2015 Annual Report

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The consolidated financial statements are presented in United States Dollars ("$"), unless otherwise stated, which is the Company's presentation currency.

Corporate directory

DIRECTORS

Mark Victor Caruso
Executive Chairman and Chief Executive Officer

Joseph Anthony Caruso
Non-Executive Director

Peter Patrick Torre
Non-Executive Director and Company Secretary

Guy Redvers Walker
Senior Independent Non-Executive Director

Colin Ross Hastings
Independent Non-Executive Director

PRINCIPAL REGISTERED OFFICE IN AUSTRALIA

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AUDITORS

BDO Audit (WA) Pty Ltd
38 Station Street
Subiaco WA 6008

SOLICITORS

TDC Legal Pty Ltd
Level 15, 251 Adelaide Terrace
Perth WA 6000

ENSafrica
150 West Street
Sandton
Johannesburg 2196
South Africa

Steinepreis Paganin
Level 4, The Read Buildings
16 Milligan Street
Perth WA 6000

BANKERS

National Australia Bank
Suite 7, 51 Kewdale Road
Welshpool WA 6106

SHARE REGISTRY

Link Market Services Limited
Level 4, Central Park
152 St Georges Terrace
Perth WA 6000

STOCK EXCHANGE LISTING

The Company's shares are listed on the Australian Securities Exchange (ASX) under ASX Code MRC

WEBSITE ADDRESS

www.mineralcommodities.com

COMPETENT PERSON STATEMENT

The information, if any, in this report which relates to exploration results, mineral resources or ore reserves for Xolobeni Mineral Sands Project is based on information compiled by Mr Allen Maynard, who is a Member of the Australian Institute of Geosciences ("AIG"), a corporate member of the Australasian Institute of Mining & Metallurgy ("AusIMM") and independent consultant to Mineral Commodities Ltd. Mr Maynard is the director and principal geologist of Al Maynard & Associates Pty Ltd and has over 35 years' of exploration and mining experience in a variety of mineral deposit styles. Mr Maynard has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for reporting of Exploration Results, Exploration Targets, Mineral Resources and Ore Reserves" (JORC Code). This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported. Mr Maynard consents to inclusion in the report of the matters based on this information in the form and context in which it appears.

The information, if any, in this report which relates to exploration results, mineral resources or ore reserves for Tormin Mineral Sands Project is based on information compiled by Mr Adriaan du Toit, who is a Member of the AusIMM and an independent consultant to Mineral Commodities Ltd. Mr du Toit is the director and principal geologist of AEMCO PTY LTD and has over 23 years' of exploration and mining experience in a variety of mineral deposits and styles. Mr du Toit has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the JORC Code. The information from Mr du Toit was prepared under the JORC Code 2012 Edition. Mr du Toit consents to inclusion in the report of the matters based on this information in the form and context in which it appears.

Chairman's report

Dear Shareholders,

On behalf of the Board of your Company, it is with pleasure that I present the annual report for the year ended 31 December 2015.

Is was another solid year of operational performance at the Tormin Mineral Sands Project (Tormin) and it is pleasing to report a net profit after tax of US$10.6 million. The key metrics contained within the accompanying report, coupled with the Board's optimistic view on future periods, underpin the Board's decision to declare a maiden dividend of one Australian cent per share.

As I commented at the time of the dividend declaration, it was a long and arduous process in getting the Tormin Project to development stage, and the operating performance to date has somewhat vindicated the Board's resolve to continue its strategy of developing this asset. The Board expects its capital management strategy, which includes returns to shareholders to continue in the coming periods as it rolls out the existing expansion initiatives, which will further optimise the operating performance of the Company.

The Company's impeccable safety record continues to be industry best standard, with the Company celebrating 1,000,000 lost time injury free hours during the year.

The Company positioned itself during the year, through the cancellation of the Wogen offtake agreement, to sell its non-magnetic heavy mineral concentrate to buyers on an unrestricted basis. This was of benefit to the Company and provided for the opportunity to directly market its product in order to achieve the best economic outcome.

The legacy issues associated with Blastrite were also resolved during the year, with the High Court of South Africa dismissing Blastrites' Court Application. Garnet concentrate production continued to be supplied and sold unabated under the contract with GMA and stockpiled within South Africa. The Garnet concentrate will then be shipped at GMA's discretion.

In addition, the Company has cemented its long held belief in the potential of the Tormin offshore and onshore resource enhancement by entering into an agreement to purchase the Geelwal Karoo farm totaling some 1741 hectares from Tronox, where its existing processing operations are based. This underpins future spatial area for any expansion initiatives.

The Company continued its investment in optimisation and expansion to increase production of its current processing capabilities. During the year, it commissioned the first phase of these processing upgrades on time and on budget, being the Tailings Scavenger Plant (TSP) and the Tailings Return System to the beach. The second stage GSP will be commissioning in the second half of 2016 and will substantially increase finished concentrate production and contained valuable heavy zircon, rutile, ilmenite and garnet in the respective finished concentrates.

Resource development and tenure is always a matter of importance for a mining company. In the 2014 Annual Report, we were pleased to be able to report a replenishment of the mined resource, albeit resulting in a reclassification into the inferred category. Given the nature of the deposit the Company is mining, despite the Company's best endeavours, it is difficult to be able to report anything greater than an inferred resource due to the constant changes occurring on the beach. We can however report that the tonnes mined have again replenished. A full update on this replenishment is included in the Corporate Governance Section of this Annual Report.

> The Company's impeccable safety record continues to be industry best standard, with the Company celebrating 1,000,000 lost time injury free hours during the year.

The Company was pleased to advise that it's South African subsidiary, Mineral Sands Resources Pty Ltd ("MSR"), was granted a new prospecting right by the Department of Mineral Resources – South Africa. The awarded prospecting right represents an area ~10,500ha in size seaward from the Tormin mine area.

In addition to the awarded rights, MSR has lodged two new prospecting applications along the beach and surf zone north of its current mining operations as well as over the whole of the newly acquired Geelwal Karoo farm. This first application represents a target area of ~24km (398 ha) along the coastline and the second application an area of 1741 ha. Historical and in-house exploration work have indicated both areas to be prospective for heavy mineral sand deposits. These applications are currently under review for approval by the Department of Mineral Resources – South Africa.

A mining right application for the Xolobeni Mineral Sands Project was also lodged in March 2015. The Company holds the prospecting rights to four of the five blocks in the Xolobeni Mineral Sands Project. The mining right application has been lodged notwithstanding the previously advised objections received to the prospecting right application to the remaining block, the Kwanyana block. The Company continues to follow due process in respect to its development of the Xolobeni Project. Despite this, it has been an unenviable task with opponents to the development casting all kinds of dispersions about the activities of the Company in order to support their cause. We reiterate on every occasion, that the Company simply continues to follow the proper process and we are happy to engage in the appropriate forums.

We see the tangible benefits provided to members of the Xolobeni community through their involvement with the Tormin project and we continue to act within the spirit of the Black Economic Empowerment model to socially uplift disadvantaged people. The contribution of our 50% BEE joint shareholder in the Company's subsidiary MSR in assisting in bridging the cultural divide that can sometimes exist in managing the expectations of interested and effected parties and communities is significant. We thank them for their patience and guidance and we hope to be able to deliver on their dream of bringing economic benefits to their community.

The Company respects that whilst it has legal tenure to conduct various studies under its mining rights application, no piece of paper issued by a Government regulator derogates the requirement of an approved social licence to operate. Without a healthy engagement and presence in the community, we are unable to effectively manage economic, environmental and social expectations.

The Company accepts that some environmental and social impacts are not acceptable to certain stakeholders, and that uncertainty through vague or limited information about the Xolobeni project exists. It also accepts that some people will be ideologically opposed. The Company will continue to actively seek to engage with all interest and affected parties (IAP) members of the local community of Xolobeni.

In the interim, the Company continues to advocate negotiating a peaceful site access to complete its environmental impact assessment studies, so that we can provide the local community with the necessary information they need to adequately assess for themselves the benefits of future mining operations in Xolobeni.

There were some changes in the Board through the year. Following an internal review, the Board identified that with the development of the Tormin Mineral Sands Project and progression of its Xolobeni project, a further director appointment with the appropriate technical and geological experience was warranted. Following a process of nomination and interviews conducted by the Remuneration and Nomination Committee, Mr Ross Hastings was offered and accepted the position.

The Board also appointed one of its existing Independent Non-Executive Directors, Mr Guy Walker, to the position of Senior Independent Non-Executive Director. Following the aforementioned internal review and the appointment of myself as the CEO of the Company in addition to my Executive Chairmanship.

Mr James Leahy decided not to stand for election at the Company's last Annual General Meeting and therefore retired by rotation. The Board thanks James for his efforts once again, and the contribution he made throughout his tenure as a director of the Company.

> The Company was pleased to advise that it's South African subsidiary, Mineral Sands Resources Pty Ltd ("MSR"), was granted a new prospecting right by the Department of Mineral Resources – South Africa.

On behalf of the Board I would again like to thank all the dedicated team on site and at the Company's respective offices for their efforts and dedication throughout the year. It is through these efforts that you as shareholders are now benefiting and we must continue to acknowledge and reward the efforts of our employees.

We look forward to being able to report the continued growth and development of the Company and to thank you, our shareholders, for your support not only throughout the year, but for the entire journey to date.

Mark V Caruso

Mark V. Caruso
Chairman

Directors' report

Your Directors present their report on the consolidated entity (referred to hereafter as the "Group") consisting of Mineral Commodities Ltd (the "Company") and the entities it controls at the end of, or during, the year ended 31 December 2015. The consolidated financial statements are presented in United States Dollars ("$"), unless otherwise stated, which is the Company's presentation currency.

DIRECTORS

The following persons were Directors of the Company during the whole of the financial year and up to the date of this report, unless otherwise indicated:

Mark Victor Caruso
Joseph Anthony Caruso
Peter Patrick Torre
Guy Redvers Walker
Colin Ross Hastings - appointed 2 April 2015
James Gerald Leahy - resigned 27 May 2015

PRINCIPAL ACTIVITIES

The principal activities of the Group during the year were mineral sands mining and processing at the Group's Tormin Mineral Sands Project ("Tormin" or the "Tormin Project") in the Western Cape Province of South Africa, undertaking procedures and evaluation for the future development of the Xolobeni Mineral Sands Project ("Xolobeni" or the "Xolobeni Project") in the Eastern Cape Province of South Africa, and investigations into other mineral resources.

DIVIDENDS

Subsequent to year end, the Directors declared a final unfranked dividend for the year ended 31 December 2015 of 1 Australian cent per ordinary share, a total distribution of A$4,049,416 based on the number of ordinary shares on issue as at 31 December 2015. As the dividend is unfranked, there are income tax consequences for the owners of the Company relating to this dividend.

REVIEW OF OPERATIONS

Information on the operations and financial position of the Group and its business strategies and prospects is set out in the review of operations set out below:

The Tormin Project successfully completed its second full year of production achieving the following key operating and financial metrics:

Production – Full Year

Mining: 1,624,636 tonnes mined at a grade of 49.57% Heavy Mineral Concentrate ("HMC") consisting of:

- 28.94% Garnet;
- 16.15% Ilmenite;
- 3.88% Zircon; and
- 0.60% Rutile.

Production and Processing: 597,950 tonnes processed through the Secondary Concentrator Plant ("SCP") to produce:

- 284,990 tonnes Garnet concentrate;
- 109,959 tonnes Ilmenite concentrate; and
- 44,489 tonnes Zircon/Rutile concentrate.

Sales – Full Year: $46.2m

Zircon/Rutile concentrate: 45,240 wet metric tonnes

Ilmenite concentrate: Nil wet metric tonnes

Garnet concentrate: 372,466 wet metric tonnes

Corporate and Cash

Cash: Cash balance of $4.2 million as at 31 December 2015, plus $7.0 million in trade and other receivables.

Debt: The balance of $0.6 million owing on the Wogen Pacific Limited pre-financing facility was repaid in full on 2 March 2015.

$1.2 million of shareholder loans repaid and a balance of $1.2 million as at 31 December 2015, repayable by 30 September 2016.

SAFETY

During the year, the Company celebrated 1 million lost time injury ("LTI") free hours. The Company has now worked in excess of 1,270,000 man hours without an LTI since operations commenced in October 2013.

The Company's safety record continues to be industry best standard.

MINING

For the full year to 31 December 2015, 1,624,636 tonnes were mined at Tormin (approximately 1% above budget) at a HMC grade of 49.57%.

Mining continued to perform in line with all Key Performance Indicators ("KPIs") in terms of production with significant reductions in operating costs in the second half of the year due to the depreciating Rand and diesel fuel costs as a result of global depressed crude oil pricing.

During the year, the Company has gained access to the previously deemed excised Conservation area on the mining lease. This area, totalling some additional 2.8 kilometres of accessible mining area, had previously been unmined and not only allowed higher grade Zircon to be accessed, but also gave additional replenishment time to other areas under the Run of Mine ("ROM") plan.

Mining techniques also evolved to deal with the ongoing replenishment process of the beach. The mobilisation in the latter half of the year of a specialised larger Caterpillar D8T low ground pressure ("LGP") bulldozer allowed a surface mining technique to be developed which involves stripping of the lower grade silica deposition from the replenished areas thus exposing high grade lenses of HM bearing ore. This process allows a much more flexible mining approach which optimises and limits beach excavation below sea level and limits total material movement.

The commissioning of the tailings return pumping system mitigated and alleviated the loading and haulage of Primary Beach Concentrator ("PBC") and Secondary Concentrator Plant ("SCP") processing tails to the beach by traditional earth moving methods. This resulted in much better utilisation of truck and loader mining equipment.

PROCESSING

PBC budgeted production was not achieved due to the delay in the installation and commissioning of the Garnet Stripping Plant ("GSP") caused by the Blastrite (Pty) Ltd litigation.

A total annual production of 473,445 tonnes of HMC was produced through the two PBCs.

The Company processed 597,950 tonnes through the SCP for the 2015 year, being 8% below budget. The balance of SCP feed of 124,505 tonnes was sourced as direct feed from high grade ROM material, which required no primary concentration due to its extremely high grade.

The annualized processing throughput for the SCP continued at 80 tonnes per hour ("tph"), well above nameplate capacity of 63 tph. On an adjusted basis for the delay in the GSP, the SCP continued to operate above budget.

SCP plant recoveries were slightly down for the year, after adjusting for the delay in the GSP, but were in line with expectations due to the increased SCP feed grade and additional throughput.

Annual non-magnetic Zircon/ Rutile concentrate production to 31 December 2015 was 44,489 tonnes.

Annual Ilmenite and Garnet concentrate production to 31 December 2015 was 109,959 tonnes and 284,990 tonnes respectively.

Total processing unit cash costs were within budget after adjusting for the budget assumption that the GSP would be commissioned by the start of October 2015.

All aspects of primary and secondary processing production through the PBCs and the SCP were also affected by industrial action during the year, which effectively resulted in five to six weeks of subdued production due to unavailability of the full labour force and strike action from Union members preventing access at times to processing plant on a full time basis.

In addition there was a total main power station failure which resulted in 4 days lost time.

The Company also delivered the Tailings Scavenger Plant ("TSP") expansion, the tailings return system capital project and is well advanced with the implementation of the GSP project. It is also well advanced with progressing the engineering design for the installation of Eskom Mains Power to the site, which will significantly reduce operating costs. Collectively these projects, when commissioned, will deliver not only maximum optimization of the processing routes but lift the production profile of the Company in ranking amongst its peers.

The focus in 2016 will now turn to optimising recoveries from both the PBC and SPC processing circuits, which will be much easier to control with the commissioning and operation of the two TSPs and the GSP.

TORMIN SALES AND MARKETING

Sales revenue for the year was $46.2m, with annual sales of:

- Zircon/Rutile concentrates: 45,240 wet metric tonnes
- Ilmenite concentrate: Nil wet metric tonnes
- Garnet concentrate: 372,466 wet metric tonnes


Supplementary, nutritional food programme

The Company terminated the Pre-Finance and Marketing Agreement between the Company and Wogen Pacific Limited during the first half of the year. This allowed the Company to freely market and sell its non-magnetic Zircon/Rutile concentrate to buyers on an unrestricted basis for the remainder of the year.

Garnet concentrate production was supplied and sold under contract with GMA Garnet Group ("GMA") and stockpiled within South Africa. The Garnet concentrate will be shipped at GMA's discretion. The revenue for stockpile Garnet is initially lower with full sales value received upon shipment.

Although the Company continued to receive active enquiries for its Ilmenite product throughout the year, it was unable to secure an offtake partner for this product. This is not a function of the quality of the product, rather a function of the global Ilmenite product throughout the period. The Company will continue to engage with potential off takers during the course of 2016.

BLACK ECONOMIC EMPOWERMENT ("BEE")

The Company worked closely with its joint shareholder in its South African subsidiary Mineral Sands Resources Pty Ltd ("MSR") and BEE partner, Blue Bantry Investments 255 (Pty) Ltd ("Blue Bantry"), in continuing to assist in bridging the cultural divide that can sometimes exist in managing the expectations of interests and effected parties and communities.

Investment continues in personal development through programmes that are focused on education, training and gainful employment, including internships in the Perth Corporate office for mentoring and training in management reporting and accounting. The completion of the upgrade on the local Koekenaap School / Community Resource Centre, which includes a new library and computer classroom, was achieved during the second half of the year and was officially opened in January 2016. In addition to its Social Labour Plan ("SLP") commitments at Tormin, the Company also continues to provide support to the Xolobeni community through the building of nurseries and supporting cattle and poultry programmes which will result in sustainable provision of basic food needs.

TORMIN RESOURCE

Work was undertaken during February 2016 on the annual Tormin Resource Review.

Approximately 1.625 million tonnes were mined for the year ended 31 December 2015. The beach replenishment continues with multiple mining of designated ore blocks occurring up to five times.

Since commencement, the Company has mined circa 2.7 million tonnes at greater than 4% contained zircon. This tonnage and grade exceeds the original LOM stated in the JORC Resources and Reserve statement and is consistent with the beach replenishment process which is currently occurring. The updated 2015 Inferred JORC Resource and Reserve confirms that 2.7 million tonnes of material at a 28.01% Heavy Mineral is remaining.

TORMIN - PROSPECTING ACTIVITIES

The Company was pleased to advise late in the year that MSR has been granted a new prospecting right by the Department of Mineral Resources – South Africa ("DMR").

The awarded prospecting right represents an area of approximately 10,500 ha in size seaward from its current mining (Tormin mine) and prospecting areas.

The awarding of this right extends MSR's prospecting area up to 10km offshore from its current mining area. The prospecting area is to be investigated for its offshore heavy mineral sand potential that is currently the source of replenishment taking place on the beach held under mining rights.

MSR has conducted a bathymetric and sub-bottom sea floor profiling geophysical survey over the surf zone area held under PR 10036. The survey, conducted by an independent firm, will provide detailed information that is to be used to plan an underwater exploration drill sampling campaign. This survey is in support of the aeromagnetic and radiometric aerial survey work done during 2014 by Xcalibur Geophysics. The 2014 survey identified off-shore heavy mineral sand exploration targets.

In conjunction with offshore bathymetric studies, the Company finalised the selection of a specialised offshore drilling and mining sampler contractor who will mobilise to site in the second quarter of 2016 to conduct resource drilling and sampling of the surf zone area i.e. the area between the low tide and the wave crest formation. The objective of this program is to achieve an offshore Inferred JORC resource.

In addition to the awarded rights, MSR has lodged a new prospecting and bulk sampling application (WC 30/5/1/2/10226 PR) along the beach and surf zone north of its current mining operations. This application represents a target area of approximately 24km along the coastline. Historical exploration work by non-related parties has indicated the area is prospective for heavy mineral sand deposits. This application is subject to a full public participation process and an environmental impact assessment for bulk sampling as is required under South African legislation.

The above activities are indicative of the long term plans of MSR to extend the heavy mineral sand resource of its Tormin mining operation and underpin the economic viability of its current operations.

XOLOBENI MINERAL SANDS PROJECT

The Company holds the prospecting rights to four of the five blocks in the Xolobeni Mineral Sands Project. A Mining Right Application was accepted in April 2015 and triggered the Public Participation Process for the Environmental Scoping Report Submission. The Public Participation Process resulted in the submission of the Environmental Scoping Report during the first half of 2015.

The Company made good progress throughout the year with its consultants to conduct all necessary baseline and technical studies to move the project through to the submission of an Environmental Impact Assessment ("EIA") Report, which is required as part of the Mining Right Application process. An extension for the submission of the final EIA has been granted to the Company until April 2016.

A reassessment of the Mining Right Application will take place in the March 2016 quarter, which may delay the final submission of the EIA.

The Company is maintaining its efforts to conclude baseline studies within the regulatory timeframes.

CORPORATE AND FINANCIAL

It was an active year for the Company corporately.

As disclosed to the ASX in December 2014, an application was made in the High Court of South Africa (Western Cape Division, Cape Town) by Blastrite (Pty) Ltd ("Blastrite") to seek relief for an order that MSR may not deal with any entity or person other than Blastrite in relation to the discussion and consideration relating to any potential Garnet and/or other abrasive media resource that may be present in or on the beach deposit located within the Tormin Project; and an order that MSR may not renew its existing offtake agreement with GMA for the period 1 July 2015 to 30 June 2016.

Following a hearing on 19 December 2014, Blastrite withdrew its application to seek interim relief and were ordered to pay the Company's costs occasioned by the application. Blastrite proceeded to make an application for final relief which was deferred to oral evidence and heard in June 2015.

In October 2015, the Company was pleased to advise that Blastite's Court Application had been dismissed. The dismissal follows Blastrite's withdrawal of its initial application to seek interim relief in December 2014. Blastrite has been ordered to pay MRC's costs occasioned by the employment of two legal counsel, all of the costs occasioned by the referral to oral evidence, the costs occasioned by the discovery applications, including the costs occasioned by the Company's parties discovery applications.

As stated when the initial application was made by Blastrite in December 2014, the Company's view was that the Application was an abuse of the Court process, founded on incorrect facts and was of no merit and, as such, the Company and other respondents strenuously opposed the Application.

The Company was very pleased with the Blastrite litigation outcome.

The Shareholder loans obtained in 2014 were extended to 30 September 2015, and then subsequently paid down by 50% later in the year with the balance extended to 30 September 2016.

The reduction of shareholder debt is part of the Company's overall capital management strategy. Whilst the Company had the capacity to repay the debt in total, its preferred position was to retain 50% to provide further flexibility in working capital management.

The Company assessed financing options for its Garnet Stripping Plant ("GSP") expansion initiative and was pleased to advise, subsequent to year end, that it had entered into a $4.5 million financing arrangement with GMA.

The Company also concluded the purchase agreement of the 1,787 hectare farm on which its Tormin processing facilities are located. The purchase removes all restrictions that were formally in place under the previous Land Use agreement and increases the available land usage from the existing 9.89 hectares which, subject to regulatory authority, provides significantly more land to expand the processing facility's footprint and stockpiling area, allowing for optimisation of the operational performance.

CONSOLIDATED RESULT AND FINANCIAL POSITION

The profit of the Group after income tax and non-controlling interests was $10.6m (2014: $8.4m). The net assets of the Group have increased from $31.2m as at 31 December 2014 to $31.7m as at 31 December 2015.

Revenue for the year was $46.5m (2014: $35.0m), with profit before income tax expense of $12.9m (2014: $3.9m).

OUTLOOK

The Company will proceed to complete the construction of the GSP by June 2016.

The Company is in a position to take advantage of any incremental increase in Zircon pricing and has significant upside in the sale of Ilmenite concentrate.

Operationally, the Company will continue to enjoy the benefits of a weaker Rand on its South African cost base in conjunction with US denominated sales revenue.

With the GSP processing plant upgrade, the Company is anticipating significant growth in production in 2016.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Details of the year's operational performance and the resulting financial impact is set out in the Review of Operations above.

No event or transaction has arisen in the interval between the end of the financial year and the date of this report of a material and unusual nature likely, other than what has been disclosed elsewhere in this financial report, in the opinion of the Directors of the Company, to affect significantly the operations of the Group, the results of those operations or the state of affairs of the Company or the Group in future financial years unless otherwise disclosed in this Directors' Report.

EVENTS SINCE THE END OF THE FINANCIAL YEAR

The Company was pleased to advise, in February 2016, that MSR has secured $4.5 million via a loan facility from GMA to fund the completion of its GSP. The GSP will be installed at the front of the existing SCP. The installation of the GSP will increase the non-magnetic feed grade to the SCP by removing the Garnet fraction from the HMC prior to the SCP. This, in turn, will allow a high grade Zircon concentrate to be fed to the existing magnetic circuit, and thereby increase non-magnetic concentrate production.

Completion of the GSP is expected on or around 30 June 2016.

The loan agreement entered into with GMA provides for $4.5 million funding with 3 year repayment terms commencing on the re-start of shipping of garnet concentrate product to GMA (planned for January 2017). The offtake agreement previously entered into with GMA has also been amended to increase the term of the agreement to the life of mine, and an increase in the annual offtake tonnage to 210,000 tonnes up from 150,000 tonnes with an option to take all other remaining Garnet concentrate production. The Company produced approximately 285,000 tonnes of Garnet for the year ended 31 December 2015.

There have been no other material matters arising subsequent to the end of the financial year.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

Likely developments in the operations of the Group that were not finalised at the date of this report are included in the Review of Operations above and as detailed in the Outlook section.

The Board will continue to review other projects and opportunities in the interests of increasing shareholder value.

ENVIRONMENTAL REGULATION

The Group is subject to various environmental regulations in respect to its exploration, development and production activities.

In the course of its normal mining and exploration activities, the Group adheres to environmental regulations imposed upon it by the relevant regulatory authorities, particularly those regulations relating to ground disturbance and the protection of rare and endangered flora and fauna.

SCHEDULE OF MINING AND PROSPECTING TENEMENTS

Mining and prospecting tenements currently held or under application by the Group are:

Country	Location	Number	Type of Right	Status	Interest
South Africa	Tormin	(WC)30/5/1/2/2/163MR	Mining	Approved	100%
South Africa	Tormin	(WC)30/5/1/2/2/162MR	Mining	Approved	100%
South Africa	Tormin	(WC)30/5/1/1/2/10036PR	Prospecting	Approved	100%
South Africa	Tormin	(WC)30/5/1/1/2/10199PR	Prospecting	Approved	100%
South Africa	Tormin	(WC)30/5/1/1/2/10226PR	Prospecting	Under Application	100%
South Africa	Tormin	(WC)30/5/1/1/2/10229PR	Prospecting	Under Application	100%
South Africa	Xolobeni	EC30/5/1/1/2/6PR	Prospecting	Approved	100%
South Africa	Xolobeni	EC30/5/1/1/2/10025PR	Prospecting	Under Application	100%
South Africa	Xolobeni	EC 10025 MR	Mining	Under Application	100%

GREENHOUSE GAS AND ENERGY DATA REPORTING REQUIREMENTS

The Directors have considered compliance with the National Greenhouse and Energy Reporting Act 2007 which requires entities to report annual greenhouse gas emissions and energy use in Australia. For the measurement period, the Directors have assessed that there are no current reporting requirements, but may be required to do so in the future.

INFORMATION ON DIRECTORS

Mark Victor Caruso
Executive Chairman and Chief Executive Officer
Age 54

Experience and expertise

Mr Caruso has extensive experience in mining, earthmoving and civil engineering construction earthworks. He has been a Director of the Company since September 2000. He was previously Chairman of Allied Gold Mining PLC (AGMP), responsible for the delivery of the Gold Ridge Project in the Solomon Islands and the Simberi Gold Project in Papua New Guinea. After resigning from AGMP, he transitioned into the position of Executive Chairman of the Company in August 2012.

Other current directorships

Perpetual Resources Limited

Former directorships in the last 3 years

None

Special responsibilities

Chairman of the Board
Chief Executive Officer

Interests in shares and options

78,554,014 ordinary shares in the Company – indirect holding[1]
15,784 ordinary shares in the Company – direct holding
5,000,000 options over ordinary shares in the Company

Joseph Anthony Caruso
Non-Executive Director
Age 70

Experience and expertise

Mr Caruso was appointed as Non-Executive Director of the Company in September 2000. He is a director of Zurich Bay Holdings Pty Ltd and Construction Manager of Simto Australia Pty Ltd, both of which are involved in mining, earthmoving and civil engineering construction earthworks. He has considerable experience in managing and administration of engineering, mining, raw materials production operations, earthmoving and related infrastructure utilities services resource contracts.

Other current directorships

None

Former directorships in the last 3 years

None

Special responsibilities

Member of the Remuneration and Nomination Committee

Interests in shares and options

77,007,485 ordinary shares in the Company[1]

[1] *J A Caruso and M V Caruso are both directors of and have a relevant interest in Zurich Bay Holdings Pty Ltd, which holds 77,007,485 shares in the Company. Mr Mark Caruso also holds shares indirectly through Regional Management Pty Ltd.*

Peter Patrick Torre

CA, AGIA, MAICD

Non-Executive Director and Company Secretary

Age 44

Experience and expertise

Mr Torre was appointed Company Secretary of the Company in July 2006, and as a Director of the Company on 1 April 2010. He is a Chartered Accountant, a Chartered Secretary and a member of the Australian Institute of Company Directors. He was previously a partner of an internationally affiliated firm of Chartered Accountants. Mr Torre is the Company Secretary of several ASX listed companies.

Other current directorships

None

Former directorships in the last 3 years

Neo Resources Limited, Mission New Energy Limited

Special responsibilities

Company Secretary and member of the Audit, Compliance and Risk Committee

Interests in shares and options

Guy Redvers Walker

BCA, CA, CFA, CMInstD

Senior Independent Non-Executive Director

Age 46

Experience and expertise

Mr Walker is a highly accomplished director and senior investment management executive with over 20 years' financial markets experience. He currently and in the past has sat on the boards of listed mining companies including exploration, development and production companies. He has extensive experience in capital raising through both traditional banks and alternative lenders.

Other current directorships

Metals Exploration plc

Former directorships in the last 3 years

Bacanora Minerals Ltd
ENK plc
Navigator Resources Limited

Special responsibilities

Senior Independent Non-Executive Director, Chairman of the Audit, Compliance and Risk Committee and member of the Remuneration and Nomination Committee

Interests in shares and options

125,000 ordinary shares in the Company

Colin Ross Hastings

BSc (Geology), MSc (Economic Geology), MAusIMM

Independent Non-Executive Director

Age 65

Experience and expertise

Mr Hastings was appointed as a non-executive Director in April 2015. He is a geologist with over 30 years' experience in mining and exploration, project generation and project development, covering Australia and overseas. He has a strong geotechnical background with 10 years' experience in this field and has extensive experience in mining related disciplines and processes. From 1996 to 2014, Mr Hastings was involved with Allied Gold PLC's Simberi Gold Project where his roles included management of exploration and the feasibility and pre-development studies for mine construction. Mr Hastings then progressed to General Manager Resource Development and concluded his tenure at St Barbara subsequent to the merger between it and Allied Gold Mining PLC.

Other current directorships

Perpetual Resources

Former directorships in the last 3 years

None

Special responsibilities

Chairman of the Remuneration and Nomination Committee and member of the Audit, Compliance and Risk Committee since his appointment on 2 April 2015.

Interests in shares and options

Nil

MEETINGS OF DIRECTORS

The number of meetings of the Company's Board of Directors and each of the Board committees held during the year ended 31 December 2015, and the number of meetings attended by each Director were:

			Meetings of committees			
Name	Directors' Meetings		Audit, Compliance and Risk		Remuneration and Nomination	
Number of meetings held *A being total of meetings eligible to attend* *B being total of meetings actually attended*	A	B	A	B	A	B
Mark Victor Caruso	5	5	-	-	-	-
Joseph Anthony Caruso	5	4	-	-	4	4
Peter Patrick Torre	5	5	4	4	-	-
Guy Redvers Walker	5	5	4	4	4	4
James Gerald Leahy (resigned 27 May 2015)	3	2	2	1	2	2
Colin Ross Hastings (appointed 2 April 2015)	4	4	2	2	2	2

Other matters of Board business have been resolved by circular resolutions of Directors, which are a record of decisions made at a number of informal meetings of the Directors held to control, implement and monitor the Company's activities throughout the year.

REMUNERATION REPORT (AUDITED)

This remuneration report sets out the remuneration information for the Company's non-executive Directors, executive Directors, other key management personnel and the key executives of the Group and the Company. The remuneration report is set out under the following main headings:

A. Principles used to determine the nature and amount of remuneration
B. Details of remuneration
C. Service agreements
D. Share-based compensation
E. Additional information
F. Other transactions with key management personnel

A. PRINCIPLES USED TO DETERMINE THE NATURE AND AMOUNT OF REMUNERATION

In order to retain and attract executives of sufficient calibre to facilitate the efficient and effective management of the Company's operations, the Board reviews the remuneration packages of all key management personnel, if any, on an annual basis and makes recommendations. Remuneration packages are reviewed with due regard to performance and other relevant factors.

Remuneration packages may contain the following key elements:

(a) Directors' fees;
(b) Salary and consultancy; and
(c) Benefits, including the provision of a motor vehicle and superannuation.

Fees payable to non-executive Directors reflect the demands which are made on, and the responsibilities of the Directors. The Board reviews non-executive Directors' fees and payments on annual basis.

Executives are offered a competitive base pay which is reviewed annually to ensure the pay is competitive with the market.

There were short term cash incentives provided to both the Executive Chairman and Chief Financial Officer ("CFO"). Long-term incentives are provided to Directors and other key management personnel to incentivise them to deliver long-term shareholder returns. These are determined based on what the Board views as reasonable based on market conditions. Any grant of securities to Directors of the Company must be approved by shareholders in a general meeting.

The Directors are not required to hold any shares in the Company under the constitution of the Company; however, to align Directors' interests with shareholders' interests the Directors are encouraged to hold shares in the Company.

As at 31 December 2015, the short term cash bonus incentives are up to 25% of base pay calculated on Company performance and other key performance indicators. Directors' fees are fixed.

	2015	2014	2013	2012	2011	2010
Profit /(loss) for the year after tax (USD)	10,576,785	8,376,344	(1,569,980)	(1,233,344)	(2,206,055)	(1,494,207)
Closing share price (AUD)	10.0 cents	11.0 cents	18.5 cents	9.9 cents	7.5 cents	8.1 cents

Voting and comments made at the Company's 2015 Annual General Meeting

The Company received the unanimous support of shareholders present on the remuneration report at the AGM for the 2014 financial year and 99.7% of proxy votes were in favour of the resolution to approve the remuneration report. The Company did not receive any specific feedback at the AGM or throughout the year on its remuneration practices.

B. DETAILS OF REMUNERATION

The key management personnel of the Group are the Directors of the Company and Mr Tony Sheard, the CFO. Mr Tony Sheard was appointed as a full time employee on 1 January 2015. Mr Sheard was acting in his capacity as a consultant up to 31 December 2014. The amounts disclosed are applicable for both the Company and the Group.

Details of the remuneration of Directors and the key management personnel (as defined in AASB 124 Related Party Disclosures) of the Company and the Group are set out in the following tables. There are no long term benefits amounts due to Directors and key management personnel, other than those disclosed. Non-cash benefits in the form of options were provided to key management personnel during the year. The following fees are applicable to Directors and key management personnel of the Company.

Name	Year	Cash salary (A$)	Cash bonus (A$)	Annual and long service leave (A$)	Post-employment benefits (A$)	Share-based payments (Options) (A$)	Totals (A$)	Percentage performance based (%)	Share based payments as a percentage of remuneration (%)
Directors									
Executive Chairman									
Mark Caruso (*)	2015	547,945	150,000	43,882	52,055	149,590	**943,472**	15.9	15.9
	2014	293,228	-	86,534	27,124	-	**406,886**	-	-
Non-Executive Director									
Joseph Caruso	2015	63,934	-	-	6,066	-	**70,000**	-	-
	2014	50,248	-	-	4,648	-	**54,896**	-	-
Peter Torre	2015	150,000	-	-	-	-	**150,000**	-	-
	2014	135,360	-	-	-	-	**135,360**	-	-
Guy Walker	2015	80,000	-	-	-	-	**80,000**	-	-
	2014	63,920	-	-	-	-	**63,920**	-	-
Ross Hastings (appointed 2 April 2015)	2015	52,311	-	-	4,828	-	**57,139**	-	-
	2014	-	-	-	-	-	**-**	-	-
James Leahy (resigned 27 May 2015)	2015	32,667	-	-	-	-	**32,667**	-	-
	2014	63,920	-	-	-	-	**63,920**	-	-
Total Director Remuneration	**2015**	**926,856**	**150,000**	**43,882**	**62,949**	**149,590**	**1,333,278**	**11.3**	**11.2**
	2014	**606,676**	**-**	**86,534**	**31,772**	**-**	**724,982**	**-**	**-**
Other Key Management Personnel									
Tony Sheard (**)	2015	251,142	59,813	9,981	23,858	26,182	370,976	16.1	7.1
	2014	92,045	-	-	-	-	92,045	-	-
Andrew Lashbrooke (resigned 12 Sept 2014)	2015	-	-	-	-	-	-	-	-
	2014	270,720	-	-	-	-	270,720	-	-
Total Key Management Personnel Remuneration	**2015**	**1,177,998**	**209,813**	**53,863**	**86,808**	**175,773**	**1,704,254**	**12.3**	**10.3**
	2014	**969,441**	**-**	**86,534**	**31,772**	**-**	**1,087,747**	**-**	**-**

* *Mark Caruso's comparative remuneration has been re-stated to include annual leave and long service leave previously not included.*

***Tony Sheard commenced employment as a consultant on 18 August 2014 and received consultancy fees of $92,045 for the year ended 31 December 2014. Effective from 1 January 2015, he entered into a service agreement with the Company. It has no fixed term, with a total remuneration package of A$275,000 per annum. There are no termination benefits unless made constructively redundant in which case he receives 12 months' remuneration.*

Other short and long term benefits forming part of the service agreements are detailed below:

Cash bonus

The Executive Chairman was entitled to an annual bonus of 25% of the Base Remuneration, measured against the following criteria, 20% weighting for each:

1. Mine production against budget;
2. Securing and entering into an offtake agreement for Ilmenite;
3. Achieving Budget Earnings before Interest, Tax, Depreciation and Amortisation ("EBITDA") taking into account uncontrollable variables at the discretion of the Board;
4. Completion of replenishment studies on mined areas sufficient to allow results to be reported to the ASX; and
5. Submission of a Mining Right Application in 2015 for the Xolobeni Mineral Sands Project.

Future bonuses will be at the sole discretion of the Board.

The measurable objectives were chosen to ensure the Executive Chairman was incentivised to meet budgeted production and EBITDA; secure offtake agreements for the Company's remaining product not currently being sold into the market; to continue to expand and replenish the Company's Resources, and to progress the Company's other mineral sands project in South Africa.

The Chairman of the Remuneration and Nomination Committee assessed the performance of the Executive Chairman, and reviewed his performance against the above set measurable objectives, taking into account other mitigating factors throughout the year. Objectives 1,3,4 and 5 were assessed as being met. Objective 2 was not met, however the Executive Chairman also achieved other key strategic and operational objectives throughout the year which were not set by the Remuneration and Nomination Committee and the Committee has used its discretion to award the full bonus of 25% of base remuneration due to the significant efforts of the Executive Chairman throughout the year.

The CFO was entitled to an annual bonus of 25% of the Base Remuneration, measured against the following criteria, one third weighting for each:

1. Performance against scope of services set out in the employment contract at the sole discretion of the Executive Chairman;
2. Board Reporting within set timing each month; and
3. Achieving EBTIDA against budget taking into account uncontrollable variables at the discretion of the Board.

Future bonuses will be at the sole discretion of the Board.

The measurable objectives were chosen to align the two key executives incentives in terms of meeting budgeted EBITDA, this is to ensure the CFO performed each of the tasks outlined in his employment contract which are typical of that for a CFO position, and timely reporting to the Board to ensure business decisions can be made on a timely and informed basis.

The Executive Chairman assessed the performance of the CFO against the above measurable objectives and awarded 33% for objective 1, 20% for objective 2 and 34 % for objective 3, being a total of 87% of the total achievable bonus.

Grant of options

The following options were issued during the year:

- 5,000,000 Unlisted Options to the Executive Chairman exercisable at A$0.20 on or before 30 May 2018 and subject to the following vesting conditions:
  (i) 1,666,668 vesting immediately;
  (ii) 1,666,666 vesting on 8 June 2016; and
  (iii) 1,666,666 vesting on 8 June 2017.
- 1,000,000 Unlisted Options to the CFO exercisable at A$0.20 on or before 31 March 2018 and subject to the following vesting conditions:
  (i) 333,334 vesting immediately;
  (ii) 333,333 vesting on 31 March 2016; and
  (iii) 333,333 vesting on 31 March 2017.

Relative proportions of fixed vs variable remuneration expense

The following table shows the relative proportions of remuneration that are linked to performance and those that are fixed, based on the amounts disclosed as statutory remuneration expense in the previous table:

Name	Fixed Remuneration 2015	Fixed Remuneration 2014	At Risk - STI 2015	At Risk - STI 2014	At Risk - LTI 2015	At Risk - LTI 2014
Directors						
Executive Chairman						
Mark Caruso	**68%**	100%	**16%**	n/a	**16%**	n/a
Non-Executive Directors						
Joseph Caruso	**100%**	100%	**0%**	n/a	**0%**	n/a
Peter Torre	**100%**	100%	**0%**	n/a	**0%**	n/a
Guy Walker	**100%**	100%	**0%**	n/a	**0%**	n/a
James Leahy	**100%**	100%	**0%**	n/a	**0%**	n/a
Ross Hastings	**100%**	n/a	**0%**	n/a	**0%**	n/a
Other Key Management Personnel						
Tony Sheard	**71%**	100%	**23%**	n/a	**6%**	n/a
Andrew Lashbrooke	**n/a**	100%	**n/a**	n/a	**n/a**	n/a

C. SERVICE AGREEMENTS

No formal service contract was signed with the Executive Chairman however, the following were the terms under which the Executive Chairman was employed throughout the year:

Mark Caruso

Commencement date
6 August 2012

Term
No fixed term

Total Remuneration package
A$600,000 per annum, effective from 12 September 2014, (inclusive of 9.5% superannuation) and cash bonus as set out above

Termination benefits
12 months' base salary plus any payment in lieu of notice

The Remuneration and Nomination Committee engaged the services of a remuneration consultant, Sherwood Love and Associates, to provide a recommendation in respect to Mr Mark Caruso's remuneration. Mr Caruso's remuneration was set based on the recommendation made by Sherwood Love and Associates.

The remuneration recommendations were free from undue influence as they were made to and directed by the Remuneration and Nomination Committee under the direction of the Chairman of that Committee. The Board is satisfied that the remuneration recommendation was made free from undue influence by the relevant member of the key management personnel as he did not have any input into the recommendations. The recommendations were made to the Remuneration and Nomination Committee and Sherwood Love and Associates only took instructions from the Committee.

The Company paid a fee of A$10,000 to Sherwood Love and Associates for their report on Mr Mark Caruso's remuneration.

Peter Torre

Commencement date
1 November 2012

Term
No fixed term

Total Remuneration package
A$150,000 per annum

Termination benefits
12 months' base salary plus any payment in lieu of notice

Tony Sheard

Commencement date
1 January 2015

Term
No fixed term

Total Remuneration package
A$275,000 per annum (inclusive of 9.5% superannuation) and cash bonus as set out above

Termination benefits
Nil unless constructive redundancy in which case 12 months' salary

There are no other service agreements.

D. SHARE BASED COMPENSATION

The following options were granted as remuneration during the year ended 31 December 2015 (2014: Nil):

Mark Caruso 5,000,000

Tony Sheard 1,000,000

The terms and conditions of each grant of options are as follows:

Grant Date	Expiry date	Exercise price	Fair Value at grant date	Options at the start of the year	Granted during the year	Exercised during the year	Forfeited during the year	Lapsed during the year	Balance at the end of the year	Vested at the end of the year
21 Dec 2012	31 Dec 2015	20 cents	3.35 cents	10,000,000	-	-	-	(10,000,000)	-	-
21 Dec 2012	31 Dec 2015	35 cents	2.23 cents	1,000,000	-	-	-	(1,000,000)	-	-
27 May 2015	30 May 2018	20 cents	4.90 cents	-	5,000,000	-	-	-	5,000,000	1,666,668
07 Sept 2015	31 Mar 2018	20 cents	5.40 cents	-	1,000,000	-	-	-	1,000,000	333,334
Total				**11,000,000**	**6,000,000**	**-**	**-**	**(11,000,000)**	**6,000,000**	**2,000,002**

The relevant interest of each Director and key management personnel in the share capital of the Company, shown in the Register of Directors' and Key Management Personnel Shareholding at the date of the Directors' Report is as follows:

		Balance as at 1 January 2015	Received as remuneration	Increase as a result of options exercised	Net change	Balance as at 31 December 2015
Mark Caruso	• Indirect	78,354,014	-	-	200,000	78,554,014
	• Direct	15,784	-	-	-	15,784
Joseph Caruso		77,007,485	-	-	-	77,007,485
Peter Torre		625,000	-	-	-	625,000
Guy Walker		125,000	-	-	-	125,000
Ross Hastings		-	-	-	-	-
James Leahy		-	-	-	-	-
Tony Sheard		100,000	-	-	50,000	150,000

Details of options over ordinary shares in the Company provided as remuneration to key management personnel are shown below:

	Balance as at 1 January 2015	Received as remuneration	Options exercised	Options lapsed	Balance as at 31 December 2015
Mark Caruso	1,000,000	5,000,000	-	(1,000,000)	5,000,000
Joseph Caruso	1,000,000	-	-	(1,000,000)	-
Peter Torre	1,000,000	-	-	(1,000,000)	-
Guy Walker	1,000,000	-	-	(1,000,000)	-
James Leahy	1,000,000	-	-	(1,000,000)	-
Ross Hastings	-	-	-	-	-
Tony Sheard	-	1,000,000	-	-	1,000,000
Total	**5,000,000**	**6,000,000**	**-**	**(5,000,000)**	**6,000,000**

E. OTHER TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL

Mine Site Construction Services ("MSCS"), a company associated with Mr Mark Caruso and Mr Joseph Caruso has provided the followings services to the Company during 2015:

Provision of office space.

The amount paid by the Company to MSCS for the year ended 31 December 2015 was $47,734. This is considered to be an arm's length commercial rent. There is no formal sub lease in place.

Provision of secretarial staff to the Executive Chairman.

The amount paid by the Company to MSCS for the year ended 31 December 2015 was $57,784. The amounts payable are pursuant to an Executive Service Agreement and have been reimbursed on an arm's length basis at normal commercial rates.

Provision of technical staff.

The amount paid by the Company to MSCS for the year ended 31 December 2015 was $299,422. The amounts payable have been in respect to the provision of technical staff at the Groups' head office and at the Tormin project and have been reimbursed on an arms-length basis at normal commercial rates.

As at 31 December 2015, amount payable to MSCS is $92,105.

As announced by the Company on 30 May 2014, the Company obtained an unsecured short term working capital facility of up to $4m from major shareholders. This included a A$2 million facility provided by Regional Management Pty Ltd ("RMS"), a related party of Mr Mark Caruso, the Executive Chairman of the Company.

Pursuant to the Loan Agreement entered into between the Company and RMS, the lender provided a finance facility capped at A$2 million on the following arm's-length and commercial terms:

- Loan is unsecured;
- Interest of 13% per annum;
- Line fee of 1% and establishment fee of 1%;
- Repayment to take in three equal tranches on 31 January 2015, 28 February 2015 and 31 March 2015; and
- Default interest of 10% if not repaid on the repayment date.

As announced by the Company on 23 February 2015, RMS agreed to extend the term of the loan it provided to 30 September 2015. As announced by the Company on 5 August 2015, RMS agreed to than repayment of 50% of the principal and to extend the term of the remaining balance of the loan to 30 September 2016 to provide the Company with flexibility with its funding arrangements for the GSP.

As at 31 December 2015, the balance (including interest payable) outstanding is $597,872. Interest paid amounted to $159,246 in 2015.

End of the audited remuneration report

INSURANCE OF OFFICERS

During the financial year, the Group has paid an insurance premium to insure the Directors and secretaries of the Company and its controlled entities. The annual premium paid was $49,703 representing $9,940 per Director. The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as directors or officers of entities in the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Group.

PROCEEDINGS ON BEHALF OF THE GROUP

No person has applied for leave of Court to bring proceedings on behalf of the Group or intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Company for all or any part of those proceedings.

NON-AUDIT SERVICES

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company and/or the Group are important.

Details of the amounts paid or payable to the auditor for audit and non-audit services provided during the year are set out below.

The Board of Directors has considered the position and, in accordance with advice received from the Audit, Compliance and Risk Committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The Directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed by the Audit, Compliance and Risk Committee to ensure they do not impact the impartiality and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants.

During the year, the following fees were paid or payable for services provided by BDO Audit (WA) Pty Ltd and BDO Tax (WA) Pty Ltd, its related practices and related firms:

	31 Dec 2015 $	31 Dec 2014 $
Audit services		
Audit and review of financial reports		
BDO Audit (WA) Pty Ltd	**60,790**	68,281
BDO Cape Town South Africa	**48,588**	32,871
	109,378	101,152
Non-audit services		
Taxation and company secretarial (South African entities)		
BDO Tax (WA) Pty Ltd	**80,366**	90,768
BDO Cape Town South Africa	**6,964**	5,555
	87,330	96,323

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 64 and forms part of this report.

Auditor

BDO Audit (WA) Pty Ltd continues in office in accordance with section 327 of the Corporations Act 2001.

This report has been made in accordance with a resolution of the directors.

Mark Caruso
Executive Chairman
Perth, Western Australia
29 February 2016

Financial statements

Consolidated income statement

For the year ended 31 December 2015

	Notes	31 Dec 2015 $	31 Dec 2014 $
Revenue from continuing operations			
Sale of product	3	**46,180,153**	33,270,806
Other revenue	3	**278,384**	1,689,143
		46,458,537	34,959,949
Other income	4	**-**	502
Expenses			
Mining and processing costs	4	**(30,546,945)**	(27,077,759)
Other expenses from ordinary activities			
Administration expenditure	4	**(2,411,730)**	(3,425,917)
Exploration and evaluation expenditure written off		**-**	(29,601)
Impairment charge		**(172,398)**	-
Finance costs	4	**(396,315)**	(477,927)
Profit before income tax		**12,931,149**	3,949,247
Income tax (expense) / benefit	5	**(2,354,364)**	4,427,097
Profit after income tax		**10,576,785**	8,376,344
Profit is attributable to:			
Owners of Mineral Commodities Ltd		**10,576,785**	8,376,344
Non-controlling interest		**-**	-
		10,576,785	8,376,344
		Cents	Cents
Earnings per share for profit from continuing operations attributable to the ordinary equity holders of the Company:			
Basic earnings per share	28	**2.61**	2.07
Diluted earnings per share	28	**2.57**	2.01

The above consolidated income statement should be read in conjunction with the accompanying notes.

Consolidated statement of comprehensive income

For the year ended 31 December 2015

	Notes	31 Dec 2015 $	31 Dec 2014 $
Profit for the year		**10,576,785**	8,376,344
Other comprehensive income			
Changes in the fair value of available-for-sale financial assets	18	**6,387**	-
Exchange differences on translation of foreign operations	18	**(10,240,709)**	(2,549,618)
Other comprehensive income for the year, net of tax		**342,463**	5,826,726
Total comprehensive income for the year		**342,463**	5,826,726
Total comprehensive income for the year is attributable to:			
Owners of Mineral Commodities Ltd		**342,463**	5,826,726
Non-controlling interest		**-**	-
		342,463	5,826,726

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated balance sheet

as at 31 December 2015

	Notes	31 Dec 2015 $	31 Dec 2014 $
ASSETS			
Current assets			
Cash and cash equivalents	6	**4,227,444**	4,216,052
Trade and other receivables	7	**2,348,737**	3,084,929
Inventories	8	**2,301,803**	6,123,021
Available-for-sale financial assets		**63,866**	64,228
Total Current Assets		**8,941,850**	13,488,230
Non-current assets			
Trade and other receivables	7	**4,650,398**	665,553
Property, plant and equipment	9	**11,302,408**	14,642,240
Mine development expenditure	10	**5,217,072**	5,003,743
Exploration expenditure	11	**5,323,062**	6,019,727
Mine properties	12	**2,372,287**	4,617,463
Deferred tax assets	13	**3,517,369**	4,036,956
Total Non-Current Assets		**32,382,596**	34,985,682
Total Assets		**41,324,446**	48,473,912
LIABILITIES			
Current liabilities			
Trade and other payables	14	**3,153,297**	5,683,843
Unearned revenue	15	**-**	4,130,000
Borrowings	16	**2,970,210**	7,235,413
Provisions	17	**252,938**	141,768
Total Current Liabilities		**6,376,445**	17,191,024
Non-current liabilities			
Provisions	17	**78,086**	77,167
Long term borrowings	16	**988,584**	-
Deferred tax liabilities	13	**2,204,851**	-
Total non-current Liabilities		**3,271,521**	77,167
Total Liabilities		**9,647,966**	17,268,191
NET ASSETS		**31,676,480**	31,205,721
Equity			
Contributed equity	18	**63,437,092**	63,437,092
Reserves	18	**(20,508,920)**	(10,402,894)
Accumulated losses	18	**(11,365,331)**	(21,942,116)
Parent entity interest		**31,562,841**	31,092,082
Non-controlling interest	18	**113,639**	113,639
Total equity		**31,676,480**	31,205,721

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

Consolidated statement of cash flows

For the year ended 31 December 2015

	Notes	31 Dec 2015 $	31 Dec 2014 $
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services tax)		**37,475,013**	36,177,065
Payments to suppliers and employees		**(28,336,874)**	(27,737,444)
Net cash inflow from operating activities	19	**9,138,139**	8,439,621
Cash flows from investing activities			
Exploration expenditure		**(845,318)**	(96,407)
Payments for property, plant and equipment		**(3,356,090)**	(1,863,340)
Payments for development expenditure		**(1,869,848)**	(3,198,386)
Payments for general fixed assets		**-**	(256,131)
Proceeds from sales of investments		**-**	17,647
Interest received		**8,113**	12,889
Net cash outflow from investing activities		**(6,063,143)**	(5,383,728)
Cash flows from financing activities			
Proceeds from the issue of shares and options (net of costs)		**-**	(3,235)
Proceeds from borrowings		**3,203,052**	2,907,010
Repayment of borrowings		**(5,139,048)**	(2,236,045)
Interest paid on borrowings		**(669,586)**	(944,926)
Net cash outflow from financing activities		**(2,605,582)**	(277,196)
Net increase in cash and cash equivalents		**469,414**	2,778,697
Cash and cash equivalents at beginning of financial year	6	**4,216,052**	1,503,316
Effects of exchange rate changes on cash and cash equivalents		**(458,022)**	(65,961)
Cash and cash equivalents at end of financial year	6	**4,227,444**	4,216,052

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

Consolidated statement of changes in equity

For the year ended 31 December 2015	Contributed equity $	Reserves $	Accumulated losses $	Totals $	Non-controlling interest $	Total equity $
At 1 January 2015	**63,437,092**	**(10,402,894)**	**(21,942,116)**	**31,092,082**	**113,639**	**31,205,721**
Profit for the year	-	-	10,576,785	**10,576,785**	-	**10,576,785**
Other comprehensive loss for the year	-	(10,234,322)	-	**(10,234,322)**	-	**(10,234,322)**
Total comprehensive income / (loss) for the year	-	(10,234,322)	10,576,785	**324,463**	-	**324,463**
Transaction with owners in their capacity as owners						
Contribution of equity net of transactions						
Issue of unlisted options	-	128,296	-	128,296	-	128,296
Balance at the end of the year	**63,437,092**	**(20,508,920)**	**(11,365,331)**	**31,562,841**	**113,639**	**31,676,480**

For the year ended 31 December 2014	Contributed equity $	Reserves $	Accumulated losses $	Totals $	Non-controlling interest $	Total equity $
At 1 January 2014	63,440,327	(7,853,276)	(30,318,460)	**25,268,591**	113,639	**25,382,230**
Profit for the year	-	-	8,376,344	**8,376,344**	-	**8,376,344**
Other comprehensive loss for the year	-	(2,549,618)	-	**(2,549,618)**	-	**(2,549,618)**
Total comprehensive income / (loss) for the year	-	(2,549,618)	8,376,344	**5,826,726**	-	**5,826,726**
Transaction with owners in their capacity as owners						
Contribution of equity net of transactions						
Issue of unlisted options	(3,235)	-	-	**(3,235)**	-	**(3,235)**
Balance at the end of the year	**63,437,092**	**(10,402,894)**	**(21,942,116)**	**31,092,082**	**113,639**	**31,205,721**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Notes to the consolidated financial statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements are for the consolidated entity consisting of Mineral Commodities Ltd (the "Company") and its subsidiaries (together are referred to hereafter as the "Group"). Mineral Commodities Ltd is an Australian domiciled public listed company.

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the Corporations Act 2001. Mineral Commodities Ltd is a for-profit entity for the purpose of preparing the financial statements.

(i) Compliance with IFRS

The consolidated financial statements of the Group also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- available-for-sale financial assets, financial assets and liabilities (including derivative instruments)
- certain classes of property, plant and equipment and investment property – measured at fair value
- assets held for sale – measured at fair value less cost of disposal, and

(iii) New and amended standards adopted by the Group

There were no new standards or amendments to standards, which required adoption for the first time for the annual reporting period commencing 1 January 2015.

(iv) New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2015 reporting periods and have not been early adopted by the Group. It has been determined by the Group that there is no impact, material or otherwise, of the above standards on its business and, therefore, no change is necessary to the Group accounting policies. Refer to note 1(x) for further details.

(b) Principles of consolidation

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated income statement, statement of comprehensive income, statement of changes in equity and balance sheet respectively.

As noted in note 21(ii), the Company, via its wholly owned subsidiary MRC Resources Proprietary Limited ("MRCR"), has a 50% interest in the issued capital in Mineral Sands Resources Proprietary Limited ("MSR"). Whilst the Group controls 50% of the share voting power, it has been determined that the Group effectively has 100% control due to its control over the relevant activities for accounting purposes, controls the management of MSR, and also controls the Board of MSR due to provisions set out in the Shareholders Agreement entered into between the shareholders of MSR.

Therefore these financial statements include 100% of the results of MSR. In addition to the holding of the issued capital, the Group also holds Class A and B preference shares in MSR which effectively provides for the repayment of the capital investment and deemed investment by the Company's Black Empowerment partner. Due to the terms attached to these A and B Preference Shares, they are categorised as an equity instrument. As the A preference shares and B preference shares would be redeemed out of distributable profits and net assets of MSR before all other ordinary shareholders, until such time as the net assets exceed the value of the unredeemed A and B preference shares, no value has been attributed to the non-controlling interest. Until that time, the non-controlling interest has no rights to the assets or results of the Company, and therefore has not been allocated any value in these financial statements.

(ii) Associates

Associates are entities over which the group has significant influence but not control or joint control. This is generally the case where the group holds between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting (see (iii) below), after initially being recognised at cost.

(iii) Equity method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates and joint ventures are recognised as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of the Company.

(c) Segment reporting

Operating segments are reported in a manner that is consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker has been identified as the directors that make strategic decisions.

(d) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in United States (USD) dollars, which is the Company's presentation currency.

- assets and liabilities for each balance sheet presented have been translated at the closing rate at the date of that statement of balance sheet;
- results for the cash flow statement were translated at average daily exchange rates from 1 January 2015 to 31 December 2015; and
- exchange differences on translating income, expenses and movements in equity and reserves at annual average exchange rates and assets and liabilities at closing exchange rates from functional currency to presentation currency are taken to the foreign currency translation reserve in the equity section and under other comprehensive income/(expense) in the statement of comprehensive income.

(ii) Transaction and balances

Foreign currency transactions are translated into functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

Foreign exchange gains and losses that relate to borrowings are presented in the income statement, within finance costs. All other foreign exchange gains and losses are presented in the income statement on a net basis within other income or other expenses.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as available-for-sale financial assets are recognised in other comprehensive income.

(ii) Group companies
The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each income statement and statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities, and of borrowings and other financial instruments designated as hedges of such investments, are recognised in other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

(e) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the entity and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

(i) Sale of goods
Revenue from the sale of goods is recognised when there is persuasive evidence indicating that there has been a transfer of risks and rewards to the customer, generally for the Group, this is based on free-on-board sales where transfer of risks and rewards passes at port of origin. Sales revenue comprises gross revenue earned from the provision of product to customers. Sales are initially recognised at estimates sales value when the product is delivered. Adjustments are made for variations in metals price, assay, weight and moisture content between the time of delivery and the time of final settlement of sales proceeds.

(ii) Stockpiled Revenue
Revenue from the stockpiling of goods is recognised when there is evidence that there has been a transfer of risks and rewards to the customer. This is based on a contractual obligation of the customer to take final delivery and make full and final payment for all amounts delivered to the stockpile.

(iii) Unearned revenue
Unearned revenue represents revenue that has been received by the Group for requested goods where the risks and rewards have not yet been transferred as the goods have not been substantially provided. Deferred revenue is recognised as revenue subsequent to this in accordance with the Group's revenue recognition policy.

(iv) Interest income
Interest and other income are recognised as it accrues on a time proportion basis using the effective interest method.

(f) Income tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

From 1 January 2014, the Company and its wholly-owned Australian controlled entities have formed an income tax consolidated group under the tax consolidation regime with Mineral Commodities Ltd as the head entity. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the "separate taxpayer within group" approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amount, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax consolidated group.

Assets or liabilities arising under the tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensure that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

(i) Investment allowances and similar tax incentives

Companies within the Group may be entitled to claim special tax deductions for investments in qualifying assets or in relation to qualifying expenditure (eg. the Research and Development Tax Incentive regime in Australia or other investment allowances). The Group accounts for such allowances as tax credits, which means that the allowance reduces income tax payable and current tax expense. A deferred tax asset is recognised for unclaimed tax credits that are carried forward as deferred tax assets.

(g) Leases

Leases of property, plant and equipment where the Group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Group will obtain ownership at the end of the lease term.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease.

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term. The respective leased assets are included in the balance sheet based on their nature.

(h) Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or Groups of assets (cash-generating units).

Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(i) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

(j) Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

(k) Inventories

Raw materials and stores, ore stockpiles and work in progress and finished stocks are physically measured or estimated and valued at the lower of cost and net realisable value. Net realisable value less costs to sell is assessed annually based on the amount estimated to be obtained from sale of the item of inventory in the normal course of business, less any anticipated costs to be incurred prior to its sale.

Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure and depreciation and amortisation relating to mining activities, the latter being allocated on the basis of normal operating capacity. Costs are assigned to individual items of inventory on the basis of weighted average costs. Weighted average cost includes direct costs and an appropriate portion of fixed and variable overhead expenditure, including depreciation and amortisation. As a result of mineral sands being co-products from the same mineral separation process, costs are allocated to inventory on the basis of the relative sales value of the finished goods produced. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Inventories of consumable supplies and spare parts expected to be used in production are valued at the lower of weighted average cost, which includes the cost of purchase as well as transportation and statutory charges, or net realisable value. Any provision for obsolescence is determined by reference to specific stock items identified.

During the exploration, development and production phases, where the cost of extracting the ore exceeds the likely recoverable amount, work in progress inventory is written down to net realisable value. A portion of the related depreciation, depletion and amortisation charge is included in the cost of inventory.

(l) Investments

(i) Interests in subsidiaries

Investments in subsidiaries are carried in the Company's financial report at cost less any impairment losses. Dividends and distributions are brought to account in profit when they are declared by the subsidiaries.

(ii) Investments in associates

Associates are all entities over which the consolidated entity has significant influence but not control, generally accompanying a shareholding of between 20%-50% of the voting rights. Investments in associates are accounted for in the parent entity financial statements using the cost method and in the consolidated financial statements using the equity method of accounting, after initially being recognised at cost. The Consolidated entity's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition.

The Group's share of its associates post acquisition profits or losses are recognised in profit for the year, and its share of post-acquisition movements in reserves is recognised directly in reserves. The cumulative post acquisition movements are adjusted against the carrying amount of the investment.

(m) Property, plant and equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

Items of plant and equipment are initially recorded at cost and include any expenditure that is directly attributable to acquisition of the items. Subsequent costs are included in the assets carrying amount or recognised as a separate asset as appropriate. All other repairs and maintenance are charged to the profit for the year in which they are incurred.

The assets residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date. An assets carrying amount is written down immediately to its recoverable amount if the assets carrying amount is greater than its estimated recoverable amount.

Depreciation of property, plant and equipment

Depreciation and amortisation is provided to expense the cost of property, plant and equipment, and mine properties and development, over its estimated useful life on a straight line or units of usage (activity) basis.

The basis of depreciation and amortisation of each asset is reviewed annually and changes to the basis of depreciation and amortisation are made if the straight line or units of production basis is no longer considered to represent the expected pattern of consumption of economic benefits.

The reserves and life of each mine and the remaining useful life of each class of asset are reassessed at regular intervals and the depreciation and amortisation rates adjusted accordingly on a prospective basis.

The estimated useful lives for the main categories of assets are as follows:

Fixed Asset Category	Estimated Useful Life
Mine properties and development	The shorter of applicable mine life or generally 10 years
Land	Not depreciated
Mine buildings	The shorter of applicable mine life or generally 10 years
Heavy earth moving vehicles	
Excavators and loaders working in significant salt exposed conditions	Generally 12,000 hours operation
All other heavy earth moving vehicles	Generally 18,000 hours operation
Light and other mobile vehicles	Generally 5 years
Mine specific machinery, plant and equipment	The shorter of applicable mine life or generally 10 years
Other machinery, plant and equipment	Generally 10 years
Computer hardware	Generally 4 years
Software acquisitions and development	Generally 3 years
Office leasehold fit-outs	Generally lease term, including extensions
Other office furniture and fittings	Generally 10 years

Note: For assets under a finance lease, if there is no reasonable certainty that the lessee will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term or its useful life.

Note: "Generally" implies that if a specific asset or class of assets useful life is reasonably able to be determined as less than that stipulated above, then the applicable lower estimated useful life is to be used.

Disposal of assets

The gain or loss on disposal of assets is calculated as the difference between the carrying amount of the asset at the time of disposal and the proceeds on disposal and is included in profit for the year of disposal.

(n) Exploration and development expenditure

(i) Exploration and evaluation expenditure

Exploration and evaluation expenditure incurred by or on behalf of the Group is accumulated separately for each area of interest. Such expenditure comprises direct costs and does not include general overheads or administrative expenditure not having a specific nexus with a particular area of interest.

Exploration expenditure for each area of interest is carried forward as an asset provided the rights to tenure of the area of interest are current and one of the following conditions is met:

- The exploration and evaluation expenditures are expected to be recouped through successful development and exploitation of the area of interest, or alternatively, by its sale; or
- Exploration and evaluation activities in the area of interest have not, at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interests is continuing.

Exploration expenditure is written off when it fails to meet at least one of the conditions outlined above or an area of interest is abandoned.

Exploration and evaluation assets are assessed for impairment when facts and circumstances suggest that the carrying amount of an exploration and evaluation asset may exceed its recoverable amount. When facts and circumstances suggest that the carrying amount exceeds the recoverable amount the impairment loss will be measured and disclosed in accordance with AASB 136 Impairment of Assets.

When a decision is made to develop an area of interest, all carried forward exploration expenditure in relation to the area of interest is transferred to development expenditure.

(ii) Mine Properties and development expenditure
Mine properties relates to capitalised restoration costs expected to be incurred.

Development expenditure represents the accumulated exploration, evaluation, land and development expenditure incurred by or on behalf of the Group in relation to areas of interest in which mining of a mineral resource has commenced.

When further development expenditure is incurred in respect of a mine property after commencement of production, such expenditure is carried forward as part of the development expenditure only when substantial future economic benefits are thereby established, otherwise such expenditure is classified as part of the cost of production.

In some circumstances, where conversion of resources into reserves is expected, some resources may be included. Development and land expenditure still to be incurred in relation to the current reserves are included in the amortisation calculation. Where the life of the assets are shorter than the mine life their costs are amortised based on the useful life of the assets.

The estimated recoverable reserves and life of the mine and the remaining useful life of each class of asset are reassessed at least annually. Where there is a change in the reserves/resources amortisation rates are correspondingly adjusted. Please refer to the table in note 1(m) above for basis of amortisation rates used.

(iii) Stripping costs in the production phase of a surface mine
Deferred stripping costs represent certain mining costs, principally those that relate to the stripping of waste, which provides access so that future economically recoverable ore can be mined. Stripping (i.e. overburden and other waste removal) costs incurred in the production phase of a surface mine are capitalised to the extent that they improve access to an identified component of the ore body and are subsequently amortised on a systematic basis over the expected useful life of the identified component of the ore body. Capitalised stripping costs are disclosed as a component of Mine Properties and Development.

Components of an ore body are determined with reference to life of mine plans and take account of factors such as the geographical separation of mining locations and/or the economic status of mine development decisions.

Capitalised stripping costs are initially measured at cost and represent an accumulation of costs directly incurred in performing the stripping activity that improves access to the identified component of the ore body, plus an allocation of directly attributable overhead costs.

The amount of stripping costs deferred is based on a relevant production measure which uses a ratio obtained by dividing the tonnage of waste mined by the quantity of ore mined for an identified component of the ore body. Stripping costs incurred in the period for an identified component of the ore body are deferred to the extent that the current period ratio exceeds the expected ratio for the life of the identified component of the ore body. Such deferred costs are then charged against the income statement on systematic units of production basis over the expected useful life of an identified component of the ore body. The expected life of mine and component ratio is based on proved and probable reserves of the mine as per the annual mine plan. These are a function of the mine design and therefore any changes to the design will generally result in changes to the ratio. Changes in other technical or economic parameters that impact on reserves may also have an impact on the component ratio even though they may not impact the mine design.

Changes to the life of mine plan, identified components of an ore body, stripping ratios, units of production and expected useful life are accounted for prospectively.

Deferred stripping costs form part of the total investment in a cash generating unit, which is reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable.

Due to the current nature of the operations no amount of stripping costs has been deferred, as there is no overburden or other production striping required. The full amount of mining cost has been recognised through inventory and costs of production as incurred.

(o) Trade and other payables

Trade and other payables are recognised originally at fair value and subsequently measured at amortised cost using the effective interest rate method. Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of each reporting period that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of goods and services. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date.

(p) Interest bearing loans and borrowings

All loans and borrowings are initially recognised at cost, being fair value of the consideration received net of issue costs associated with the borrowing.

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Amortised cost is calculated by taking into account any issue costs, and any discount or premium on settlement.

Gains and losses are recognised in the income statement when the liabilities are derecognised and as well as through the amortisation process.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting periods.

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed.

(q) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

(r) Employee Benefits

(i) Wages and salaries, annual leave, long service and sick leave

Provision is made for the Group's liability for employee entitlements arising from services rendered by employees to reporting date. These benefits include annual and long service leave. Sick leave is non-vesting and has not been provided for.

Employee entitlements expected to be settled within one year have been measured at the amounts expected to be paid when the liabilities are settled and are recognised in other payables.

The contributions made to defined contribution superannuation funds by entities within the consolidated entity are charged against profits when due.

(ii) Share-based payments

Equity-settled share-based compensation benefits are provided to certain senior employees.

Equity-settled transactions are awards of options over shares that are provided to employees in exchange for the rendering of services.

The cost of equity-settled transactions is measured at fair value at grant date. Fair value is independently determined using the Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option. No account is taken of any other vesting conditions.

The cost of equity-settled transactions is recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative change to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

(s) Contributed equity

Ordinary share capital is recognised at the fair value of the consideration received by the Company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

(t) Earnings / (loss) per share

(i) Basic earnings / (loss) per share

Basic earnings per share is determined by dividing the profit after income tax attributable to members of the Company by the weighted average number of ordinary shares outstanding during the financial year.

(ii) Diluted earnings / (loss) per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share by taking into account amounts unpaid on ordinary shares and any reduction in earnings per share would arise from the exercise of options outstanding at the end of the financial year.

(u) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and where receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables in the consolidated balance sheet. Cash flows are included in the statements of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(v) Financial Instruments

The Group classifies its financial instruments on initial recognition. The classification depends on the purpose for which the financial instrument was acquired.

(i) Recognition and de-recognition
Regular purchases and sales of financial assets are recognised on trade date; the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(ii) Fair value
Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value of all unlisted securities, including recent arm's length transactions, reference to similar instruments and other pricing models.

(iii) Loans and receivables
Loans and receivables are recognised initially at fair value and subsequently at amortised cost using the effective interest rate method. They are included within current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets.

(iv) Available-for-sale financial assets
Available-for-sale financial assets are recognised at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity until the instrument is sold at which time any balance in equity relating to the instrument is recycled to profit or loss as part of the profit or loss on sale.

(v) Financial Liabilities
Financial liabilities are recognised initially at fair value and subsequently at amortised cost, comprising original debt less principal payments and amortisation of transaction costs.

(vi) Impairment
At each reporting date, the group assess whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a significant or prolonged decline in the value of the instrument is considered to determine whether impairment has arisen. Impairment losses are recognised in profit or loss. Impairment losses recognised on equity instruments classified as available for sale are not reversed through the income statement.

(w) Parent entity information

The financial information for the parent entity, Mineral Commodities Ltd, disclosed in note 29 has been prepared on the same basis as the consolidated financial statements, unless stated otherwise.

(x) Critical accounting estimates and judgements

The Group makes significant estimates and judgements concerning the future. The resulting accounting estimates may not equal the related actual results. The estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Group.

Significant judgements and critical estimates in applying the entity's accounting policies

Estimation of useful lives of assets
The Group determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Exploration and development expenditure
Recoupment of the capitalised exploration and evaluation expenditure is dependent on the successful development and commercial exploitation of the Xolobeni Mineral Sands area of interest in South Africa. The capitalised expenditure in relation to the Xolobeni project is expected to be fully recoverable once the grant of the mining right has been affirmed by the Minister of Minerals and Energy in South Africa and the Company proceeds to further develop this project.

Reserves and Resources
In order to calculate ore reserves and mineral resources, estimates and assumptions are required about a range of geological, technical and economic factors, including quantities, grades, production techniques, recovery rates, production costs, transport costs, commodity demand, commodity prices and exchange rates.

The Group estimates its ore reserves and mineral resources based on information compiled by Competent Persons (as defined in accordance with the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves as revised in 2012 (the JORC code).

As economic assumptions used to estimate reserves change and as additional geological data is generated during the course of operations, estimates of reserves and mineral resources may vary from period to period. Changes in reported reserves and mineral resources may affect the Group's financial results and financial position in a number of ways, including the following:

- Asset carrying values may be affected due to changes in estimated future cash flows;
- Depreciation and amortisation charges in profit or loss may change where such charges are determined by the units of production basis, or where the useful economic lives of assets change; and
- Restoration and rehabilitation provision may be affected due to changes in the magnitude of future restoration and rehabilitation expenditure.

Recovery of deferred tax assets
Deferred tax assets are recognised for deductible temporary differences only if the Group considers it is probable that future taxable amounts will be available to utilise those temporary differences and losses. As a result of this review, at balance date, it was determined that losses of $Nil (2014: $4,427,097) at 30% have been bought to account as it is now probable that they will be recovered.

Rehabilitation provision
A provision has been made for the present value of anticipated costs for future rehabilitation of land explored or mined. The Group's mining and exploration activities are subject to various laws and regulations governing the protection of the environment. The Group recognises management's best estimate for assets retirement obligations and site rehabilitations in the period in which they are incurred. Actual costs incurred in the future periods could differ materially from the estimates. Additionally, future changes to environmental laws and regulations, life of mine estimates and discount rates could affect the carrying amount of this provision.

(y) Accounting standards not yet effective

Reference	Title	Nature of Change	Application date of standard	Impact on entity financial statements	Application date for entity
AASB 9 (issued December 2014)	Financial Instruments	Amends the requirements for classification and measurement of financial assets. The available-for-sale and held-to-maturity categories of financial assets in AASB 139 have been eliminated. Under AASB 9, there are three categories of financial assets: • Amortised cost • Fair value through profit or loss • Fair value through other comprehensive income. AASB 9 requires that gains or losses on financial liabilities measured at fair value are recognised in profit or loss, except that the effects of changes in the liability's credit risk are recognised in other comprehensive income.	Annual reporting periods beginning on or after 1 January 2018	Adoption of AASB 9 is only mandatory for the year ending 31 December 2018. The entity has not yet made an assessment of the impact of these amendments. The entity has financial assets classified as available-for-sale. When AASB 9 is first adopted, the entity will reclassify these into the fair value through profit or loss category. On 1 January 2018, the cumulative fair value changes in the available-for-sale reserve will be reclassified into retained earnings and subsequent fair value changes will be recognised in profit or loss. The change is applied retrospectively, however comparatives need not be retrospectively restated. Instead, the cumulative effect of applying the change for the first time will be recognised as an adjustment to the opening balance of retained earnings on 1 January 2018.	1 January 2018

Reference	Title	Nature of Change	Application date of standard	Impact on entity financial statements	Application date for entity
		Impairment The new impairment model in AASB 9 is now based on an 'expected loss' model rather than an 'incurred loss' model. A complex three stage model applies to debt instruments at amortised cost or at fair value through other comprehensive income for recognising impairment losses. A simplified impairment model applies to trade receivables and lease receivables with maturities that are less than 12 months. For trade receivables and lease receivables with maturity longer than 12 months, entities have a choice of applying the complex three stage model or the simplified model.		The entity has both long term and short term trade receivables. When this standard is adopted, the entity's loss allowance on trade receivable will increase. The change is applied retrospectively, however comparatives need not be retrospectively restated. Instead, the cumulative effect of applying the change for the first time is recognised as an adjustment to the opening balance of retained earnings on 1 January 2018.	
AASB15 IFRS 15 (issued June 2014)	Revenue from contracts with customers	An entity will recognise revenue to depict the transfer of promised good or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. This means that revenue will be recognised when control of goods or services is transferred, rather than on transfer of risks and rewards as is currently the case under IAS 18 Revenue.	Annual reporting periods beginning on or after 1 January 2018.	The entity operates in the mining industry and recognises revenue for sale of mineral sands per note 1(e)(i). When this standard is first adopted, revenue for sale of mineral sands will instead be recognised when control of goods is transferred. The entity has not yet made an assessment of the impact of these amendments. Comparatives will need to be retrospectively restated, either back to 1 January 2017 if the full retrospective transitional requirements are applied, or to 1 January 2018 if the modified retrospective transitional requirements are applied. Modified retrospective restatement requires that the cumulative effect of applying AASB 15 for the first time be recognised as an adjustment to the opening balance of retained earnings on 1 January 2018.	1 January 2017

No other standards, interpretations or amendments which have been issued are expected to have an impact on the Group.

2. SEGMENT INFORMATION

(i) Description of segments

Operating segments are reported in a manner that is consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker has been identified as the board of directors which makes strategic decisions.

There is no goodwill attaching to any of the segments. There has been no impact on the measurement of the assets and liabilities reported for each segment.

The chief operating decision maker has identified three reportable segments to its business, being:

1. Mineral Sands mining and production (Tormin Mineral Sands project) – South Africa;
2. Mineral Sands exploration (Xolobeni Mineral Sands project) – South Africa; and
3. Corporate (management and administration of the Company's projects) – Australia and South Africa.

(ii) Segment results

The segment information provided to the chief operating decision maker for the reportable segments for the year ended 31 December 2015 is as follows:

2015	Tormin project $	Xolobeni project $	Corporate $	Consolidation eliminations $	Total $
Total segment revenue	45,773,169	1	46,219,946	-	**91,993,116**
Inter-segment revenue	(45,534,579)	-	-	-	**(45,534,579)**
Revenue from external customers	**238,590**	**1**	**46,219,946**	**-**	**46,458,537**
Adjusted EBITDA	**14,487,488**	**(6,147)**	**(2,981,878)**	**6,390,035**	**17,889,498**
Depreciation and amortisation	4,178,968	-	53,960	-	**4,232,928**
Total segment assets	**14,424,727**	**4,242,685**	**62,878,801**	**(40,221,767)**	**41,324,446**
Total segment liabilities	**6,932,933**	**4,154,609**	**37,552,832**	**(38,992,408)**	**9,647,966**

2014	Tormin project $	Xolobeni project $	Corporate $	Consolidation eliminations $	Total $
Total segment revenue	35,218,170	-	8,097,593	-	**43,315,763**
Inter-segment revenue	(8,355,814)	-	-	-	**(8,355,814)**
Revenue from external customers	**26,862,356**	-	**8,097,593**	**-**	**34,959,949**
Adjusted EBITDA	**4,752,419**	-	**411,773**	**3,030,088**	**8,194,280**
Depreciation and amortisation	3,229,243	-	41,494	-	**3,270,737**
Total segment assets	**33,779,540**	**4,635,884**	**6,949,476**	**3,109,012**	**48,473,912**
Total segment liabilities	**8,323,403**	**-**	**9,503,494**	**(558,706)**	**17,268,191**

Adjusted EBITDA reconciles to operating profit before income tax as follows:

	31 Dec 2015 $	31 Dec 2014 $
Adjusted EBITDA	**17,889,498**	8,194,280
Interest expense	**(725,421)**	(974,296)
Depreciation and amortisation	**(4,232,928)**	(3,270,737)
Operating profit before income tax	**12,931,149**	3,949,247

3. REVENUE

From continuing operations		
Sales revenue		
Sale of product	**46,180,153**	33,270,806
Other revenue		
Revenue from sub-leasing access road	**-**	1,592,893
Interest income	**18,759**	12,889
Other	**259,625**	83,361
	278,384	1,689,143

4. OTHER INCOME AND EXPENSE ITEMS

This note provides a breakdown of the items included in 'other income' and an analysis of expenses by nature.

(i) Other income

Other	-	502
	-	502

(ii) Mining and processing costs

Mining and processing costs include the following material expenditure items:

Transport of product	**4,743,839**	8,066,438
Fuel	**3,499,106**	4,559,406
Wages and salaries	**5,558,319**	3,786,958
Repairs and maintenance	**3,637,970**	1,071,589
Depreciation and amortisation – mining and processing assets	**4,178,968**	3,229,243

(iii) Administration expenses

Administration expenses include the following material expenditure items:

Directors and key management personnel remuneration	**2,939,786**	1,001,213
Operating lease rentals	**68,073**	75,393
Depreciation – corporate assets	**53,960**	41,494

(iv) Finance costs

Interest expense on borrowings	**319,529**	397,751
Borrowing facility fee	**76,785**	77,978
Bank interest paid	**-**	2,198
	396,315	477,927

5. INCOME TAX EXPENSE / (BENEFIT)

This note provides an analysis of the group's income tax benefit, shows what amounts are recognised directly in equity and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the Group's tax position.

	31 Dec 2015 $	31 Dec 2014 $
The components of income tax expense / (benefit) comprise:		
Current tax	**-**	-
Deferred tax	**2,385,999**	(4,427,097)
Adjustments for current tax of prior periods	**(31,635)**	-
	2,354,364	(4,427,097)
Income tax expense / (benefit) is attributable to:		
Profit from continuing operations	**2,354,364**	(4,427,097)
Aggregate income tax benefit	**2,354,364**	(4,427,097)
Deferred income tax benefit included in income tax expense / (benefit) comprises:		
Decrease / (increase) in deferred tax assets	**1,492,770**	(4,815,548)
(Decrease) / increase in deferred tax liabilities	**(128,263)**	388,451
	1,364,507	(4,427,097)
Numerical reconciliation of income tax expense / (benefit) to prima facia tax expense / (benefit)		
Profit from continuing operations before income tax expense / (benefit)	**12,931,149**	3,949,247
Prima facia tax payable on profit from ordinary activities before at a rate of 30% (2014: 30%)	**3,879,345**	1,184,775
Foreign tax rate differential	**(53,892)**	(65,760)
Tax at consolidated amount	**3,825,453**	1,119,015
Tax effect of:		
Entertainment	**1,886**	1,527
Intercompany loan interest reversed	**-**	523,462
Capital losses realised	**-**	516,430
Capital losses utilised on sale of shares	**-**	(150)
Projects discontinued	**-**	8,800
Transfer pricing tax adjustment	**-**	32,786
Legal fees	**182,628**	(863,646)
Donations	**943**	1,662
Amortisation of exploration and evaluation asset	**97,448**	112,094
Consulting	**726**	98,775
Assets written off	**27,572**	28,969
Share based payment	**39,676**	-
Other non-assessable income	**(1,790,333)**	(6)
Net deferred tax assets not brought to account	-	(6,006,815)
Adjustment for current tax of prior period	(31,635)	-
Income tax expense / (benefit)	2,354,364	(4,427,097)

	31 Dec 2015 $	31 Dec 2014 $
Amounts recognised directly in equity		
Aggregate current and deferred tax arising in the reporting period and not recognised in net profit or loss or other comprehensive income but directly debited or credited to equity:		
Current tax – credited directly to equity	-	-
Net deferred tax – debited (credited) to equity	-	-
	-	-

Total estimated revenue tax losses of A$Nil and ZAR54,376,151 (2014: A$4,849,434 and ZAR54,297,645) have not been brought to account at year end as their ultimate recoverability has not yet been assessed as probable. These losses are also subject to final verification in the relevant jurisdictions.

Mineral Commodities Ltd (the 'head entity') and its wholly-owned Australian subsidiaries have formed an income tax consolidated group under the tax consolidation regime effective from 1 January 2014. The head entity and each subsidiary in the tax consolidated group continue to account for their own current and deferred tax amounts. The tax consolidated group has applied the 'separate taxpayer within group' approach in determining the appropriate amount of taxes to allocate to members of the tax consolidated group.

In addition to its own current and deferred tax amounts, the head entity also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from each subsidiary in the tax consolidated group.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable from or payable to other entities in the tax consolidated group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax consolidated group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

6. CASH AND CASH EQUIVALENTS

Cash assets		
Cash at bank and in hand	**4,227,444**	**4,216,052**

(i) Interest rate risk exposure
The Group's exposure to interest rate risk is discussed in note 20(a)(ii).

(ii) Reconciliation to cash flow statement
The above figures reconcile to the amount of cash shown in the statement of cash flows at the end of the financial year.

7. TRADE AND OTHER RECEIVABLES

Current		
Trade receivables	**1,842,030**	1,236,441
Less: Provision for impairment of receivables	**(172,398)**	-
	1,669,632	1,236,441
Other receivables (i)	**654,389**	1,671,499
Prepayments	**24,716**	176,989
	2,348,737	3,084,929
Non-current		
Trade receivables (ii)	**3,937,487**	-
Security deposits (iii)	**182,088**	235,053
Advance to Blue Bantry (iv)	**530,823**	430,500
	4,650,398	665,553

(i) Includes $223,507 (2014: $1,031,088) of VAT refundable from the South African Revenue Service.
(ii) The amount has been recorded at amortised cost as payment is expected when shipment occurs from April 2017.
(iii) Includes a secured deposit of $182,088 (2014: $230,748) with First Rand bank held as security for a performance guarantee issued by the Bank in favour of the South African Department of Minerals and Energy in respect of Mineral Sands Resources (Pty) Ltd obligations under the Tormin Mining right.
(iv) An amount of ZAR 8.25 million (2014: ZAR 5 million) has been advanced to the BEE partner, Blue Bantry. Refer to note 23(d) for details.

Impairment of receivables

The Group has recognised a loss of $172,398 (2014: $Nil) in profit or loss in respect of impairment of receivables for the year ended 31 December 2015.

Fair values and credit risk

Except for the non-current trade receivables, due to the short term nature of these receivables the carrying values represent their respective fair values as at 31 December 2015 and 2014. The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivables mentioned above. The non-current receivables have a fair value of $3,937,487 as at 31 December 2015, compared to a carrying amount of $4,200,000 (2014: fair value of $Nil and carrying amount of $Nil).

The fair values were calculated based on cash flows discounted using a current lending rate. Refer to note 20 for more information on the risk management policy of the Group and the credit quality of the entity's receivables.

Foreign exchange and interest rate risk

Information about the Group's exposure to foreign exchange and interest rate risk in relation to trade and other receivables is provided in note 20.

8. INVENTORIES

	31 Dec 2015 $	31 Dec 2014 $
Raw materials at cost	**84,121**	162,186
Finished product at cost	**857,157**	5,660,311
Spare parts and consumables at cost	**1,360,525**	300,524
	2,301,803	6,123,021

The costs of individual items of inventory are determined using weighted average cost.

9. PROPERTY, PLANT AND EQUIPMENT

	Freehold land and buildings $	Furniture, fittings and equipment $	Plant and machinery $	Mine vehicles $	Decom-missioning asset $	Capex work in progress $	Total $
Year ended 31 December 2015							
Cost at fair value							
As at 1 January 2015	22,567	381,829	15,892,012	10,412	72,133	-	**16,378,953**
Additions	-	111,536	2,271,263	41,698	-	1,887,976	**4,312,473**
Re-classifications	-	-	(109,412)	-	-	-	**(109,412)**
Exchange differences	(6,054)	(65,228)	(4,554,465)	14,356	(19,349)	(323,391)	**(4,954,131)**
As at 31 December 2015	16,513	428,137	13,499,398	66,466	52,784	1,564,585	**15,627,883**
Accumulated depreciation and amortisation							
As at 1 January 2015	(795)	(183,468)	(1,536,079)	(8,807)	(7,564)	-	**(1,736,713)**
Depreciation and amortisation	-	(127,153)	(2,943,844)	(11,420)	(6,424)	-	**(3,088,841)**
Disposal	-	-	10,941	-	-	-	**10,941**
Re-classifications	-	(1,858)	(716,948)	-	-	-	**(718,806)**
Exchange differences	240	72,949	1,132,384	(1,060)	3,431	-	**1,207,944**
As at 31 December 2015	(555)	(239,530)	(4,053,546)	(21,287)	(10,557)	-	**(4,325,475)**
Net book amount							
Cost at fair value	16,513	428,137	13,499,398	66,467	52,784	1,564,585	**15,627,883**
Accumulated depreciation and amortisation	(555)	(239,530)	(4,053,546)	(21,287)	(10,557)-		(4,325,475)
Net book amount	15,958	188,607	9,445,852	45,180	42,227	1,564,585	**11,302,408**
Year ended 31 December 2014							
Cost at fair value							
As at 1 January 2014	-	144,248	5,121,331	-	-	-	**5,265,579**
Additions	23,663	256,131	1,828,759	10,918	75,637	-	**2,195,108**
Re-classifications	-	-	9,713,992	-	-	-	**9,713,992**
Exchange differences	(1,096)	(18,550)	(772,070)	(506)	(3,504)	-	**(795,726)**
As at 31 December 2014	22,567	381,829	15,892,012	10,412	72,133	-	**16,378,953**
Accumulated depreciation and amortisation							
As at 1 January 2014	-	(107,427)	(127,448)	-	-	-	**(234,875)**
Depreciation and amortisation	(795)	(76,041)	(1,408,631)	(8,807)	(7,564)	-	**(1,501,838)**
As at 31 December 2014	(795)	(183,468)	(1,536,079)	(8,807)	(7,564)	-	**(1,736,713)**
Net book amount							
Cost at fair value	22,567	381,829	15,892,012	10,412	72,133	-	**16,378,953**
Accumulated depreciation and amortisation	(795)	(183,468)	(1,536,079)	(8,807)	(7,564)	-	(1,736,713)
Net book amount	21,772	198,361	14,355,933	1,605	64,569	-	**14,642,240**

Leased assets

The carrying amounts above include $3,134,220 (2014: $3,912,664) where the Group is a lessee under a finance lease.

Details of amounts due under equipment acquisition agreements are detailed under borrowings. Refer to note 16.

10. MINE DEVELOPMENT EXPENDITURE

		31 Dec 2015 $	31 Dec 2014 $
As at 1 January		**5,003,743**	13,606,814
Expenditure during the year		**918,578**	3,198,386
Re-classification: transfer from/ (to) property, plant and equipment	9	**718,806**	(9,713,992)
Re-classification: transfer from mine properties	12	**947,134**	-
Amortisation expense		**(785,962)**	(1,298,411)
Exchange differences		**(1,585,227)**	(789,054)
		5,217,072	5,003,743

11. EXPLORATION EXPENDITURE

As at 1 January		**6,019,727**	11,008,541
Expenditure during the year		**876,641**	96,407
Write off discontinued projects		**-**	(51,297)
Re-classification: transfer to mine properties	11	**-**	(4,299,929)
Exchange differences		**(1,573,306)**	(733,995)
As at 31 December		**5,323,062**	6,019,727

12. MINE PROPERTIES

As at 1 January		**4,617,463**	-
Expenditure during the year		**-**	1,115,159
Re-classification: transfer to mine development expenditure	10	**(947,134)**	-
Re-classification: transfer from exploration expenditure	11	**-**	4,299,929
Amortisation expense		**(365,246)**	(470,487)
Exchange differences		**(932,796)**	(327,138)
As at 31 December		**2,372,287**	4,617,463

13. DEFERRED TAX ASSETS / LIABILITIES

Recognised deferred tax assets

Tax losses	**1,842,733**	3,158,290
Provisions/accrued expenditure	**142,773**	58,082
Business related expenditure and borrowing costs	**75,412**	235,828
Unrealised foreign exchange loss	**1,646,220**	440,212
Property, plant and equipment	**-**	495,631
	3,707,138	4,388,043
Set-off against deferred tax liabilities	**(189,769)**	(351,087)
	3,517,369	4,036,956

2015	Tax losses $	Provisions/ accrued expenditure $	Business related expenditure and borrowing costs $	Unrealised foreign exchange losses $	Property, plant and equipment $	Total $
At 1 January 2015	3,158,290	58,082	235,828	440,212	495,631	**4,388,043**
(charged) / credited						
- to profit or loss	(1,315,557)	84,691	(160,416)	1,206,008	(495,631)	**(680,905)**
- to other comprehensive income	-	-	-	-	-	**-**
At 31 December 2015	1,842,733	142,773	75,412	1,646,220	-	**3,707,138**

2014	Tax losses $	Provisions/ accrued expenditure $	Business related expenditure and borrowing costs $	Unrealised foreign exchange losses $	Property, plant and equipment $	Total $
At 1 January 2014	-	-	-	-	-	**-**
(charged) / credited						
- to profit or loss	3,158,290	58,082	235,828	-	495,631	**3,947,831**
- to other comprehensive income	-	-	-	440,212	-	**440,212**
At 31 December 2014	3,158,290	58,082	235,828	440,212	495,631	**4,388,043**

Recognised deferred tax liabilities

	31 Dec 2015 $	31 Dec 2014 $
Unrealised foreign exchange gain	**1,761,557**	-
Property, plant and equipment	**443,295**	-
Prepayments	**2,462**	4,572
Interest receivable	**187,306**	346,515
	2,394,620	351,087
Set-off against deferred tax assets	**(189,769)**	(351,087)
	2,204,851	-

2015	Unrealised foreign exchange gain $	Property, plant and equipment $	Prepayments $	Interest receivable $	Total $
At 1 January 2015	**-**	**-**	**4,572**	**346,515**	**351,087**
(charged) / credited					
- to profit or loss	**1,761,557**	**443,295**	**(2,110)**	**(159,209)**	**2,043,533**
- to other comprehensive income			**-**	**-**	**-**
At 31 December 2015	**1,761,557**	**443,295**	**2,462**	**187,306**	**2,394,620**

2014	Unrealised foreign exchange gain $	Property, plant and equipment $	Prepayments $	Interest receivable $	Total $
At 1 January 2014	-	-	-	-	-
(charged) / credited					
- to profit or loss	-	-	4,572	346,515	**351,087**
- to other comprehensive income	-	-	-	-	**-**
At 31 December 2014	-	-	4,572	346,515	**351,087**

Mineral Commodities Ltd and its wholly owned Australian subsidiaries have applied the tax consolidation legislation which means these entities are taxed as a single entity. As a consequence, the deferred tax assets and deferred tax liabilities of these entities has been offset in the consolidated financial statements.

14. TRADE AND OTHER PAYABLES

	31 Dec 2015 $	31 Dec 2014 $
Trade payables	**2,310,593**	4,013,390
Other payables and accruals	**842,704**	1,670,453
	3,153,297	5,683,843

(i) Fair values and credit risk
Due to the short term nature of these payables the carrying values represent their respective fair values as at 31 December 2015 and 2014.

(ii) Foreign exchange and interest rate risk
Information about the Group's exposure to foreign exchange and interest rate risk in relation to trade and other payables is provided in note 20.

15. UNEARNED REVENUE

Unearned revenue from product sales	-	4,130,000

16. BORROWINGS

	31 Dec 2015 $	31 Dec 2014 $
Current		
Short term borrowings – unsecured (1)	**1,263,416**	3,291,363
Amounts due under equipment acquisition agreements (2),(3)	**1,706,794**	3,944,050
	2,970,210	7,235,413
Non-current		
Amounts due under equipment acquisition agreements (2),(3)	**988,584**	-

(1) Short term borrowings included a pre finance and marketing agreement facility of USD2.0 million which was drawn down in September 2013. This facility was repayable over a twelve month period in quarterly instalments commencing three months after production has commenced. As at 31 December 2015, the outstanding balance on this facility was Nil. The short term borrowings at 31 December 2015 was in relation to shareholder loans (note 25(vi)). Repayment of the outstanding balance of these loans has been extended to 30 September 2016.

(2) The Group entered into Master Rental Agreements to acquire mobile mining equipment and generators. Under the terms of these agreements, there is an option to purchase with the Group intends to exercise for the mobile mining equipment.

(3) The Group entered into Instalment Sale Agreements to acquire mobile mining equipment. Under the terms of these agreement, the Group will become the owner of the mobile mining equipment on final payment under the agreements.

17. PROVISIONS

Current		
Annual leave provision	**252,938**	141,768
Non-current		
Environmental rehabilitation provision (1)	**63,000**	77,167
Long service leave provision	**15,086**	-
	78,086	-

(1) The provision has been raised to ensure that adequate provision has been made for the environmental rehabilitation and decommissioning obligation of the Tormin mine.

18. EQUITY

(a) Contributed equity

(i) Share capital

	2015 Number of shares	2014 Number of shares	2015 $	2014 $
Ordinary shares				
Fully paid	**404,941,581**	404,941,581*	**63,437,092**	63,437,092

**The comparative figure has been amended to align with the total number of shares recorded on the Share Register.*

(ii) Movements in ordinary share capital

Details	**Number of shares**	**$**
At 1 January 2015	404,941,581	63,437,092
Conversion of listed options	-	-
Placement of ordinary shares	-	-
Proceeds from rights issue	-	-
Share issue costs	-	-
At 31 December 2015	404,941,581	63,437,092
Transaction costs arising on share issue	-	-
At 31 December 2015	404,941,581	63,437,092

(iii) Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of and amounts paid on the shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

(iv) Capital risk management

The Group's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns to shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may issue new shares or sell assets in order to maintain sufficient funds necessary to continue its operations.

(b) Reserves

The following table shows a breakdown of the balance sheet line item 'other reserves' and the movements in these reserves during the year. A description of the nature and purpose of each reserve is provided below the table.

	General reserve $	**Financial asset revaluation reserve $**	**Foreign currency translation reserve $**	**Listed option reserve $**	**Total $**
At 1 January 2014	1,363,393	(232,908)	(9,300,809)	317,048	**(7,853,276)**
Exchange differences on translation of foreign operations	-	-	(2,549,618)	-	**(2,549,618)**
At 1 January 2015	1,363,393	(232,908)	(11,850,427)	317,048	**(10,402,894)**
Issue of unlisted options	-	-	-	128,296	**128,296**
Exchange differences on translation of foreign operations	-	-	(10,240,709)	-	**(10,240,709)**
Change in fair value of available-for-sale financial assets	-	6,387	-	-	**6,387**
At 31 December 2015	1,363,393	(226,521)	(22,091,136)	445,344	**(20,508,920)**

Nature and purpose of reserves

General reserve

The General reserve arose from the issue of shares in MRC Resources Proprietary Limited to an entity outside the economic entity.

Financial asset revaluation reserve

The financial asset revaluation reserve arises from the revaluation at reporting date of available-for-sale financial assets.

Foreign currency translation reserve

The foreign currency translation reserve records the unrealised foreign currency differences arising from the translation of operations into the presentation currency of the Group.

Listed options reserve

Records the amounts received in a prior year together with the amounts amortised for employee options in the current year from the issue of listed options.

(c) Accumulated losses

	31 Dec 2015 $	31 Dec 2014 $
At 1 January	**(21,942,116)**	(30,318,460)
Profit for the year	**10,576,785**	8,376,344
At 31 December	**(11,365,331)**	(21,942,116)

(d) Non-controlling interest

At 1 January	**113,639**	113,639
Movement for the year	**-**	-
At 31 December	**113,639**	113,639

19. CASH FLOW INFORMATION

(a) Reconciliation of profit after income tax to cash flow from operating activities

	31 Dec 2015 $	31 Dec 2014 $
Profit for the year	**10,575,064**	8,376,344
Depreciation and amortisation	**4,232,928**	3,270,737
Proceeds from the sale of available-for-sale investments	**-**	(502)
Interest income	**(8,113)**	(12,889)
Assets written off	**98,471**	-
Impairment loss	**172,398**	7,896
Finance costs	**668,002**	477,927
Share based payments	**132,252**	-
Net exchange differences	**(6,464,912)**	(1,206,251)
Change in operating assets and liabilities:		
Decrease / (increase) in trade debtors	**2,866,394**	(5,842,132)
Decrease / (increase) in inventories	**2,773,023**	(5,351,261)
(Decrease) / increase in trade payables and unearned revenue	**(6,082,914)**	8,500,817
Increase in provisions	**175,546**	218,935
	9,138,139	8,439,621

(i) Non-cash investing and financing activities

During the period the Group entered into Instalment Sale Agreements to acquire mobile mining equipment. Under the terms of these agreements the Group will become the owner of the mobile mining equipment on final payment under the agreement. Refer to note 16 for further details.

The Group has available and unutilised, as at 31 December 2015, a United States denominated Foreign Currency Overdraft Facility of $0.5 million.

20. FINANCIAL RISK MANAGEMENT

This note explains the Group's exposure to financial risks and how these risks could affect the Group's future financial performance. Current year profit or loss information has been included where relevant to add further context.

The Group's activities expose it to a variety of financial risks, as detailed in the below table:

Risk	Exposure arising from	Measurement	Management
Market risk – foreign exchange risk	Future commercial transactions Recognised financial assets and liabilities not denominated in USD	Cash flow forecasting Sensitivity analysis	Monitoring the prevailing exchange rates and entering into forward foreign exchange contracts, if deemed necessary by the Board of Directors
Market risk – interest rate risk	The Company's borrowings are at fixed interest rates, therefore, it is not exposed to changes in variable interest rates	N/A	N/A
Market risk – price risk	Investments in equity securities	Sensitivity analysis	Portfolio diversification
Market risk – commodity price risk	Sale of products	Cash flow forecasting Sensitivity analysis	Monitoring the prevailing commodity prices and entering into longer term fixed price sales contracts, if deemed necessary by the Board of Directors
Credit risk	Cash and cash equivalents and trade and other receivables	Aging analysis Credit ratings	Credit limits, retention of title over product sold and letters of credit
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities

The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. Risk management is carried out by the Board of Directors with assistance from the Audit, Risk and Compliance Committee.

The Group does not hold any derivative financial instruments.

(a) Market risk

(i) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures.

As detailed in note 1(d)(i), items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in United States dollars, which is the Company's presentation currency.

The Group's exposure to foreign currency risk at the end of the reporting period, expressed in United States Dollars, was as follows:

	31 December 2015		31 December 2014	
	A$	**GBP**	**A$**	**GBP**
Borrowings	**597,872**	**665,544**	1,396,819	1,336,192

Sensitivity

	Impact on post tax profits		Impact on other components of equity	
	2015 $	**2014 $**	**2015 $**	**2014 $**
USD/AUD exchange rate – increase 10%	**59,787**	139,681	-	-
USD/AUD exchange rate – decrease 10%	**(59,787)**	(139,681)	-	-
USD/GBP exchange rate – increase 10%	**66,554**	133,619	-	-
USD/GBP exchange rate – decrease 10%	**(66,554)**	(133,619)	-	-

The Group does not hold any derivatives or foreign exchange contracts to hedge its foreign exchange risk exposure.

Based on the financial instruments held at the reporting date, the sensitivity of the Group's profits after tax for the year and equity at the reporting date to movements in the United States Dollar to South African Rand (ZAR) was:

Sensitivity

	Impact on post tax profits		Impact on other components of equity	
	2015 $	**2014 $**	**2015 $**	**2014 $**
USD/ZAR exchange rate – increase 10%	**769,511**	733,107	-	-
USD/ZAR exchange rate – decrease 10%	**(769,511)**	(733,107)	-	-

(ii) Interest rate risk

The Group's exposure to interest rate risk relates primarily to the Group's floating interest rate cash balance which is subject to movements in interest rates. The Board monitors its cash balance on an ongoing basis and liaises with its financiers regularly to mitigate cash flow interest rate risk. Interest is charged on the loans from the parent company to the South African subsidiaries at rates permitted by the South African Reserve Bank. This interest is eliminated on consolidation.

(iii) Price risk

The Group has an exposure to equity securities price risk. This arises from investments held by the Group and classified on the balance sheet as available-for-sale financial assets. However, the Company's investment in equity securities (available-for-sale financial assets) is $63,866 (2014: $64,228), which is monitored by the Board of Directors. Any investment in equity securities, which formed part of any portfolio diversification strategy, would require approval by the Board of Directors.

The Group is also exposed to commodity price risk as a result of fluctuations in the market price of commodities, however, the commodities that the Company produces and sells are not quoted on any recognised exchange.

(iv) Credit risk

Credit risk is managed on a Group basis. Credit risk arises from cash and cash equivalents and deposits with banks, as well as credit exposures including outstanding receivables and investments in unlisted entities.

All cash balances held at banks are held at internationally recognised institutions. The Group has a strict code of credit and requires the majority of its customers to have letters of credit in place. The maximum exposure to credit risk at the reporting date to trade receivables is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements. The Group does not hold any collateral.

(v) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash to meet obligations when due. At the end of the reporting period, the Group held cash and cash equivalents totalling $4,227,444 (2014: $4,216,052). Management monitors rolling forecasts of the Group's liquidity reserve (comprising of cash and cash equivalents, note 6) on the basis of expected cash flows. This is carried out at the corporate level for all active companies of the Group in accordance with practice and limits set by the Group.

Financing arrangements

As detailed in note 16, the Company had access to a pre finance and marketing agreement facility of USD2.0 million which was drawn down in September 2013. This facility was repayable over a twelve month period in quarterly instalments commencing three months after production has commenced. The outstanding balance was fully repaid on 2 March 2015.

In addition to the above and as announced by the Company on 30 May 2014, the Company obtained an unsecured short term working capital facility of up to $4m from two major shareholders. Pursuant to the Loan Agreements entered into between the Company and the two major shareholders, the lenders provided a finance facility capped at $2.0m each on the following arm's-length and commercial terms:

- Loan is unsecured;
- Interest of 13% per annum;
- Line fee of 1% and establishment fee of 1%;
- Repayment to take in three equal tranches on 31 January 2015, 28 February 2015 and 31 March 2015; and
- Default interest of 10% if not repaid on the repayment date.

As announced by the Company on 23 February 2015, the two shareholders agreed to extend the term of the loan they provided to 30 September 2015. As announced by the Company on 5 August 2015, the Shareholders agreed to a repayment of 50% of the Principal and to extend the term of the remaining balance of the loan to 30 September 2016.

On 2 February 2016, the Company announced debt funding arrangements for its expansion initiatives relating to a Garnet Stripping Plant ("GSP") at its Tormin mine.

Maturity of financial assets

The Group manages liquidity risk by maintaining sufficient cash reserves and through the continuous monitoring of budgeted and actual cash flows. At the reporting date there is no significant liquidity risk. The table below analyses the Group's maturity of financial assets:

31 December 2015	**< 6 months $**	**6 – 12 months $**	**1 – 5 years $**	**5+ years $**	**Total $**
Trade and other receivables	2,240,647	-	4,200,0000	-	**6,440,647**
Total financial assets	2,240,647	-	4,2000,000	-	**6,440,647**

31 December 2014	< 6 months $	6 – 12 months $	1 – 5 years $	5+ years $	Total $
Trade and other receivables	2,907,940	-	-	-	2,907,940
Total financial assets	2,907,940	-	-	-	2,907,940

Maturity of financial liabilities

The Group manages liquidity risk by maintaining sufficient cash reserves and through the continuous monitoring of budgeted and actual cash flows. At the reporting date there is no significant liquidity risk. The table below analyses the Group's maturity of financial liabilities:

31 December 2015	< 6 months $	6 – 12 months $	1 – 5 years $	5+ years $	Total $
Trade and other payables	3,153,297	-	-	-	**3,153,297**
Borrowings:					
• Short term borrowings	-	1,263,416	-	-	**1,263,416**
• Equipment acquisition agreements	994,764	994,764	1,268,110	-	**3,257,638**
Total financial liabilities	4,779,769	1,626,472	1,268,110	-	**7,674,351**

31 December 2014	< 6 months $	6 – 12 months $	1 – 5 years $	5+ years $	Total $
Trade and other payables	5,683,843	-	-	-	**5,683,843**
Unearned revenue	4,130,000	-	-	-	**4,130,000**
Borrowings:					
• Short term borrowings	558,352	2,733,011	-	-	**3,291,363**
• Equipment acquisition agreements	2,963,469	980,581	-	-	**3,944,050**
Total financial liabilities	13,335,664	3,713,592	-	-	**17,049,256**

(vi) Fair value hierarchy

AASB 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2); and
- inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The Group's only assets and liabilities held at fair value are its available-for-sale financial assets with a current carrying value of $63,866 (2014: $64,228). These are measured using quoted active market prices and are therefore Level 1 instruments.

The Group did not measure any financial assets or financial liabilities at fair value on a non-recurring basis as at 31 December 2015 and did not transfer any fair value amounts between the fair value hierarchy during the year ended 31 December 2015.

Valuation techniques used to derive level 2 and level 3 fair values

The fair value of financial instruments that are not traded in an active market (for example, over–the–counter derivatives) is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. The Group did not have any level 2 instruments at year end.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments include:

- The use of quoted market prices or dealer quotes for similar instruments;
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves;
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the reporting date; and
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

The Group does not have any level 3 assets or liabilities.

21. INTERESTS IN OTHER ENTITIES

(i) Material subsidiaries

The Group's principal subsidiaries at 31 December 2015 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

Name of entity	Place of business / country of incorporation	Ownership interest held by the Group 2015 %	Ownership interest held by the Group 2014 %	Ownership interest held by non-controlling interests 2015 %	Ownership interest held by non-controlling interests 2014 %
Rexelle Pty Ltd	Australia	100	100	-	-
MRC Trading (Aust) Pty Ltd (1)	Australia	100	100	-	-
MRC Cable Sands Pty Ltd	Australia	100	100	-	-
Blackhawk Oil and Gas Ltd	Australia	100	100	-	-
Queensland Minex NL	Australia	100	100	-	-
Q Smelt Pty Ltd	Australia	90	90	**10**	**10**
Mincom Waste Pty Ltd	Australia	100	100	-	-
MRC Africa Pty Ltd	Australia	100	100	-	-
Skeleton Coast Resources (Pty) Ltd	Namibia	100	100	-	-
MRC Resources Proprietary Limited	South Africa	100	100	-	-
Mineral Sands Resources Proprietary Limited	South Africa	50	50	**50**	**50**
Tormin Mineral Sands Proprietary Limited (2)	South Africa	50	50	**50**	**50**
Nyati Titanium Eastern Cape Proprietary Limited	South Africa	100	100	-	-
MRC Metals (Pty) Ltd	South Africa	100	100	-	-
Transworld Energy and Minerals Resources (SA) Proprietary Limited	South Africa	56	56	**44**	**44**

(1) MRC Trading (Aust) Pty Ltd was incorporated during the 2014 financial year

(2) Tormin Mineral Sands Proprietary Limited is a wholly owned subsidiary of Mineral Sands Resources Proprietary Limited

(ii) Non-controlling interest ("NCI")

	Transworld Energy and Minerals Resources (SA) Proprietary Limited		Mineral Sands Resources Proprietary Limited		Tormin Mineral Sands Proprietary Limited		Q Smelt Pty Ltd	
	2015 $	2014 $	2015 $	2014 $	2015 $	2014 $	2015 $	2014 $
Summarised balance sheet								
Current assets	**56,303**	3,700	**20,854,641**	9,794,472	**-**	-	**1**	2
Current liabilities	**4,405**	-	**(12,846,360)**	(13,051,611)	**-**	-	**-**	-
Current net assets	**60,708**	3,700	**8,008,281**	(3,257,139)	**-**	-	**1**	2
Non-current assets	**4,186,382**	4,632,184	**19,732,050**	27,206,600	**5,218,099**	5,218,099	**-**	-
Non-current liabilities	**(4,118,529)**	(4,511,266)	**(18,091,240)**	(21,504,746)	**-**	-	**-**	-
Non-current net assets	**67,853**	120,918	**1,640,810**	5,701,854	**5,218,099**	5,218,099	**-**	-
Net assets	**128,561**	124,618	**9,649,091**	2,444,715	**5,218,099**	5,218,099	**1**	2
Accumulated NCI	**-**	58,781	**-**	-	**-**	-	**39,933**	48,544
Summarised statement of comprehensive income								
Revenue	**-**	-	**45,773,169**	35,218,171	**-**	-	**-**	-
Profit/ (loss) for the period	**(6,147)**	-	**6,894,449**	1,627,043	**-**	-	**-**	-
Other comprehensive income	**-**	-	**-**	-	**-**	-	**-**	-
Total comprehensive income	**(6,147)**	-	**6,894,449**	1,627,043	**-**	-	**-**	-
Profit attributable to NCI	**-**	-	**-**	-	**-**	-	**-**	-
Summarised cash flows								
Cash flows from operating activities	**(34,808)**	(950)	**(21,195,262)**	(769,529)	**-**	-	**-**	-
Cash flows from investing activities	**35,199**	950	**(5,189,526)**	(5,580,422)	**-**	-	**-**	-
Cash flows from financing activities	**-**	-	**27,699,986**	7,179,795	**-**	-	**-**	-
Net increase in cash and cash equivalents	**391**	-	**1,315,198**	829,844	**-**	-	**-**	-

As noted above, the Company, via its wholly owned subsidiary MRC Resources Proprietary Limited ("MRCR"), has a 50% interest in the issued capital in MSR. Whilst the Group controls 50% of the share voting power, it has been determined that the Group effectively has 100% control due to its control over the relevant activities for accounting purposes, controls the management of MSR, and also controls the Board of MSR due to provisions set out in the Shareholders Agreement entered into between the shareholders of MSR.

Therefore these financial statements include 100% of the results of MSR. In addition to the holding of the issued capital, the Group also holds Class A and B preference shares in MSR which effectively provides for the repayment of the capital investment and deemed investment by the Company's Black Empowerment partner. Due to the terms attached to these A and B preference shares, they are categorised as an equity instrument. As the A preference shares and B preference shares would be redeemed out of distributable profits and net assets of MSR before all other ordinary shareholders, until such time as the net assets exceed the value of the unredeemed A and B preference shares, no value has been attributed to the non-controlling interest. Until that time, the non-controlling interest has no rights to the assets or results of the Company, and therefore has not been allocated any value in these financial statements.

22. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

a) Contingent assets

Blastrite sought interdictory relief against MSR, MRC and seven others in the High Court (Cape Town) in terms of which, Blastrite sought, inter alia, an order that: (a) MSR not deal with any entity or person other than Blastrite in relation to the discussion and consideration by the parties of ideas, plans products, formulations etc. relating to any potential Garnet and/or other abrasive media resource that may be present in or on the beach deposit located within the Tormin Mineral Sands Project; and (b) that MSR not renew the written Garnet offtake agreement to which it and MRC and others were a party for the period 1 July 2015 to 30 June 2016 or thereafter.

The interdictory relief sought both interim and final relief. The matter was opposed. Both Blastrite's interim and final relief was dismissed with costs. An amount of ZAR170 000 was paid by Blastrite towards costs in respect of the interim relief. An amount of approximately ZAR3 million is being claimed for costs for the final relief. It is anticipated that less than 100% of this latter amount will be recovered from Blastrite and that the monies due will be paid within the course of 2016.

b) Contingent liabilities

Bank guarantees

FirstRand Bank Ltd has issued a Bank Guarantee, in favour of the South African Department of Mineral Resources, in respect of MSR's obligations under the Tormin Mining Right for an amount of ZAR2,730,000 (USD175,539) (2014: ZAR2,730,000 (USD230,748)).

There have been no other changes to contingent assets or liabilities since 31 December 2015.

23. COMMITMENTS

	31 Dec 2015 $	31 Dec 2014 $
a) Capital commitments		
Committed at the reporting date but not recognised as liabilities, payable:		
Property, plant and equipment	**1,117,471**	-
b) Finance lease commitments		
Commitments in relation to minimum lease repayments under equipment acquisition agreements:		
Within one year	**1,989,527**	3,944,050
Later than one year but no later than five years	**1,268,110**	-
Greater than 5 years	**-**	-
Minimum lease payments	**3,257,637**	3,944,050
Less: Future Finance Charges	**(225,658)**	-
	3,031,979	3,944,050

Finance lease commitments includes contracted amounts for various plant and equipment with a written down value of $3,134,220 (2014: $3,912,664) secured under finance leases expiring within one to five years. Under the terms of the leases, the Group has the option to acquire certain leased assets on the expiry of the leases, under master rental agreements and will become the owner of certain leased assets on the final payment under instalment sale agreements.

c) Operating lease commitments

Non-cancellable operating leases contracted for but not capitalised in the accounts:

	31 Dec 2015 $	31 Dec 2014 $
Within one year	**741,445**	3,944,050
Later than one year but no later than five years	**2,166,578**	-
Greater than 5 years	**-**	-
	2,908,023	3,944,050

Operating lease commitments includes contracted amounts for offices and plant and equipment under non-cancellable operating leases expiring within one to five years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

d) Blue Bantry funding support

The Company, via MRCR, and Blue Bantry are both 50% shareholders in MSR, the entity which owns the Tormin Project.

The Company agreed to provide Blue Bantry access to an amount of funding to support the original Tormin Project objectives by advancing through a loan, certain benefits Blue Bantry would expect to receive from the Tormin Project. Blue Bantry will repay the ZAR 8.25 million loan from dividend distributions that it will receive in the future from MSR.

24. EVENTS SINCE THE END OF THE FINANCIAL YEAR

Events since the end of the financial year were as follows:

(i) On 2 February 2016, the Company advised that MSR has secured USD4.5 million via a loan facility from GMA to fund the completion of its GSP. The GSP will be installed at the front of the existing SCP. The installation of the GSP will increase the non-magnetic feed grade to the SCP by removing the Garnet fraction from the HMC prior to the SCP. This, in turn, will allow a high grade zircon concentrate to be fed to the existing magnetic circuit, and thereby increase non-magnetic concentrate production. Completion of the GSP is expected on or around 30 June 2016.

The loan agreement entered into with GMA provides for USD4.5 million funding with 3 year repayment terms commencing on the re-start of shipping of garnet concentrate product to GMA (planned for January 2017). The offtake agreement previously entered into with GMA has also been amended to increase the term of the agreement to life of mine, and an increase in the annual offtake tonnage to 210,000 tonnes up from 150,000 tonnes with an option to take all other remaining Garnet concentrate production. The Company produced approximately 285,000 tonnes of Garnet for the year ended 31 December 2015.

(ii) Subsequent to year end, the Directors declared a final unfranked dividend for the year ended 31 December 2015 of 1 Australian cent per ordinary share, a total distribution of A$4,049,416 based on the number of ordinary shares on issue as at 31 December 2015. As the dividend is unfranked, there are income tax consequences for the owners of the Company relating to this dividend.

Except for the above, there have been no other material matters arising subsequent to the end of the financial year.

25. RELATED PARTY TRANSACTIONS

(i) Parent entity

Transactions between the Company and other entities in the Group during the years ended 31 December 2015 and 31 December 2014 consisted of loans advanced and payments received and made on inter-company accounts. These transactions were made on normal commercial terms and conditions and at market rates.

(ii) Subsidiaries

Interests in subsidiaries are set out in note 21(i).

(iii) Key management personnel disclosures

Compensation

The aggregate compensation made to directors and other members of key management personnel of the Group is set out below:

	31 Dec 2015 $	31 Dec 2014 $
Short-term employee benefits	**1,387,810**	969,441
Post-employment benefits	**86,808**	31,772
Long-term benefits	**53,863**	86,534
Share-based payments	**175,773**	-
	1,704,254	1,087,747

Detailed remuneration disclosures are provided in the remuneration report in the director's report on page 13.

(iv) Transactions with other related parties

Mine Site Construction Services ("MSCS"), a company associated with Directors Mark Caruso and Joseph Caruso has provided the followings services to the Company during 2015 and 2014:

- Provision of office space.

  The amount paid by the Company to MSCS for the year ended 31 December 2015 was $47,734 (2014: $54,144). This is considered to be an arm's length commercial rent. There is no formal sub lease in place.

- Provision of secretarial staff to the Executive Chairman.

  The amount paid by the Company to MSCS for the year ended 31 December 2015 was $57,784 (2014: $46,564). The amounts payable are pursuant to an Executive Service Agreement and have been reimbursed on an arm's length basis at normal commercial rates.

- Provision of technical staff.

  The amount paid by the Company to MSCS for the year ended 31 December 2015 was $299,422 (2014: $150,144). The amounts payable have been in respect to the provision of technical staff at the Groups' head office and at the Tormin project and have been reimbursed on an arms-length basis at normal commercial rates.

(v) Receivable from and payable to related parties

The following balances are outstanding at the reporting date in relation to transactions with related parties:

	31 Dec 2015 $	31 Dec 2014 $
MSCS	**92,105**	46,568

(vi) Loans to / from related parties

On 30 May 2014, the Company obtained an unsecured short term working capital facility of up to $4m from major shareholders. This included a A$2 million facility provided by Regional Management Pty Ltd ("RMS"), a related party of Mark Caruso, the Executive Chairman of the Company.

Pursuant to the Loan Agreement entered into between the Company and RMS, the lender provided a finance facility capped at A$2 million on the following arm's-length and commercial terms:

- Loan is unsecured;
- Interest of 13% per annum;
- Line fee of 1% and establishment fee of 1%;
- Repayment to take in three equal tranches on 31 January 2015, 28 February 2015 and 31 March 2015; and
- Default interest of 10% if not repaid on the repayment date.

As announced by the Company on 23 February 2015, RMS agreed to extend the term of the loan they provided to 30 September 2015. As announced by the Company on 5 August 2015, RMS agreed to repayment of 50% of the Principal and to extend the term of the remaining balance of the loan to 30 September 2016.

26. SHARE BASED PAYMENTS

The issue of employee options was approved by shareholders at a general meeting of the Company held on 21 December 2012. The employee option plan ("the Plan") is designed to provide long-term incentives for senior managers and above (including directors) to deliver long-term shareholder returns. Options granted under the plan carry no dividend or voting rights. When exercisable each option is convertible into one ordinary share at the predetermined exercise price.

On 27 May 2015, at the AGM of the Company, shareholders approved the issue of 5,000,000 employee options to the Executive Chairman, Mr Mark Caruso. The options were issued in three tranches exercisable at 20 cents each and subject to the following vesting conditions:

(i) 1,666,668 vesting immediately;
(ii) 1,666,666 vesting in 12 months; and
(iii) 1,666,666 vesting in 24 months.

Pursuant to his employment contract, the Board approved the issue of 1,000,000 employee options to the CFO, Mr Tony Sheard. The options were issued in three tranches exercisable at 20 cents each and subject to the following vesting conditions:

(i) 333,334 vesting immediately;
(ii) 333,333 vesting on 31 March 2016; and
(iii) 333,333 vesting on 31 March 2017.

Set out below are summaries of options granted under the Plan and unexpired at 31 December 2015:

Grant date	Expiry date	Exercise price	Fair Value at grant date	Options at the start of the year	Granted during the year	Exercised during the year	Forfeited during the year	Lapsed during the year	Balance at the end of the year	Vested at the end of the year
21 Dec 2012	31 Dec 2015	20 cents	3.35 cents	10,000,000	-	-	-	(10,000,000)	-	-
21 Dec 2012	31 Dec 2015	35 cents	2.23 cents	1,000,000	-	-	-	(1,000,000)	-	-
27 May 2015	30 May 2018	20 cents	4.90 cents	-	5,000,000	-	-	-	5,000,000	1,666,668
07 Sept 2015	31 Mar 2018	20 cents	5.40 cents	-	1,000,000	-	-	-	1,000,000	333,334
				11,000,000	6,000,000	-	-	(11,000,000)	6,000,000	2,000,002

Fair value of options granted

The assessed fair value at grant date of options during the year ended 31 December 2015 was independently determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option. The total share based payment expense for the year ended 31 December 2015 was $128,296 (2014: $Nil).

The model inputs for options granted during the period, as well as prior periods, included:

	1	2	3	4
(a) Options granted for no consideration with the expectation that the majority of the options would be exercised towards the end of the term of the options and there are no market based vesting conditions.				
(b) Exercise price (AUD)	20 cents	35 cents	20 cents	20 cents
(c) Grant date	21 December 2012	21 December 2012	27 May 2015	7 September 2015
(d) Risk-free interest rate	2.50%	2.57%	2.06%	1.77%
(e) Exercise date	31 December 2015	31 December 2015	30 May 2018	31 March 2018
(f) Share price at grant date (AUD)	8.1 cents	8.1 cents	11.0 cents	12.5 cents
(g) Expected price volatility of the shares	86%	86%	90%	90%
(h) Expected dividend yield	Nil	Nil	Nil	Nil

The expected price volatility is based on the historic volatility and the general trend in share prices of the companies in similar businesses and trading on the ASX over the past 12 months.

27. REMUNERATION OF AUDITORS

During the year, the following fees were paid or payable for services provided by BDO Audit (WA) Pty Ltd and BDO Tax (WA) Pty Ltd, its related practices and related firms:

	31 Dec 2015 $	31 Dec 2014 $
Audit services		
Audit and review of financial reports		
BDO Audit (WA) Pty Ltd	**60,790**	68,281
BDO Cape Town South Africa	**48,588**	32,871
	109,378	101,152
Non-audit services		
Taxation and company secretarial (South African entities)		
BDO Tax (WA) Pty Ltd	**80,366**	90,768
BDO Cape Town South Africa	**6,964**	5,555
	87,330	96,323

28. EARNINGS PER SHARE

	2015 US Cents	2014 US Cents
(a) Basic earnings per share		
From continuing operations attributable to the ordinary equity holders of the Company	**2.61**	**2.07**
Total basic earnings per share attributable to the ordinary equity holders of the Company	**2.61**	**2.07**
(b) Diluted earnings per share		
From continuing operations attributable to the ordinary equity holders of the Company	**2.57**	**2.01**
Total diluted earnings per share attributable to the ordinary equity holders of the Company	**2.57**	**2.01**

	2015 $	2014 $
(c) Reconciliation of earnings used in the calculation of earnings per share		
Basic earnings per share		
Profit attributable to the ordinary equity holders of the Company used in calculating basic earnings per share:		
From continuing operations	**10,576,785**	**8,376,344**
Diluted earnings/(loss) per share		
Profit attributable to the ordinary equity holders of the Company used in calculating diluted earnings per share:		
From continuing operations	**10,576,785**	**8,376,344**

	2015 Number	2014 Number
(d) Weighted average number of shares used as the denominator		
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	**404,941,581**	404,941,581
Adjustment for calculation of diluted earnings per share:		
Options	**6,000,000**	11,000,000
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings per share	**410,941,581**	415,941,581

The table below details the number of options that have been granted and are on issue as at 31 December 2015. These potential ordinary shares are considered dilutive and accordingly were used to calculate dilutive earnings per share.

Number of options	Exercise price	Expiry date
5,000,000	AUD $0.20	30 May 2018
1,000,000	AUD $0.20	31 March 2018

29. PARENT ENTITY FINANCIAL INFORMATION

The individual financial statements for the parent entity show the following aggregate numbers:

	2015 $	2014 $
Balance sheet		
Current assets	**546,439**	1,534,560
Non-current assets	**35,327,540**	31,863,780
Total assets	**35,873,979**	33,398,340
Current liabilities	**1,840,821**	3,802,725
Non-current liabilities	**7,425,240**	2,366,711
Total liabilities	**9,266,061**	6,169,436
Net assets	**26,607,918**	27,228,904
Shareholders' equity		
Issued capital	**63,437,092**	63,437,092
Reserves	**(11,719,886)**	(8,928,563)
Accumulated losses	**(25,109,288)**	(27,279,625)
Total equity	**26,607,918**	27,228,904
Profit for the year	**2,170,337**	936,152

Directors' declaration

The Directors of the Company declare that:

1. The financial statements, comprising the consolidated statement of profit or loss and other comprehensive income, consolidated statement of financial position, consolidated statement of cash flows, consolidated statement of changes in equity and accompanying notes, are in accordance with the Corporations Act 2001 including;
   (a) complying with Australian Accounting Standards and the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
   (b) give a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the year ended on that date.
2. The Company has included in the notes to the financial statements an explicit and unreserved statement of compliance with International Financial Reporting Standards.
3. In the Directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

The Directors have been given the declarations by the Chief Executive Officer and Chief Financial Officer required by section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of the Directors:

Mark Caruso
Executive Chairman
Dated at Perth, Western Australia
this 29th day of February 2016

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DECLARATION OF INDEPENDENCE BY IAN SKELTON TO THE DIRECTORS OF MINERAL COMMODITIES LIMITED

As lead auditor of Mineral Commodities Limited for the year ended 31 December 2015, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Mineral Commodities Limited and the entities it controlled during the period.

Ian Skelton

Director

BDO Audit (WA) Pty Ltd

Perth, 29 February 2016

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INDEPENDENT AUDITOR'S REPORT

To the members of Mineral Commodities Limited

Report on the Financial Report

We have audited the accompanying financial report of Mineral Commodities Limited, which comprises the consolidated balance sheet as at 31 December 2015, the consolidated income statement, consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In Note 1, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Stat*ements, that the financial statements comply with *International Financial Reporting Standards*.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Mineral Commodities Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion:

(a) the financial report of Mineral Commodities Limited is in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the year ended on that date; and

  (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the financial report also complies with *International Financial Reporting Standards* as disclosed in Note 1.

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report on pages 13 to 18, for the year ended 31 December 2015. The directors of the company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Mineral Commodities Limited for the year ended 31 December 2015 complies with section 300A of the *Corporations Act 2001*.

BDO Audit (WA) Pty Ltd

BDO

Ian Skelton

Director

Perth, 29 February 2016

Statement of corporate governance

The Board of Directors (referred to hereafter as the "Board") of Mineral Commodities Ltd (referred to hereafter as the "Company" or "MRC") is responsible for the corporate governance of the Company. The Board guides and monitors the business and affairs of the Company on behalf of the shareholders by whom they are elected and to whom they are accountable.

In accordance with the Australian Securities Exchange (ASX) Corporate Governance Council's ("CGC") "Principles of Good Corporate Governance and Best Practice Recommendations" the Corporate Governance Statement must contain certain specific information and must disclose the extent to which the Company has followed the guidelines during the period. Where a recommendation has not been followed that fact must be disclosed together with the reasons for the departure.

The Company's corporate governance practices were in place throughout the year and are compliant, unless otherwise stated, with the Corporate Governance Council's principles and recommendations, which are noted below.

Principle 1.	Lay solid foundations for management and oversight
Principle 2.	Structure the Board to add value
Principle 3.	Act ethically and responsibly
Principle 4.	Safeguard integrity in corporate reporting
Principle 5.	Make timely and balanced disclosure
Principle 6.	Respect the rights of security holders
Principle 7.	Recognise and manage risk
Principle 8.	Remunerate fairly and responsibly

A summary of the corporate governance policies and practices adopted by MRC is set out below.

ROLE OF THE BOARD OF DIRECTORS

The Board of MRC is responsible for setting the Company's strategic direction and providing effective governance over MRC's affairs in conjunction with the overall supervision of the Company's business with the view of maximising shareholder value. The Board's key responsibilities are to:

(a) chart the direction, strategies and financial objectives for MRC and monitor the implementation of those policies, strategies and financial objectives;

(b) monitor compliance with regulatory requirements, ethical standards and external commitments;

(c) appoint, evaluate the performance of, determine the remuneration of, plan for the succession of and, where appropriate, remove the Chief Executive Officer ("CEO") if in place or similar person acting in the executive capacity; and

(d) ensure that the Board continues to have the mix of skills and experience necessary to conduct MRCs' activities, and that appropriate directors are selected and appointed as required.

In accordance with MRCs' Constitution, the Board delegates responsibility for the day–to–day management of MRC to the Executive Chairman and CEO (subject to any limits of such delegated authority as determined by the Board from time to time). Management as a whole is charged with reporting to the Board on the performance of the Company.

All directors have unrestricted access to the Company Secretary, all employees of the group, and, subject to the law, access to all Company records and information held by group employees and external advisers. The Board receives regular detailed financial and operational reports from senior management to enable it to carry out its duties.

Each director may, with the prior written approval of the Chairman, obtain independent professional advice to assist the director in the proper exercise of powers and discharge of duties as a director or as a member of a Board Committee. The Company will reimburse the director for the reasonable expense of obtaining that advice.

The Company Secretary is accountable directly to the Board, through the Chairman, on all matters to do with the proper functioning of the Board. The role of the Company Secretary includes:

- Advising the Board and its Committees on governance matters;
- Monitoring that Board and Committee policy and procedures are followed;
- Coordinating, in unison with the Company, the timely completion and despatch of Board and Committee papers;
- Ensuring that the business at Board and Committee meetings is accurately captured in the minutes; and
- Helping to organise and facilitate the induction and professional development of directors.

BOARD STRUCTURE AND COMPOSITION

The Board currently is comprised of five directors, two of which are independent non–executive directors. Details of each director's skill, expertise and background are contained within the directors' report included with the Company's annual financial statements.

Independence, in this context, is defined to mean a non–executive director who is free from any interest and any business or other relationship that could, or could reasonably be perceived to, materially interfere with the director's ability to act in the best interests of MRC. The definition of independence in ASX Recommendation 2.3 is taken into account for this purpose.

In the absence of any significant scale in the Company's existing operations, the Board did not believe that the existence of further independent non-executive directors would be of any additional benefit to the Company. As stated above, the Board will ensure that it continues to have the mix of skills and experience necessary to conduct MRCs' activities, and that appropriate directors are selected and appointed as required.

The following table sets out the mix of skills and diversity that the Board currently has:

	No# of Directors
Expertise	
Senior Executive Experience	2
Governance	2
Financially Knowledgeable	4
Mining	3
Contracting	2
Technical (Geological / Engineering)	2
Mergers and Acquisitions	3
In-Country Experience	2
Resource Development	2
Competencies	
Strategic Leadership	5
Vision and Mission	5
Governance	5

Details of directors' shareholdings are disclosed in the directors' report and financial report. There are no retirement schemes other than the payment of statutory superannuation contributions.

Any equity based compensation of directors is required to be approved in advance by shareholders.

Presently, the roles of Chairman and CEO have not been separated. The roles were separated up to 12 September 2014 at which time the CEO resigned and Mr Mark Caruso, the Chairman of the Company, was appointed to the role of CEO. The Remuneration and Nomination Committee and Board consider that Mr Caruso's experience in the industry and in managing mining operations position him well to manage the affairs of the Company. The Board assessed its governance structure to mitigate any potential issues with the one person fulfilling the dual roles of Chairman and CEO. This led to the appointment of a Senior Non-Executive Director, Mr Guy Walker, an existing non-executive director of the Company. The present Chairman of the Company is not considered to be an independent director. Notwithstanding this, all directors of the Company are, and were during the reporting period, independent in character and judgment.

The CEO is responsible for supervising the management of the business as designated by the Board.

MRC's non–executive directors may not hold office for a continuous period in excess of three years or past the third annual general meeting following their appointment, whichever is longer, without submitting for re–election. Directors are elected or re–elected, as the case may be, by shareholders in a general meeting. Directors may offer themselves for re–election. A director appointed by the directors (e.g., to fill a casual vacancy) will hold office only until the conclusion of the next annual general meeting of MRC but is eligible for re–election at that meeting.

The process for retirement by rotation and re-election of a director is set down in the Company's constitution. If a retiring director nominates for re-election, the Board, through the Remuneration and Nomination Committee will assess the performance of that director in their absence, and determine whether the Board will recommend a shareholder vote in favour of the re-election, or otherwise.

Details of each director standing for re-election, including their biographical details, relevant qualifications, experience and the skills, and other material directorships they bring to the Board are provided to shareholders to assess prior to voting on their re-election.

For new appointments, the Board, through the Remuneration and Nomination Committee identifies candidates with the appropriate expertise and experience, having regard to the weighted list of required directors' competencies as maintained by the Company. The Board will appoint the most suitable candidate, but the shareholders at the next annual general meeting of the Company must ratify the appointment. Shareholders are provided with all material information in the Notice of Annual General Meeting relevant to a decision on whether or not to elect of re-elect a director.

The Board will ensure appropriate checks are undertaken prior to making any new Board appointments. These will include checks as to the person's character, experience, education, criminal record and bankruptcy history.

The key terms, conditions and requirements are set out in a standard letter of appointment. New directors will be provided with an induction program specifically tailored to the needs of individual appointees. The program includes meetings with major shareholders, one-on-one meetings with the members of the management team and visits to key sites.

Directors are also encouraged to participate in continual improvement programs and are expected to highlight areas of activity that could potentially be improved.

Under MRCs' Constitution, voting requires a simple majority of the Board. The Chairman holds a casting vote.

The Company has procedures enabling any director or committee of the Board to seek external professional advice as considered necessary, at the Company's expense subject to prior consultation with the Chairman. A copy of any advice sought by a director would be made available to all directors.

BOARD AND MANAGEMENT EFFECTIVENESS

Responsibility for the overall direction and management of MRC, its corporate governance and the internal workings of MRC rests with the Board notwithstanding the delegation of certain functions to the Executive Chairman and CEO and management generally (such delegation effected at all times in accordance with MRC's Constitution and its corporate governance policies).

An evaluation procedure in relation to the Board, individual directors, Board Committees and Company executives has been adopted by the Board. An evaluation procedure took place during the year. The evaluation of the Board as a whole is facilitated through the use of a questionnaire required to be completed by each Board Member, the results of which were summarized and discussed with the Chairman of the Board and tabled for discussion at a Board Meeting. Similarly, each individual director was required to self-assess his performance and to discuss the results with the Chairman. The same procedure is undertaken for the Audit, Compliance and Risk Committee and the Remuneration and Nomination Committee.

To ensure management, as well as Board effectiveness, the Board, through the Remuneration and Nomination Committee has direct responsibility for evaluating the performance of the CEO. A formal evaluation of the CEO was undertaken in respect to the 2015 financial year. The review was undertaken by the Chairman of the Remuneration and Nomination Committee and involved the review of the CEO's performance against set criteria and discussed with the CEO. The results of the review were then tabled at a meeting of the Remuneration and Nomination Committee and a summary provided to the Board of the Company.

FINANCIAL REPORTING, INTERNAL CONTROL AND RISK MANAGEMENT

The Board has overall responsibility for MRC's systems of internal control. These systems are designed to ensure effective and efficient operations, including financial reporting and compliance with laws and regulation, with a view to managing risk of failure to achieve business objectives. It must be recognized however that internal control systems provide only reasonable and not absolute assurance against the risk of material loss.

The Board reviews the financial position of MRC on a monthly basis. For annual financial statements, the CEO and the Chief Financial Officer ("CFO") are required to state in writing that:

- the Company's financial reports present a true and fair view, in all material respects, of the Company's financial condition and operational results in accordance with the relevant accounting standards; and
- are founded on a system of risk management and internal compliance and control and the Company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.

Management reports to the Board on the effectiveness of the Company's management of material business risk through the provision of regular risk reports to the Board via the Audit, Compliance and Risk Committee. Each reportable risk is discussed ensuring appropriate mitigation strategies are implemented by the Group. Management and the Board interact on a day to day basis and risk is continually considered across the financial, operational and organisation aspects of the Company's business. The Company considers the overall risk framework at each Audit Compliance and Risk Committee Meeting and will continue to monitor, assess and report its business risks.

The following are key risk areas that could have a material impact on the Company and its ability to achieve its objectives. These are not the only risks associated with the Company and there may be others from time to time that may also adversely affect future performance.

- Country Risk: The Company's primary assets are located in South Africa. Potential changes in fiscal or regulatory regimes in South Africa may adversely affect the Company. The Company must also comply with local laws and administrative process which are subject to potential amendments from time to time. The Company adopts processes to mitigate these risks and continues to explore other opportunities in other jurisdictions to diversify its asset holdings.

- Business Continuance Risk: Various circumstances may arise which may lead to shut downs in operations, including plant failure, industrial action, in-country unrest, natural disasters, and continuance of licenses. Management and the Board continually assess these risks and ensure all appropriate mitigating actions are put in place. This is underpinned by various policies currently in place, and in respect to licenses, continued stakeholder engagement.
- Financial Risks: Like all mining entities, the Company faces risks relating to movement in interest rates, foreign exchange rates, and access to funds. The Company maintains tight treasury controls and budget processes. Other financial risks are reported in the financial statements.
- Product Risk: The pricing of the Company products are subject to many global factors. The Company actively markets its products itself in order to achieve the maximum possible value based on the prevailing market conditions. The Company is also assessing investment in downstream processing to add value to its concentrate products.
- Development Risk: The Company continues to assess other projects and in particular is actively seeking the development of its Xolobeni Mineral Sands Project. A failure to develop the project or seek alternate projects could impact the long term profitability and financial position of the Company. The Board continues to assess the progress of the Xolobeni project and will continue to review other opportunities in order to extend the Company's operations beyond the existing assets.

The Company does not presently have an internal audit function. This is mitigated by the Board, through the Audit, Compliance and Risk Committee implementing the matters set out above in respect to risk and management, and having a primary responsibility to ensure that:

- The Company presents and publishes accounts, which present a true and fair view of its results and financial position;
- The accounting methods adopted are appropriate to the Company and consistently applied in accordance with relevant accounting standards and the applicable laws; and
- The appointment and performance of the external auditor is appropriately monitored to ensure independence and the serving of the interests of shareholders.

This requirement is assisted by the formal sign off from the CEO and CFO as noted above.

COMMITTEES OF THE BOARD OF DIRECTORS

The Board established two permanent Board committees in February 2013 to assist the Board in the performance of its functions:

(a) the Audit, Compliance and Risk Committee; and
(b) the Remuneration and Nomination Committee.

Each committee has a charter, which sets out the Committee's purpose and responsibilities. The Committees are described further below.

Audit, Compliance and Risk Committee

The purpose of the Audit, Compliance and Risk Committee is to provide assistance to the Board in its review of:

(a) MRC's financial reporting, internal control structure and risk management systems;
(b) the internal and external audit functions; and
(c) MRC's compliance with legal and regulatory requirements in relation to the above.

The Audit, Compliance and Risk Committee has specific responsibilities in relation to MRC's financial reporting process; the assessment of accounting, financial and internal controls; the appointment of external auditor; the assessment of the external audit; the independence of the external auditor; and setting the scope of the external audit.

The Company's external auditor is required to attend to the Company's annual general meeting and make themselves available to answer questions from security holders relevant to the audit.

The Audit, Compliance and Risk Committee must comprise at least three non–executive directors that have diverse, complementary backgrounds, with two independent non–executive directors. The Chairman of the Audit, Compliance and Risk Committee must be an independent non–executive director.

The members of the Audit, Compliance and Risk Committee are: Mr Walker (Chairman), Mr Hastings, and Mr Torre.

Remuneration and Nomination Committee

The purpose of the Remuneration and Nomination Committee is to discharge the Board's responsibilities relating to the nomination and selection of directors and the compensation of the Company's executives and directors.

The key responsibilities of the Remuneration and Nomination Committee are to:

(a) ensure the establishment and maintenance of a formal and transparent procedure for the selection and appointment of new directors to the Board; and
(b) establish transparent and coherent remuneration policies and practices, which will enable MRC

to attract, retain and motivate executives and directors who will create value for shareholders and to fairly and responsibly reward executives.

The Remuneration and Nomination Committee must comprise at least three non–executive directors, two of which must be independent non–executive Directors. The Chairman of the Remuneration and Nomination Committee must be an independent non–executive director.

The members of the Remuneration and Nomination Committee are: Mr Hastings (Chairman), Mr Walker, and Mr Joseph Caruso.

The remuneration policy which sets out the terms and conditions for the CEO and other senior executives is set out in the Remuneration Report included in the Directors' Report.

TIMELY AND BALANCED DISCLOSURE

MRC is committed to promoting investor confidence and ensuring that shareholders and the market have equal access to information and are provided with timely and balanced disclosure of all material matters concerning the Company. Additionally, MRC recognises its continuous disclosure obligations under the ASX Listing Rules and the Corporations Act.

The Company's shareholders are responsible for voting on the appointment of directors. The Board informs shareholders of all major developments affecting the Company by:

- Preparing half yearly and annual financial reports and making these available to all shareholders;
- Preparing quarterly activity reports;
- Advising the market of matters requiring disclosure under Australian Securities Exchange Continuous Disclosure Rules;
- Maintaining a record of significant ASX announcements on the Company's website;
- Submitting proposed major changes in the Company's affairs to a vote of shareholders, as required by the Corporation Law;
- Reporting to shareholders at annual general meetings on the Company's activities during the year. All shareholders that are unable to attend these meetings are encouraged to communicate issues or ask questions by writing to the Company;
- Security holders are given the option to receive communications from and send communications to the Company's and its share registry electronically; and
- Undertaking various presentations to discuss the Company's activities.

The Company has adopted a formal disclosure policy. The Board and management are aware of their responsibilities in respect of identifying material information and coordinating disclosure of that information where required by the ASX Listing Rules.

ETHICAL AND RESPONSIBLE DECISION–MAKING

Code of Conduct

The Board has created a framework for managing the Company including internal controls, business risk management processes and appropriate ethical standards.

The Board has adopted practices for maintaining confidence in the Company's integrity including promoting integrity, trust, fairness and honesty in the way employees and directors conduct themselves and MRCs' business, avoiding conflicts of interest and not misusing company resources. A formal Code of Conduct was adopted in February 2013.

Diversity

The Company employs a broad mix of individuals reflecting its philosophy of hiring the best candidate for all positions at all levels irrespective of race, religion or gender. In terms of the composition of the Board and Board nominations, the Board considers the Australian Securities Exchange Corporate Governance Principles as part of the overall Board appointment process of determining the composition of the Board that is the most appropriate for the Group.

The Company has implemented a diversity policy. The objective of the policy is for the Company to embrace the diversity of skills, ideas and experiences of an individual and recognise that a workforce is made up of people with differences in age, gender, sexual orientation, disability, religion or national origin or social origin contributes to MRC's success and organizational strength. It ensures all employees are treated with fairness and respect.

MRC is committed to embedding a corporate culture that embraces diversity through:

- Recruitment on the basis of competence and performance and selection of candidates from a diverse pool of qualified candidates;
- Maintaining selection criteria that does not indirectly disadvantage people from certain groups;
- Providing equal employment opportunities through performance and flexible working practices;
- Maintaining a safe working environment and supportive culture by taking action against inappropriate workplace and business behaviour that is deemed as unlawful (discrimination, harassment, bullying, vilification and victimization);
- Promoting diversity across all levels of the business;
- Undertaking diversity initiatives and measuring their success;
- Regularly surveying our work climate; and
- The Board establishing measurable objectives in achieving gender diversity.

The Company currently employs 209 staff, with 48 females, representing 23%. There are no female directors. The Company has not yet set any measurable objectives however it has an extensive social and labour plan in South Africa which addresses these diversity objectives.

The development of people is the fundamental principle; enshrined in the business strategy. The Company provides opportunities and resources for employees to be fully developed in job disciplines that form part of the occupational structures of the operating subsidiaries. These opportunities pervade throughout and are not limited to a specific department or level.

The Company ensures that the highest calibre of management is of great importance to sustain the business.

The Company will assist employees in achieving their potential by supporting and mentoring them in their development. At the same time, meticulous attention is given to the requirements of the Legislation applicable thereto.

Regional and local economic development/Socio-economic Development

The Companys' wholly owned subsidiary, Mineral Sands Resources (Pty) Ltd (MSR) is committed towards contributing to the socio-economic activities of the immediate community and the region. Although the primary objective is to mine Heavy Minerals for the international and local markets, the business is managed in a manner that embodies value added compliance with all relevant legislative requirements and socio-economic responsibilities.

MSR's management will always endeavour to offer job opportunities to the local community and the labour sending area from which labour is sourced, Xolobeni, by the creation of direct and indirect jobs wherever the required skills and experience are present or developed. MSR will continue to afford job opportunities to the members of the local community and the labour sending area were such individuals meet the necessary recruitment criteria.

The promotion of local and Xolobeni sustainable development is a core objective of MSR'S Social & & Labour Plan (SLP) and, as such, may be used as a general indicator to measure the success of this SLP. This performance indicator should focus particularly on the prevalence of livelihood opportunities for local people and Xolobeni people after mine closure, compared with the situation before the commencement of the operation.

Securities Trading Policy

A Securities Trading Policy has been adopted by the Board to set a standard of conduct, which demonstrates MRC's commitment to ensuring awareness of the insider trading laws, and that employees and directors comply with those laws.

The Securities Trading Policy imposes additional share trading restrictions on directors, the Company Secretary, executives and employees involved in monthly financial accounting processes ("specified persons").

Under the Securities Trading Policy, specified persons are only permitted to buy and sell securities if they do not possess non–public price sensitive information and trading occurs outside of specified restricted periods. These periods are the periods commencing on the first day of the month before the end of the half–year or full year period and ending on the next business day after the announcement of the results for that period. In addition, before a specified person can deal in MRC's securities they must obtain clearance from the appropriate officer, confirming that there is no reason why they cannot trade.

Other Information

The ASX guidelines also prescribe that the Company should maintain a dedicated corporate governance information section on its website. Such a dedicated information section is available on the Company's website.

MINERAL RESOURCE STATEMENT

The Company holds the following mining and prospecting rights:

Country	Location	Number	Type of Right	Status	Beneficial Interest
South Africa	Tormin	(WC)30/5/1/2/2/163MR	Mining	Active	100%
	Tormin	(WC)30/5/1/2/2/162MR	Mining	Active	100%
	Tormin	(WC)30/5/1/1/2/10036PR	Prospecting	Active	100%
	Tormin	(WC)30/5/1/1/2/10199PR	Prospecting	Active	100%
	Tormin	(WC)30/5/1/1/2/10226PR	Prospecting	Under application	100%
	Tormin	(WC)30/5/1/1/2/10229PR	Prospecting	Under application	100%
	Xolobeni	EC30/5/1/1/2/6PR	Prospecting	Approved	100%
	Kwanyana	EC30/5/1/1/2/10025PR	Prospecting	Under Application	100%
	Xolobeni	EC30/5/1/1/2/10025 MR	Mining	Under Application	100%

The Company has no interests held in any farm-in or farm-out agreements.

XOLOBENI is located in the Eastern Cape Province of South Africa approximately 300km north of East London and 200km south of Durban.

The Company Reviews its Resources as at 31 December each year.

The Company considers any additional exploration or depletion of its Resources which would have a bearing on the total resource reported.

No exploration or production activity has been carried out at the Xolobeni Minerals Sands Project during the year. The Company is not aware of any new information or data that materially affects the information presented herein and confirms that all material assumptions and technical parameters underpinning the estimates in relation to the Xolobeni Mineral Sands Project continue to apply and have not materially changed. There were no additional Resources added to Xolobeni during the year. As such, the mineral resources for Xolobeni as at 31 December 2015 remain consistent with 31 December 2014.

During 2015 the company lodged a new mining right application (on 03/03/2015) over the whole Xolobeni resource area. As part of the application a full EIA investigation was started with considerable input and consultation with interested and affected parties. This process is currently ongoing but has been delayed due to intimidation by local opposition groups.

TORMIN is located on the west coast of South Africa, approximately 400km north of Cape Town.

The Company commissioned the Tormin Mineral Sands Project in January 2014. The Company has previously reported that a prospecting right for the offshore area immediately adjacent to Tormin was awarded towards the end of 2012. The offshore prospecting area covers an area of 12km2, extends 1km out to sea from the low water mark and covers the full length of the existing 12km Tormin tenement. A new offshore prospecting right (1-10km offshore) was awarded on 11 September 2015 (PR 10119). Exploration drilling on the nearshore area is planned to start in June 2016.

Two new onshore prospecting rights were lodged during 2015 (PR 10226 & 10229). These areas have historical drilled resources of heavy mineral sands and will complement the existing long term plans for the Tormin mine.

The established geology of the region confirms that the source of the Tormin beach deposit is eroded paleo strandlines and Heavy Mineral-rich offshore zones. The dynamic tides and wave action serves to replenish the beaches by transporting sediment from deeper waters and concentrating the Heavy Mineral Sands (HMS) below the high water mark.

As previously noted, to date 99% of the beach mined has replenished through normal tidal movements.

Approximately 2.7m tonnes has been mined at the Tormin Mineral Sands Project to 31 December 2015, although included in those tonnages are areas which have been mined up to ten times or more.

The nature of the resource replenishment is typical of modern day beach placer deposits found along the West Coast of South Africa and the Southeastern Tamil Nadu coast of India. The Company is unable to report a replenishment grade or quantity under the 2012 JORC code. Resource replenishment is occurring as evident by mining of the same areas, but further data is needed to predict the long term trend of replenishment.

The Company continues to conduct grade reconciliation and sample grading on a daily basis as part of the mining operation to correlate between stated resource and actual resource in terms of quantity, grade and replenishment.

The Company has completed its second year of mining and processing at its Tormin Mineral Sands Project and further mining and production from replenished areas will provide greater detail and certainty on the validity of the replenished areas in the current year.

A reconciliation of the Tormin Resource is as follows: The remaining grade is based on 80 pit samples taken at the end of 2015 from mined areas that has undergone replenishment representing 83% of the resource blocks. Note individual minerals reported as percentage of the total resource.

Category	Resource Million Tonnes	Total Heavy Mineral %	Ilmenite (% in Resource)	Zircon (% in Resource)	Rutile (% in Resource)	Garnet (% in Resource)
Indicated Resource – Dec 2013	**2.70**	**49.4%**	**10.6%**	**3.4%**	**0.7%**	**25.3%**
Tonnes Mined - 2014	1.07	53.83%	17.26%	4.76%	0.65%	31.16%
Inferred Resource – Dec 2014	**2.70**	**38.14%**	**10.05%**	**2.21%**	**0.46%**	**25.22%**
Tonnes Mined – 2015	1.62	49.57%	16.15%	3.88%	0.60%	28.94%
Inferred Resource – Dec 2015	**2.70**	**28.01%**	**6.97%**	**1.56%**	**0.55%**	**18.54%**

This inferred resource is based on the reasonable prospect for the economic extraction of the material, as has occurred during the past year. Re-mining of the area, that has undergone replenishment has been successfully done on the Tormin mine site up to 10 times, but remains untested outside this operation. The current replenishment dataset is of insufficient size and timeframe to allow this potential replenished resource to be classified and is therefore not JORC compliant.

Whilst initial exploration work has been undertaken on the replenished areas, the fact remains that the beach constantly changes with both tidal movement and mining.

The Tormin and Xolobeni Mineral Resources based on mined material reconciliation as at 31 December 2015 for the Tormin Resource is as follows – note individual minerals reported as a percentage of the total heavy mineral concentration.

Project	Category	Resource Million Tonnes	Total Heavy Mineral %	Ilmenite (% in HM)	Zircon (% in HM)	Rutile (% in HM)	Garnet (% in HM)
Tormin	**Inferred**	**2.7**	**28.01%**	**24.89%**	**5.56%**	**1.97%**	**66.19%**
Xolobeni	Measured	224	5.7%	54.5%			
	Indicated	104	4.1%	53.7%			
	Inferred	18	2.3%	69.6%			
Total Xolobeni		**346.0**	**5.0%**	**54.0%**			
Total MRC		**348.7**	**5.3%**	**53.8%**			

MINERAL RESOURCE AND ORE RESERVE GOVERNANCE

Mineral Resources and where applicable, Ore Reserves, are estimated by suitable qualified MRC personnel in accordance with the JORC Code, using industry standard techniques.

All Mineral Resource estimates and supporting documentation are reviewed by external Competent Persons. Any amendments to the Mineral Resource Statement to be included in the Annual Report is reviewed by a suitably qualified Competent Person.

The mineral resource estimations previously reported under JORC 2004 for the Tormin Resource, are re-presented with updated disclosure of Table 1 from JORC 2012.

COMPETENT PERSON

The information in this announcement which relates to Exploration Results, Mineral Resources or Ore Reserves for Xolobeni is based on information compiled by Mr Allen Maynard, who is a Member of the Australian Institute of Geosciences ("AIG"), a Corporate Member of the Australasian Institute of Mining & Metallurgy ("AusIMM") and independent consultant to the Company. Mr Maynard is the Director and principal geologist of Al Maynard & Associates Pty Ltd and has over 35 years of exploration and mining experience in a variety of mineral deposit styles. Mr Maynard has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for reporting of Exploration Results, Exploration Targets, Mineral Resources and Ore Reserves" (JORC Code). This information was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported. Mr Maynard consents to inclusion in the report of the matters based on this information in the form and context in which it appears.

The information in this announcement which relates to Exploration Results, Mineral Resources or Ore Reserves for Tormin is based on information compiled by Mr Adriaan Du Toit, who is a Member of the Australian Institute of Mining & Metallurgy (AusIMM) and an independent consultant to the Company. Mr du Toit is the Director and principle geologist of AEMCO PTY LTD and has over 24 years of exploration and mining experience in a variety of mineral deposits and styles. Mr du Toit has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code, 2012 Edition). The information from Mr du Toit was prepared under the JORC Code 2012 Edition. Mr du Toit consents to inclusion in the report of the matters based on this information in the form and context in which it appears.

JORC CODE – 2012 EDITION Table 1 : Section 3 Estimation and Reporting of Mineral Resources

Criteria	JORC Code explanation	Commentary
Database integrity	• Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes. • Data validation procedures used.	• All field and lab results obtained and entered into the onsite database is verified by a supervisor. All results are double checked and verified. A standard is made on the site and sent to the laboratory with each batch of samples as a quality check. External calibration is done every 6 months. • The current mine grade database for 2015 consist of 322 volume and grades analyses suites for each mined blocks and 228 grade control sample suites taken to verify remaining grades over the resource area.
Site visits	• Comment on any site visits undertaken by the Competent Person and the outcome of those visits. • If no site visits have been undertaken indicate why this is the case.	• A site visit was undertaken by the competent person to the mine, geology department, mine laboratory and head office during October 2015. Open pits, in situ samples, ROM and product were reviewed during the site visits.
Geological interpretation	• Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit. • Nature of the data used and of any assumptions made. • The effect, if any, of alternative interpretations on Mineral Resource estimation. • The use of geology in guiding and controlling Mineral Resource estimation. • The factors affecting continuity both of grade and geology.	• Resource volume reconciliation from 2015 production data compare favourable with earlier resource estimates by Steemson, 2006 & 2007 and work done by the Trans Hex Group. • RC drilling data undertaken by Trans Hex was used and compared with 21 bulk samples to produce the 2007 resource statement. • Mine production grade data from 2014 was compared with resource data and a regression analysis done on the XY plots. A very low correlation was found (R2=0.006). • The average total HMS mined grade during 2015 was 30% higher than that of the December 2014 inferred resource statement (49.81% mined against 38.14% inferred). • The average Zircon grade mined during 2015 was 75% higher than that of the December 2014 inferred resource statement (3.88% mined against 2.21% inferred). • Continuity of grade outside the block model is not proven and has therefore not been included in the resource model. • The bottom of the resources (being a placer deposit) is limited by the bedrock contact and coastal cliffs. The resource is open towards the ocean surf zone.
Dimensions	• The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.	• The deposit has a strike length along the coastline within the mining lease of ~9000m and an average width from the cliff to within the surf zone of 123m. It is developed from surface to a maximum depth of 6.25m. The average resource thickness is 3.5m.

Criteria	JORC Code explanation	Commentary
Estimation and modelling techniques	• The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used. • The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data. • The assumptions made regarding recovery of by-products. • Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation). • In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed. • Any assumptions behind modelling of selective mining units. • Any assumptions about correlation between variables. • Description of how the geological interpretation was used to control the resource estimates. • Discussion of basis for using or not using grade cutting or capping. • The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.	• The 2007 Steemson resource was interpreted using the data and results from 236 hand auger holes (402.3m) and 336 reverse circulation holes (1049.35m) drilled during 1989 to 1991 by Trans Hex. The current resource was signed off on 31 October 2011 by Mr Allen Maynard as the competent person. Mr Maynard is the director and principle geologist of Al Maynard & Associates Pty Ltd (Perth, WA). • All original analyses were conducted by MINTEK using microscopic point counting-, x-ray and scanning electron microprobe techniques. • Bulk sampling done by MSR in 2005 were sent to SGS Johannesburg for grain counting. Bulk sampling was used to confirm the historical Trans Hex drill data and results. The bulk sample results were generally the same or better than the Trans Hex drilling results. • An analysis cut off of 0.1% zircon (MINTEK) was used and a resource cutoff grade of 0.3% zircon (Steemson, 2007). • Resource modeling was done using only RC drilling results using a polygonal method. Resource blocks were constructed in the southern mining area so that they were orthogonal to the drill traverses. In the northern area, resource block are trapezoidal in plan view. Resource blocks were extended half way between drill lines and 10m from the drill holes in section. • Recovery studies (three stage spiral circuit) by Multotec and Mintek in 2012 showed that an overall circuit can produce a concentrate of 11.66% Zircon into 60.8% of the feed mass with a Zircon recovery of 86.6%. Metallurgical sizing work was done in 2005 by Bateman Minerals Ltd. • Mine production during 2015 achieved a 62-67% Zircon recovery (32,422 tonnes from a head feed containing ~52,458 tonnes). • Reconciliation of 2015 mine production data (January to December 2015) with the 2014 resource model data indicate a 30% higher HMS concentrate (49.57%) than the average 38.14% HMS grade predicted.
Moisture	• Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.	• The resource tonnages are based on a dry basis. Most of the material is fully saturated when mined but are free draining.
Cut-off parameters	• The basis of the adopted cut-off grade(s) or quality parameters applied.	• The original Steemson resource 0.3% zircon cut-off grade was based on a 70% zircon recovery and a zircon price of U$ 700/tonne.

Criteria	JORC Code explanation	Commentary
Mining factors or assumptions	• Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.	• A definitive feasibility study on the deposit was done in 2006 by K'Enyuka and a BFS study review by HBH consultants • The dynamic beach environment results in a cyclic depositional and erosion of the beach surface. Historical studies by Trans Hex have found a weighted average change over 9 months of up to ~9% loss or up to ~7% increase. This variability is also evident in the replenishment rate and grade of material observed. • Mining is opencast using coffer type dams constructed with excavators. The pits generally only remain open during low tide, except where beach conditions allow larger more stable protection bunding to be constructed. Construction and mining methods are similar to that being used for beach diamond mining along the west coast of South Africa and Namibia. • There is no stripping ratio as material is from surface onto bedrock. • Natural replenishment of the resource is taking place as the open pits are filled with HMS material from the surf zone during the next high tide. Current data indicates no correlation (R2=0.04) between the original resource grade and the replenishment grade for the same mine block area. • In general it appears that replenishment is erratic and unpredictable. Is some areas zircon grade replenishment may only be 35%, while in other areas there are a 34% increase over and above the original zircon concentration. Replenishment appear to be mainly a function of time and the number of sea storm events. Given enough time between mining events the resources is currently still replenishing although the long term trend is a lowering in grade. • Over the past 2 years some mining blocks have now been mined up to 10 times or more. • During 2015 there was a 0.29% difference between mined zircon grade and processed material grade. This is insignificant over a long period as the zircon variance is below 0.5% on an annual basis.

Criteria	JORC Code explanation	Commentary
Metallurgical factors or assumptions	• The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.	• Extensive metallurgical testing has been done before the current processing plant that is now in operation were designed. These include the following studies: • 2002 -2003 Spiral test work and trials by Multotec Process Equipment (Pty) Ltd and Mintek – Johannesburg. • 2003 Grain analysis by SGS Lakefield including THM, Magnetic Separation and XRF analyses. Also ilmenite fraction analyses for smelter feedstock. • 2003 Magnetic separation work by Diamantina laboratory in Perth • 2005 Bateman Minerals (Pty) Ltd electrostatic separation study • 2007 Processing and recovery tests by Titanatek Pty Ltd - Queensland • 2007 & 2009 Metallurgical testwork by AMMTEC Ltd – Australia • 2007 Metallurgical upgrade test work by Multotec Process Equipment Pty Ltd – Kempton Park, RSA.
Environmental factors or assumptions	• Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.	• The mine has an approved environmental management programme and has been subject to an environmental impact assessment. There are no environmental directives in place against the mining operation. • There is a 10m stability buffer zone between the coastal cliffs and the beach where no mining is allowed. It would appear that the original resource model allowed for at least a 5m buffer zone. • Two conservation areas have been proposed in the mining area where no mining is allowed. This has not resulted in any part of the current indicated resource being sterilized. • All mining voids get naturally filled with beach sand material during high tide and there is therefore no rehabilitation liability in this regard. • Tailings get dumped onto the beach where it is distributed and settled along the coastline under natural wave and sea current action. There are no pollutants introduced with the tailings and the material is inert.
Bulk density	• Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size and representativeness of the samples. • The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit. • Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.	• The bulk density is based on an accurate calculation of the specific gravity of the silica and heavy mineral sand content fraction of each sample. It is therefore not a fixed density and appears to fluctuate between 1.9 and 2.4 as per the formula below: • SG=1.5+(0.009 x HM).

Criteria	JORC Code explanation	Commentary
Classification	• The basis for the classification of the Mineral Resources into varying confidence categories. • Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data). • Whether the result appropriately reflects the Competent Person's view of the deposit.	• The original resource classification was an indicated resource. • It was based on historical drilling and bulk sampling. • The original resource were signed off in 2011 by Mr Allen Maynard of Al Maynard & Associates Pty Ltd as the competent person on the resource statement. • A review of the resource during 2014 by du Toit of AEMCO resulted in the resource being downgraded into an inferred category due to the impact from mining and replenishment.
Audits or reviews	• The results of any audits or reviews of Mineral Resource estimates.	• The current inferred JORC resource of 2.7 million tonnes compares very favourably with the June 1992 Historical Foreign Estimate (HFE) by A van den Westhuizen and PD Danchin that classified the Geelwal (Steenvas) and Karoo (Geelwal) area into 3,003,881 tonnes proven, 221,088 tonnes indicated and 891,528 tonnes inferred. A total HFE resource of 4.1 million tonnes @ 30% HM. • Another HFE in 1998 by Trans Hex (Barnex – RBM) reported an estimated resource of 6 million tonnes @ 2.78% zircon. • Anglovaal reported in 1983 a resource of 11.8 million tonnes @ 8.4% zircon over 5m depth over the same area. • The latest resource statement by du Toit in December 2014 has been reviewed and the resource will remain in the inferred category with the same resource tonnage but the grades have been adjusted as per the resource table. • Over the past two years 2.70 million tonnes of material have been mined. This material has been replaced through beach replenishment. • The current inferred zircon resource grade of 1.56% HM is lower than the 2014 grade of 2.21% and the 2013 grade of 3.4%.

Criteria	JORC Code explanation	Commentary
Discussion of relative accuracy/ confidence	• Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate. • The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used. • These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.	• The Geelwal Karoo HMS deposit have been known and investigated over the past 57 years with the earliest detailed investigation by Trans Hex in 1989. The deposit was first documented in 1931 by Haughton. • The deposit is well understood but due to the dynamic nature of the environment and movement of the upper part of the deposit (due to erosion and wave action deposition) and variable nature of the deposit, grade different resource estimates have been produced e.g. Geological Survey Bulletin #25 of 1957. • The current JORC resource statement represent the lowest tonnage reported in comparison to HFE and appear to be conservative. Estimated resource grades also appear to be conservative as production grades of HMS during 2015 is 30% higher than the 2014 resource grade (49.57% against 38.14%).

Shareholder information

Additional information required by the Australian Stock Exchange Ltd Listing Rules and not disclosed elsewhere in this report. This information is current as at 8 April 2016.

TWENTY LARGEST SHAREHOLDERS

Rank	Name	15 Mar 2016	%IC
1	AU MINING LIMITED	95,619,402	23.61
2	CITICORP NOMINEES PTY LIMITED	67,631,871	16.70
3	J P MORGAN NOMINEES AUSTRALIA LIMITED	58,267,329	14.39
4	ZURICH BAY HOLDINGS PTY LTD	50,000,000	12.35
5	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	40,758,363	10.07
6	ZURICH BAY HOLDINGS PTY LTD <MINESITE CONSTRUCTION A/C>	25,757,485	6.36
7	MISS KATHRYN YULE	6,342,000	1.57
8	INTERNATIONAL MINING SERVICES LIMITED	5,706,875	1.41
9	MR KEVIN ANTHONY LEO & MRS LETICIA LEO	1,573,833	0.39
10	REGIONAL MANAGEMENT PTY LTD MVC	1,546,540	0.38
11	INTERNATIONAL MINING SERVICES LTD	1,500,000	0.37
12	MR ROBERT CAMERON GALBRAITH	1,459,221	0.36
13	MR ASHLLEY WALLISS	1,250,000	0.31
13	ZURICH BAY HOLDINGS PTY LTD <MINE SITE CONSTRUCTION A/C>	1,250,000	0.31
14	KINGARTH PTY LTD	1,000,000	0.25
14	MR WILLIAM DAVIDSON MEEK	1,000,000	0.25
15	MR GRANT MENHENNETT <CM MINING & CIVIL SALES A/C>	954,481	0.24
16	NATIONAL NOMINEES LIMITED	912,627	0.23
17	MR ASHLLEY WALLISS	836,295	0.21
18	MR CHRISTOPHER VICTOR CARUSO	750,000	0.19
18	MR JOHN BARRY LEMKE	750,000	0.19
19	BATEMAN INTERNATIONAL BV <34173011>	743,209	0.18
20	MR DONALD BOYD	700,000	0.17
Total		**366,309,531**	**90.46**

DISTRIBUTION OF EQUITY SECURITY HOLDERS

Range	Securities	No. of holders
100,001 and Over	390,529,775	115
10,001 to 100,000	12,022,143	329
5,001 to 10,000	1,306,259	161
1,001 to 5,000	1,046,552	310
1 to 1,000	36,842	129
Total	**404,941,571**	**1,044**
Unmarketable Parcels	519,571	320

MARKETABLE PARCELS

Number of shareholders holding less than a marketable parcel of ordinary shares is 320.

VOTING RIGHTS

Every ordinary shareholder present in person or by proxy at meetings of shareholders shall have one vote for every share held.

Option holders have the right to attend meetings but have no voting rights until the options are exercised.

SUBSTANTIAL SHAREHOLDERS

The following shareholders are considered substantial shareholders:

- Zurich Bay Holdings Pty Ltd — 19.02% of the issued ordinary shares
- AU Mining Limited — 23.6% of the issued ordinary shares
- Tormin Holdings Limited — 14.7% of the issued ordinary shares

RESTRICTED SECURITIES

There are no restricted securities.

SHARE BUY BACKS

There is no current on market share buyback.

Mineral Commodities Ltd

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