusing metals, usually with pressure and temperature, by exposing them to a temperature just below their melting point.
"spot price"	The price at which a physical commodity for immediate sale is selling at a given time and place.
"stripping ratio"	The ratio of the volume of overburden waste material to the volume of ore in an open pit mine. For instance, a stripping ratio of "5" means that five BCM of waste rock must be removed for every one BCM of ore mined.
"sump"	An excavation made in a pit (generally at the lowest point) to collect water, which can then be pumped to the surface or to another sump nearer the surface.
"tailings"	Finely ground waste rock from which the majority of valuable minerals or metals have been extracted.
"tenement"	A mining tenement as defined in the Mining Act.
"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.