Interim Condensed Consolidated Unaudited Financial Statements of

TiZir Limited

for the half-year ended 30 June 2016

Registered No: 07727671

This report does not include all the notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the consolidated entity as the full financial report. Accordingly, this report should be read in conjunction with the annual report of TiZir Limited for the year ended 31 December 2015. It is also recommended that this financial report be considered together with any public announcement made by TiZir Limited and its controlled entities during the half-year ended 30 June 2016.

*Expressed in **United States dollars** unless otherwise stated*

FORWARD LOOKING STATEMENTS

Certain information contained in this report, including any information on TiZir Limited's plans or future financial or operating performance and other statements that express management's expectations or estimates of future performance constitute forward-looking statements.

Such statements are based on a number of estimates and assumptions that, while considered reasonable by management at the time, are subject to significant business, economic and competitive uncertainties. TiZir Limited cautions that such statements involve known and unknown risks, uncertainties and other factors that may cause the actual financial results, performance or achievements of TiZir Limited to be materially different from the Company's estimated future results, performance or achievements expressed or implied by those forward-looking statements. These factors include the inherent risks involved in mining and mineral processing operations, exploration and development of mineral properties, changes in economic conditions, changes in the worldwide price of zircon, ilmenite and other key inputs, changes in the regulatory environment and other government actions, changes in mine plans and other factors, such as business and operational risk management, many of which are beyond the control of TiZir Limited.

Except as required by applicable regulations or by law, TiZir Limited does not undertake any obligation to publicly update, review or release any revisions to any forward looking statements to reflect new information, future events or circumstances after the date of this report.

Nothing in this report should be construed as either an offer to sell or a solicitation to buy or sell publicly traded instruments of TiZir Limited.

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Directors

N Limb
P Vecten
M Ackland
C Nouel
R Sennitt
T Devedjian

Secretary

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Company number

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Auditors

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The directors present their report and the unaudited financial statements of TiZir Limited (the 'Company') and its subsidiaries (the 'Group') for the half-year ended 30 June 2016.

Directors

The directors who served during the period and at the date of this report are:

N Limb
P Vecten
M Ackland
C Nouel
R Sennitt
T Devedjian (appointed 21 March 2016)
L Egeland (resigned 21 March 2016)

Principal activity

The principal activities of the Group for the year ended 30 June 2016 were focused on the mineral sands sector through the operation of the Grande Côte mineral sands operation in Senegal ('GCO') and the TiZir Titanium & Iron ilmenite upgrading facility in Norway ('TTI').

Operating results

The underlying loss for the half-year ended 30 June 2016 was $37.8 million, compared to an underlying loss of $35.7 million in the previous corresponding period.

TiZir achieved its first positive EBITDA of $1.8 million since completion of construction at GCO – a sound achievement given the ramp up status of operations at TTI following the completion of the furnace reline and capacity expansion project in December 2015 and the conditions that prevailed during 1H 2016 in the mineral sands market.

After inclusion of amortisation of assets recognised on acquisition of $1.0 million (after tax) (2015 – $1.0 million), the Company reported a net loss after tax of $38.8 million, compared to a net loss of $36.7 million in 2015.

Refer to the Review of Operations for further details.

Financial position

The Statement of Financial Position at 30 June 2016 comprises net assets of $366.6 million (31 December 2015 – $400.4 million) comprising:

	30 Jun 2016	31 Dec 2015	Change	
	US$M	US$M	US$M	%
Cash balances	5.1	2.7	2.4	88.9
Working capital (net trade receivable, inventories and trade & other payables	59.2	43.5	15.7	36.1
Property, plant & equipment (including capitalised construction costs)	812.3	813.8	(1.5)	(0.2)
Intangible assets (incl. mining rights & other identifiable intangible assets recognised on acquisition)	52.1	55.4	(3.3)	(6.0)
Corporate bonds	(273.9)	(271.2)	(2.7)	1.0
Working capital facility	(88.7)	(63.6)	(25.1)	39.5
Subordinate loans form the joint venture owners	(191.5)	(169.2)	(22.3)	13.2
Current and deferred tax liabilities	(5.1)	(3.9)	(1.2)	30.8
Other net assets and liabilities	(2.9)	(7.1)	4.2	(59.2)

Cash flow

Cash balances increased by $2.5 million during the half-year ended 30 June 2016 to $5.2 million (31 December 2015 – $5.7 million) as a result of:

	30 Jun 2016	31 Dec 2015	Change	
	US$M	US$M	US$M	%
Cash used by operations (net of interest paid to bondholders)	(11.9)	(13.7)	1.8	(13.2)
Interest payment to bondholders	(12.3)	(24.7)	12.4	(50.2)
Capital expenditure	(12.0)	(51.8)	39.8	(76.7)
Subordinated loan contributions from the joint owners	17.0	30.0	(13.0)	(43.3)
Working capital facility (net of other borrowings repayment)	23.0	58.8	(35.8)	(60.8)
Repayment of borrowings	-	(8.2)	8.2	100.0
Payment of borrowing costs	(0.9)	-	(0.9)	(100.0)
Net other movements	(0.4)	3.9	(4.4)	(111.3)

Review of operations

TiZir Titanium & Iron Ilmenite Upgrading Facility, Norway

Following the completion of the furnace reline and capacity expansion project and the successful restart of operations in December 2015, ramp up of operations at TTI proceeded well during 1H 2016. This ramp up will continue into 2H 2016 with the focus now shifting to achieving operational stability and cost efficiency.

In 1H 2016 performance was impacted by the ramp up of production following the reline and capacity expansion project undertaken at the end of 2015 However, titanium slag production at TTI reached levels close to the same period last year. There were periods during the half-year when the furnace was operating close to its expanded nameplate capacity. Optimisation projects aimed at maintaining the performance of the operation at its expected capacity will continue throughout 2016.

Overall production of titanium slag was 79.0kt in 1H 2016 compared to 80.9kt in 1H 2015 (a decrease of 2.3%). High purity pig iron ('HPPI') production was also lower at 31.9kt compared to 44.2kt in 1H 2015. It is expected that HPPI production will remain lower than production levels achieved prior to the furnace reline and capacity expansion project due to lower levels of iron contained in GCO ilmenite which is now being used as feedstock in TTI's production process.

Sales volumes of both titanium slag and HPPI were consistent with production levels during 1H 2016, highlighting acceptance of both chloride slag and HPPI products generated using GCO ilmenite in the relined furnace.

TTI has also launched further cost optimisation initiatives in order to reduce operational costs and maintain the competitiveness of its products.

The following table summarises quarterly sales and production volumes for the half-year ended 30 June 2016:

100% basis		1Q 2016	2Q 2016	1H 2016	1Q 2015	2Q 2015	1H 2015
Titanium Slag							
Produced	(kt)	34.8	44.2	79.0	43.8	37.1	80.9
Sold	(kt)	31.2	50.2	81.4	30.2	38.8	69.0
High Purity Pig Iron							
Produced	(kt)	14.1	17.8	31.9	24.0	20.2	44.2
Sold	(kt)	9.9	20.5	30.4	19.8	23.5	43.3

Grande Côte Operations, Senegal

Production

Production levels at GCO in 1H 2016 were significantly higher compared to 1H 2015 due in part to the operations being in ramp up throughout 2015. Following solid performance in 2H 2015, production in 1Q 2016 was constrained by the first 180 degree mine path turnaround and scheduled maintenance shutdowns of the dredge in February and June.

During February and March, the dredge and wet concentrator plant reversed course to move south along the dune system. As this was the first 180 degree turn for the plant since operations commenced, throughput was restricted. However, the manoeuvre provided an opportunity to optimise the dredge automation system, tails deposition procedure and anchor positioning plans which will reduce the impact of future turnarounds.

The scheduled maintenance shutdowns that occurred in 1H 2016 were significant undertakings involving substantial works, including replacement of the dredge cutter shaft for the first time since the commencement of mining in March 2014. Other preventative maintenance activities focused primarily on the dredge and wet concentrator plant.

Despite the above, mining operations at GCO continue to demonstrate the ability to deliver nameplate targets (with the dredge, for example, averaging a throughput rate of 7,350tph for the month of June). Efforts now focus on ongoing optimisation projects and achieving operational consistency.

In the mineral separation plant ('MSP'), zircon yields were back on par with the record production levels achieved in 4Q 2015 and rutile & leucoxene production also increased throughout the quarter. These improving yields follow the completion of a number of optimisation projects successfully commissioned during the quarter, including an up-current classifier in the feed prep circuit and middling circuit upgrade in the primary dry mill circuit at the MSP. Quarterly MSP activity also focused on optimising the product specification of GCO ilmenite consumed by TTI which, in turn, will enhance titanium slag quality at TTI. Implementation of these modifications is partly responsible for the decrease in ilmenite production during 2Q 2016.

Sales

Sales volumes were significantly higher in 1H 2016 compared to 1H 2015 primarily due to the increase in production levels during the current period. Record quarterly sales of zircon and rutile & leucoxene were achieved in 2Q 2016 as a result of the increasing zircon yields and improving production performance of rutile & leucoxene as outlined above.

Ilmenite sales were impacted early in 2016 due to the ramp up of operations at TTI following completion of the furnace reline and expansion project. Total sales for 1H 2016, however, were 35.1% higher than 1H 2015 despite production only increasing by 6.7% primarily due to the timing of ilmenite shipments to TTI and higher grade ilmenite shipments to external customers.

The following table summarises quarterly sales and production volumes for the half-year ended 30 June 2016:

100% basis		1Q 2016	2Q 2016	1H 2016	1Q 2015	2Q 2015	1H 2015
Mining							
Ore mined	(kt)	9,583	10,291	19,874	8,039	7,522	15,561
Heavy mineral concentrate produced	(t)	140.7	138.9	279.6	131.7	136.6	268.3
MSP production							
Ilmenite	(t)	107,181	92,783	199,964	89,789	97,789	187,578
Zircon	(t)	10,713	13,608	24,321	9,118	11,357	20,475
Rutile & leucoxene	(t)	1,906	2,524	4,430	1,635	1,247	2,882
Sales volume							
Ilmenite	(t)	65,001	118,649	183,650	71,857	64,051	135,908
Zircon	(t)	9,661	12,758	22,419	6,502	12,196	18,698
Rutile & leucoxene	(t)	1,740	2,300	4,040	22	1,406	1,428

Corporate

On 21 March 2016, Mr Ludvig Egeland resigned as a director of the Company effective from that date. On the same date, Mr Thomas Devedjian was appointed as his replacement and remains in office at the date of this report.

Dividends

The directors have not recommended the payment of an interim dividend for the half-year ended 30 June 2016 (2015 – nil).

Principal risks and uncertainties

Foreign currency risks

When the exposure arising from borrowings taken out by Group companies in currencies other than their functional currencies is not offset by income in those currencies, the Group may have recourse to hedging. In addition, the Group uses derivative financial instruments to limit its exposure to the currency risk on its sales and on certain dollar-denominated costs.

Interest rate risk

The Company is part of a group pooling arrangement with other Group companies whereby excess funds are lent to, or deficits borrowed from, other Group companies. Rates of interest are set with reference to the market rates ruling in the lender's country. At 30 June 2016, the Company is exposed to changes in market interest rates through its lending to Group companies, which are subject to the variable interest rates.

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group only transacts with entities that are rated the equivalent of investment grade or above. This information is supplied by independent rating agencies where available and, if not available, the Group uses other publicly available information and its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by management on a regular basis.

Trade receivables consist of a large number of customers, spread across geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable and, where appropriate, credit guarantee insurance cover is purchased.

Apart from a small number of large customers, the Group does not have significant credit risk exposure to a single counterparty. Concentration of credit risk related to these large customers did not exceed 20% of gross monetary assets at any time during the half-year. Concentration of credit risk to any other counterparty did not exceed 5% of gross monetary assets at any time during the half-year.

The maximum exposure to credit risk is represented by the carrying value of each financial asset in the Statement of Financial Position.

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors who have built an appropriate liquidity risk management framework for the management of the Group's funding and liquidity management requirements. The Group manages liquidity risk by maintaining sufficient cash balances.

Future developments

The joint venture will continue to focus on maximising production at GCO and ramp up activities at TTI in order to consolidate the benefits of integrating the two assets. A number of optimisation projects are expected to come to fruition in 3Q 2016. Cost reduction initiatives to ensure product competitiveness and operational sustainability will also remain ongoing at both operations. The primary areas of focus for the second half of the year are:

GCO optimisation

GCO will focus on continued improvements at its operations. These improvements will include implementation of numerous initiatives to reduce overall costs as well as programs to enhance both mining and operational efficiencies. There are a number of minor operational projects to be commissioned in 2H 2016 which will continue the drive to maximise the operation's mining recoveries and processing yields and deliver production consistency.

TTI ramp up

As outlined above, the TTI ramp up is proceeding well with the facility operating for periods during 1H 2016 at production levels close to its expanded nameplate capacity. The focus in 2H 2016 will be to consolidate production at these expanded levels. As at GCO, cost reduction initiatives to ensure product competitiveness and sustainable operations continue and will increase as operations are optimised

Market

Strong sales from both GCO and TTI during the half-year demonstrate improving market conditions in the mineral sands sector.

In respect of high grade titanium feedstocks, the sector has benefited from a strong supply side response among other developments in recent times. These included:

- plant closures, idled capacity and inventory destocking particularly by major producers;
- a lack of available capital which has undermined the development of both greenfield and brownfield projects;
- closure of mining operations due to ore body depletion; and
- financial pressures encouraging consolidation and rationalisation.

Titanium dioxide inventories have also been reported by several producers to have reached normal levels for the first time in four years.

This supply side response is finally being recognised on the demand side with price rises being achieved by pigment producers in recent pricing negotiations. Strong margins are currently being enjoyed by downstream pigment users, providing a further indication that a demand recovery is underway.

While the demand for zircon remained steady and GCO benefited from the high quality of its zircon product, the price decreases announced by some major producers for standard and lower grade zircon products negatively impacted 2Q 2016 prices. While North American and European markets have slowed, they are showing signs of stabilising; in particular, positive signs are appearing in the European tile market.

A strong increase in HPPI prices occurred in April followed by a correction in May. June prices appear to have stabilised.

Payment of creditors

The Company does not adopt a specific code or standard payment policy. However, it is the Company's policy to pay its suppliers in accordance with agreed terms provided the supplier has met its contractual obligations.

Events after the balance sheet date

There have not been any significant events since the balance sheet date.

Financial instruments

The Group's financial instruments comprise bonds, bank loans, finance leases, overdrafts and performance guarantees. The principal purpose of these instruments is to raise funds for general corporate purposes. In addition, various other financial instruments such as trade creditors and trade debtors arise from its operations. The use of interest rate swaps and currency swaps will be used to manage interest and currency risk when necessary or material.

This report was approved by the Board on 27 July 2016 and signed on its behalf by:

Nic Limb
Director

		Half-year ended	
	Note	30 Jun 2016 US$'000	30 Jun 2015 US$'000
Sales	5	**83,236**	**84,777**
Other expenses		(1,237)	(638)
Cost of products sold		(76,790)	(88,951)
Administrative and selling costs		(3,459)	(2,183)
EBITDA for the period		**1,750**	**(6,995)**
Amortisation and depreciation of non-current assets		(17,059)	(14,507)
Amortisation of assets recognised on acquisition		(1,360)	(1,360)
Operating loss for the period		**(16,669)**	**(22,862)**
Other operating expenses		(1,020)	-
Net borrowing costs	14	(22,325)	(16,651)
Other finance income and expenses		(459)	445
Income tax	6	(317)	(40)
Loss for the period	5	**(40,790)**	**(39,108)**
Loss attributable to non-controlling interests		1,807	2,368
Loss for the period attributable to equity holders of the parent		**(38,983)**	**(36,740)**
Other comprehensive income/(loss), net of income tax			
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:			
Translation adjustments for financial statements of subsidiaries in a foreign currency		3,946	(5,890)
Net other comprehensive income/loss that may be reclassified to profit or loss in subsequent periods:		**3,946**	**(5,890)**
Items that will not to be reclassified to profit or loss in subsequent periods:			
Change in revaluation reserve for cash flow hedging instruments		4,023	(1,534)
Income tax in relation to revaluation of cash flow hedging instruments		(1,006)	414
Net other comprehensive income/(loss) that will not to be reclassified to profit or loss in subsequent periods:		**3,017**	**(1,120)**
Total other comprehensive income/(loss) for the period		6,963	(7,010)
Attributable to non-controlling interest		34	140
Other comprehensive income/(loss) for the period attributable to equity holders of the parent		**6,929**	**(6,870)**
Total comprehensive income/(loss) for the period			
Attributable to equity holders of the parent		(33,827)	(46,118)
Attributable to non-controlling interests		1,773	2,508
Total comprehensive loss for the period attributable to equity holders of the parent		(32,054)	(43,610)
Earnings per share (US$)			
Basic earnings per share		(118.31)	(111.50)
Diluted earnings per share		(118.31)	(111.50)

Notes to the financial statements are included on pages 13 to 22.

	Half-year ended	
	30 Jun 2016 US$'000	**30 Jun 2015 US$'000**
Other revenue	500	500
Administrative costs	(1,489)	(1,742)
EBITDA for the period	**(989)**	**(1,242)**
Amortisation and depreciation of non-current assets	(60)	(62)
Operating loss for the period	**(1,049)**	**(1,304)**
Other operating expenses	(932)	-
Net borrowing costs	(20,475)	(16,169)
Other finance income and expenses	(698)	2,559
Income tax	-	-
Loss for the period	**(23,154)**	**(14,914)**

Notes to the financial statements are included on pages 13 to 22.

	Note	30 Jun 2016 US$'000	31 Dec 2015 US$'000
Assets			
Non-current assets			
Intangible assets	7	52,170	55,388
Property, plant and equipment	8	812,311	813,843
Other non-current financial assets		84	92
Other non-current assets	10	202	200
Total non-current assets		**864,767**	**869,523**
Current assets			
Inventories	9	57,106	58,935
Trade and other receivables	10	42,174	38,399
Cash and cash equivalents	11	5,125	2,653
Total non-current assets		**104,405**	**99,987**
Total assets		**969,172**	**969,510**
Shareholders' equity and liabilities			
Share capital	12	329	329
Share premium	12	621,412	621,412
Cash flow hedging instrument revaluation reserve		(1,830)	(4,847)
Foreign currency translation reserve		(37,550)	(41,462)
Accumulated losses		(200,086)	(161,103)
Attributable to equity holders of the parent		**382,275**	**414,329**
Attributable to non-controlling interests	13	(15,692)	(13,919)
Total shareholders' equity		**366,583**	**400,410**
Liabilities			
Non-current liabilities			
Deferred tax		5,137	3,809
Borrowings	14	473,237	439,882
Total non-current liabilities		**478,374**	**443,691**
Current liabilities			
Borrowings	14	80,936	64,104
Trade and other payables	15	40,054	53,781
Current tax payables		-	97
Derivative financial liabilities		3,225	7,427
Total current liabilities		**124,215**	**125,409**
Total liabilities		**602,589**	**569,100**
Total shareholders' equity and liabilities		**969,172**	**969,510**

Notes to the financial statements are included on pages 13 to 22.

The financial statements were approved by the Board on 27 July 2016 and signed on its behalf by:

Nic Limb
Director

Registration number 07727671

	Note	30 Jun 2016 US$'000	31 Dec 2015 US$'000
Assets			
Non-current assets			
Property, plant and equipment		64	124
Investments in subsidiaries		899,486	899,486
Loans to related parties		55,403	63,904
Total non-current assets		**954,953**	**963,514**
Current assets			
Other current assets		1,594	1,996
Cash and cash equivalents		738	1,489
Total non-current assets		**2,332**	**3,485**
Total assets		**957,285**	**966,999**
Shareholders' equity and liabilities			
Share capital	12	329	329
Share premium	12	621,412	621,412
Retained earnings		(157,463)	(134,309)
Total shareholders' equity		**464,278**	**487,432**
Liabilities			
Non-Current Liabilities			
Borrowings	14	464,904	439,882
Other non-current liabilities		22,781	34,138
Total non-current liabilities		**487,685**	**474,020**
Current liabilities			
Borrowings	14	535	535
Trade and other payables		4,787	5,012
Total current liabilities		**5,322**	**5,547**
Total liabilities		**493,007**	479,567
Total shareholders' equity and liabilities		**957,285**	966,999

Notes to the financial statements are included on pages 13 to 22.

The financial statements were approved by the Board on 27 July 2016 and signed on its behalf by:

Nic Limb
Director

Registration number 07727671

	Note	Half-year ended 30 Jun 2016 US$'000	30 Jun 2015 US$'000
Operating activities			
Loss for the period		**(40,790)**	**(39,108)**
Elimination of non-cash and non-operating income and expenses:			
- Depreciation, amortisation and provisions		18,419	15,867
- Deferred tax		318	(21)
- Loss on disposal of fixed assets		88	-
- Amortisation of borrowing costs		2,898	392
- Foreign exchange gains		1,153	(3,767)
Cash used in operating activities		**(17,914)**	**(26,637)**
Decrease/(increase) in inventories		2,945	(6,887)
(Increase)/decrease in trade receivables		(15,747)	7,179
(Decrease)/Increase in trade payables		(10,037)	1,797
Change in other assets and liabilities		16,675	5,829
Accrued interest		(6)	(325)
Tax paid		(101)	(1,677)
Net change in current operation assets and liabilities		**(6,271)**	**5,916**
Net cash used in operating activities		**(24,185)**	**(20,721)**
Cash flows from investing activities			
Payments for non-current assets		(12,047)	(16,984)
Proceeds from sale of fixed assets		1,800	-
Interest received		6	-
Net cash used in investing activities		**(10,241)**	**(16,984)**
Cash flows from financing activities			
Proceeds from borrowings		40,045	36,416
Payment of borrowing costs		(898)	-
Net change in current financial assets and liabilities		11	-
Net cash provided by financing activities		**39,158**	**36,416**
Net effect of cash held in foreign currency		(2,260)	527
Net increase/(decrease) in cash held		**2,472**	**(762)**
Opening cash and cash equivalents		**2,653**	**8,401**
Closing cash and cash equivalents	**11**	**5,125**	**7,639**

Notes to the financial statements are included on pages 13 to 22.

	Half-year ended 30 Jun 2016 US$'000	Half-year ended 30 Jun 2015 US$'000
Operating activities		
Loss for the period	**(23,154)**	**(14,914)**
Elimination of non-cash and non-operating income and expenses:		
- Depreciation, amortisation and provisions	60	62
- Foreign exchange gains	697	(2,558)
- Amortisation of borrowing costs	2,898	392
Cash used in operating activities	**(19,499)**	**(17,018)**
(Increase)/decrease in trade receivables	(495)	2,264
Increase in trade payables	517	643
Change in other assets and liabilities	6,147	30
Accrued interest	-	3,404
Net change in current operation assets and liabilities	**6,169**	**6,341**
Net cash used in operating activities	**(13,330)**	**(10,677)**
Cash flows from investing activities		
Payments from/(to) subsidiaries	(3,500)	6,200
Net cash (used in)/provided by investing activities	**(3,500)**	**6,200**
Cash flows from financing activities		
Proceeds from borrowings	17,000	-
Payment of borrowing costs	(898)	-
Net cash provided by financing activities	**16,102**	**-**
Net effect of cash held in foreign currency	(23)	(43)
Net decrease in cash held	**(751)**	**(4,520)**
Opening cash and cash equivalents	**1,489**	**7,616**
Closing cash and cash equivalents	**738**	**3,096**

Notes to the financial statements are included on pages 13 to 22.

	Number of shares	Share capital US$'000	Share premiums US$'000	Cash flow hedging reserve US$'000	Foreign currency translation reserve US$'000	Accumulated losses US$'000	Attributable to equity holders of parent US$'000	Attributable to non-controlling interests US$'000	Total shareholders' equity US$'000
Shareholders' equity at 1 January 2015	**329,500**	**329**	**621,412**	**(2,156)**	**(26,949)**	**(81,152)**	**511,484**	**(9,258)**	**502,226**
Loss for the half-year ended 30 June 2015	-	-	-	-	-	(36,740)	(36,470)	(2,368)	(39,108)
Exchange differences on translation of foreign subsidiaries	-	-	-	132	(5,750)	-	(5,618)	(140)	(5,758)
Change in hedging instruments revaluation reserve	-	-	-	(1,252)	-	-	(1,252)	-	(1,252)
Other components of comprehensive income	-	-	-	(1,120)	(5,750)	-	(6,870)	(140)	(7,010)
Total comprehensive loss	**-**	**-**	**-**	**(1,120)**	**(5,750)**	**(36,740)**	**(43,610)**	**(2,508)**	**(46,118)**
Shareholders' equity at 30 June 2015	**329,500**	**329**	**621,412**	**(3,276)**	**(32,699)**	**(117,892)**	**467,874**	**(11,766)**	**456,108**
Shareholders' equity at 1 January 2016	**329,500**	**329**	**621,412**	**(4,847)**	**(41,462)**	**(161,103)**	**414,329**	**(13,919)**	**400,410**
Loss for the half-year ended 30 June 2016	-	-	-	-	-	(38,983)	(38,983)	(1,807)	(40,790)
Exchange differences on translation of foreign subsidiaries	-	-	-	(227)	3,912	-	3,685	34	3,719
Change in hedging instruments revaluation reserve	-	-	-	3,244	-	-	3,244	-	3,244
Other components of comprehensive income	-	-	-	3,017	3,912	-	6,929	34	6,963
Total comprehensive income/(loss)	**-**	**-**	**-**	**3,017**	**3,912**	**(38,983)**	**(32,054)**	**(1,773)**	**(33,827)**
Shareholders' equity at 30 June 2016	**329,500**	**329**	**621,412**	**(1,830)**	**(37,550)**	**(200,086)**	**382,275**	**(15,692)**	**366,583**

Notes to the financial statements are included on pages 13 to 22.

1. GENERAL INFORMATION

TiZir Limited (the 'Company') is a limited company incorporated in the United Kingdom. The parent entities of the Company are Eralloys Holding AS, a subsidiary of ERAMET SA, and MDL (Mining) Limited, a subsidiary of Mineral Deposits Limited. The addresses of its registered office and principal place of business are included in the Corporate Data.

The interim condensed consolidated unaudited financial statements as at and for the half-year ended 30 June 2016 were authorised for issue in accordance with a resolution of the directors on 27 July 2016.

2. STATEMENT OF COMPLIANCE

The interim condensed consolidated unaudited financial statements for the half-year ended 30 June 2016 have been prepared in accordance with IAS 34 Interim Financial Reporting. The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and therefore should be read in conjunction with the Group's annual financial statements as at 31 December 2015.

3. BASIS OF PREPARATION

The interim condensed consolidated unaudited financial statements are presented in United States dollars, which is the Company's functional and presentation currency. All values are rounded to the nearest thousand except where otherwise indicated.

New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated unaudited financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2015, except for the adoption of new standards and interpretations effective as of 1 January 2016.

In the current year, the Group has adopted all of the new and revised Standards and Interpretations issued by the International Accounting Standards Boards that are relevant to its operations and effective for the current reporting period.

The adoption of all the new and revised Standards and Interpretations has not resulted in any changes to the Group's accounting policies and has no effect on the amounts reported for current or prior periods. The new and revised Standards and Interpretations have not had a material impact and have not resulted in changes to the Group's presentation of, or disclosure in, its half-year financial report.

The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

4. USE OF ESTIMATES AND JUDGMENTS

The preparation of these financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the date of the financial statements. Actual outcomes could differ from these estimates.

The below are the most critical judgments, estimates and assumptions:

4.1 Impairment testing

The group assesses each cash-generating unit annually to determine whether any indication of impairment exists. Where an indicator of impairment exists, a formal estimate of the recoverable amount is made which is considered to be the higher of the fair value less costs to sell and value in use. These assessments require the use of estimates and assumptions such as long-term commodity prices, discount rates, future capital requirements, exploration potential and operating performance. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's-length transaction between knowledgeable and willing parties. Fair value for mineral assets is generally determined as the present value of estimated future cash flows arising from the continued use of the asset, which includes estimates such as the cost of future expansion plans and eventual disposal and decommissioning, using assumptions that an independent market participant may take into account. Cash flows are discounted by an appropriate discount rate to determine the net present value. Management has assessed its cash-generating units as being an individual mine site or operating segment, which is the lowest level for which cash flows are largely independent of other assets.

4.2 Environmental rehabilitation costs

The provisions for rehabilitation costs are based on estimated future costs using information available at the balance sheet date. These provisions are estimated on the basis of forecast cash flows by maturity and discounted using inflation and discount rates determined in accordance with local economic conditions. To the extent the actual costs differ from these estimates, adjustments will be recognised which may impact the Group's income statement.

4.3 Deferred tax

Deferred tax assets recognised primarily relate to deductible temporary differences and tax losses carried forward in accordance with IAS 12. These deferred tax assets are recognised whenever it is likely that the Group will have sufficient future taxable profit to absorb these timing differences and tax losses. The estimate of the Group's capacity to recover recognised deferred-tax assets is based in particular on the earnings forecasts drawn up by each tax entity.

5. SEGMENT REPORTING

The directors of the Company have chosen to organise the Group's operating segments based on differences in products and services provided by the Group.

Specifically, the Group's reportable segments under IFRS 8 are as follows:

- Upgraded ilmenite products
- Extracted mineral sands products

Revenues and profit by segment

The following is an analysis of the Group's revenue and profit by reportable segment:

	Segment Revenue Half-year ended		Segment Profit/(Loss) Half-year ended	
	30 Jun 2016 US$'000	30 Jun 2015 US$'000	30 Jun 2016 US$'000	30 Jun 2015 US$'000
Upgraded ilmenite products	52,309	52,270	613	1,580
Extracted mineral sands products	30,927	32,507	(16,729)	(23,944)
Total	**83,236**	**84,777**	**(16,116)**	**(22,364)**
Administration costs			(1,489)	(1,742)
Other unallocated operating costs			(932)	-
Other finance expenses			(21,173)	(13,610)
Unallocated depreciation and amortisation of non-current assets			(60)	(62)
Amortisation of non-current assets recognised on acquisition			(1,360)	(1,697)
Income tax on amortisation of non-current assets recognised on acquisition			340	367
Loss for the period			**(40,790)**	**(39,108)**

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 3.

Segment revenue reported above represents revenue generated from external customers. There were inter-segment ilmenite sales of $10.9 million during the period which were eliminated on consolidation and therefore not included in the above segment analysis (2015 – nil).

Segment profit represents the profit after income tax earned by each segment without allocation of centralised administration costs, foreign exchange losses recognised outside the reportable segments, depreciation of non-current assets not allocated to a reportable segment and amortisation and associated income tax impact of non-current assets recognised on acquisition. Segment profit is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable segment:

	30 Jun 2016 US$'000	31 Dec 2015 US$'000
Segment assets		
Upgraded ilmenite products	120,554	102,305
Extracted mineral sands products	814,121	829,263
Total segment assets	**934,675**	**931,568**
Unallocated	34,497	37,942
Total consolidated assets	**969,172**	**969,510**
Segment liabilities		
Upgraded ilmenite products	66,875	70,571
Extracted mineral sands products	60,390	47,661
Total segment liabilities	**127,265**	**118,232**
Unallocated	475,324	450,868
Total consolidated liabilities	**602,589**	**569,100**

6. INCOME TAX

The Group calculates the income tax expense for the half-year using the applicable tax rates for each group entity that would be expected to be levied against total annual earnings.

The major components of income tax expense in the interim condensed income statement are:

	Half-year ended 30 Jun 2016 US$'000	Half-year ended 30 Jun 2015 US$'000
Income tax expense		
Current income tax expense	-	(71)
Deferred income tax expense related to origination and reversal of deferred taxes	(317)	31
Total	**(317)**	**(40)**

7. INTANGIBLE ASSETS

	Gross value US$'000	Amortisation US$'000	Impairment US$'000	Net value 30 Jun 2016 US$'000	Net value 31 Dec 2015 US$'000
By category					
Capitalised mining convention costs	111,832	(1,042)	(108,400)	2,390	2,427
Mine development expenditure	51,590	(2,206)	(15,000)	34,384	34,850
Other intangible assets	61,087	(45,691)	-	15,396	18,111
Total	**224,509**	**(48,939)**	**(123,400)**	**52,170**	**55,388**

	30 Jun 2016 US$'000	31 Dec 2015 US$'000
Changes over the period		
At beginning of the period	55,388	69,904
Capital expenditure during the period	(1,888)	1,478
Amortisation expenses during the period	(1,695)	(3,178)
Impairment during the period	-	(12,600)
Amortisation of impairment	286	-
Translation adjustments	79	(216)
At end of the period	**52,170**	**55,388**

There were no impairment losses recognised in relation to intangible assets of the Group for the half-year ended 30 June 2016 (2015 – nil).

Mine development expenditure relates exclusively to GCO.

Other intangible assets mainly comprise intangible assets recognised on acquisition (representing an ilmenite supply contract and electricity supply contract) and computer software that are being amortised over their useful economic lives of between 2.5 to 20 years.

8. PROPERTY, PLANT AND EQUIPMENT

	Gross value US$'000	Depreciation US$'000	Net value 30 Jun 2016 US$'000	Net value 31 Dec 2015 US$'000
By category				
Land and buildings	45,443	(2,263)	43,180	42,013
Industrial and mining facilities	855,116	94,203	760,913	771,818
Other property, plant and equipment	15	11	4	4
Work in progress	8,214	-	8,214	8
Total	**908,788**	**(96,477)**	**812,311**	**813,843**

	30 Jun 2016 US$'000	31 Dec 2015 US$'000
Changes over the period		
At beginning of the period	813,843	802,129
Capital expenditure during the period	12,047	51,784
Depreciation during the period	(17,010)	(31,316)
Translation adjustments	3,431	(8,754)
At end of the period	**812,311**	**813,843**

There were no impairment losses recognised in relation to property, plant and equipment of the Group for the half-year ended 30 June 2016 (2015 – nil).

9. INVENTORIES

	30 Jun 2016 US$'000	31 Dec 2015 US$'000
By category		
Raw materials	7,795	7,425
Merchandise and finished products	15,704	16,130
Work in progress and semi-finished products	4,435	7,307
Consumables and spare parts	29,172	28,073
Total	**57,106**	**58,935**
Changes over the period		
At beginning of the period	58,935	63,768
Changes in working capital requirement	(2,945)	(251)
Translation adjustments and other movements	1,116	(4,582)
At end of the period	**57,106**	**58,935**

10. TRADE AND OTHER RECEIVABLES

	30 Jun 2016 US$'000	31 Dec 2015 US$'000
By category		
Trade receivables	39,607	27,696
Payroll and tax receivables	967	5,207
Prepayments	495	4,809
Other operating receivables	1,307	887
Total	**42,376**	**38,599**
Represented in the statement of financial position as:		
- Current assets	42,174	38,399
- Non-current assets	202	200
Changes over the period		
At beginning of the period	38,599	31,921
Changes in working capital requirement	2,851	9,866
Translation adjustments	926	(3,188)
At end of the period	**42,376**	**38,599**

During the six months ended 30 June 2016, the Company did not recognise an allowance for impairment of trade receivables (2015 – nil).

11. CASH AND CASH EQUIVALENTS

	30 Jun 2016 US$'000	31 Dec 2015 US$'000
By category		
Cash	**5,125**	**2,653**

Cash includes cash on hand and at bank. The change from one period to the next is analysed via a cash flow statement drawn up using the indirect method.

In addition to the above stated figures, the Group had $23.6 million available as unutilised borrowings with financial institutions and the Sponsors, subject to satisfactory fulfilment of facility conditions.

12. SHAREHOLDERS' EQUITY

The share capital is comprised of 329,500 ordinary shares held by Eralloys Holding AS and MDL (Mining) Limited who hold 164,750 shares each.

	30 Jun 2016 US$'000	31 Dec 2015 US$'000
Share capital	329	329
Share premium	621,412	621,412
	621,741	**621,741**

	Number of shares '000	Share capital US$'000	Share premium US$'000
Movement in fully paid ordinary shares			
Balance at 1 January 2016 / 30 June 2016	**329**	**329**	**621,412**

There were no shares issued by the Company during the half-year ended 30 June 2016.

Fully paid ordinary shares have a par value of $1.00, carry one vote per share and carry a right to dividends.

The Company's constitution does not disclose an authorised capital amount as this concept was abolished in the Companies Act 2006. As such, the authorised capital of the Company at 30 June 2016 is equal to the amount of shares allotted to date.

The Company did not issue any share options or other instruments relating to rights over the Company's equity during the half-year ended 30 June 2016.

13. ATTRIBUTABLE TO NON-CONTROLLING INTERESTS

	% of non-controlling interests	30 June 2016		31 Dec 2015
		Profit/(loss) US$'000	Net value US$'000	Net value US$'000
Grande Côte Operations SA	10	**(1,807)**	**(15,692)**	**(13,919)**
Changes over the period				
At beginning of the period			(13,919)	(9,258)
Loss for the period			(1,807)	(4,484))
Translation adjustments			34	(177)
At end of the period			**(15,692)**	**(13,919)**

14. BORROWINGS

Consolidated	30 June 2016 US$'000	31 Dec 2015 US$'000
Current		
Bonds – borrowing costs at amortised cost (i)	(5,787)	(5,787)
Accrued interest payable	6,322	6,322
Operating lines of credit (ii)	80,401	63,569
	80,936	**64,104**
Non-current		
Bonds (i)	275,000	275,000
Bonds – borrowing costs at amortised cost (i)	(1,558)	(4,347)
Operating lines of credit (ii)	8,333	-
Subordinated loans from related parties (iii)	191,462	169,229
	473,237	**439,882**

Company	30 June 2016 US$'000	31 Dec 2015 US$'000
Current		
Bonds – borrowing costs at amortised cost (i)	(5,787)	(5,787)
Accrued interest payable	6,322	6,322
	535	535
Non-current		
Bonds (i)	275,000	275,000
Bonds – borrowing costs at amortised cost (i)	(1,558)	(4,347)
Subordinated loans from related parties (iii)	191,462	169,229
	464,904	**439,882**

(i) The total of corporate bonds issued by the Company on 29 September 2012 and 23 May 2014 with a face value of $275 million is secured by the Company's 100% interest in both TiZir Titanium & Iron and TiZir Mauritius Limited and matures on 28 September 2017. In addition, TiZir Titanium & Iron has provided an on-demand guarantee in favour of Nordic Trustee, on behalf of the bondholders, for the full loan amount including any interest costs and expenses.

Amendments to the terms of the bonds were approved at a meeting of bondholders held on 10 December 2015 as follows:

- amendment to the interest coverage ratio covenant including measurement for the first time at 31 December 2016;
- introduction of an equity cure enabling MDL and ERAMET to 'cure' any future breach of the interest coverage ratio covenant by providing equity funding to the joint venture;
- reduction of the maximum bond issue amount to $275 million; and
- introduction of a $60 million committed facility made available to TiZir (if required) for the payment of interest up until maturity of the bond, underwritten by ERAMET.

Interest charged on the bonds for the half-year ended 30 June 2016 was $12.3 million (30 June 2015 – $12.3 million).

(ii) Operating lines of credit are secured by stocks and receivables held at Grande Cote Operations and TiZir Titanium & Iron.

(iii) As part of the agreement to establish the joint venture on 1 October 2011, ERAMET SA agreed to provide a $45 million subordinated loan facility which was contributed during 2013. Interest on the subordinated loan facility is accrued at LIBOR six months plus five percent. For the half-year ended 30 June 2016, interest of $1.4 million (30 June 2015 – $1.2 million) accrued on this facility.

During the year ended 31 December 2013, the Group entered into two $40 million subordinated loan agreements with Mineral Deposits Limited and ERAMET SA. These loans are interest bearing at a rate of LIBOR plus five percent. For the half-year ended 30 June 2016, interest of $2.5 million (30 June 2015 – $3.8 million) accrued on these facilities. The interest was recognised as an expense in the statement of profit and loss and other comprehensive income.

During the year ended 31 December 2015, the Company entered into two new subordinated loan agreements with Mineral Deposits Limited and ERAMET SA as follows:

- $25 million ($12.5 million each) subordinated loan agreement dated 21 September 2015. This loan is interest bearing at a rate of LIBOR plus five percent. For the half-year ended 30 June 2016, interest of $0.7 million accrued on this facility. The interest was recognised as an expense in the statement of profit and loss and other comprehensive income; and
- $6 million ($3 million each) subordinated loan agreement dated 22 December 2015. This loan is interest bearing at a rate of LIBOR plus seven percent. The Company was advanced $5 million under the terms of the agreement with the remaining $1 million paid on 4 January 2016.

During the current period, the Company entered into two new subordinated loan agreements with Mineral Deposits Limited and ERAMET SA as follows:

- $3.6 million ($1.8 million each) subordinated loan agreement dated 6 April 2016. This loan is interest bearing at a rate of LIBOR (three month) plus seven percent. The Company received $3.6 million under the subordinated loan agreement in March 2016. For the half-year ended 30 June 2016, interest of $70,696 accrued on this facility. The interest was recognised as an expense in the statement of profit and loss and other comprehensive income; and
- $60 million ($30 million each) subordinated loan agreement dated 6 July 2016. This loan is interest bearing at a rate of LIBOR (three month) plus seven percent. The Company received $12.4 million ($6.2 million each) under the terms of this agreement in March 2016. For the half-year ended 30 June 2016, interest of $260,008 accrued on this facility. The interest was recognised as an expense in the statement of profit and loss and other comprehensive income.

Under the terms of the all the respective subordinated loan agreements, no repayment of the loans may be made unless the Corporate Bonds issued by TiZir on 29 September 2012 and 23 May 2014 are fully repaid.

	30 Jun 2016 US$'000	31 Dec 2015 US$'000
By maturity		
Less than one year	80,936	64,104
One to five years	473,237	439,882
	554,173	**503,986**
By interest rate		
Fixed interest rates		
- 5% to 10%	**273,977**	**271,188**
Variable interest rate		
- Over 5%	199,795	169,229
- Under 5%	80,401	63,569
	280,196	**232,798**

The following table reconciles net borrowing costs and other financial items recognised as an expense in the statement of profit and loss and other comprehensive income.

	30 Jun 2016 US$'000	30June 2015 US$'000
Consolidated		
Net borrowing costs		
Interest income	(6)	(2)
Interest expense – operating lines of credit	1,825	486
Interest expense – subordinated loans from joint venture sponsors	5,233	3,505
Interest expense – secured bond	12,375	12,270
Amortisation of borrowing costs	2,898	392
	22,325	**16,651**

15. TRADE AND OTHER PAYABLES

	30 Jun 2016 US$'000	31 Dec 2015 US$'000
By category		
Trade payables	34,843	47,570
Tax and payroll liabilities	3,846	4,077
Other operating liabilities	1,365	2,134
	40,054	**53,781**
Changes over the period		
At beginning of the period	53,781	41,322
Changes in working capital requirement	(13,158)	9,721
Translation adjustments	(569)	2,738
At end of the period	**40,054**	**53,781**

All trade and other payables are short term and the carrying values are considered to be reasonable approximation of fair value.

16. FINANCIAL COMMITMENTS

During the year, the Company entered into discussion with its bondholders in respect of potential amendments to the terms of the senior bond maturing in September 2017. These amendments were approved at a meeting of bondholders on 10 December 2015. A key part of these amendments was the introduction of a $60 million committed facility available to TiZir by its shareholders for the payment of interest (if required) up until maturity of the bond.

In accordance with the above, ERAMET provided funding of $6.2 million to TiZir Limited on behalf of the Company under the terms of the committed facility in order to fund interest payments of the joint venture. As such, the remaining commitment of the Company to the $60 million committed facility at 30 June 2016 is $23.8 million. The Company is committed to meeting its obligations in relation to this facility.

TiZir Titanium & Iron has provided a guarantee which is described in Note 14.

The Group faces future liabilities in respect of GCO and has agreed that the following amounts will become payable:

- during the term of the Mining Concession and the entire period of validity of the Mining Convention, an amount of $500,000 per annum during the pre-production phase and thereafter $400,000 per annum during the production phase on social development of local communities in the Grande Côte and surrounding region; and
- $50,000 per year of production on training of Directorate of Mines and Geology officers and logistical support to the technical services of the Ministry for Mines.

Other than the above, there are no outstanding commitments as at 30 June 2016.

17. RELATED PARTY TRANSACTIONS

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

Details of transactions between the Group and other related parties are disclosed below.

Loans between the Company and its related parties

	Balances	
	30 Jun 2016 US$'000	**31 Dec 2015 US$'000**
Subordinated loans – joint venture sponsors		
ERAMET SA	121,686	109,848
Mineral Deposits Limited	69,776	59,381
	191,462	**169,229**
Changes over period:		
At beginning of the period	169,229	131,692
Contributions received during period	17,000	30,000
Accrued interest payable	5,233	7,537
At end of period	**191,462**	**169,229**

(i) As part of the agreement to establish the joint venture on 1 October 2011, ERAMET SA agreed to provide a $45 million subordinated loan facility which was contributed during the year ended 31 December 2013. Interest on the subordinated loan facility is accrued at LIBOR six months plus five percent. For the half-year ended 30 June 2016, interest of $1,444,414 (30 June 2015 – $1,284,957) accrued on this facility. The interest was recognised as an expense in the statement of profit and loss and other comprehensive income.

(ii) During the year ended 31 December 2013, the Group entered into two $40 million subordinated loan agreements with Mineral Deposits Limited and ERAMET SA. These loans are interest bearing at a rate of LIBOR plus five percent. For the half-year ended 30 June 2016, interest of $2,499,773 (30 June 2015 – $2,220,102) accrued on this facility. The interest was recognised as an expense in the statement of profit and loss and other comprehensive income.

(iii) During the year ended 31 December 2015, the Company entered into two new subordinated loan agreements with Mineral Deposits Limited and ERAMET SA as follows:

- $25 million ($12.5 million each) subordinated loan agreement dated 21 September 2015. This loan is interest bearing at a rate of LIBOR plus five percent. For the half-year ended 30 June 2016, interest of $718,567 accrued on this facility. The interest was recognised as an expense in the statement of profit and loss and other comprehensive income; and
- $6 million ($3 million each) subordinated loan agreement dated 22 December 2015. This loan is interest bearing at a rate of LIBOR plus seven percent. The Company was advanced $5 million under the terms of the agreement with the remaining $1 million ($0.5 million each) received in January 2016. For the half-year ended 30 June 2016, interest of $239,556 accrued on this facility. The interest was recognised as an expense in the statement of profit and loss and other comprehensive income.

During the current period, the Company entered into two new subordinated loan agreements with Mineral Deposits Limited and ERAMET SA as follows:

- $3.6 million ($1.8 million each) subordinated loan agreement dated 6 April 2016. This loan is interest bearing at a rate of LIBOR (three month) plus seven percent. The Company received $3.6 million under the subordinated loan agreement in March 2016. For the half year ended 30 June 2016, interest of $70,696 accrued on this facility. The interest was recognised as an expense in the statement of profit and loss and other comprehensive income; and
- $60 million ($30 million each) subordinated loan agreement dated 6 July 2016. This loan is interest bearing at a rate of LIBOR (three month) plus seven percent. The Company received $12.4 million ($6.2 million each) under the terms of this agreement in March 2016. For the half-year ended 30 June 2016, interest of $260,008 accrued on this facility. The interest was recognised as an expense in the statement of profit and loss and other comprehensive income.

Transactions with related parties

The Company continues to be a party to management fee agreements with each of Mineral Deposits Limited and ERAMET SA entered into during the year ended 31 December 2013. The management fee continues to be $500,000 per annum per joint venture sponsor and is related to group financial reporting, administration and corporate overheads incurred by each sponsor.

	Transactions		Balances	
	30 Jun 2016 US$'000	**31 Dec 2015 US$'000**	**30 Jun 2016 US$'000**	**31 Dec 2015 US$'000**
Management fees payable – joint venture sponsors	500	1,000	4,500	4,000

18. COMPENSATION OF KEY PERSONNEL

The remuneration of directors and key management personnel during the half-year was as follows:

	30 Jun 2016 US$'000	30 Jun 2015 US$'000
Key management personnel		
Wages and salaries	355	539
Social security costs	23	38
Other costs	72	58
	450	**635**

Directors of the Company did not receive any remuneration during the half-year ended 30 June 2016 (2015 – nil).

19. EVENTS AFTER REPORTING DATE

To the best of the Company's knowledge, there are no events to report after the balance sheet date.

20. ULTIMATE CONTROLLING PARTY

The Company's ultimate controlling parties are Mineral Deposits Limited, a company incorporated in Australia, and ERAMET SA, a company incorporated in France.