Consolidated Minerals Limited
Financial Results for the three months and six months to 30 June 2015

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

Report for the Second Quarter ending 30 June 2015

18 August 2015

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

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

Key Highlights

- Total tonnes of manganese ore production for Q2 2015 decreased 12% compared to Q2 2014. Australian manganese ore production decreased by 11% and Ghanaian manganese ore production decreased by 13% compared to Q2 2014. Overall, total manganese ore production in the first half of 2015 was 14% lower compared to the equivalent period in 2014.
- Continuing the positive trend seen over recent years, manganese C1 cash cost[1] for Q2 2015 improved to $1.99/dmtu compared to $2.46/dmtu in Q2 2014, a decrease of 19%. The manganese C1 cash cost for the first half of 2015 was $1.98/dmtu compared to $2.38/dmtu in H1 2014.
- Total manganese sales tonnes decreased 19% in Q2 2015 compared to Q2 2014. Australian sales decreased 33% due to weak Chinese demand in April and a delayed June shipment. Ghanaian sales decreased 6% as a result of another delayed shipment due to adverse weather conditions. Overall, total manganese sales tonnes in the first half of 2015 were 17% lower compared to H1 2014.
- Average manganese FOB sales price decreased 34% from $3.75 in Q2 2014 to $2.47 in Q2 2015. Overall, average manganese FOB sales price decreased 27% from $4.12 in H1 2014 to $3.01 in H1 2015.
- The average manganese ore price for Q2 2015 (CRU, 44%Mn CIF China) was $3.10/dmtu, a decrease of 19% from $3.83/dmtu in Q1 2015. The Company's average price for its Australian 46%Mn lump product (CIF China) was $3.33/dmtu in Q2 2015, having started the year at $4.65/dmtu and ended the second quarter at $3.30/dmtu.
- Adjusted EBITDA[2] for Q2 2015 was $15 million, down from $39 million in Q2 2014, principally due to lower revenues partially offset by reduced mining costs. Cash EBITDA for Q2 2015 was $1 million, down from $29 million in Q2 2014.
- During the quarter the Group recorded two significant items comprising of a $50 million other operating income relating to funds received from Tianyuan Manganese Industry Co. Ltd (TMI) for access to future purchases of Ghanaian manganese ore and a $9 million write-down of capitalised exploration costs associated with the relinquishment of tenements held by our Australia operations to the Department of Mines and Petroleum.
- The Group recorded a profit for the period of $22 million compared to a loss of $5 million in Q2 2014, an increase of $27 million.
- During the quarter the Group had an operating cash inflow of $55 million compared to an outflow from continuing operations of $41 million in Q2 2014.
- Cash and cash equivalents net of overdrafts increased in Q2 2015 by $34 million to $114 million on 30 June 2015 with net debt reducing by $35 million to $290 million over the same period.
- Total capital expenditure for the Group in Q2 2015 was only $3 million, 73% lower than in Q2 2014, as a result of reduced exploration activity in order to maintain liquidity in light of the current difficult market conditions for manganese ore.

Key Performance Indicators

Unaudited	Quarter ended			Six months ended		
	30 June 2015	30 June 2014	% change	30 June 2015	30 June 2014	% change
Manganese ore produced (dry kt)	767.2	870.8	(11.9%)	1,481.0	1,730.5	(14.4%)
Manganese ore sales (dry kt)	700.1	867.5	(19.3%)	1,275.1	1,537.4	(17.1%)
Average C1 manganese unit cash cost ($/dmtu)[1]	1.99	2.46	(19.1%)	1.98	2.38	(16.8%)
Average manganese FOB Sales price ($/dmtu)	2.47	3.75	(34.1%)	3.01	4.12	(26.9%)
Revenue ($ million)	61.0	116.4	(47.6%)	142.8	225.3	(36.6%)
Adjusted EBITDA ($ million)[2]	14.9	39.1	(61.9%)	39.0	87.0	(55.2%)
'Cash' EBITDA ($ million)[2]	0.8	28.5	(97.2%)	16.9	59.6	(71.6%)
Profit / (loss) for the period from continuing operations	22.0	(5.0)	540.0%	18.5	19.3	(4.1%)

	At 30 June 2015	At 31 Dec 2014	% change
Cash and cash equivalents ($ million)	117.6	82.1	43.2%
Gross debt ($ million)	(407.5)	(428.6)	(4.9%)
Gross debt excluding high yield bonds ($ million)	(21.6)	(44.0)	(50.9%)
Net debt ($ million)	(289.9)	(346.5)	(16.3%)

[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 second quarter Consmin delivered operational performance in line with its expectations. Financial performance for the quarter, however, was lower as a result of the continuing difficult pricing environment, offset by continuing improvement in C1 costs. Liquidity in the quarter improved from $80 million to $114 million.

The manganese C1 cash cost for quarter was $1.99/dmtu, a decrease of 19% from $2.46/dmtu for Q2 2014. This reduction in the C1 cash cost was another 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 expected to be below $2.25/dmtu based on an exchange rate for the Australian dollar of 0.75 for the remainder of the year.

In the first four months of 2015 manganese prices came 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 weaker demand for manganese ore. The oversupply in the manganese ore market has prompted more aggressive offers by some suppliers driving prices down to close to or below cost levels. Consmin continues to remain cautious in its expectations for the remainder of 2015, with prices for the three-month period from May to July having stabilised and looking likely to remain flat for August, suggesting that prices may have reached or are close to the bottom.

On 27 May 2015, Consmin and TMI entered into an agreement concluding the differences that had arisen in their relationship, including the termination of all existing legal proceedings, and the re-establishment of their mutual trading relationship. As part of that negotiated conclusion, Consmin received $51 million from TMI, which comprises in part a payment to access manganese ore from Ghana in the future and in part an advance payment in respect of future shipments.

During the second quarter Consmin shipped 105k dry tonnes to TMI with an additional shipment of 104k dry tonnes sailing in early July. In July 2015, Consmin and TMI signed a three year Memorandum of Understanding (MoU) to supply 1 million tonnes per annum of Ghanaian ore, commencing in September 2015. Sales to TMI will complement on-going sales to EMM producers in South China, along with sales to our long-term customers in Ukraine, Norway and Slovakia."

About Consolidated Minerals Limited

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

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

Company Information

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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 Q2 2015 fell by 1.9% year on year to 409 million tonnes. China accounted for 51% of global production, with its production declining by 0.4% year on year to 208 million tonnes during the quarter. Imports of manganese ore into China fell 2.6% year on year to 3.8 million tonnes in the quarter (15.1 million tonnes annualised) as a result of the decline in steel production.

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.

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 700k dry tonnes during Q2 2015, a decrease of 19% year on year compared to 868k dry tonnes shipped in Q2 2014. This reduction was mainly due to the delay of the final June vessels for both Ghana and Australia (with a combined tonnage of 208k dry tonnes) as a result of poor weather conditions and lack of availability of vessels respectively. Our shipments of Australian manganese were 282k dry tonnes in Q2 2015, a decrease of 33% year on year. Sales from Ghana were down 6% to 418k dry tonnes compared to Q2 2014.

The quarterly average price for manganese lump (CRU, 44%Mn CIF China) in Q2 2015 was $3.10/dmtu, a decrease of 19% from $3.83/dmtu in the previous quarter (Q1 2015) and a decrease of 30% year on year from $4.43/dmtu in Q2 2014. Meanwhile, the average monthly pricing for the company's Australian WW46L ore in Q2 2015 was US$3.33/dmtu, having started the year at $4.65/dmtu and ended the second quarter at $3.30/dmtu. Prices for the company's WW46L product have been rolled over at $3.30/dmtu for both the July and August shipments.

The slowdown in China's economy, particularly in the construction sector, has led to declining domestic steel demand. As a result, China steel production has been in contraction, leading to the decline in manganese ore demand and prices. Over the past three months (May – July 2015) manganese ore prices have stabilised, suggesting the bottom may have been reached as many manganese ore suppliers are now at or below cost. Without a new significant demand driver, we remain cautious on a prospect of ore prices rising in the near future; it is likely that more ore supply will need to be removed from the market in order to restore balance and for prices to rebound.

Update on marketing of Ghanaian ore

Marketing efforts for Ghanaian ore continue to be focused on major EMM producers in China. With the recent settlement agreement, Consmin and TMI have re-established a working relationship, signing a three-year non-binding Memorandum of Understanding (MoU) for 1 million tonnes per annum, with deliveries commencing September 2015. Sales to TMI will complement on-going sales to EMM producers in South China, along with sales to our long-term customers in Ukraine, Norway and Slovakia. Four shipments of circa 100kt each have already been concluded with TMI over the period of May to August 2015 period, with the first shipment taking place in Q2 2015. With the inclusion of TMI in its sales plan, the company now has up to 10 buyers for Ghanaian ore in China, supporting our aim of diversification in our customer base.

Update on sales of bonded warehouse stocks

At the end of Q2 2015, all bonded warehouse material was contracted with substantially all of the sales proceeds now received.

Operational Review

Summary Overview (Unaudited)	Quarter ended 30 June 2015	Quarter ended 30 June 2014	% change	Six months ended 30 June 2015	Six months ended 30 June 2014	% change
Total mined (mBCM)	3.3	3.6	(8.3%)	6.4	7.2	(11.1%)
Manganese ore produced (dry kt)	767.2	870.8	(11.9%)	1,481.0	1,730.5	(14.4%)
Australia	*371.3*	*416.3*	*(10.8%)*	*775.2*	*821.8*	*(5.7%)*
Ghana	*395.9*	*454.5*	*(12.9%)*	*705.8*	*908.7*	*(22.3%)*
Manganese ore produced (mdmtu)	27.6	30.8	(10.4%)	55.2	60.6	(8.9%)
Australia	*17.0*	*18.1*	*(6.1%)*	*35.7*	*35.3*	*1.1%*
Ghana	*10.6*	*12.7*	*(16.5%)*	*19.5*	*25.3*	*(22.9%)*
Manganese ore sales (dry kt)	700.1	867.5	(19.3%)	1,275.1	1,537.4	(17.1%)
Australia	*282.2*	*421.4*	*(33.0%)*	*645.5*	*740.7*	*(12.9%)*
Ghana	*417.9*	*446.1*	*(6.3%)*	*629.6*	*796.7*	*(21.0%)*
Manganese ore sales (mdmtu)	24.7	30.7	(19.5%)	47.5	54.2	(12.4%)
Australia	*13.1*	*18.1*	*(27.6%)*	*30.0*	*31.8*	*(5.7%)*
Ghana	*11.6*	*12.6*	*(7.9%)*	*17.5*	*22.4*	*(21.9%)*
Total capex – including exploration ($ million)	3.2	11.9	(73.1%)	8.1	19.4	(58.2%)
Average unit cash cost ($/dmtu)	1.99	2.46	(19.1%)	1.98	2.38	(16.8%)

Australia: Woodie Woodie

Overview

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

Safety

A single recordable injury was sustained at Woodie Woodie during Q2 2015 resulting in the total recordable injury frequency rate declining to 5.1 in June 2015, down from 6.2 in March 2015 and 7.2 in June 2014.

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

Production

Mining production continued to increase in Q2 2015 with total mining volumes for the quarter reaching 2.5 million bcm, up 9% on Q1 2015 and up 55% on Q2 2014 as the waste pre-stripping of Topvar increased to full capacity. Mining productivity and efficiency gains continue to be the main source of mining production growth.

Whilst the first stage of Topvar is being pre-stripped, ore is predominantly being sourced from a series of smaller pits, including Homestead, Paystar and Eat. Unfortunately, during the quarter the uncharacteristically fine nature of the ore encountered in Homestead and Paystar resulted in low product yields when these ores were processed. In response to these challenges, the short term mine plan has been adjusted and additional efforts made to increase processing throughput.

Notwithstanding these efforts, production for the quarter was down 8% on Q1 2015 and down 11% on Q2 2014 at 371kt of manganese ore. The grade of the ore produced, however, was substantially higher at 45.8% manganese as compared to 43.5% in Q2 2014. On a contained unit's basis, production in the quarter was down 9% on Q1 2015 and down 6% on Q2 2014 at 17.0 million dmtus.

Capital Expenditure

Capital expenditure in Q2 2015 was $2.4 million, comprising of $0.6 million spent on property, plant and equipment and $1.8 million on exploration and resource development.

Exploration and Resource Development

The 2015 exploration program has been revised down from a planned 130km of RC drilling to 50km of RC drilling and commenced very late in the second quarter with only four holes being drilled. Exploration activities for the quarter focused on field reconnaissance, mapping, planning and rehabilitation activities.

During the quarter, approximately 2,000km^2 of exploration tenements were surrendered, reducing Consmin's tenement holding to approximately 3,300km^2. These tenements were surrendered after a detailed internal assessment concluded the tenements to be non-prospective for manganese or other minerals of commercial interest. Surrendering these tenements results in a more efficient exploration program and some annual tenement maintenance cost savings.

Cost reductions
In recognition of the current very low price for manganese ore, wages, salaries and agreements with many suppliers were renegotiated during the quarter. Significant savings in the order of 10% to 15% have been achieved. Consmin acknowledges and is deeply grateful for the support its people and commercial partners have shown the business.

Ghana: Ghana Manganese Company Limited ('GMC')

The GMC mine, also known as the Nsuta mine, comprises approximately 175km^2 of land in and around Nsuta in the Western Region of Ghana, of which the current active mining area is less than 3% of the total area. The Company's operations at Nsuta are located approximately 63km by rail or 92km by public tarred road from the port facilities at Takoradi. A 30-year mining lease for manganese was granted to GMC in 2001 and Consmin operates under this lease. Manganese ore exported from Nsuta is a manganese carbonate (as opposed to a manganese oxide) with relatively high manganese to iron ratio, making it well suited for alloy and EMM production. When used for the production of EMM it is considered a high-grade ore, as it contains usually 2-3 times more manganese units than other manganese carbonates. The ore produced by GMC is also low in phosphorus and other deleterious elements, which enable it to be an excellent replacement for the low-grade carbonate ores of China.

Safety
The GMC mine witnessed an excellent safety record with no major reportable incidents or accidents during H1 2015.

Production
Production at GMC totalled at 396 thousand tonnes of manganese ore (10.6 million dmtu) during Q2 2015, representing a 13% (17% in dmtu) decrease compared to Q2 2014. The production Q2 2015 was accelerated, following the decision taken in the first quarter of 2015 to increase output in order to align production volumes with revised projected sales for 2015 (increased from 1.4 million tonnes to 1.6 million tonnes). The Company, however, continued to focus on its 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 58% decrease in total BCM mined compared to the same period in 2014 as a result of a reduced stripping ratio and lower ore production.

Capital Expenditure
A total of $3.0 million, including $0.1 million on exploration (2014: $6.7 million, including $0.8 million on exploration) was spent on capital expenditure projects during the year, with the majority of this spend on critical spares and components for the mobile and fixed equipment ($2.6 million).

Exploration
During the second 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 Ports and Harbours Authority (GPHA) completed its dredging program at the port of Takoradi. GPHA is currently seeking additional funding to finance the outstanding phases of the Master Plan project of upgrading the port of Takoradi.
The Environmental Protection Agency (EPA) has issued a 21 days public notification on the proposed public hearing at Tarkwa Banso in relation to the Pit C-North mining project.

The Company received the exploration permit renewal, valid for one year, from the Minerals Commission in June 2015, enabling some reconnaissance work to start 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 30 June 2015, the Company's holding in OM Holdings remained at 8.0%, consistent with 31 December 2014. The market value of the Company's holding in OM Holdings as at 30 June 2015 was $12.1 million.

Sustainable Development

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

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

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

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

People

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

Financial Review

Unaudited Condensed Consolidated Statement of Comprehensive Income

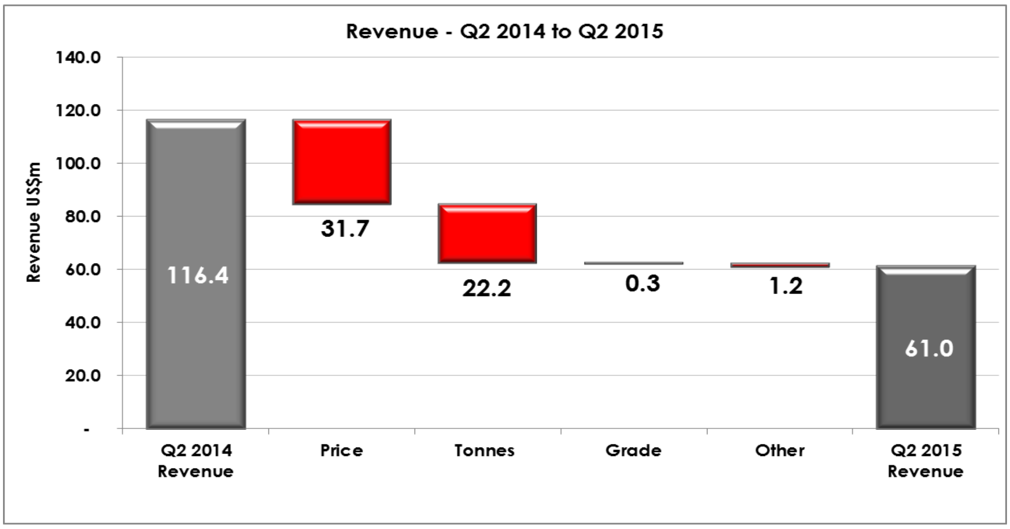
$m	Quarter ended 30 June 2015	Quarter ended 30 June 2014	Six months ended 30 June 2015	Six months ended 30 June 2014
Revenue	61.0	116.4	142.8	225.3
Cost of sales	(46.3)	(61.2)	(93.6)	(115.2)
Gross profit	**14.7**	**55.2**	**49.2**	**110.1**
Selling and distribution costs	(15.1)	(23.7)	(33.6)	(41.1)
General and administrative costs	(9.2)	(9.7)	(18.4)	(18.1)
Other operating income - net	50.7	0.2	50.9	1.7
Exploration write-off expense	(8.9)	-	(8.9)	-
Net foreign exchange (loss) / gain	(0.5)	0.7	(2.3)	1.8
Operating profit	**31.7**	**22.7**	**36.9**	**54.4**
Presented as:				
Adjusted EBITDA	**14.9**	**39.1**	**39.0**	**87.0**
Depreciation and amortisation	(23.2)	(17.1)	(40.3)	(34.4)
Exploration write-off expense	(8.9)	-	(8.9)	-
Exceptional items	49.4	-	49.4	-
Net foreign exchange (loss) / gain	(0.5)	0.7	(2.3)	1.8
Operating profit	**31.7**	**22.7**	**36.9**	**54.4**
Net financing costs	(9.2)	(24.3)	(18.2)	(30.5)
Profit / (loss) before tax from continuing operations	**22.5**	**(1.6)**	**18.7**	**23.9**
Income tax charge	(0.5)	(3.4)	(0.2)	(4.6)
Profit / (loss) from continuing operations	**22.0**	**(5.0)**	**18.5**	**19.3**
Profit from discontinued operations (attributable to owners of the parent company)	-	9.9	-	9.6
Profit for the period	**22.0**	**4.9**	**18.5**	**28.9**

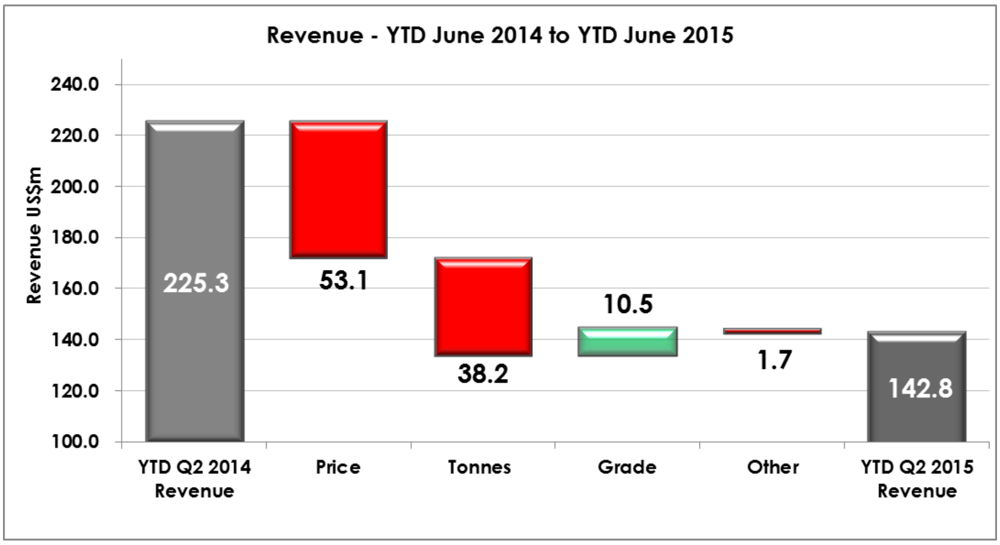
Revenue

The consolidated revenue for the Group decreased by 48% from $116 million in Q2 2014 to $61 million in Q2 2015 as a result of the combination of lower pricing and lower volumes sold. The average price of our manganese ore sold in Q2 2015 was $2.47/dmtu FOB, compared to $3.75/dmtu FOB in Q2 2014, a decrease of 34% reflecting the reduction in the benchmark price over the same period.

Manganese volumes sold (in tonnes) decreased by 19% in Q2 2015 compared to Q2 2014 with a 33% reduction in Australian sales tonnes and a 6% reduction in Ghanaian sales tonnes. Sales from Australia were affected by weak Chinese demand in April and the delay of a shipment due to vessel availability in Australia. Sales from Ghana were impacted by adverse weather conditions.

The graphs below summarises the decrease in revenue compared to Q2 2014 and YTD Q2 2014:





Cost of Sales

The cost of sales for the Group decreased by 24% from $61 million in Q2 2014 to $46 million in Q2 2015. An analysis of the cost of sales is as follows:

$m	Quarter ended			Six month ended		
	30 June 2015	30 June 2014	% Movement	30 June 2015	30 June 2014	% Movement
Manganese						
Mining and production expenses	33.0	45.7	(27.8%)	64.5	91.7	(29.7%)
Depreciation and amortisation	23.0	16.9	36.1%	40.0	34.1	17.3%
Royalties and other taxes	4.3	8.1	(46.9%)	10.9	15.2	(28.3%)
Deferred stripping	(10.5)	(10.0)	5.0%	(18.4)	(17.9)	2.8%
Net movement in inventories	(3.6)	(0.6)	500.0%	(3.7)	(9.5)	(61.1%)
Other	0.1	-	-	0.3	-	-
Total manganese cost of sales	**46.3**	**60.1**	**(23.0%)**	**93.6**	**113.6**	**(17.6%)**
Other cost of sales	-	1.1	(100.0%)	-	1.6	(100.0%)
Total cost of sales	**46.3**	**61.2**	**(24.3%)**	**93.6**	**115.2**	**(18.8%)**

Manganese cost of sales reduced by 23% from $60 million in Q2 2014 to $46 million in Q2 2015. The principal factors driving this $14 million reduction are as follows:

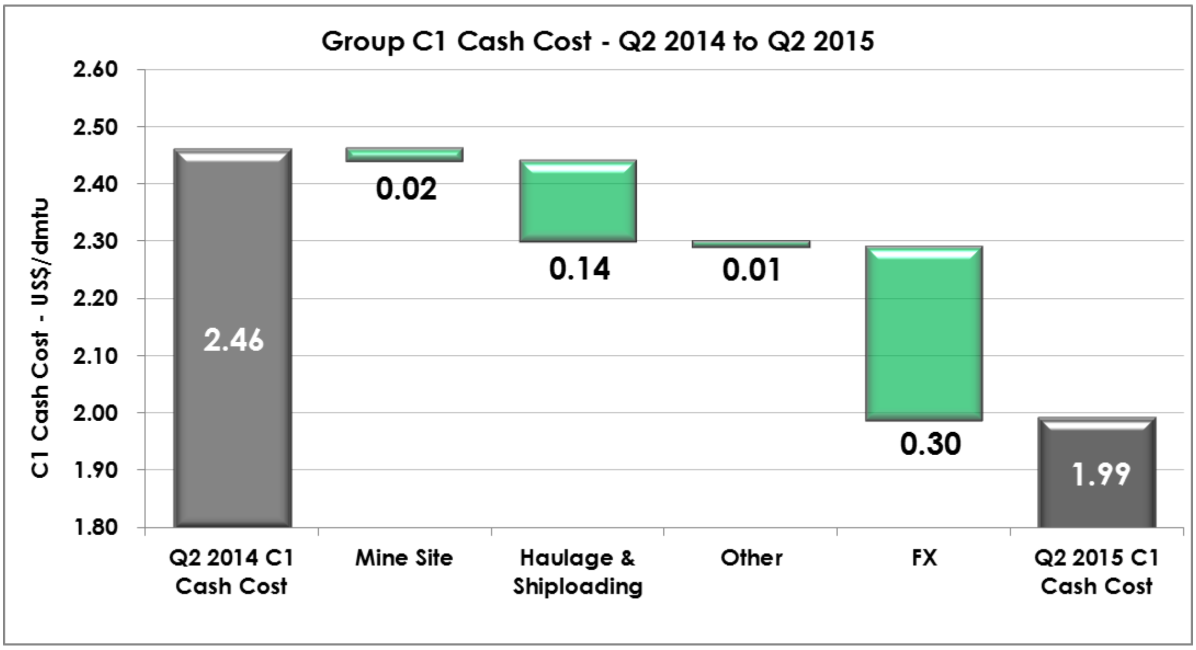
- A $13 million benefit from reduced mining and production costs reflecting the reduction in C1 manganese unit cash cost driven by reduced mine site costs and foreign exchange benefits due to the relative weakening of the Australian dollar;
- A $4 million decrease in royalties as a result of lower revenues in the quarter;
- A $3 million benefit in relation to net movements in inventory as a result of production volumes exceeding sales volumes in the quarter;

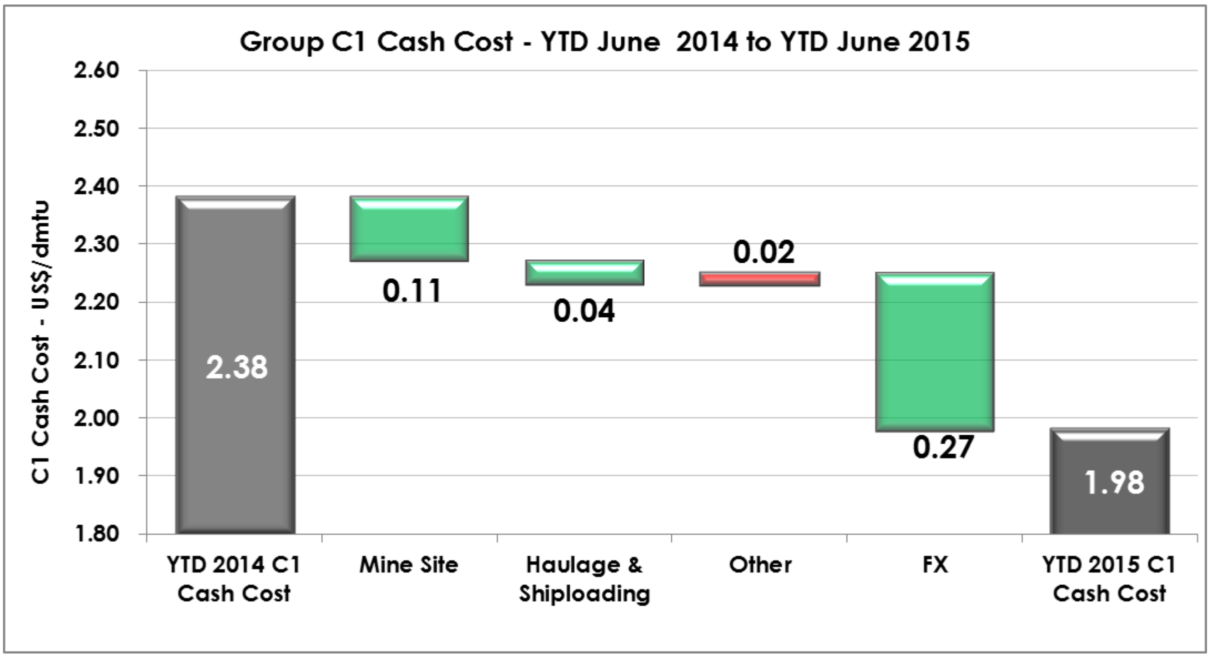
  offset by:

- A $6 million increase in depreciation expense due to an increase in deferred stripping amortisation.

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 $1.99 for Q2 2015, a decrease of 19% from $2.46/dmtu for Q2 2014.

As the graph below shows, there have been reductions in mine site and haulage and shiploading costs and benefits due to the foreign exchange impact of the relative weakening of the Australian dollar. The reductions in haulage and shiploading costs compared to Q2 2014 are driven by lower fuel prices.


Group C1 Cash Cost - Q2 2014 to Q2 2015
C1 Cash Cost - US$/dmtu
2.60
2.50
2.40
2.30
2.20
2.10
2.00
1.90
1.80
2.46
0.02
0.14
0.01
0.30
1.99
Q2 2014 C1 Cash Cost
Mine Site
Haulage & Shiploading
Other
FX
Q2 2015 C1 Cash Cost


Group C1 Cash Cost - YTD June 2014 to YTD June 2015
C1 Cash Cost - US$/dmtu
2.60
2.50
2.40
2.30
2.20
2.10
2.00
1.90
1.80
2.38
0.11
0.04
0.02
0.27
1.98
YTD 2014 C1 Cash Cost
Mine Site
Haulage & Shiploading
Other
FX
YTD 2015 C1 Cash Cost

Gross Profit

Gross profit for the Group was $15 million in Q2 2015, a decrease of 73% from $55 million in Q2 2014. The gross profit margin has decreased from 47% in Q2 2014 to 24% in Q2 2015. 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:

$m	Quarter ended 30 June 2015	Quarter ended 30 June 2014	Six months ended 30 June 2015	Six months ended 30 June 2014
Operating profit	**31.7**	**22.7**	**36.9**	**54.4**
Depreciation and amortisation	23.2	17.1	40.3	34.4
Exploration write-off expense	8.9	-	8.9	-
Exceptional items	(49.4)	-	(49.4)	-
Net foreign exchange loss / (gain)	0.5	(0.7)	2.3	(1.8)
Adjusted EBITDA	**14.9**	**39.1**	**39.0**	**87.0**
Deferred stripping	(10.5)	(10.0)	(18.4)	(17.9)
Net movement in inventories	(3.6)	(0.6)	(3.7)	(9.5)
'Cash' EBITDA	**0.8**	**28.5**	**16.9**	**59.6**

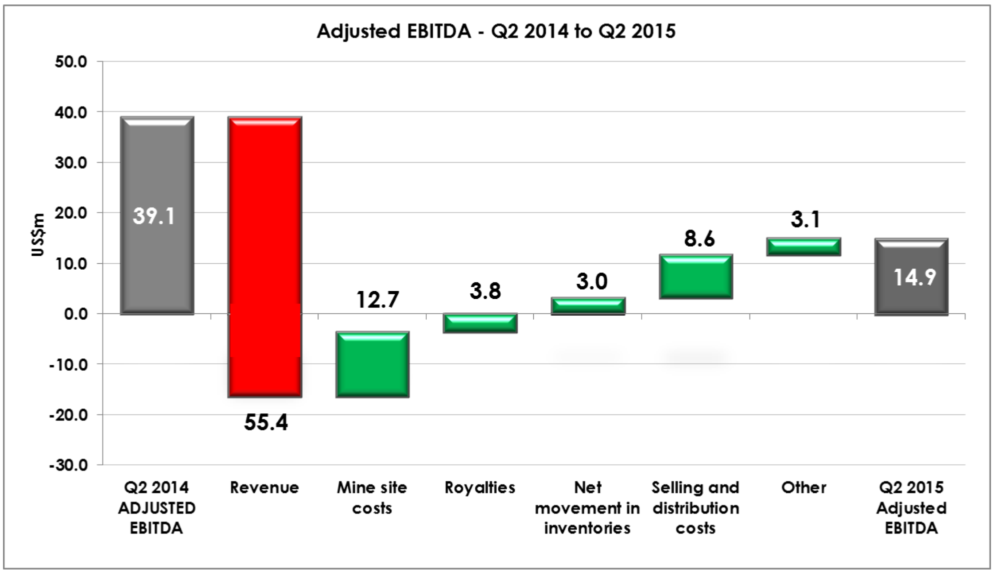
Adjusted EBITDA is defined as operating profit before depreciation and amortisation, impairment expense, net foreign exchange gain or loss, non-cash inventory write-downs and exceptional items. Cash EBITDA is defined as Adjusted EBITDA after removing the impact of the non-cash items of deferred stripping 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.

As the graph below shows Adjusted EBITDA was $15 million in Q2 2015, a decrease of $24 million from $39 million in Q2 2014, primarily as a result of the following key movements:

- A decrease in revenues of $55 million due to lower pricing and volumes sold;

  offset by:

- A reduction in mining and production expenses of $13 million due to reduced mine site costs and the relative weakening of the Australian dollar;
- A $9 million reduction in selling and distribution costs reflecting lower volumes hauled and shipped and benefits from lower fuel prices and foreign exchange;
- A reduction in royalties of $4 million due to lower revenues;
- A $3 million increase in net positive movement in inventories;



Cash EBITDA has decreased by $28 million from $29 million in Q2 2014 to $1 million in Q2 2015 due to the reasons outlined above for adjusted EBITDA after deducting the impact of the positive net movement in inventories of $3 million and the increase in deferred stripping capitalised to the balance sheet of $1 million.

Other Key Items

Selling and distribution expenses decreased by $9 million to $15 million in Q2 2015 compared to Q2 2014 as a result of reduced sales volumes and the benefits of the weakening of the Australian dollar. General and administrative expenses decreased by $1 million compared to Q2 2014 as a result of cost reducing measures and foreign exchange benefit from the relative weakening of the Australian dollar.

'Other operating income – net' is $51 million in Q2 2015 compared to $nil in Q1 2014 and includes a $50 million income from TMI settlement comprising a payment to access Ghanaian manganese ore in the future. This is considered to be non-recurring and therefore has been treated as exceptional in the calculation of Adjusted EBITDA.

Exploration write-off expense is $9 million in Q2 2015 compared to $nil in Q1 2014 and relates to the write-off of capitalised exploration costs associated with the relinquishment of non-prospective tenements held by our Australian operations to the Department of Mines and Petroleum. All tenements relinquished were located outside the mine corridor.

Net financing costs are $9 million for the quarter, a reduction of $15 million from $24 million in Q2 2014 when the remaining senior secured notes due 2016 were redeemed at a premium resulting in a finance cost of $10 million and the expensing of $6 million capitalised issue costs.

The Group is subject to taxation in the jurisdictions in which it operates, primarily Australia and Ghana. The parent company is domiciled in Jersey and is subject to a corporate tax rate of 0%. The Group recognised an income tax charge of $1 million in Q2 2015 compared to an income tax charge of $3 million in Q2 2014.

Profit / (loss) for the Period

The Group has recognised a profit from continuing operations for Q2 2015 of $22 million compared to a loss from continuing operations of $5 million in Q2 2014.

Unaudited Condensed Consolidated Statement of Financial Position

$m	**As at 30 June 2015**	**As at 31 December 2014**
Cash and cash equivalents	117.6	82.1
Other current assets	95.8	122.2
Non-current assets	457.7	503.7
Total assets	671.1	708.0
Current borrowings	(11.0)	(29.7)
Non-current borrowings	(396.5)	(398.9)
Other current liabilities	(37.4)	(52.9)
Other non-current liabilities	(100.9)	(101.7)
Total liabilities	(545.8)	(583.2)
Net Assets	125.3	124.8

Cash and Cash Equivalents

Cash and cash equivalents at 30 June 2015 were $118 million, an increase of $36 million from $82 million at 31 December 2014. This is due to positive cashflows from operating activities supported by the $51 million received from TMI partially offset by bond interest paid and capital expenditure.

Borrowings

Current borrowings have decreased to $11 million at 30 June 2015 from $30 million at 31 December 2014 as a result of the substantial repayment of the Ghanaian overdraft facility in H1 2015. Non-current borrowings have decreased by $2 million since 31 December 2014.

Guarantor Group

During the six months ended 30 June 2015 the Guarantors of the senior secured notes represented 100% (30 June 2014: 100%) of our consolidated revenues and 69.3% (30 June 2014: 78.6%) of our consolidated EBITDA. As of 30 June 2015 the Guarantors represented 63.4% of our consolidated total assets (30 June 2014: 70.1%). As of 30 June 2015 the non-guarantor subsidiaries have $3.9 million of indebtedness outstanding (30 June 2014: $6.4 million). The unrestricted subsidiaries are not significant subsidiaries and therefore not material to the Group. As a result, separate financial details have not been disclosed.

Unaudited Condensed Consolidated Statement of Cash Flows

$m	Quarter ended 30 June 2015	Quarter ended 30 June 2014	Six months ended 30 June 2015	Six months ended 30 June 2014
Cash inflow from continuing operating activities	54.7	(40.5)	84.4	(8.1)
Cash outflow from continuing investing activities	(3.1)	(10.4)	(7.7)	(18.3)
Cash outflow from continuing financing activities	(17.9)	(111.8)	(19.8)	(124.1)
Net increase / (decrease) in cash and cash equivalents from continuing activities	33.7	(162.7)	56.9	(150.5)
Net increase / (decrease) in cash and cash equivalents from discontinued activities	-	0.9	-	(0.8)
Net increase / (decrease) in cash and cash equivalents	**33.7**	**(161.8)**	**56.9**	**(151.3)**
Cash and cash equivalents at the beginning of the period	**80.2**	**229.0**	**59.5**	**219.9**
Exchange losses on cash and cash equivalents	(0.2)	0.8	(2.7)	(0.6)
Cash and cash equivalents at the end of the period	**113.7**	**68.0**	**113.7**	**68.0**

Cash Flows and Liquidity

Net cash generated from operating activities from continuing operations amounted to $55 million in Q2 2015 compared to a net outflow of $41 million in Q2 2014, an increase of $95 million. This increase in operating cash flow relates to $51 million received from TMI settlement. In Q2 2014 operating cash flow was negative mainly as a result of $40 million settlement expense paid to PMI in the period.

The net cash outflow from investing activities was $3 million in Q2 2015 compared to a cash outflow of $10 million in Q2 2014, a decrease of $7 million due to lower payments for capital expenditure in the current period.

The net cash outflow from financing activities was $18 million in Q2 2015 compared to a net cash outflow of $112 million in Q2 2014. The cash outflow in Q2 2015 substantially relates to the payment of bond interest on the 2020 notes, whereas the outflow in Q2 2014 relates to net proceeds of $386 million from the issue of the 2020 senior secured notes offset by the $235 million repayment of the 2016 senior secured notes and repayment of $250 million of the shareholder loans.

As a result total cash and cash equivalents net of overdrafts increased to $114 million at 30 June 2015 from $60 million at 31 December 2014.

The liquidity position of the Group is further supported by circa $13 million of the marketable securities held that could be converted to cash if such a need arose.

Consolidated Minerals Limited

Unaudited Condensed Consolidated Interim Financial Information
For the Three Months and Six Months Ended 30 June 2015

Unaudited consolidated statement of comprehensive income for three and six months ended 30 June 2015

		Three months ended 30 June		Six months ended 30 June	
$m	**Note**	**2015**	**2014**	**2015**	**2014**
Revenue	7	61.0	116.4	142.8	225.3
Cost of sales	8	(46.3)	(61.2)	(93.6)	(115.2)
Gross profit		**14.7**	**55.2**	**49.2**	**110.1**
Selling and distribution costs		(15.1)	(23.7)	(33.6)	(41.1)
General and administrative costs		(9.2)	(9.7)	(18.4)	(18.1)
Other operating income – net		50.7	0.2	50.9	1.7
Exploration write-off expense		(8.9)	-	(8.9)	-
Net foreign exchange (loss) / gain		(0.5)	0.7	(2.3)	1.8
Operating profit		**31.7**	**22.7**	**36.9**	**54.4**
Presented as:					
Adjusted EBITDA		**14.9**	**39.1**	**39.0**	**87.0**
Depreciation and amortisation		(23.2)	(17.1)	(40.3)	(34.4)
Exploration write-off expense		(8.9)	-	(8.9)	-
Exceptional items	9	49.4	-	49.4	-
Net foreign exchange (loss) / gain		(0.5)	0.7	(2.3)	1.8
Operating profit		**31.7**	**22.7**	**36.9**	**54.4**
Finance income		0.1	0.3	0.2	0.6
Financing costs		(9.3)	(24.6)	(18.4)	(31.1)
Net financing costs		(9.2)	(24.3)	(18.2)	(30.5)
Profit / (loss) before tax from continuing operations		**22.5**	**(1.6)**	**18.7**	**23.9**
Income tax charge		(0.5)	(3.4)	(0.2)	(4.6)
Profit / (loss) for the period from continuing operations		**22.0**	**(5.0)**	**18.5**	**19.3**
Profit for the period from discontinued operations		-	9.9	-	9.6
Profit / (loss) for the period		**22.0**	**4.9**	**18.5**	**28.9**
Other comprehensive income					
Items that may be subsequently reclassified to profit or loss:					
Revaluation of available-for-sale financial assets		(1.5)	4.4	(2.8)	3.6
Net foreign currency translation differences		(0.6)	5.3	(15.2)	15.6
Other comprehensive (cost) / income for the period, net of tax		**(2.1)**	**9.7**	**(18.0)**	**19.2**
Total comprehensive income / (cost) for the period		**19.9**	**14.6**	**0.5**	**48.1**
Profit attributable to:					
Owners of the parent company		22.0	4.3	18.5	28.1
Non-controlling interest		-	0.6	-	0.8
Profit for the period		22.0	4.9	18.5	28.9
Total comprehensive income attributable to:					
Owners of the parent company		19.9	14.0	0.5	47.3
Non-controlling interest		-	0.6	-	0.8
Total comprehensive income for the period		**19.9**	**14.6**	**0.5**	**48.1**

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

Unaudited consolidated statement of financial position as at 30 June 2015

$m	Note	As at 30 June 2015	As at 31 December 2014
Non-current assets			
Property, plant and equipment		307.6	336.6
Intangible assets		74.4	85.4
Goodwill		28.9	28.9
Available-for-sale financial assets		12.7	16.4
Deferred tax asset		34.1	36.4
		457.7	**503.7**
Current assets			
Inventories		69.8	70.6
Trade and other receivables		22.9	48.6
Income tax receivable		3.1	3.0
Cash and cash equivalents	10	117.6	82.1
		213.4	**204.3**
Current liabilities			
Borrowings	11	(11.0)	(29.7)
Trade and other payables		(32.2)	(46.0)
Provisions		(5.2)	(6.9)
		(48.4)	**(82.6)**
Net current assets		**165.0**	**121.7**
Non-current liabilities			
Borrowings	11	(396.5)	(398.9)
Trade and other payables		(5.5)	(5.9)
Provisions		(57.5)	(57.9)
Deferred tax liabilities		(37.9)	(37.9)
		(497.4)	**(500.6)**
Net assets		**125.3**	**124.8**
Attributable to the equity shareholders of the parent company			
Share capital		10.0	10.0
Share premium		194.7	194.7
Subordinated shareholder loans treated as equity		737.5	737.5
Reserves		(67.9)	(49.9)
Accumulated losses		(762.0)	(780.5)
Total equity attributable to equity holders of the parent company		**112.3**	**111.8**
Non-controlling interests		13.0	13.0
Total equity		**125.3**	**124.8**

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

Unaudited consolidated statement of changes in equity for the six months ended 30 June 2015

$m	Share capital	Share premium	Shareholder equity	Reserves	Accumulated losses	Total	Non-controlling interests	Total equity
	Attributable to equity owners of the parent Company							
Balance at 1 January 2015	10.0	194.7	737.5	(49.9)	(780.5)	111.8	13.0	124.8
Profit for the period	-	-	-	-	18.5	18.5	-	18.5
Revaluation of available-for-sale financial assets	-	-	-	(2.8)	-	(2.8)	-	(2.8)
Foreign currency translation differences	-	-	-	(15.2)	-	(15.2)	-	(15.2)
Balance at 30 June 2015	10.0	194.7	737.5	(67.9)	(762.0)	112.3	13.0	125.3

$m	Share capital	Share premium	Shareholder equity	Reserves	Accumulated losses	Total	Non-controlling interests	Total equity
	Attributable to equity owners of the parent Company							
Balance at 1 January 2014	10.0	194.7	966.2	(27.1)	(760.2)	383.6	14.3	397.9
Profit for the period	-	-	-	-	28.1	28.1	0.8	28.9
Revaluation of available-for-sale financial assets	-	-	-	3.6	-	3.6	-	3.6
Foreign currency translation differences	-	-	21.3	15.6	(21.3)	15.6	-	15.6
Repayment of shareholder loan	-	-	(250.0)	-	-	(250.0)	-	(250.0)
Dividends	-	-	-	-	-	-	(1.6)	(1.6)
Balance at 30 June 2014	10.0	194.7	737.5	(7.9)	(753.4)	180.9	13.5	194.4

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

Unaudited consolidated statement of cash flows for three and six months ended 30 June 2015

		Three months ended 30 June		Six months ended 30 June	
$m	**Note**	**2015**	**2014**	**2015**	**2014**
Cash flow from operating activities					
Profit / (loss) before tax		22.5	(1.6)	18.7	23.9
Adjustments to add / (deduct) non-cash items:					
Depreciation and amortisation		23.2	17.1	40.3	34.4
Deferred stripping		(10.5)	(10.0)	(18.4)	(17.9)
Exploration write-off expense		8.9	-	8.9	-
Loss on sale of property, plant and equipment		0.2	(0.2)	0.6	-
Net foreign exchange loss / (gain)		0.5	(0.7)	2.3	(1.8)
Net financing costs		9.2	24.3	18.2	30.5
Working capital adjustments:					
(Increase) / decrease in inventories		(2.6)	3.0	(0.3)	(4.9)
Decrease / (increase) in receivables		12.0	(19.6)	24.7	(14.6)
Decrease in payables		(8.7)	(6.1)	(10.4)	(7.2)
Decrease in provisions in contractual obligations		-	(39.3)	-	(39.3)
Net movement in working capital		0.7	(62.0)	14.0	(66.0)
Income taxes paid		-	(7.4)	(0.2)	(11.2)
Net cash generated from continuing operating activities		54.7	(40.5)	84.4	(8.1)
Net cash generated from discontinued operating activities		-	0.9	-	(0.8)
Net cash generated from operating activities		**54.7**	**(39.6)**	**84.4**	**(8.9)**
Cash flow from investing activities					
Payments for mineral exploration and development expenditure		(2.4)	(7.4)	(4.1)	(12.6)
Purchase of property, plant and equipment		(0.8)	(4.1)	(4.0)	(7.3)
Proceeds from sale of property, plant and equipment		-	0.8	0.2	1.0
Interest received		0.1	0.3	0.2	0.6
Net cash outflow from continuing investing activities		(3.1)	(10.4)	(7.7)	(18.3)
Net cash outflow from discontinued investing activities		-	-	-	-
Net cash outflow from investing activities		**(3.1)**	**(10.4)**	**(7.7)**	**(18.3)**
Cash flow from financing activities					
Interest paid		(16.3)	(11.2)	(16.7)	(11.5)
Payments for repurchase of senior secured notes		-	(235.1)	-	(245.6)
Net proceeds from issue of senior secured notes		-	385.7	-	385.7
Repayment of related party borrowings		-	(250.0)	-	(250.0)
Repayment of hire purchase borrowings		(1.6)	(1.2)	(3.1)	(2.7)
Net cash outflow from financing activities of continuing operations		(17.9)	(111.8)	(19.8)	(124.1)
Net cash outflow from financing activities of discontinued operations		-	-	-	-
Net cash outflow from financing activities		**(17.9)**	**(111.8)**	**(19.8)**	**(124.1)**
Net increase in cash and cash equivalents from continuing operations		33.7	(162.7)	56.9	(150.5)
Net decrease in cash and cash equivalents from discontinued operations		-	0.9	-	(0.8)
Net increase in cash and cash equivalents		**33.7**	**(161.8)**	**56.9**	**(151.3)**
Cash and cash equivalents at the beginning of the period	10	80.2	229.0	59.5	219.9
Exchange losses on cash and cash equivalents		(0.2)	0.8	(2.7)	(0.6)
Cash and cash equivalents at the end of the period	10	**113.7**	**68.0**	**113.7**	**68.0**

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

Notes to the unaudited consolidated interim financial information

1. General information

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

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

2. Basis of preparation of interim report

This condensed consolidated interim financial information for the three and six months ended 30 June 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:

Average rates:	Average 3 months to 30 June 2015	Average 6 months to 30 June 2015	Average 3 months to 30 June 2014	Average 6 months to 30 June 2014
Australian dollar	0.7772	0.7822	0.9327	0.9148

Period end rates:	30 June 2015	31 December 2014	30 June 2014
Australian dollar	0.7655	0.8156	0.9419

3. Critical accounting judgments and key sources of estimation uncertainty

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

4. Principal risks and uncertainties

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

5. Discontinued operations

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

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

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

Cash flows from discontinued operations are shown below:

	Three months ended 30 June		Three months ended 30 June	
$m	**2015**	**2014**	**2015**	**2014**
Net cash generated / (outflow) from discontinued operations	-	0.9	-	(0.8)

6. Segment analysis

Management considers the business from a product perspective and has determined the operating segments based on the reports reviewed by the Group Executive Committee, who are the Chief Operating Decision Makers. The primary products of the Group are processed manganese 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 and six month periods ended 30 June 2015 and 2014 is as follows:

Three months ended 30 June 2015 **$m**	**Manganese**	**Other**	**Total from continuing operations**	**Chromite (discontinued operations)**	**Total**
Revenue from external customers	61.0	-	61.0	-	61.0
Cost of goods sold	(46.3)	-	(46.3)	-	(46.3)
Gross profit	14.7	-	14.7	-	14.7
Adjusted EBITDA	11.4	3.5	14.9	-	14.9
Depreciation	(23.0)	(0.2)	(23.2)	-	(23.2)
Exploration write-off expense	(8.9)	-	(8.9)	-	(8.9)
Exceptional items	49.6	(0.2)	49.4	-	49.4
Net foreign exchange loss	(0.1)	(0.4)	(0.5)	-	(0.5)
Finance income	-	0.1	0.1	-	0.1
Finance expense	(0.6)	(8.7)	(9.3)	-	(9.3)
Profit / (loss) before tax	28.4	(5.9)	22.5	-	22.5
Income tax charge*			(0.5)	-	(0.5)
Profit for the period			22.0	-	22.0

Three months ended 30 June 2014 **$m**	**Manganese**	**Other**	**Total from continuing operations**	**Chromite (discontinued operations)**	**Total**
Revenue from external customers	115.3	1.1	116.4	-	116.4
Cost of goods sold	(60.2)	(1.0)	(61.2)	-	(61.2)
Gross profit	55.1	0.1	55.2	-	55.2
Adjusted EBITDA	45.0	(5.9)	39.1	-	39.1
Depreciation	(17.0)	(0.1)	(17.1)	-	(17.1)
Net foreign exchange gain	0.5	0.2	0.7	-	0.7
Finance income	-	0.3	0.3	-	0.3
Finance expense	(0.7)	(23.9)	(24.6)	-	(24.6)
Profit on disposal of chrome assets	-	-	-	9.9	9.9
Profit / (loss) before tax	27.8	(29.4)	(1.6)	9.9	8.3
Income tax charge*			(3.4)	-	(3.4)
Profit / (loss) for the period			(5.0)	9.9	4.9

Six months ended 30 June 2015 $m	Manganese	Other	Total from continuing operations	Chromite (discontinued operations)	Total
Revenue from external customers	142.8	-	142.8	-	142.8
Cost of goods sold	(93.6)	-	(93.6)	-	(93.6)
Gross profit	49.2	-	49.2	-	49.2
Adjusted EBITDA	38.1	0.9	39.0	-	39.0
Depreciation	(40.0)	(0.3)	(40.3)	-	(40.3)
Exploration write-off expense	(8.9)	-	(8.9)	-	(8.9)
Exceptional items	49.6	(0.2)	49.4	-	49.4
Net foreign exchange loss	(1.3)	(1.0)	(2.3)	-	(2.3)
Finance income	-	0.2	0.2	-	0.2
Finance expense	(1.3)	(17.1)	(18.4)	-	(18.4)
Profit / (loss) before tax	36.2	(17.5)	18.7	-	18.7
Income tax charge*			(0.2)	-	(0.2)
Profit for the period			18.5	-	18.5
Total assets	497.7	173.3	671.0	0.1	671.1
Total liabilities	(161.1)	(384.2)	(545.3)	(0.5)	(545.8)

Six months ended 30 June 2014 $m	Manganese	Other	Total from continuing operations	Chromite (discontinued operations)	Total
Revenue from external customers	223.7	1.6	225.3	4.7	230.0
Cost of goods sold	(113.6)	(1.6)	(115.2)	(4.0)	(119.2)
Gross profit / (loss)	110.1	-	110.1	0.7	110.8
Adjusted EBITDA	98.0	(11.0)	87.0	(0.3)	86.7
Depreciation	(34.2)	(0.2)	(34.4)	-	(34.4)
Net foreign exchange gain	0.7	1.1	1.8	-	1.8
Finance income	-	0.6	0.6	-	0.6
Finance expense	(1.3)	(29.8)	(31.1)	-	(31.1)
Profit on disposal of chrome assets	-	-	-	9.9	9.9
Profit / (loss) before tax	63.2	(39.3)	23.9	9.6	33.5
Income tax charge*			(4.6)	-	(4.6)
Profit / for the period			19.3	9.6	28.9

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 profit / (loss) before tax for continuing operations is provided as follows:

	Three months ended 30 June		Six months ended 30 June	
$m	**2015**	**2014**	**2015**	**2014**
Adjusted EBITDA	14.9	39.1	39.0	87.0
Depreciation	(23.2)	(17.1)	(40.3)	(34.4)
Exploration write-off expense	(8.9)	-	(8.9)	-
Exceptional items	49.4	-	49.4	-
Net foreign exchange (loss) / gain	(0.5)	0.7	(2.3)	1.8
Net financing costs	(9.2)	(24.3)	(18.2)	(30.5)
Profit / (loss) before tax from continuing operations	22.5	(1.6)	18.7	23.9

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:

	Three months ended 30 June		Six months ended 30 June	
$m	**2015**	**2014**	**2015**	**2014**
China	29.7	72.8	79.6	160.9
Ukraine*	18.4	23.8	26.3	30.1
India	7.2	8.8	11.2	8.8
Vietnam	3.2	5.6	8.3	12.7
South Korea	2.5	3.0	12.9	10.2
Norway	-	2.3	2.6	2.3
Indonesia	-	-	1.8	-
Other	-	0.1	0.1	0.3
Total revenue by geographic destination from continuing operations	61.0	116.4	142.8	225.3
Revenue from discontinued operations	-	-	-	4.7

*Sales to related parties

8. Cost of sales

	Three months ended 30 June		Six months ended 30 June	
$m	**2015**	**2014**	**2015**	**2014**
Mining and production expenses	33.0	45.7	64.5	91.7
Depreciation and amortisation	23.0	16.9	40.0	34.1
Royalties and other taxes	4.3	8.1	10.9	15.2
Deferred stripping	(10.5)	(10.0)	(18.4)	(17.9)
Net movement in inventories	(3.6)	(0.6)	(3.7)	(9.5)
Purchase of third party ore	-	1.1	-	1.6
Other	0.1	-	0.3	-
Total cost of sales from continuing operations	46.3	61.2	93.6	115.2
Cost of sales from discontinued operations	-	-	-	4.0

9. Exceptional items

	Three months ended 30 June		Six months ended 30 June	
$m	**2015**	**2014**	**2015**	**2014**
TMI settlement income*	50.0	-	50.0	-
Restructuring costs	(0.6)	-	(0.6)	-
Total exceptional items from continuing operations	49.4	-	49.4	-
Exceptional items from discontinued operations	-	-	-	-

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

10. Cash and cash equivalents

$m	As at 30 June 2015	As at 31 December 2014
Cash at bank and in hand	117.6	82.0
Short-term bank deposits	-	0.1
Cash and cash equivalents at the end of the year	117.6	82.1
Less: bank overdrafts (see note 10)	(3.9)	(22.6)
Net cash and cash equivalents per the cash flow statement	113.7	59.5

11. Borrowings

$m	As at 30 June 2015	As at 31 December 2014
Non-current		
Senior secured high yield notes	385.9	384.6
Finance lease liabilities – hire purchase loans	10.6	14.3
	396.5	398.9
Current		
Bank overdrafts	3.9	22.6
Finance lease liabilities – hire purchase loans	7.1	7.1
	11.0	29.7
Total borrowings	407.5	428.6

The senior secured notes are stated net of unamortised discount of $7.9 million and unamortised issue costs of $6.2 million. Unamortised discount and issue costs are charged to the statement of comprehensive income over the six year term of the notes.

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

The carrying value of borrowings approximates their fair value.

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

$m	As at 30 June 2015	As at 31 December 2014
Repayable on demand	3.9	22.6
6 months or less	-	-
6 - 12 months	-	-
1 - 5 years	-	-
Over 5 years	-	-
	3.9	22.6
Borrowings not exposed to changes in interest rates	403.6	406.0
	407.5	428.6

12. Contingent liabilities and contingent assets

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

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

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

13. Related party transactions

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

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

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

$m	Sales to related parties	Purchases from related parties	Finance income from related parties	Charges from related parties	Amounts owed by related parties	Amounts owed to related parties
Trading companies related to the ultimate shareholder						
3 months to 30 June 2015	18.4	-	-	-		
3 months to 30 June 2014	23.8	-	-	-		
6 months to 30 June 2015	26.3	-	-	-		
6 months to 30 June 2014	30.1	-	-	-		
At 30 June 2015					3.5	-
At 31 December 2014					13.0	0.1
Other companies related to the ultimate shareholder						
3 months to 30 June 2015	-	0.8	-	-		
3 months to 30 June 2014	-	0.7	-	-		
6 months to 30 June 2015	-	1.6	-	-		
6 months to 30 June 2014	-	1.5	-	-		
At 30 June 2015					0.2	-
At 31 December 2014					-	-

Trading companies related to the ultimate shareholder

During 2015 and 2014 Manganese Trading Limited (Jersey) and Pilbara Trading Limited (Jersey) traded with 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 their manganese content.

Finance companies related to the ultimate shareholder

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

Banks related to the ultimate shareholder

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

Other companies related to the ultimate shareholder

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

14. Events after the reporting period

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 3,200 square kilometers of land in and around the Woodie Woodie mine in the Pilbara region of Western Australia, excluding the Woodie Woodie corridor.