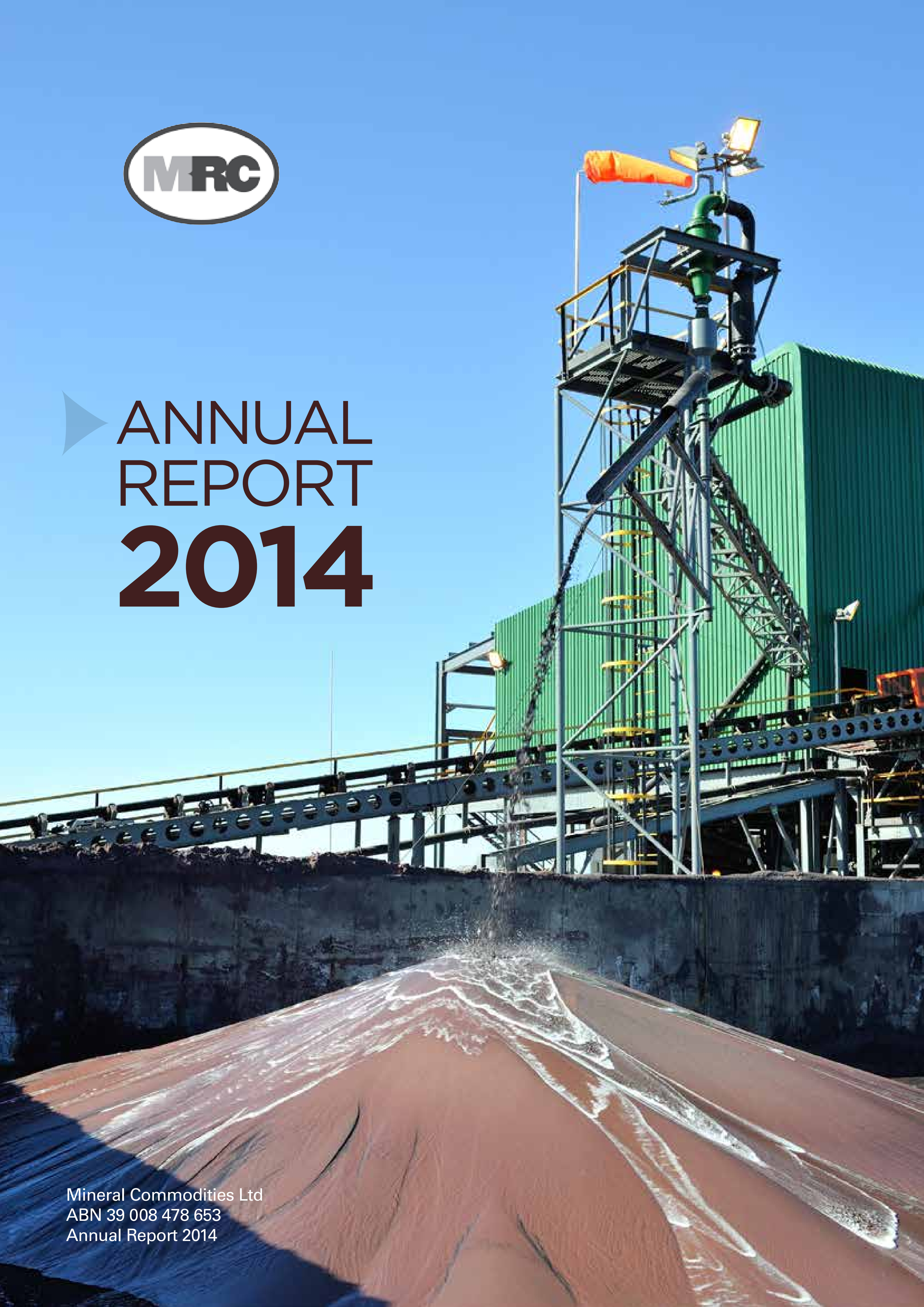


ANNUAL REPORT 2014

Mineral Commodities Ltd
ABN 39 008 478 653
Annual Report 2014

DIRECTORS	Mark Victor Caruso	Executive Chairman and Chief Executive Officer
	Joseph Anthony Caruso	Non-Executive Director
	Peter Patrick Torre	Non-Executive Director
	James Gerald Leahy	Independent Non-Executive Director
	Guy Redvers Walker	Independent Non-Executive Director

COMPANY SECRETARY

Peter Patrick Torre

PRINCIPAL & REGISTERED OFFICE IN AUSTRALIA

40 Murray Road North
Welshpool
Western Australia 6106

Telephone: +61 (8) 6253 1100
Facsimile: +61 (8) 9258 3601
Email: info@mncom.com.au

AUDITORS

BDO Audit (WA) Pty Ltd
38 Station St
Subiaco, Western Australia 6008

SOLICITORS

Steinepreis Paganin
Level 4, Next Building
16 Milligan Street
Perth WA 6000

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

BANKERS

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

SHARE REGISTRY

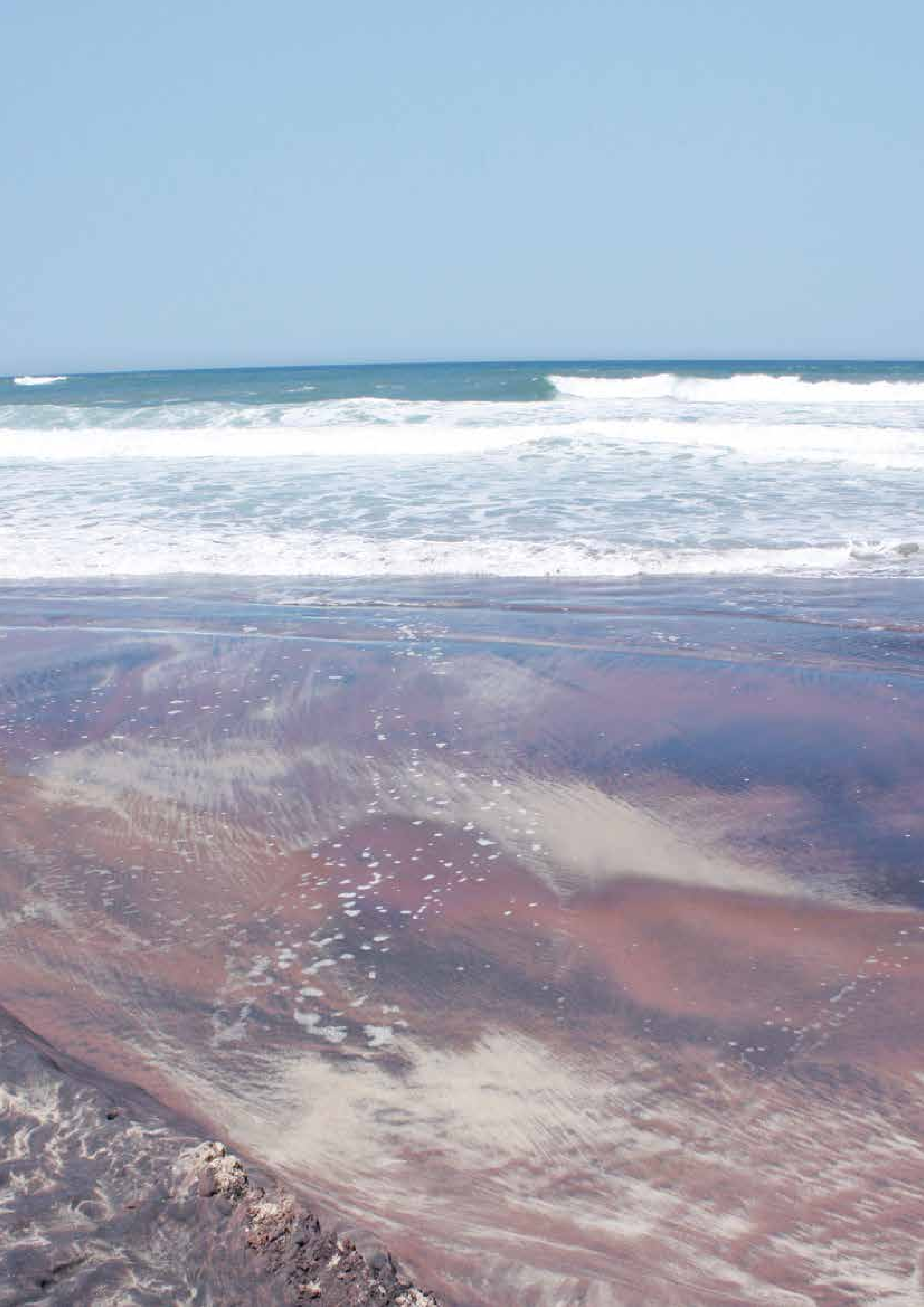
Link Market Services Limited
Level 4, Central Park
152 St Georges Terrace
PERTH WA 6000

STOCK EXCHANGE LISTING

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

WEBSITE ADDRESS

www.mineralcommodities.com



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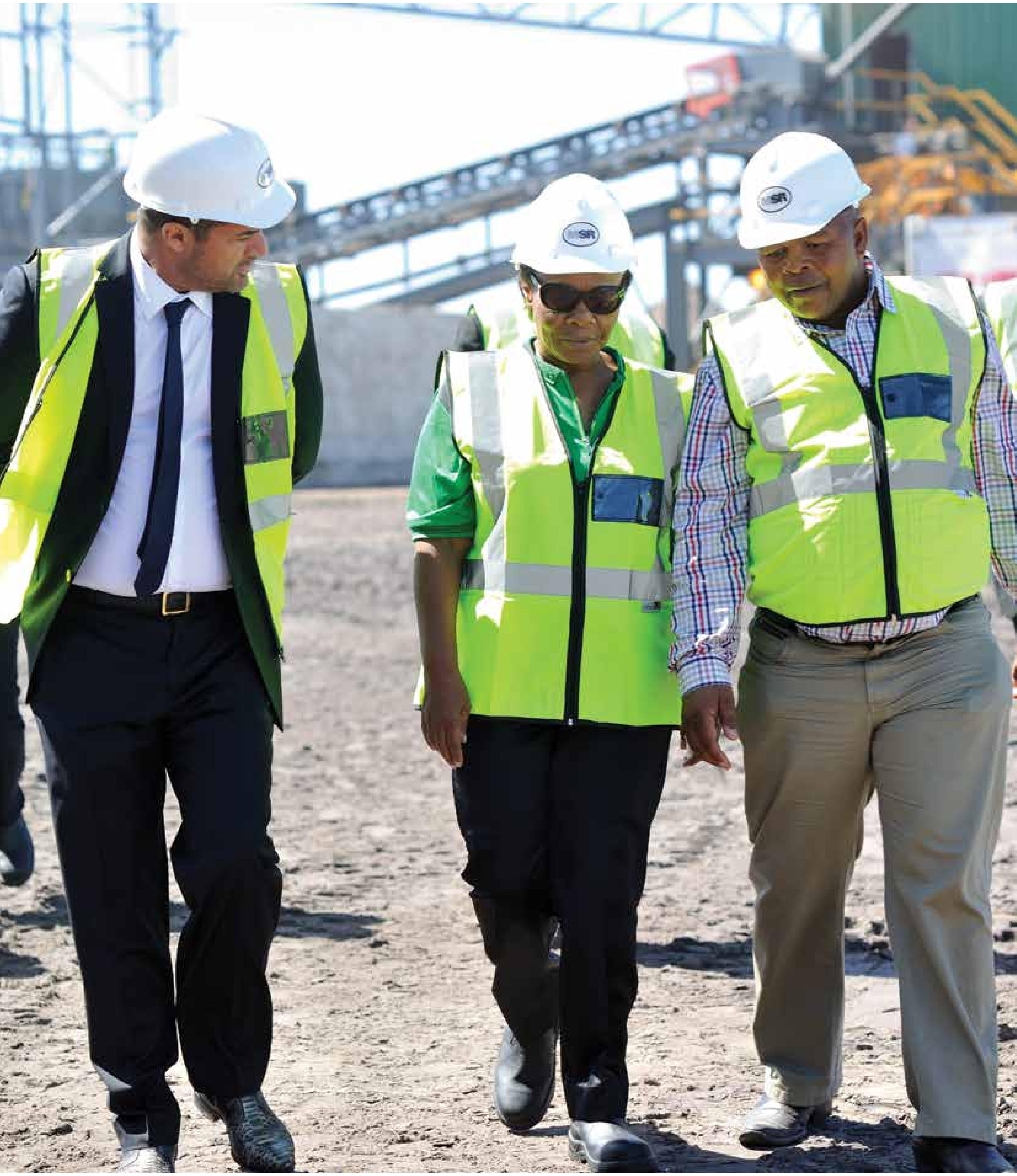
The consolidated financial statements are presented in United States Dollars ("$"), unless otherwise stated, which is the Company's presentation currency.


MSR

Dear Shareholders,

Your Company has recently completed its first full year of production at the Tormin Mineral Sands Project (Tormin), reporting a maiden profit after income tax benefit of US$8.4 million. It is with immense pleasure that I can make that statement, as it somewhat vindicates the Boards and shareholders patience and unwavering commitment to bring Tormin into production.

There have been a number of achievements throughout the year, none more prevalent than the impeccable safety record that the Company maintains. The safety of the workforce is of paramount concern to the Board of the Company and we are proud of the diligence exercised by all employees at the Company's operations. The Company is pleased to report that by period end the safety record amounted to in excess of 758,000 man hours without a lost time injury (LTI) since October 2013.

Group profit before income tax benefit for the period was US$4.0 million with cash on hand as at 31 December 2014 of US$4.2 million after allowing for debt repayments throughout the year.

After delivery of the development of the Tormin Mine on time and on budget during 2013, I am pleased to advise that production for the 2014 year was in excess of budget with the following key metrics:

Production – Full Year

Mining: 1,075,408 tonnes mined at a grade of 53.83% Heavy Mineral consisting 31.16% garnet, 17.26% ilmenite, 4.76% zircon and 0.65% rutile.

Production & Processing: 556,105 tonnes processed through the Secondary Concentrator Plant ("SCP") to produce:

- 254,816 tonnes garnet concentrate
- 100,437 tonnes ilmenite concentrate
- 42,668 tonnes zircon/rutile concentrate

Sales – Full Year: $33.3m

Zircon/Rutile concentrate: 42,042 wet metric tonnes

Ilmenite concentrate: 21,920 wet metric tonnes

Garnet concentrate: 79,630 wet metric tonnes

Corporate and Cash

Cash: Cash balance of $4.2m as at 31 December 2014, plus $3.1m in trade and other receivables.

Debt: $2.0m Wogen Pre-Financing Facility repaid to a balance of $0.6m as at 31 December 2014. Repaid in full on 2 March 2015. $3.0m Working Capital Facility fully drawn.

The Company was pleased to be able to announce the offtake arrangement for garnet concentrate entered into during the year with GMA Garnet Australia. The added benefit of being able to sell this product to the extent and volumes now being produced adds substantially to the overall benefits of the project. The Company anticipates that additional benefits will also flow from the sale of its additional product, ilmenite, and advanced discussions with potential offtake partners are still ensuing.

The Company is well placed with a world-class deposit in Tormin to take advantage of any incremental increase in zircon pricing and has significant upside in the sale of ilmenite concentrate.

This combined with the planned processing plant upgrades, the Company is anticipating growth in both sales revenue and production in 2015.

The Company maintains its perseverance in respect to its Xolobeni Mineral Sands Project (Xolobeni). We continue to complete all matters within our control to ensure this project moves forward to eventual development. The economic and social benefits of Xolobeni, including the upliftment of the local Amadiba population, still create a compelling case for its development and show beyond doubt that responsible mining can make a significant contribution to sustainable development.

The patience of the Company's shareholders eventually must be repaid through a prudent capital management policy, and the Board will now consider the payment of dividends at each reporting period, subject to the ongoing capital requirements of its operations.

On behalf of the Board I would like to thank all the dedicated team on site and at the Company's respective offices for their efforts and dedication throughout the year. The company is very proud of its achievements. It has not only delivered the project on time and on budget but has successfully commissioned and made the transition to a fully operational Mine underpinned by strong key production metrics in Mining and Processing, and with solid financial performance on the backdrop of a challenging market.

As reported within the accompanying financial statements, I would also like to acknowledge the contribution of our joint shareholder in the Company's subsidiary Mineral Sands Resources (Proprietary) Limited and BEE partner, Blue Bantry Investments 255 (Pty) Ltd ("Blue Bantry"), in assisting in bridging the cultural divide that can sometimes exist in managing the expectations of interests and effected parties and communities. More particularly Blue Bantry's origins rest in the Transkei in the Eastern Cape of South Africa, where the Company's Xolobeni project is located.

Significant credibility has been established through the employment of 22 Xolobeni residents on the Tormin mining operation. Not only does this employment provide direct economic benefit back to the Xolobeni community but provides a community educational process through hands on involvement in a live mining project and assists significantly in countering negative lobbying against mining in Xolobeni.

The Company continues to embrace Black Empowerment Procurement throughout its purchasing and contracting requirements recognising that this process supports direct and indirect economic benefit flowing through to historically disadvantaged groups. A clear and transparent commitment to its Social Labour Plan ("SLP") now that the project is in full operation is measurable and supported by the Company's human resources and financial investment via sponsorship of educational learnships, bursaries and traineeships as well as community infrastructure projects.

We look forward to their continued commitment and drive to ensure the same operational success which we are confident will translate to a future upliftment in the company's investment profile and rating.

Mark V. Caruso
Executive Chairman/CEO

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 2014. 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:

Mark Victor Caruso
Joseph Anthony Caruso
Peter Patrick Torre
James Gerald Leahy
Guy Redvers Walker

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 in the Eastern Cape Province of South Africa, and investigations into other mineral resources.

DIVIDENDS

No dividends have been paid, declared or recommended for payment, in respect of the current financial year.

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:

TORMIN MINERAL SANDS PROJECT

The Tormin Project was successfully commissioned in January 2014 and has completed its first 12 months of operations which have proven to be a success.

The Company is proud of its operational performance for the full year and is pleased to report the following key operating and financial metrics:

Production – Full Year

Mining: 1,075,408 tonnes mined at a grade of 53.83% Heavy Mineral Concentrate ("HMC") consisting 31.16% garnet, 17.26% ilmenite, 4.76% zircon and 0.65% rutile.

Production & Processing: 556,105 tonnes processed through the Secondary Concentrator Plant ("SCP") to produce:

- 254,816 tonnes garnet concentrate
- 100,437 tonnes ilmenite concentrate
- 42,668 tonnes zircon/rutile concentrate

Sales – Full Year: $33.3m

Zircon/Rutile concentrates: 42,042 wet metric tonnes

Ilmenite concentrate: 21,920 wet metric tonnes

Garnet concentrate: 79,630 wet metric tonnes

Corporate and Cash

Cash: Cash balance of $4.2m as at 31 December 2014, plus $3.1m in trade and other receivables.

Debt: $2.0m Wogen Pre-Financing Facility repaid to a balance of $0.6m as at 31 December 2014. Repaid in full on 2 March 2015. $3.0m Working Capital Facility fully drawn.

Safety

The Company has now worked in excess of 758,000 man hours without a lost time injury ("LTI") since operations commenced in October 2013. The total recordable injury frequency rate ("TRIF") remained at zero until September 2014 however five minor incidents in the last four months of the year have detracted from the good performance on site up until that time.

The Company's safety performance is commendable by any measurable industry standard. This is further supported given that approximately 25% of the Company's workforce comes from local communities; the vast amount of whom had never worked on an industrial site before. It is testament to its commitment to continued organisational enforcement of maintaining a safe work environment which allows employees to come to work and return home to their families without injury.

Mining

For the full year to 31 December 2014, 1,075,408 tonnes was mined at Tormin (approximately 17% above budget) at a HMC grade of 53.83%. The most pleasing aspect of this was that certain ore blocks were mined five times after the beach mineral sands were replenished by normal tidal movements.

The Company initially started mining very high grade Run of Mine ("ROM") (+80% HM) material which was a result of a historical deposition and no previous mining of the orebody. During the second half of the year the Company moved to planned mining techniques and installed additional de-watering pumping equipment, which allowed for the effective dry mining of the orebody and the ability to extract the full depth of material from each respective ore block.

The Company will be initiating studies with specialised mining consultants in the first quarter of 2015 to explore and develop mining techniques for the areas between the low tide shore break mining zone covered by the Company's prospecting permits and the current mining rights.

Processing

A total annual production of 330,249 tonnes of HMC was produced through the two Primary Beach Concentrators ("PBC"). This was 68,396 tonnes (or 26%) above budget. The balance of SCP feed of some 226,000 tonnes was sourced as direct feed from high grade run of mine material, which required no primary concentration due to its extremely high grade.

The Company processed 556,105 tonnes to 31 December 2014, which was 10% above budget.

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

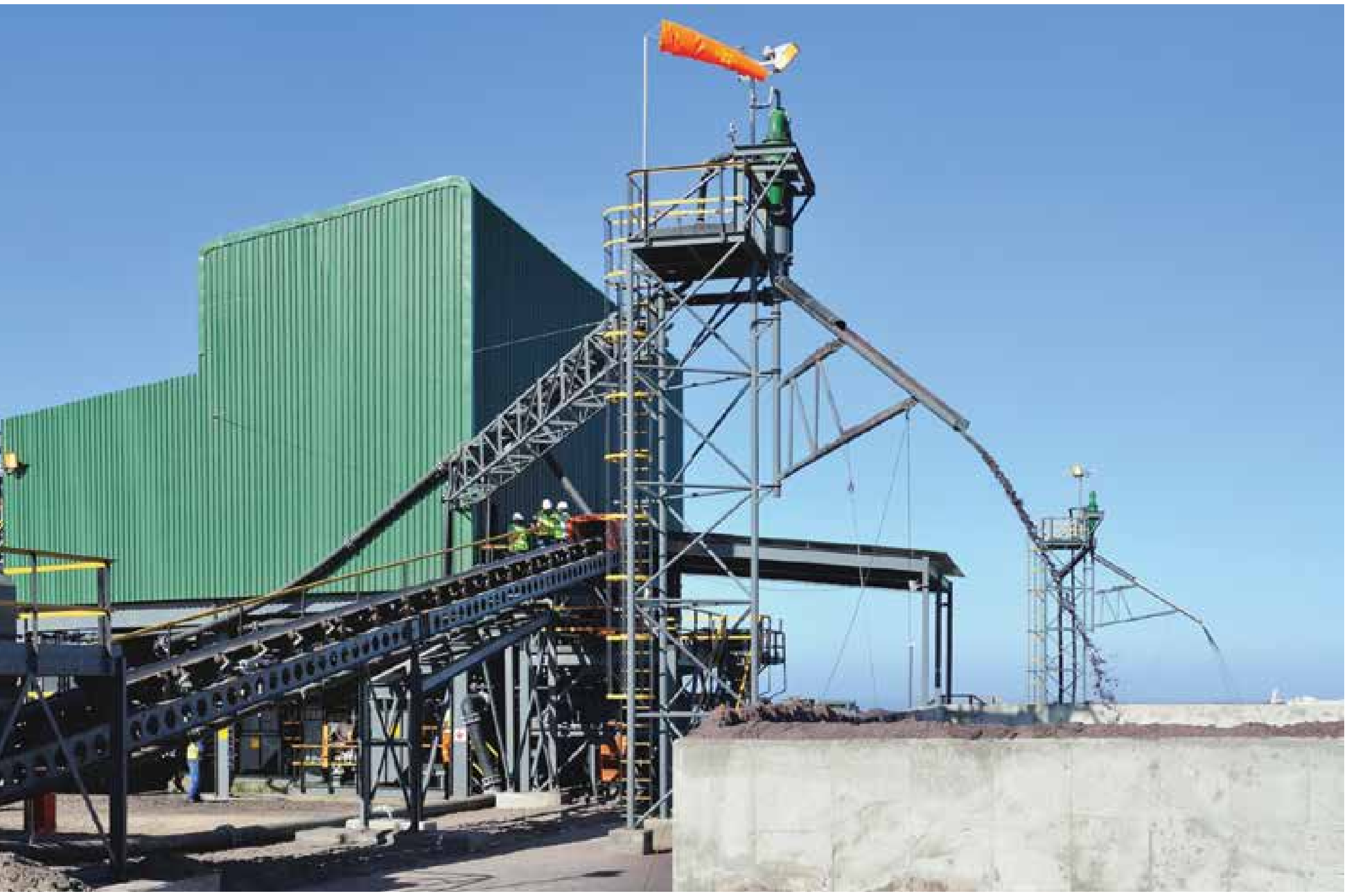
Considering the first quarter of 2014 commissioning ramp-up and other associated issues, including a major coil failure on one of the Slon magnets, the SCP performed well above its nameplate capacity of 63 tonnes per hour, averaging annually 72 dry tonnes per hour (14% above nameplate capacity) and reaching peaks of as high as 100 dry tonnes per hour.

The Company completed and commissioned the installation of a Process Plant Instrumentation ("PLC SCADA") system during the last quarter of the year. The PLC SCADA system allows the plant to run on a fully monitored and automated basis, which further enhances the operational efficiencies and performance of the plant. In addition the Company moved to implement the pumping of all tailings back to the beach by the installation of a tailings return system. This also included the upgrading of the Company's seawater intake system which is used for processing.

Annual non-magnetic concentrate production to 31 December 2014 was 42,668 tonnes versus budget of 45,180 tonnes. While slightly down on budget for the year, the total production for 2014 was above nameplate capacity.

Annual Ilmenite and Garnet concentrate production to December 2014 was 100,437 tonnes and 254,816 tonnes respectively.

Total processing unit cash costs were well within budget.



Tormin Sales and Marketing

Sales revenue for the year was $33.3m, with annual sales of:

- Zircon/Rutile concentrates: 42,042 wet metric tonnes
- Ilmenite concentrate: 21,920 wet metric tonnes
- Garnet concentrate: 79,630 wet metric tonnes

All Zircon/Rutile concentrate was shipped to the Company's offtake partner Wogen Pacific Ltd ("Wogen") during the year.

During the period, the Company negotiated a Garnet Offtake Agreement ("Agreement") with GMA Garnet Group of Australia ("GMA"), the world's largest producer and global distributor of industrial Garnet abrasives.

Garnet is used in abrasive blasting and waterjet cutting applications, and is a byproduct of the Zircon/Rutile/Ilmenite production process at Tormin. For every tonne of Zircon concentrate, approximately five tonnes of Garnet concentrate is produced. No additional mining or processing costs are incurred in the production of Garnet.

Full details of the Agreement were released to the market in an announcement dated 15 July 2014, with further information in respect to the Resource and mining method in the Company's quarterly report for the quarter ended 30 June 2014.

The Company continues to explore further options in relation to value adding by final processing all non-magnetic Zircon/Rutile concentrate, as well as Ilmenite concentrate through a standalone Magnetic Separation Plant ("MSP"), both within South Africa and abroad.

General product pricing remains in line with expectations with all Zircon/Rutile concentrate production sold forward for the first quarter of 2015. Garnet concentrate production will continue to be supplied and sold under the contract with GMA and stockpiled within South Africa. The Garnet concentrate will then be shipped at GMA's discretion.

The Company established its own 100% controlled trading company, MRC Trading (Aust) Pty Ltd ("MRCT"), which is now contracted exclusively to sell all product produced from the Tormin mine on behalf of Mineral Sands Resources (Proprietary) Limited ("MSR"). The arrangement is on an arms-length commercial basis.

The Company is confident that it will consummate Ilmenite concentrate sales within the first half of 2015. The Company has received strong enquiries despite weak global Ilmenite pricing. The Company's Ilmenite concentrate is a high value concentrate and is a typical slagging ilmenite with ideal iron and TiO2 ratios, suitable for smelting.

Black Economic Empowerment ("BEE")

The Company acknowledges the contribution of its joint shareholder in its subsidiary MSR and BEE partner, Blue Bantry Investments 255 (Pty) Ltd ("Blue Bantry"), in assisting in bridging the cultural divide that can sometimes exist in managing the expectations of interests and effected parties and communities. More particularly Blue Bantry's origins rest in the Transkei in the Eastern Cape of South Africa, where the Company's Xolobeni project is located.

Significant credibility has been established through the employment of 22 Xolobeni residents on the Tormin mining operation. Not only does this employment provide direct economic benefit back to the Xolobeni community but provides a community educational process through hands on involvement in a live mining project and assists significantly in countering negative lobbying against mining in Xolobeni.

The Company continues to embrace Black Empowerment Procurement throughout its purchasing and contracting requirements recognising that this process supports direct and indirect economic benefit flowing through to historically disadvantaged groups. A clear and transparent commitment to its Social Labour Plan ("SLP") now that the project is in full operation is measurable and supported by the Company's human resources and financial investment via sponsorship of educational learnships, bursaries and traineeships as well as community infrastructure projects.

Tormin Resource

Work was completed during the last quarter of the year on the annual Tormin Resource Review.

Approximately 1.075m tonnes has been mined to 31 December 2014, although included in those tonnages are areas which have been mined up to five times.

The nature of the resource is unique, and as such the Company is unable to report a replenishment grade or quantity under the 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 first year of mining and processing at its Tormin 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.

Tormin – Offshore Prospecting Activities

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 12km^2 and extends 1km out to sea from the lowwater mark and covers the full length of the existing 12km Tormin tenement.

The established geology of the region confirms that the source of the Tormin beach deposit is a Heavy Mineral-rich offshore zone and that the dynamic coastline serves to replenish the beaches by transporting sediment from deeper waters.

As previously reported, 99% of the area mined continues to replenish through normal tidal movements. The Company continues its work on the replenishment studies to determine the dynamics of the grade and quantum timing of the mineral sands redeposit.

The Company has received a number of proposals to drill and sample the offshore area and re-define the existing beach resource. The program, which will be subject to final selection of drilling techniques and Contractors to ensure integrity of sampling collection and prevailing weather. The programme has still not yet commenced due to Management's focus on operations during the year.

Based on the Company's confidence in the extent of this resource, an application was made during the 2014 year to extend the prospecting area from 1km seawards of the low water mark to 10km offshore. This will increase the prospecting area and potential resource area available to the Company from 12km^2 to 120km^2.

The Company has proceeded with the regulatory approval process in relation to the offshore prospecting right application. The Company proceeded with a public participation process as part of the regulatory prospecting right application. There were minimal objections to the application during the public participation process.

XOLOBENI MINERAL SANDS PROJECT

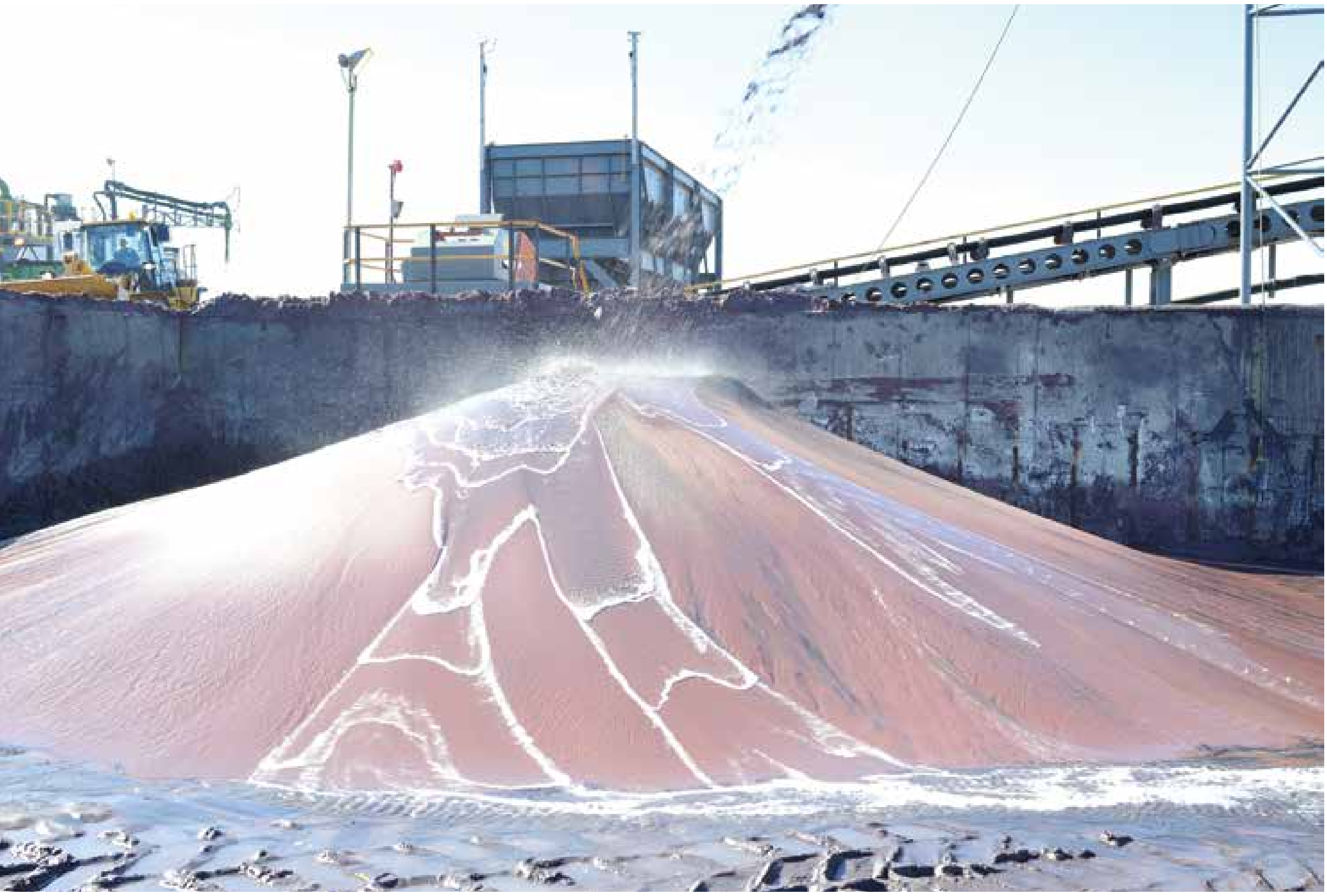
The Company holds the prospecting rights to four of the five blocks in the Xolobeni Mineral Sands Project ("Xolobeni"). The Company has previously advised that, due to objections received to the prospecting right application to the remaining block, the Kwanyana block, the Department of Mineral Resources ("DMR") instructed the Company to undertake additional public consultation in relation to the project. The public consultation took place in early 2013 and feedback from the meetings was submitted to the DMR in the second half of that year.

Based on a review of stakeholder engagement reports submitted by the Company, the DMR instructed the Company on 22 January 2014 to undertake a further round of consultation with a number of political stakeholders. These included the local royal family, the Eastern Cape Cabinet, the district municipality, the local municipality and the local Chamber of Commerce. This consultation was undertaken and completed during the year and a full report submitted to the DMR.

While the level of consultation undertaken to date has been extensive, the Company has undertaken the work as a display of good faith and its commitment to develop and operate Xolobeni transparently and sustainably in the interests of all stakeholders. All the necessary documents were completed and submitted to the DMR during the period and, given this and the substantial amount of support for the project evident through the consultation, the Company remains optimistic that the DMR will award a new prospecting right over the Kwanyana block in the next half. Notwithstanding this, the Company is entitled under The Mining Act Legislation to lodge a Mining Right Application for all Prospecting Permits covering the Xolobeni Project, which it did in March 2015.

In the interim, work has commenced on preparation for the various baseline studies that are required as part of the prospecting works programme and in preparation for an application for a mining right for Xolobeni. This includes the appointment of a specialist water expert who has already provided initial feedback from site reviews and engagement with the Department of Water Affairs.

The Company still awaits an outcome on the appeal process.



CORPORATE AND FINANCIAL

The Company moved during the year to fully integrate and establish its own operations after discontinuing its relationship with Blastrite Proprietary Limited ("Blastrite"), with all administration functions being streamlined through its offices in Cape Town and Perth, Western Australia.

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 to seek relief for an order that MSR, a subsidiary of the Company, 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 the hearing on 19 December 2014, Blastrite withdrew its application to seek interim relief and were ordered to pay MRC's costs occasioned by the application. Blastrite proceeded to make an application for final relief which has been deferred to oral evidence to be heard in June 2015. MRC will proceed to strenuously oppose the application.

The existing Garnet offtake agreement with GMA and the supply of Garnet concentrate pursuant to that agreement continues unabated.

The Company is in discussions with downstream processing plant operators to develop joint venture operating arrangements with a view to optimising the valuable heavy mineral component of its concentrate.

In addition, the Company is looking at financing options for its impending expansion initiatives relating to a Garnet Stripping Plant ("GSP") and a Tailings Scavenger Spiral Circuit ("TSP"). Based on the Company's strong 2015 cash flow projections, these will be funded by traditional debt financing.

The Company established a facility of up to $4.0m to assist with short term working capital requirements resulting from lower than forecast sales in the first quarter of the year. Major Shareholders indicated their willingness to support and provided a finance facility on commercially arms-length terms.

The Company drew down on $3.0m of this facility and was pleased to announce subsequent to year end that the Shareholders extended the term of the loan to 30 September 2015 to allow the Company to explore all options with traditional financiers.

At 31 December 2014, the Company had $4.2m in cash, a pleasing result after its first year of operations. The Company also reduced its debt to Wogen down to $0.6m as at 31 December 2014 and repaid the debt in full on 2 March 2015.

Consolidated result and financial position

The profit of the Group after income tax benefit and non-controlling interests was $8.38m (2013: loss of $1.57m). The net assets of the Group have increased from $25.38m as at 31 December 2013 to $31.21m as at 31 December 2014.

As noted above, the Tormin Project was successfully commissioned in January 2014 and has completed its first 12 months of operations which have proven to be a success. Revenue for the first year was $33.27m, with profit before income tax benefit of $3.95m. Given the commencement of production and the positive cashflows forecast, a deferred tax asset has been brought to account as at 31 December 2014, totalling $4.04m.

Outlook

The Company has undertaken significant test work on a GSP optimisation expansion. If implemented, it will occur in the second half of 2015. Capital estimates for the GSP, including an upgraded Ilmenite circuit, are approximately $3.5m with a six month project delivery timeframe.

In addition, the Company has initiated studies on the TSP. This involves the re-processing of the tailings stream which is currently discharged back onto the beach and will result in another approximately 180,000 tonnes of HMC product being available for treatment through the SCP. It is likely that this initiative will be implemented prior to the decision to expand through the construction of the GSP. Capital estimates for the TSP are estimated at $1m.

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 weakening Rand and the strengthening of a US denominated sales revenue. In addition, falling energy prices should reflect a reduction in one of the Company's biggest operating cost expenses, being diesel fuel, which is used for power generation and mining equipment.

Combined with the planned processing plant upgrades, the Company is anticipating significant growth in both sales revenue and production in 2015.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Significant changes in the state of affairs of the Group during the financial year were as follows:

- The Company commissioned the Tormin Project. 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

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

- As at 31 December 2014, the $2.0m Wogen Pre-Financing Facility was paid down to a balance of $0.6m. On 2 March 2015 this balance was repaid in full.
- On 23 February 2015, the Company extended the term of the loans provided by major shareholders of the Company to 30 September 2015.
- Refer to the Corporate and Financial section on page 5 for details in respect to the current status of the Blastrite action.
- 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 constituted by the Company and the entities it controls from time to time that were not finalised at the date of this report are included in the Review of Operations above as detailed in the Outlook section.

The Board will continue to review other projects and opportunities in the interest 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 TENEMENTS

Mining tenements currently held 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	Xolobeni	EC30/5/1/1/2/6PR	Prospecting	Approved	100%
South Africa	Kwanyana	EC30/5/1/1/2/10025PR	Prospecting	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 53

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 (appointed September 2013)

Former directorships in the last 3 years

Allied Gold Mining PLC

Special responsibilities

Chairman of the Board
Chief Executive Officer

Interests in shares and options

78,354,014 ordinary shares in the Company – indirect holding [1]
15,784 ordinary shares in the Company – direct holding
1,000,000 options over ordinary shares in the Company

Joseph Anthony Caruso	Non-Executive Director	Age 69

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]
1,000,000 options over ordinary shares in the Company

[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 42

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

625,000 ordinary shares in the Company
1,000,000 options over ordinary shares in the Company

James Gerald Leahy CF30 (FCA), Reg Rep (LSE)	Non-Executive Director	Age 55

Experience and expertise

Following a period on the London Metal Exchange, Mr Leahy has spent 29 years in the mining industry as a specialist corporate broker, including mining finance, origination and equity sales. He has worked on a wide range of projects, worldwide, ranging from industrial minerals, precious metals, copper, diamonds, coal, uranium and iron ore. He has substantial experience with international institutional fund managers, hedge funds and sector specialists. Over the years he has been involved in many IPO's and a large number of primary and secondary placings, developing junior companies through to production and beyond.

Other current directorships

Bacanora Minerals Ltd
Forte Energy NL
Bellzone Mining
Geiger Counter Ltd

Former directorships in the last 3 years

Continental Coal Ltd
Alberta Coal
OPI
African Power Ltd

Special responsibilities

Chairman of the Remuneration and Nomination Committee and member of Audit, Compliance and Risk Committee

Interests in shares and options

1,000,000 options over ordinary shares in the Company

Guy Redvers Walker BCA, CA, CFA, CMInstD	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 sits on the boards of several 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

Bacanora Minerals Ltd
Metals Exploration plc

Former directorships in the last 3 years

ENK plc
Navigator Resources Limited

Special responsibilities

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
1,000,000 options over ordinary shares in the Company.

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 2014, and the number of meetings attended by each director were:

Name	Directors' Meetings		Meetings of committees			
			Audit		Remuneration	
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	4	4	–	–	–	–
Joseph Anthony Caruso	4	2	–	–	3	2
Peter Patrick Torre	4	4	4	4	–	–
Guy Redvers Walker	4	4	4	4	3	3
James Gerald Leahy	4	4	4	4	3	3

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 five highest remunerated 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. No remuneration consultants have been used due to the small number of employees and Key Management Personnel.

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 annually.

Executives are offered a competitive base pay that consists of fixed components. Base pay for senior executives, if any, is reviewed annually to ensure the executive pay is competitive with the market. Total base pay can be structured as a total employment package which may be delivered as a combination of cash and prescribed non-financial benefits at the board's discretion.

There were no short or medium term cash incentives provided to any executives of the Company during the financial year. Short or medium term cash incentives are not incorporated into any executives' salary packages as at 31 December 2014. 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 2014, remuneration is not directly related to Company performance or key performance indicators. Directors' Fees and the Remuneration of the Chief Executive Officer ("CEO") are fixed. There is no at risk component of any remuneration of the Key Management Personnel.

During the 2013 financial year the board appointed a separate remuneration and nomination committee.

	2014	2013	2012	2011	2010
Profit / (loss) for the year (USD)	8,376,344	(1,569,980)	(1,233,344)	(2,206,055)	(1,494,207)
Closing Share price (AUD)	11 cents	18.5 cents	9.9 cents	7.5 cents	8.1 cents

Voting and comments made at the Company's 2014 Annual General Meeting

The Company received the unanimous support of shareholders present on the remuneration report at the Annual General Meeting ("AGM") for the 2014 financial year and 99% 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 Chief Financial Officer ("CFO") who 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 therefore 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. There were no non-cash benefits provided to Key Management Personnel during the year. The following fees are applicable to directors and key management personnel of the Company.

		Cash benefits	Post-employment benefits	Share-based payments	Totals	Percentage performance based	Share based payments as a percentage of remuneration
		$	$	$	$	%	%
Executive Chairman							
Mark Caruso	2014	293,228	27,124	–	**320,352**	–	–
	2013	270,108	20,232	–	**290,340**	–	–
Non-Executive Directors							
Joseph Caruso	2014	50,248	4,648	–	**54,896**	–	–
	2013	52,734	4,813	–	**57,547**	–	–
Peter Torre	2014	135,360	–	–	**135,360**	–	–
	2013	145,170	–	–	**145,170**	–	–
Guy Walker	2014	63,920	–	–	**63,920**	–	–
	2013	66,066	–	–	**66,066**	–	–
James Leahy	2014	63,920	–	–	**63,920**	–	–
	2013	66,066	–	–	**66,066**	–	–
Total Director Remuneration	**2014**	**606,676**	**31,772**		**638,448**		
	2013	**600,144**	**25,045**	**–**	**625,189**	**–**	**–**
Other Key Management Personnel							
Tony Sheard [1]	2014	92,045	–	–	**92,045**	–	–
	2013	–	–	–	**–**	–	–
Andrew Lashbrooke [2]	2014	270,720	–	–	**270,720**	–	–
	2013	290,340	–	–	**290,340**	–	–
Total key management personnel compensation	**2014**	**969,441**	**31,772**	**–**	**1,001,213**	**–**	**–**
	2013	**890,484**	**25,045**	**–**	**915,529**	**–**	**–**

[1] *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 agreement are detailed below:*

Cash bonus

The Executive shall be entitled to an annual bonus during the first year of employment of 25% of the Base Remuneration ($68,750), measured against the following criteria, one third weighting for each:

- *Performance against scope of services set out in the Agreement at the sole discretion of the Executive Chairman;*
- *Board reporting within set timing each month; and*
- *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.

Grant of options

The Company to issue 1,000,000 options exercisable at A$0.20 expiring on 31 March 2018, vesting 1/3 each year commencing from date of issue.

[2] *Andrew Lashbrooke resigned on 12 September 2014.*

Base Fees	From 1 December 2014	Up to 30 November 2014
Non-Executive Directors	$58,656	$53,229

Additional Fees	From 9 February 2014	Up to 9 February 2014
Audit Committee Chair	$9,024	$9,678
Audit Committee Member	$4,512	$4,839
Remuneration and Nomination Committee Chair	$9,024	$9,678
Remuneration and Nomination Committee Member	$4,512	$4,839

C. Service Agreements

The following service agreements are in effect at 31 December 2014:

Mark Caruso

Commencement date	6 August 2012
Term	No fixed term
Total Remuneration package	A$300,000 per annum
Termination benefits	12 months base salary plus any payment in lieu of notice

Mark Caruso was appointed as the CEO of the Company on 12 September 2014. As at 31 December 2014, the above agreement remained in place however the Company engaged the services of a remuneration consultant to provide a recommendation on a proposed remuneration structure for Mr Caruso as Executive Chairman and CEO. The final report was received subsequent to the end of the financial year. The Company has not yet finalized the terms of the new service agreement and is expected to do so in the coming period. It is expected that the amended remuneration structure for Mr Caruso will be backdated to 12 September 2014. For this reason an appropriate accrual has been made and disclosed as part of Mr Caruso's remuneration for 2014 in the 2014 financial statements to account for this.

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

There are no other service agreements.

D. Share Based Compensation

There were no options granted or ordinary shares issued as remuneration during the year ended 31 December 2014 (2013: nil).

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 2014	Received as remuneration	Increase as a result of options exercised	Net change	Balance as at 31 December 2014
Mark Caruso	• Indirect	78,354,014	–	–	–	78,354,014
	• 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
James Leahy		–	–	–	–	–
Tony Sheard [1]		–	–	–	100,000	100,000

[1] *Mr Sheard has an indirect interest in 100,000 ordinary shares in the Company, which were acquired prior him commencing employment with the Company on 18 August 2014.*

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

	Balance as at 1 January 2014	Received as remuneration	Options exercised	Options lapsed	Balance as at 31 December 2014
Mark Caruso	1,000,000	–	–	–	1,000,000
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
Tony Sheard	–	–	–	–	–

E. Additional Information

There is no additional information to be provided in respect to the remuneration of the directors.

F. Other transactions with key management personnel

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$2m 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$2m 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. The Company is assessing financing options for its impending expansion initiatives relating to a GSP and a TSP. Based on the Company's strong 2015 cash flow projections, it is expected that these will be funded by traditional debt financing; therefore, the extension of the existing shareholder loan provides the Company the flexibility to explore all options.

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 $31,600 representing $6,320 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 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 committee to ensure they do not impact the impartiality and objectivity of the auditor;
- 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 non-related firms:

	31 Dec 2014 **$**	31 Dec 2013 $
Audit services		
Audit and review of financial reports		
BDO Audit (WA) Pty Ltd	**68,281**	58,068
BDO Cape Town South Africa	**32,871**	18,604
	101,152	76,672
Non-audit services		
Taxation and company secretarial		
BDO Tax (WA) Pty Ltd	**90,768**	–
BDO Cape Town South Africa	**5,555**	–
	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 27 and forms part of this report.

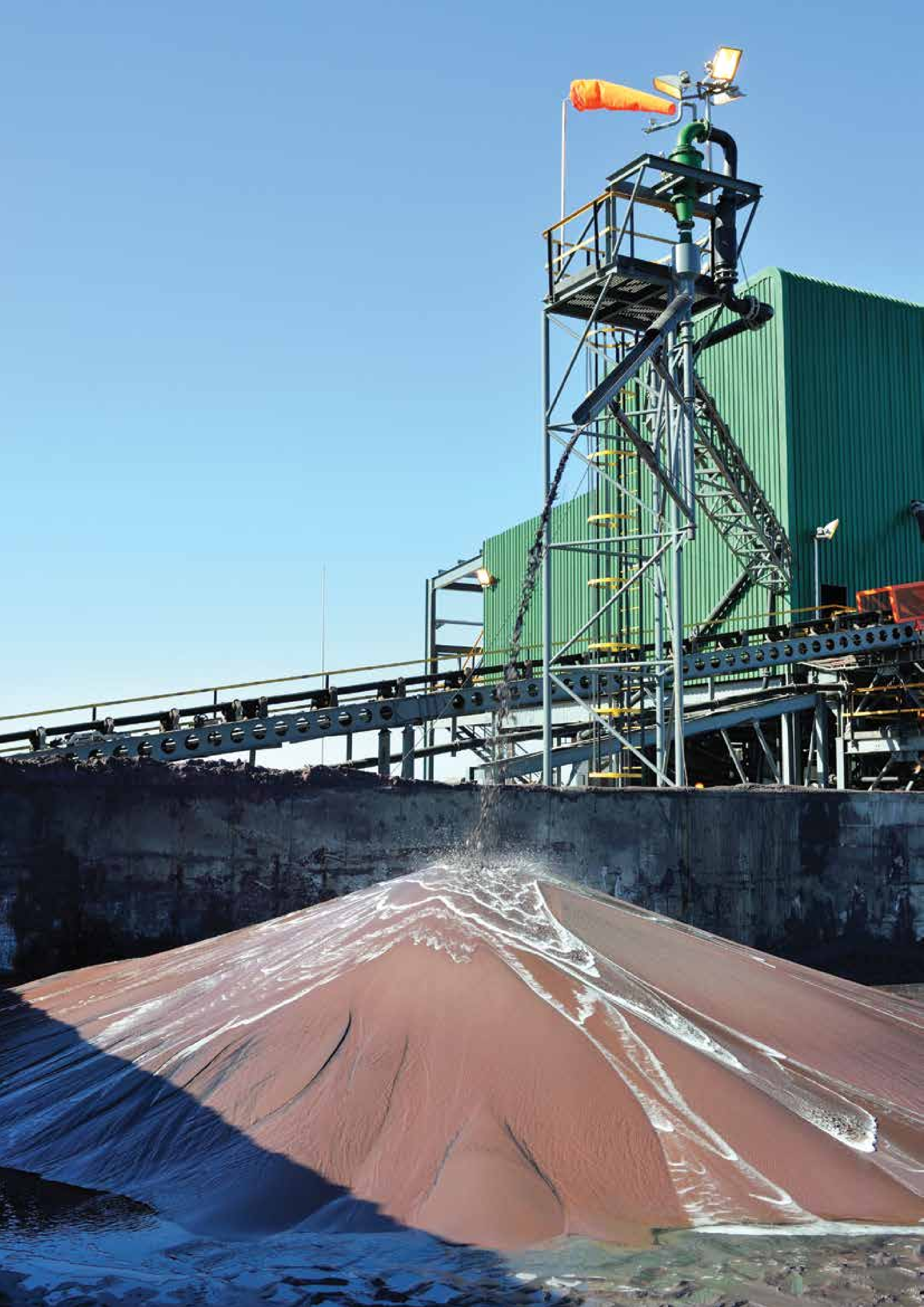
AUDITOR

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 V Caruso

Mark V. Caruso
Executive Chairman/CEO
Perth, Western Australia
30 March 2015



Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

38 Station Street
Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

DECLARATION OF INDEPENDENCE BY BRAD MCVEIGH TO THE DIRECTORS OF MINERAL COMMODITIES LTD

As lead auditor of Mineral Commodities Ltd for the year ended 31 December 2014, 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 Ltd and the entities it controlled during the period.

Brad McVeigh

Director

BDO Audit (WA) Pty Ltd

Perth, 30 March 2015

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2014

	Notes	31 Dec 2014 $	31 Dec 2013 $
Revenue from continuing operations			
Sale of product	3	**33,270,806**	–
Other revenue	3	**1,689,143**	222,075
		34,959,949	222,075
Other income	4	**502**	2,903
Expenses			
Mining and processing costs	4	**(27,077,759)**	–
Other expenses from ordinary activities			
Administration expenditure	4	**(3,425,917)**	(1,533,996)
Exploration and evaluation expenditure written off		**(29,601)**	(95,243)
Finance costs	4	**(477,927)**	(165,719)
Profit / (loss) before income tax benefit		**3,949,247**	(1,569,980)
Income tax benefit	5	**4,427,097**	–
Profit / (loss) after income tax benefit		**8,376,344**	(1,569,980)
Profit / (loss) is attributable to:			
Owners of Mineral Commodities Ltd		**8,376,344**	(1,569,980)
Non-controlling interest		**–**	–
		8,376,344	(1,569,980)
		Cents	Cents
Earnings / (loss) per share for profit / (loss) from continuing operations attributable to the ordinary equity holders of the Company:			
Basic earnings / (loss) per share	29	**2.07**	(0.62)
Diluted earnings / (loss) per share	29	**2.01**	(0.62)

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 2014

	31 Dec 2014 $	31 Dec 2013 $
Profit / (loss) for the year	**8,376,344**	(1,569,980)
Other comprehensive income		
Changes in the fair value of available-for-sale financial assets	**–**	(254,047)
Exchange differences on translation of foreign operations	**(2,549,618)**	(851,827)
Other comprehensive income / (loss) for the year, net of tax	**5,826,726**	(1,105,874)
Total comprehensive income / (loss) for the year	**5,826,726**	(2,675,854)
Total comprehensive income / (loss) for the year is attributable to:		
Owners of Mineral Commodities Ltd	**5,826,726**	(2,675,854)
Non-controlling interest	**–**	–
	5,826,726	(2,675,854)

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

CONSOLIDATED BALANCE SHEET

AS AT 31 DECEMBER 2014

	Notes	31 Dec 2014 $	31 Dec 2013 $
ASSETS			
Current assets			
Cash and cash equivalents	6	**4,216,052**	1,503,316
Trade and other receivables	7	**3,084,929**	1,177,992
Inventories	8	**6,123,021**	771,760
Available-for-sale financial assets	9	**64,228**	94,495
Total current assets		**13,488,230**	3,547,563
Non-current assets			
Trade and other receivables	7	**665,553**	737,047
Property, plant and equipment	10	**14,642,240**	5,030,704
Mine development expenditure	11	**5,003,743**	13,606,814
Exploration expenditure	12	**6,019,727**	11,008,541
Mine properties	13	**4,617,463**	–
Deferred tax assets	14	**4,036,956**	–
Total non-current assets		**34,985,682**	30,383,106
Total assets		**48,473,912**	33,930,669
LIABILITIES			
Current liabilities			
Trade and other payables	15	**5,683,843**	2,522,315
Unearned revenue	16	**4,130,000**	–
Borrowings	17	**7,235,413**	6,026,124
Provisions	18	**141,768**	–
Total current liabilities		**17,191,024**	8,548,439
Non-current liabilities			
Provisions	18	**77,167**	–
Total non-current liabilities		**77,167**	–
Total liabilities		**17,268,191**	8,548,439
NET ASSETS		**31,205,721**	25,382,230

	Notes	31 Dec 2014 $	31 Dec 2013 $
Equity			
Contributed equity	19	**63,437,092**	63,440,327
Reserves	19	**(10,402,894)**	(7,853,276)
Accumulated losses	19	**(21,942,116)**	(30,318,460)
Parent entity interest		**31,092,082**	25,268,591
Non-controlling interest	19	**113,639**	113,639
Total equity		**31,205,721**	25,382,230

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 2014

	Notes	31 Dec 2014 $	31 Dec 2013 $
Cash flows from operating activities			
Receipts from customers (inclusive of goods and services tax)		**36,177,065**	–
Payments to suppliers & employees		**(27,737,444)**	(2,208,551)
Net cash inflow / (outflow) from operating activities	20	**8,439,621**	(2,208,551)
Cash flows from investing activities			
Exploration expenditure		**(96,407)**	(142,132)
Payments for property, plant and equipment		**(1,863,340)**	(5,561,109)
Payments for development expenditure		**(3,198,386)**	(14,811,441)
Payments for general fixed assets		**(256,131)**	(1,955)
Loan to associated company		**–**	(409,591)
Proceeds from sales of investments		**17,647**	–
Interest received		**12,889**	222,075
Net cash outflow from investing activities		**(5,383,728)**	(20,704,153)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from the issue of shares and options (net of costs)		**(3,235)**	10,491,689
Proceeds from borrowings		**2,907,010**	6,026,124
Repayment of borrowings		**(2,236,045)**	–
Interest paid on borrowings		**(944,926)**	(165,719)
Net cash (outflow) / inflow from financing activities		**(277,196)**	16,352,094
Net increase / (decrease) in cash and cash equivalents		**2,778,697**	(6,560,610)
Cash and cash equivalents at beginning of financial year	6	**1,503,316**	8,057,362
Exchange rate movement on opening balances		**(65,961)**	6,564
Cash and cash equivalents at end of financial year	6	**4,216,052**	1,503,316

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

Consolidated entity	Contributed equity	Reserves	Accumulated losses	**Totals**	Non-controlling interest	**Total equity**
For the year ended 31 December 2014	$	$	$	**$**	$	**$**
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	(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**

Consolidated entity	Contributed equity	Reserves	Accumulated losses	**Totals**	Non-controlling interest	**Total equity**
For the year ended 31 December 2013	$	$	$	**$**	$	**$**
At 1 January 2013	52,948,638	(6,747,402)	(28,748,480)	**17,452,756**	113,639	**17,566,395**
Loss for the year	–	–	(1,569,980)	**(1,569,980)**	–	**(1,569,980)**
Other comprehensive loss for the year	–	(1,105,874)	–	**(1,105,874)**	–	**(1,105,874)**
Total comprehensive income / (loss) for the year	–	(1,105,874)	(1,569,980)	**(2,675,854)**	–	**(2,675,854)**
Contributions of equity net of transaction costs	10,491,689	–	–	**10,491,689**	–	**10,491,689**
Balance at the end of the year	63,440,327	(7,853,276)	(30,318,460)	**25,268,591**	113,639	**25,382,230**

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

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
- retirement benefit obligations – plan assets measured at fair value.

(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 2014:

(iv) New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2014 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(z) 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.

(ii) Associates

Associates are all 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 (US$) dollars, which is the Company's presentation currency.

The Group has previously reported its consolidated results in Australian dollars. As part of the transition to a mining company and to provide greater consistency with reporting by other international mining companies listed on the ASX, as of 1 January 2014 the Company adopted United States dollars as its presentation currency. The financial statements are translated from the individual subsidiaries functional currencies (Australian Dollars and South African Rand) into a presentation currency of United States dollars. The exchange rates applied during the reporting period were as follows:

Australian dollars (A$) to United States dollars (US$):		
	31 December 2014	31 December 2013
Year-to-date average exchange rate	0.9024	0.9678
Year-end closing exchange rate	0.8156	0.8873

The basis for presenting the results and financial position from functional currency of Australian dollars into a presentation currency of United States dollars were as follows:

- the Australian denominated MRC Group balance sheet as at 31 December 2014 was translated at the closing exchange rate of 0.8156;
- income and expenses for the statement of comprehensive income were translated at average daily exchange rates from 1 January 2014 to 31 December 2014;
- movements in equity and reserves for the comprehensive income and for the financial position were translated at average daily exchange rates per quarter from 1 January 2014 to 31 December 2014;

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Foreign currency translation

(i) Functional and presentation currency (continued)

- 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 2014 to 31 December 2014;
- 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; and
- comparatives for 31 December 2013 have been re-translated on the same basis as 31 December 2014 using the exchange rates noted in the above table.

(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.

(iii) 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) 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.

(iii) 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Company and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation. As a consequence, these entities are taxed as a single entity and the deferred tax assets and liabilities of these entities are set off in the consolidated financial statements. Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(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. 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 mine properties and development, and property, plant and equipment, 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 Mine Properties and Development.

(ii) Mine properties and development

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 mine property 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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

The issue of employee options was approved by shareholders at a general meeting of the Company held on 21 December 2012 and the fair value of these has been expensed. There were no share based payments in either 2014 or 2013.The fair value at grant date is independently determined using an appropriate 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.

(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 & 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(w) Non-current assets (or disposal groups) held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale or transaction rather than continuing use. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets, investment property and non-current biological assets that are carried at fair value.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increase in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of de-recognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

A discontinued operation is a component of the entity that has been disposed of or has been abandoned, or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately on the face of the statement of profit or loss and other comprehensive income.

(x) Parent entity information

The financial information for the parent entity, Mineral Commodities Ltd, disclosed in note 30 has been prepared on the same basis as the consolidated financial statements, unless stated otherwise.

(y) 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 estimate 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.

Investment in Unlisted Entities

The investments in Africa Uranium Ltd and Petro Ventures International Ltd have been fully impaired at 31 December 2014.

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 $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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(z) 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 2009 and amended December 2010)	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.	1 January 2017	Adoption of AASB 9 is only mandatory for the year ending 30 June 2018. The entity has not yet made an assessment of the impact of these amendments.	1 January 2017
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 2017	Due to the recent release of this standard, the entity has not yet made a detailed assessment of the impact of this standard.	1 January 2017
AASB 2012–6 (issued September 2012)	Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures	Defers the effective date of AASB 9 to 1 January 2015. Entities are no longer required to restate comparatives on first time adoption. Instead, additional disclosures on the effects of transition are required.	1 January 2015	As comparatives are no longer required to be restated, there will be no impact on amounts recognised in the financial statements. However, additional disclosures will be required on transition, including the quantitative effects of reclassifying financial assets on transition.	1 January 2015

Reference	Title	Nature of Change	Application date of standard	Impact on entity financial statements	Application date for entity
AASB 2013–9 (issued December 2013)	Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments	Makes three amendments to AASB 9: • Adding the new hedge accounting requirements into AASB 9 • Deferring the effective date of AASB 9 from 1 January 2015 to 1 January 2017, and • Making available for early adoption the presentation of changes in 'own credit' in other comprehensive income (OCI) for financial liabilities under the fair value option without early applying the other AASB 9 requirements. Under the new hedge accounting requirements: • The 80–125% highly effective threshold has been removed • Risk components of non-financial items can qualify for hedge accounting provided that the risk component is separately identifiable and reliably measurable • An aggregated position (i.e. combination of a derivative and a non-derivative) can qualify for hedge accounting provided that it is managed as one risk exposure • When entities designate the intrinsic value of options, the initial time value is deferred in OCI and subsequent changes in time value are recognised in OCI • When entities designate only the spot element of a forward contract, the forward points can be deferred in OCI and subsequent changes in forward points are recognised in OCI. Initial foreign currency basis spread can also be deferred in OCI with subsequent changes be recognised in OCI • Net foreign exchange cash flow positions can qualify for hedge accounting.	1 January 2017	The entity currently applies hedge accounting. It is expected that the application of the new amendments will not have an impact on the entity's financial statements.	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) – Republic of South Africa;
2. Mineral Sands exploration (Xolobeni Mineral Sands project) – Republic of South Africa; and
3. Corporate (management and administration of the Company's projects) – Australia and Republic of 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 2014 is as follows:

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**

2013	Tormin project $	Xolobeni project $	Corporate $	Consolidation eliminations $	**Total $**
Total segment revenue	–	–	–	–	**–**
Inter-segment revenue	–	–	–	–	**–**
Revenue from external customers	**–**	**–**	**–**	**–**	**–**
Adjusted EBITDA	**(51,765)**	**(4,647)**	**(1,196,234)**	**–**	**(1,252,646)**
Depreciation and amortisation	(126,759)	(842)	(24,014)	–	**(151,615)**
Total segment assets	**25,453,516**	**6,908,256**	**1,568,897**	**–**	**33,930,669**
Total segment liabilities	**2,166,098**	**–**	**6,382,341**	**–**	**8,548,439**

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

	31 Dec 2014 $	31 Dec 2013 $
Adjusted EBITDA	**8,194,280**	(1,252,646)
Interest expense	**(974,296)**	(165,719)
Depreciation and amortisation	**(3,270,737)**	(151,615)
	3,949,247	(1,569,980)

3. REVENUE

From continuing operations		
Sales revenue		
Sale of product	**33,270,806**	–
Other revenue		
Revenue from sub-leasing access road	**1,592,893**	–
Interest income	**12,889**	222,075
Other	**83,361**	–
	1,689,143	222,075

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		
Net gain on disposal of available-for-sale financial assets	**502**	–
Other	**–**	2,903
	502	**2,903**
(ii) Mining and processing costs		
Mining and processing costs include the following material expenditure items:		
Transport of product	**8,066,438**	–
Fuel	**4,559,406**	–
Wages and salaries	**3,786,958**	–
Repairs and maintenance	**1,071,589**	–
Depreciation and amortisation – mining and processing assets	**3,229,243**	127,600
(iii) Administration expenses		
Administration expenses include the following material expenditure items:		
Directors and key management personnel remuneration	**1,001,213**	915,529
Operating lease rentals	**75,393**	73,983
Depreciation – corporate assets	**41,494**	24,015
(iv) Finance costs		
Interest expense on borrowings	**397,751**	165,719
Borrowing facility fee	**77,978**	–
Bank interest paid	**2,198**	–
	477,927	165,719

5. INCOME TAX 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 2014 $	31 Dec 2013 $
The components of income tax benefit comprise:		
Current tax	**–**	–
Deferred tax	**(4,427,097)**	–
Adjustments for current tax of prior periods	**–**	–
	(4,427,097)	–
Income tax benefit is attributable to:		
Profit from continuing operations	**(4,427,097)**	–
Profit from discontinuing operations	**–**	–
Aggregate income tax benefit	**(4,427,097)**	–
Deferred income tax benefit included in income tax benefit comprises:		
Decrease (increase) in deferred tax assets	**(4,815,548)**	–
(Decrease) increase in deferred tax liabilities	**388,451**	–
	(4,427,097)	–
Numerical reconciliation of income tax benefit to prima facia tax benefit		
Profit / (loss) from continuing operations before income tax benefit	**3,949,247**	(1,569,980)
Prima facia tax payable on profit from ordinary activities before at a rate of 30% (2013: 30%)	**1,184,775**	(470,994)
Foreign tax rate differential	**(65,760)**	–
Tax at consolidated amount	**1,119,015**	(470,994)
Tax effect of:		
Entertainment	**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	**(863,646)**	–
Donations	**1,662**	–
Amortisation of exploration and evaluation asset	**112,094**	–
Consulting	**98,775**	–
Assets written off	**28,969**	–
Other non-assessable income	**(6)**	(451,227)
Net deferred tax assets not brought to account	**(6,006,815)**	922,221
	(4,427,097)	**–**

5. INCOME TAX BENEFIT (CONTINUED)

	31 Dec 2014 $	31 Dec 2013 $
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 tax losses of $4,849,434 and R54,297,645 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.

6. CASH AND CASH EQUIVALENTS

Cash assets		
Cash at bank and in hand	**4,216,052**	1,503,316

(i) Interest rate risk exposure

The Group's exposure to interest rate risk is discussed in note 21.

(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	**1,236,441**	13,600
Other receivables [1]	**1,671,499**	1,154,105
Prepayments	**176,989**	10,287
	3,084,929	1,177,992
Non-current		
Security deposits [2]	**235,053**	260,302
Advance to Blue Bantry [3]	**430,500**	476,745
	665,553	737,047

[1] *Includes $1,031,088 (2013: $959,261) of VAT refundable from the South African Revenue Service.*

[2] *Includes a secured deposit of $230,748 (2013: $255,535) 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.*

[3] *An amount of R 5 million has been advanced to the BEE partner, Blue Bantry. Refer to note 24 for details.*

There are no receivables past due and impaired.

(i) Fair values and credit risk

Due to the short term nature of these receivables the carrying values represent their respective fair values as at 31 December 2014 and 2013. The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivables mentioned above. Refer to note 21 for more information on the risk management policy of the Group and the credit quality of the entity's receivables.

(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 receivables is provided in note 21.

8. INVENTORIES

	31 Dec 2014 $	31 Dec 2013 $
Raw materials at cost	**162,186**	338,026
Finished product at cost	**5,660,311**	318,284
Spare parts and consumables at cost	**300,524**	115,450
	6,123,021	771,760

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

9. AVAILABLE-FOR-SALE FINANCIAL ASSETS

Available-for-sale financial assets include the following classes of financial assets:

Listed securities		
Equity securities	**64,228**	94,495
Unlisted securities:		
Equity securities	**–**	–
	64,228	94,495

(i) Classification of financial assets as available-for-sale

Investments are designated as available-for-sale financial assets if they do not have fixed maturities and fixed or determinable payments, and management intends to hold them for the medium to long term. Financial assets that are not classified into any of the other categories (at Fair Value Through Profit and Loss, loans and receivables or held-to-maturity investments) are also included in the available-for-sale category.

(ii) Impairment indicators for available-for-sale financial assets

A security is considered to be impaired if there has been a significant or prolonged decline in the fair value below its cost. See note 1 for further details about the Group's impairment policies for financial assets.

10. PROPERTY, PLANT AND EQUIPMENT

	Freehold land and buildings $	Furniture, fittings and equipment $	Plant and machinery $	Mine vehicles $	Decom-missioning asset $	**Total $**
Year ended 31 December 2013						
Cost at fair value						
As at 1 January 2013	–	154,625	–	–	–	**154,625**
Additions	–	1,955	5,559,154	–	–	**5,561,109**
Exchange differences	–	(12,332)	(437,823)	–	–	**(450,155)**
As at 31 December 2013	–	144,248	5,121,331	–	–	**5,265,579**
Accumulated depreciation						
As at 1 January 2013	–	(83,260)	–	–	–	**(83,260)**
Depreciation charge	–	(24,167)	(127,448)	–	–	**(151,615)**
As at 31 December 2013	–	(107,427)	(127,448)	–	–	**(234,875)**
Net book amount						
Cost at fair value	–	144,248	5,121,331	–	–	**5,265,579**
Accumulated depreciation	–	(107,427)	(127,448)	–	–	**(234,875)**
	–	36,821	4,993,883	–	–	**5,030,704**
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 charge	(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)**
	21,772	198,361	14,355,933	1,605	64,569	**14,642,240**

Leased assets

The carrying amounts above include the following amounts where the Group is a lessee under a finance lease:

	31 Dec 2014 $	31 Dec 2013 $
	3,912,664	4,429,012

Details of amounts due under equipment acquisition agreements are detailed under borrowings, refer to note 17.

11. MINE DEVELOPMENT EXPENDITURE

	31 Dec 2014 $	31 Dec 2013 $
As at 1 January	**13,606,814**	–
Expenditure during the year	**3,198,386**	14,811,441
Re-classification: transfer to property, plant and equipment	**(9,713,992)**	–
Amortisation expense	**(1,298,411)**	–
Exchange differences	**(789,054)**	(1,204,627)
	5,003,743	13,606,814

12. EXPLORATION EXPENDITURE

As at 1 January	**11,008,541**	13,496,769
Expenditure during the year	**96,407**	142,132
Write off discontinued projects	**(51,297)**	(95,243)
Re-classification: transfer to Mine properties	**(4,299,929)**	–
Exchange differences	**(733,995)**	(2,535,117)
	6,019,727	11,008,541

13. MINE PROPERTIES

As at 1 January	**–**	–
Expenditure during the year	**1,115,159**	–
Re-classification: transfer from Exploration expenditure	**4,299,929**	–
Amortisation expense	**(470,487)**	–
Exchange differences	**(327,138)**	–
	4,617,463	–

14. DEFERRED TAX ASSETS

Recognised deferred tax assets

	31 Dec 2014 $	31 Dec 2013 $
Tax losses	**3,158,290**	–
Provisions/accrued expenditure	**58,082**	–
Business related expenditure and borrowing costs	**235,828**	–
Unrealised foreign exchange loss	**440,212**	–
Property, plant and equipment	**495,631**	–
	4,388,043	–
Set-off against deferred tax liabilities	**(351,087)**	–
	4,036,956	–

Movements	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 2014 $	31 Dec 2013 $
Prepayments	**4,571**	–
Interest receivable	**346,515**	–
		–
Set-off against deferred tax assets	**(351,086)**	–
	–	–

Movements	Prepayments $	Interest receivable $	**Total $**
At 1 January 2014	–	–	**–**
(charged) / credited			
– to profit or loss	4,571	346,515	**351,086**
– to other comprehensive income	–	–	**–**
At 31 December 2014	4,571	346,515	**351,086**

15. TRADE AND OTHER PAYABLES

	31 Dec 2014 $	31 Dec 2013 $
Trade payables	**4,013,390**	1,785,406
Other payables and accruals	**1,670,453**	736,909
	5,683,843	2,522,315

16. UNEARNED REVENUE

Unearned revenue from product sales	4,130,000	–

17. BORROWINGS

Short term borrowings – unsecured [1]	**3,291,363**	2,074,349
Amounts due under equipment acquisition agreements [2]	**3,944,050**	3,951,775
	7,235,413	6,026,124

[1] *Short term borrowings includes a pre finance and marketing agreement facility of US$2.0 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 2014 the outstanding balance was $0.6m and was repaid in full on 2 March 2015.*

[2] *The Group entered into three Master Rental Agreements to acquire mobile mining equipment and generators. Under the terms of these agreements there is an option to purchase which the Group intends to exercise.*

Commitments in relation to equipment acquisition agreements are as follows:

Within one year	**3,944,050**	791,422
Later than one year but no later than five years	**–**	3,160,353
	3,944,050	3,951,775

(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 2014 and 2013.

17. BORROWINGS (CONTINUED)

(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 21.

18. PROVISIONS

	31 Dec 2014 $	31 Dec 2013 $
Current		
Annual leave provision	**141,768**	–
Non-current		
Environmental rehabilitation provision [1]	**77,167**	–

[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.*

19. EQUITY

(a) Contributed equity

(i) Share capital

	2014 Number of shares	2013 Number of shares	**2014 $**	2013 $
Ordinary shares				
Fully paid	**404,941,935**	404,941,935	**63,437,092**	63,440,327

(ii) Movements in ordinary share capital

Details	Number of shares	$
At 1 January 2013	274,008,385	52,948,638
Conversion of listed options	8,322	1,746
Placement of ordinary shares	49,937,000	4,418,367
Proceeds from rights issue	80,988,228	6,399,584
Share issue costs	–	(328,008)
At 31 December 2013	404,941,935	63,440,327
Transaction costs arising on share issue	–	(3,235)
At 31 December 2014	404,941,935	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 2013	1,363,393	21,139	(8,448,982)	317,048	**(6,747,402)**
Exchange differences on translation of foreign operations	–		(851,827)	–	**(851,827)**
Change in fair value of available-for-sale financial assets	–	(254,047)	–	–	**(254,047)**
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 31 December 2014	1,363,393	(232,908)	(11,850,427)	317,048	**(10,402,894)**

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.

19. EQUITY (CONTINUED)

Listed options reserve

Records the amounts received in a prior year from the issue of listed options.

(c) Accumulated losses

	31 Dec 2014 $	31 Dec 2013 $
At 1 January	**(30,318,460)**	(28,748,480)
Profit / (loss) for the year	**8,376,344**	(1,569,980)
At 31 December	**(21,942,116)**	(30,318,460)

(d) Non-controlling interest

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

20. CASH FLOW INFORMATION

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

	31 Dec 2014 $	31 Dec 2013 $
Profit / (loss) for the year	**8,376,344**	(1,569,980)
Depreciation and amortisation	**3,270,737**	151,615
Proceeds from the sale of available-for-sale investments	**(502)**	–
Interest income	**(12,889)**	(222,075)
Impairment loss	**7,896**	157,861
Finance costs	**477,927**	165,718
Provision	**–**	(22,673)
Net exchange differences	**(1,206,251)**	(603,574)
Change in operating assets and liabilities:		
(Increase) / decrease in trade debtors	**(5,842,132)**	(1,012,141)
(Increase) / decrease in inventories	**(5,351,261)**	(771,098)
Increase / (decrease) in trade payables and unearned revenue	**8,500,817**	1,517,796
Increase / (decrease) in provisions	**218,935**	–
	8,439,621	(2,208,551)

(i) Non-cash investing and financing activities

During the period the Group entered into a new Master Rental Agreements to acquire mobile mining equipment. Under the terms of these agreements there is an option to purchase which the Group intends to exercise. Refer to note 17 for further details.

The Group has no available finance facilities as at reporting date.

21. 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 US$	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
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 committee 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.

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 has previously reported its consolidated results in Australian dollars. As part of the transition to a mining company and to provide greater consistency with reporting by other international mining companies listed on the ASX, as of 1 January 2014 the Company adopted United States dollars as its presentation currency. The financial statements are translated from the individual subsidiaries functional currencies of Australian Dollars (A$) and South African Rand (ZAR) into a presentation currency of United States Dollars ($). As a consequence of converting from functional currency to presentational currency, any increase or decrease in exchange rates used would impact on equity.

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

21. FINANCIAL RISK MANAGEMENT (CONTINUED)

	31 December 2014		31 December 2013	
	A$	**GBP**	A$	GBP
Borrowings	**1,396,819**	**1,336,192**	–	–

Sensitivity

	Impact on post tax profits		Impact on other components of equity	
	2014 $	2013 $	**2014 $**	2013 $
USD/AUD exchange rate – increase 10%	**139,681**	–	**–**	–
USD/AUD exchange rate – decrease 10%	**(139,681)**	–	**–**	–
USD/GBP exchange rate – increase 10%	**133,619**	–	**–**	–
USD/GBP exchange rate – decrease 10%	**(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 was:

(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, as detailed in note 9, the Company's investment in equity securities (available-for-sale financial assets) is $64,228 (2013: $94,495), 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 majority of receivables held are with related parties and within the Group. Given this, the credit quality of financial assets that are neither past due or impaired can be assessed by reference to historical information about default rates. The carrying amount of financial assets recorded in the financial statements, net of any provisions for losses, represents the economic entity's maximum exposure to credit risk without taking account of the value of any collateral or other security obtained.

(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 $4,216,052 (2013: $1,503,316). 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 17, the Company had access to a pre finance and marketing agreement facility of US$2.0 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 2014 the outstanding balance was $0.6m and was repaid in full 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 Agreement entered into between the Company and the two major shareholders, the lenders provided a finance facility capped at $2m 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 major shareholders agreed to extend the term of the loan they provided to 30 September 2015.

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 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**

21. FINANCIAL RISK MANAGEMENT (CONTINUED)

31 December 2013	< 6 months $	6–12 months $	1–5 years $	5+ years $	Total $
Trade and other payables	2,522,315	–	–	–	2,522,315
Borrowings:					
• Short term borrowings	518,587	1,037,175	518,587	–	2,074,349
• Equipment acquisition agreements	1,975,887	1,975,888	–	–	3,951,775
Total financial liabilities	5,016,789	3,013,063	518,587	–	8,548,439

(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 $64,228 (2013: $94,495). 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 2014 and did not transfer any fair value amounts between the fair value hierarchy during the year ended 31 December 2014.

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.

22. INTERESTS IN OTHER ENTITIES

(i) Material subsidiaries

The Group's principal subsidiaries at 31 December 2014 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.

		Ownership interest held by the Group		Ownership interest held by non-controlling interests	
Name of entity	Place of business / country of incorporation	**2014 %**	2013 %	**2014 %**	2013 %
Rexelle Pty Ltd	Australia	**100**	100	**–**	–
MRC Trading (Aust) Pty Ltd [1]	Australia	**100**	–	**–**	–
MRC Cable Sands Pty Ltd	Australia	**100**	100	**–**	–
Blackhawk Oil & 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	South Africa	**100**	100	**–**	–
Transworld Energy & Minerals Resources (SA) Proprietary Limited	South Africa	**56**	56	**44**	44
Nyati Titanium Eastern Cape Proprietary Limited	South Africa	**100**	100	**–**	–
MRC Metals (Pty) Ltd	South Africa	**100**	100	**–**	–

[1] *MRC Trading (Aust) Pty Ltd was incorporated during the 2014 financial year.*

22. INTERESTS IN OTHER ENTITIES (CONTINUED)

(ii) Non-controlling interest (NCI)

	Transworld Energy & Minerals Resources (SA) Proprietary Limited		Mineral Sands Resources Proprietary Limited		Q Smelt Pty Ltd	
	2014 $	2013 $	**2014 $**	2013 $	**2014 $**	2013 $
Summarised balance sheet						
Current assets	**3,700**	3,115	**9,794,472**	1,846,809	**2**	2
Current liabilities	**–**	–	**(13,051,611)**	(5,914,296)	**–**	–
Current net assets	**3,700**	3,115	**(3,257,139)**	(4,067,487)	**2**	2
Non-current assets	**4,632,184**	5,591,620	**27,206,600**	22,919,922	**–**	–
Non-current liabilities	**(4,511,266)**	(4,895,186)	**(21,504,746)**	(18,101,885)	**–**	–
Non-current net assets	**120,918**	696,434	**5,701,854**	4,818,037	**–**	–
Net assets	**124,618**	699,549	**2,444,715**	750,550	**2**	2
Accumulated NCI	**58,781**	65,095	**–**	–	**48,544**	48,544
Summarised statement of comprehensive income						
Revenue	**–**	–	**35,218,171**	–	–	–
Profit / (loss) for the period	**–**	3,201	**1,627,043**	125,334	–	–
Other comprehensive income	**–**	–	**–**	–	–	–
Total comprehensive income	**–**	3,201	**1,627,043**	125,334	–	–
Profit / (loss) attributable to NCI	**–**	–	**–**	–	–	–
Summarised cash flows						
Cash flows from operating activities	**(950)**	(3,021)	**(769,529)**	(1,950,304)	–	–
Cash flows from investing activities	**950**	3,021	**(5,580,422)**	(20,382,382)	–	–
Cash flows from financing activities	**–**	–	**7,179,795**	22,367,550	–	–
Net increase / (decrease) in cash and cash equivalents	**–**	–	**829,844**	34,864	–	–

As noted above, 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.

23. CONTINGENT ASSETS AND CONTINGENT LIABILITIES

There are no contingent assets and contingent liabilities as at the reporting date.

24. COMMITMENTS

(i) 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 has agreed to provide Blue Bantry access to an amount of funding to support the original objective by advancing through the Loan certain benefits Blue Bantry would expect to receive from Tormin. The Loan consists of an upfront amount of ZAR 5 million, which has already been paid with a further ZAR 9 million, which was to be payable no later than 31 December 2012. Blue Bantry will repay the Loan from distributions that it will receive in the future from MSR. The additional ZAR 9 million was outstanding at 31 December 2014.

(ii) Exploration tenement leases – commitments for expenditure

In order to maintain current rights of tenure to exploration tenements, the consolidated entity is required to outlay lease rentals and to meet the minimum expenditure requirements which are not considered to be material.

25. EVENTS SINCE THE END OF THE FINANCIAL YEAR

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

As at 31 December 2014, the $2.0m Wogen Pre-Financing Facility was paid down to a balance of $0.6m. On 2 March 2015 this balance was repaid in full.

On 23 February 2015, the Company extended the term of the Loans provided by major shareholders of the Company to 30 September 2015.

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 to seek relief for an order that MSR, a subsidiary of the Company, 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 the hearing on 19 December 2014, Blastrite withdrew its application to seek interim relief and were ordered to pay MRC's costs occasioned by the application. Blastrite proceeded to make an application for final relief which has been deferred to oral evidence to be heard in June 2015. MRC will proceed to strenuously oppose the application.

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

26. RELATED PARTY TRANSACTIONS

(i) Parent entity

Transactions between the Company and other entities in the Group during the years ended 31 December 2014 and 31 December 2013 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 22(i).

Detailed remuneration disclosures are provided in the remuneration report on page 20.

(iii) Transactions with other related parties

Mine Site Construction Services Pty Ltd ("MSCS"), a company associated with Mr Mark Caruso and Mr Joseph Caruso has provided the followings services to the Company during 2014 and 2013:

- Provision of office space.
- The amount paid by the Company to MSCS for the year ended 31 December 2014 was $54,144 (2013: $52,261). 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 2014 was $46,564 (2013: $49,938). 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 2014 was $150,144 (2013: $52,552). 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.

During the year ended 31 December 2013, Zurich Bay Holdings Pty Ltd a Company associated with Mr Mark Caruso and Mr Joseph Caruso participated in an underwriting agreement on the Rights Issue for which it received a fee of $95,756.

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$2m 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$2m 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. The Company is assessing financing options for its impending expansion initiatives relating to a Garnet Stripping Plant and a Tailings Scavenger Spiral Circuit. Based on the Company's strong 2015 cash flow projections, it is expected that these will be funded by traditional debt financing. The extension of the existing shareholder loan provides the Company the flexibility to explore all options.

27. SHARE BASED PAYMENTS

No employee shares/options have been issued/granted in the year ended 31 December 2014 or in the year ended 31 December 2013.

The last employee options to be granted were 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.

Set out below are summaries of options granted under the Plan:

Grant Date 2012	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	Balance at the end of the year	Vested at the end of the year
21 Dec 2012	31 Dec 2015	20 cents[1]	3.35 cents	10,000,000	–	–	–	10,000,000	10,000,000
21 Dec 2012	31 Dec 2015	35 cents[2]	2.23 cents	1,000,000	–	–	–	1,000,000	1,000,000
				11,000,000	–	–	–	11,000,000	11,000,000

Fair value of options granted

The assessed fair value at grant date of options during the year ended 31 December 2012 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 2014 was $nil (2013: $nil).

The model inputs for options granted during the year ended 31 December 2012 included:

(a) Options granted for no consideration with the expectation that the majority of these Options would be exercised towards the end of the term of the Options and there are no market based vesting conditions.

(b) Exercise price [1] 20 cents [2] 35 cents

(c) Grant date [1] 21 December 2012 [2] 21 December 2012

(d) Risk-free interest rate [1] 2.50% [2] 2.57%

(e) Exercise date 31 December 2015

(f) Share price at grant date 8.08 cents

(g) Expected price volatility of the company's shares: 86%

(h) Expected dividend yield – 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 4 and 12 months.

28. 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 non-related firms:

	31 Dec 2014 $	31 Dec 2013 $
Audit services		
Audit and review of financial reports		
BDO Audit (WA) Pty Ltd	**68,281**	58,068
BDO Cape Town South Africa	**32,871**	18,604
	101,152	76,672
Non-audit services		
Taxation and company secretarial		
BDO Tax (WA) Pty Ltd	**90,768**	–
BDO Cape Town South Africa	**5,555**	–
	96,323	–

29. EARNINGS / (LOSS) PER SHARE

	2014 Cents	2013 Cents
(a) Basic earnings/(loss) per share		
From continuing operations attributable to the ordinary equity holders of the Company	**2.07**	(0.62)
Total basic earnings / (loss) per share attributable to the ordinary equity holders of the Company	**2.07**	(0.62)
(b) Diluted earnings/(loss) per share		
From continuing operations attributable to the ordinary equity holders of the Company	**2.01**	(0.62)
Total diluted earnings/(loss) per share attributable to the ordinary equity holders of the Company	**2.01**	(0.62)

	2014 $	2013 $
(c) Reconciliation of earnings used in the calculation of earnings / (loss) per share		
Basic earnings / (loss) per share		
Profit / (loss) attributable to the ordinary equity holders of the Company used in calculating basic earnings per share:		
From continuing operations	**8,376,344**	(1,569,980)
Diluted earnings / (loss) per share		
Profit / (loss) attributable to the ordinary equity holders of the Company used in calculating diluted earnings per share:		
From continuing operations	**8,376,344**	(1,569,980)

	2014 Number	2013 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 / (loss) per share	**404,941,935**	251,763,939
Adjustment for calculation of diluted earnings / (loss) per share:		
Options	**11,000,000**	–
Weighted average number of ordinary shares and potential ordinary shares used as the denominator in calculating diluted earnings / (loss) per share	**415,941,935**	251,763,939

The table below details the number of options that have been granted and are on issue as at 31 December 2014. These potential ordinary shares are considered dilutive and accordingly were used to calculate dilutive earnings per share.

Number of options	Exercise price	Expiry date
10,000,000	AUD $0.20	31 December 2015
1,000,000	AUD $0.35	31 December 2015

30. PARENT ENTITY FINANCIAL INFORMATION

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

	2014 $	2013 $
Balance sheet		
Current assets	**1,534,560**	1,729,002
Non-current assets	**31,863,780**	28,241,178
Total assets	**33,398,340**	29,970,180
Current liabilities	**3,802,725**	2,430,549
Non-current liabilities	**2,366,711**	–
Total liabilities	**6,169,436**	2,430,549
Net assets	**27,228,904**	27,539,631
Shareholders' equity		
Issued capital	**63,437,092**	63,440,327
Reserves	**(8,928,563)**	(7,684,917)
Accumulated losses	**(27,279,625)**	(28,215,779)
Total equity	**27,228,904**	27,539,631
Profit / (loss) for the year	**936,152**	(860,004)

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 2014 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 V. Caruso
Executive Chairman/CEO
Dated at Perth, Western Australia this 30th day of March 2015

Tel: +61 8 6382 4600
Fax: +61 8 6382 4601
www.bdo.com.au

38 Station Street
Subiaco, WA 6008
PO Box 700 West Perth WA 6872
Australia

INDEPENDENT AUDITOR'S REPORT

To the members of Mineral Commodities Ltd

Report on the Financial Report

We have audited the accompanying financial report of Mineral Commodities Ltd, which comprises the consolidated balance sheet as at 31 December 2014, the consolidated income statement, the 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(a), 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 Ltd, 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 Ltd 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 2014 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(a).

Report on the Remuneration Report

We have audited the Remuneration Report included in the directors' report for the year ended 31 December 2014. 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 Ltd for the year ended 31 December 2014 complies with section 300A of the *Corporations Act 2001*.

BDO Audit (WA) Pty Ltd

BDO

Brad McVeigh

Director

Perth, 30 March 2015

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 (2nd Edition), which are noted below.

Principle 1. Lay solid foundations for management and oversight

Principle 2. Structure the Board to add value

Principle 3. Promote ethical and responsible decision making

Principle 4. Safeguard integrity in financial reporting

Principle 5. Make timely and balanced disclosure

Principle 6. Respect the rights of shareholders

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 MRCs' 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.

BOARD STRUCTURE AND COMPOSITION

The Board currently is comprised of six directors, three of which are independent non-executive directors who were appointed in December 2012. Details of each director's skill, expertise and background are contained within the directors' report included with the Company's annual financial statements, or released to the ASX if appointed subsequent to the end of the financial year.

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 2.1 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. Subsequent to the first full year of operation, the Board has assessed its skill-set and has resolved to appoint one further director with relevant technical experience. 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.

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 is assessing its governance structure to mitigate any potential issues with the one person fulfilling the dual roles of Chairman and CEO. This has led to the appointment of a Senior Non-Executive Director appointed from amongst the existing non-executive directors 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.

MRCs' 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.

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 immediately following the year end. 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 will be undertaken at the end of the 2015 financial year, subsequent to his first year in office as CEO.

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 has not formally reported to the Board on the effectiveness of the Company's management of material business risk, however risk reports are provided 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 currently being considered across the financial, operational and organisation aspects of the Company's business. The Company will continue to monitor, assess and report its business risks.

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 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 Leahy, 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 Leahy (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 and cash flow 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; and
- 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.

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 will consider the requirements of the Davies Report and 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 implemented a diversity policy subsequent to year end. 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 229 staff, with 64 females, representing 26%. There are no female directors. The Company has not yet set any measurable objectives however it has an extensive social and labour plan 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 caliber 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 (Proprietary) 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 not presently available on the Company's website, although the annual financial report will be posted to the website and the Statement of Corporate Governance can be viewed there.

MINERAL RESOURCE STATEMENT

The Company holds the following mining and prospecting rights:

Country	Location	Number	Type of Right	Status	Change since last Quarter	Beneficial Interest
South Africa	Tormin	(WC)30/5/1/2/2/163MR	Mining	Approved	N/A	100%
	Tormin	(WC)30/5/1/2/2/162MR	Mining	Approved	N/A	100%
	Tormin	(WC)30/5/1/1/2/10036PR	Prospecting	Approved	N/A	100%
	Tormin	(WC)30/5/1/1/2/10199PR	Prospecting	Under Application	N/A	100%
	Xolobeni	EC30/5/1/1/2/6PR	Prospecting	Approved	N/A	100%
	Kwanyana	EC30/5/1/1/2/10025PR	Prospecting	Under Application	N/A	100%

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

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

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 2014 remain consistent with 31 December 2013.

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 12km^2 and extends 1km out to sea from the low water mark and covers the full length of the existing 12km Tormin tenement.

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 1.075m tonnes has been mined at the Tormin Mineral Sands Project to 31 December 2014, although included in those tonnages are areas which have been mined up to five times.

The nature of the resource replenishment is typical of modern day beach placer deposits found along the West Coast of South Africa and e.g. the Southeastern Tamilnadu 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 first 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 108 samples from exploration pits in unmined areas as well as 25 pit/trench samples from mined areas that has undergone replenishment. Note individual minerals reported as percentage of the total resource.

Category	Resource Million Tonnes	Total (%HM)	Ilmenite (%HM)	Zircon (%HM)	Rutile (%HM)	Garnet (%HM)
Indicated Resource – Dec 2013	2.70	49.4%	10.6%	3.4%	0.7%	25.3%
Tonnes Mined	1.07	55.3%	16.9%	5.02%	0.65%	32.55%
Inferred Resource – Dec 2014	2.70	38.14%	10.05%	2.21%	0.46%	25.22%

This inferred resource is based on the reasonable prospect for the economic extraction of the material, as has occurred during the past year. Remining of the area, that has undergone replenishment has been successfully done on the Tormin mine site up to 5 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 2014 for the Tormin Resource is as follows – note individual minerals reported as a percentage of the total heavy mineral concentration.

PROJECT	Category	Ore Mt	HM%	Ilmenite (% in HM)	Zircon (% in HM)	Rutile (%in HM)	Garnet (%i HM)
Tormin	Inferred	2.7	38.14%	26.35%	5.8%	1.22%	66.11%
Xolobeni	Measured	224.0	5.7%	54.5%			
	Indicated	104.0	4.1%	53.7%			
	Inferred	18.0	2.3%	69.6%			
		346.0	**5.0%**	**54.0%**			
Total MRC		**348.7**	**5.3%**	**51.7%**			

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 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 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.
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 November 2014. 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 2014 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 predicted percentage HMS from the resource model for the areas mined was 45% while the production data for the same areas was higher at 58% HMS (Garnet, Imenite, Zircon, Rutile, Leucoxene). • Continuity of grade outside the block model is not proven and has therefore not been included in the resource model. • The bottom of the resource (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 2014 achieved a 74% Zircon recovery. • Reconciliation of 2014 mine production data (January to August 2014) with the resource model data indicate a 13% higher HMS concentrate (58%) than the average 45% HMS grade predicted over the same area.
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. • 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 (R^2=0.04) between the original resource grade and the replenishment grade for the same mine block area. The average replenishment grade of zircon in all areas already mined is 3.70%, this is almost equal to the original resource grade over these same blocks of 3.71%. In general it appears that the resource gets replenished about 60–75% after each mined event – meaning it loses about 25-40% of its grade after each mined event. This replenishment is erratic and replenishment may only be 35% of the original grade in some places, while in other areas there are a 34% increase over and above the original zircon concentration. It is estimated that most areas can be economically mined at least 3 times. The replenishment rates mentioned above is based on mining data from February to October 2014 and as such represent a very small timeframe and dataset. Further work in this regard is therefore needed to get a good statistical trend on replenishment.

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. • A 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 current resource classification is an indicated resource. • It is based on the historical drilling and bulk sampling done to date. • It has been signed off in 2011 by Mr Allen Maynard of Al Maynard & Associates Pty Ltd as the competent person on the resource statement. • No new resource statement has been issued since 31 October 2011. No new review of this resource statement has been done.
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	• The current JORC resource of 2.7 million tonnes @ 49.4% HM compare 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.
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 2014 is 13% higher that the mine model resource grade (mine resource grade 45% and production 58%). The production grade is also higher than the reported indicated resource grade of 49.4% HM.

Additional information required by the Australian Securities Exchange Ltd Listing Rules and not disclosed elsewhere in this report. This information is current as at 16th March 2015.

TWENTY LARGEST SHAREHOLDERS

Rank	Name	16 Mar 2015	%IC
1	AU MINING LIMITED	95,619,402	23.61
2	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	87,790,803	21.68
3	CITICORP NOMINEES PTY LIMITED	59,001,731	14.57
4	ZURICH BAY HOLDINGS PTY LTD	50,000,000	12.35
5	ZURICH BAY HOLDINGS PTY LTD <MINESITE CONSTRUCTION A/C>	25,757,485	6.36
6	J P MORGAN NOMINEES AUSTRALIA LIMITED	12,061,656	2.98
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	2,564,000	0.63
10	NATIONAL NOMINEES LIMITED	1,912,627	0.47
11	INTERNATIONAL MINING SERVICES LTD	1,500,000	0.37
12	MR ROBERT CAMERON GALBRAITH	1,459,221	0.36
13	REGIONAL MANAGEMENT PTY LTD MVC	1,346,540	0.33
14	ZURICH BAY HOLDINGS PTY LTD <MINE SITE CONSTRUCTION A/C>	1,250,000	0.31
15	MR ASHLLEY WALLISS	1,250,000	0.31
16	KINGARTH PTY LTD	1,000,000	0.25
17	MR WILLIAM DAVIDSON MEEK	1,000,000	0.25
18	MR GRANT MENHENNETT <CM MINING & CIVIL SALES A/C>	954,481	0.24
19	MR DONALD BOYD	900,000	0.22
20	MR ASHLLEY WALLISS	836,295	0.21
	Total	**358,253,116**	**88.55**

Range		Securities	No. of holders
100,001 and Over		389,548,299	127
10,001 to 100,000		12,903,269	344
5,001 to 10,000		1,373,412	168
1,001 to 5,000		1,078,701	319
1 to 1,000		37,890	128
	Total	**404,941,571**	**1,086**
Unmarketable Parcels		527,743	322

MARKETABLE PARCELS

Number of shareholders holding less than a marketable parcel of ordinary shares is 322.

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:

- M&G Investment Management Limited — 8.84% of the issued ordinary shares
- 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.

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