Interim Condensed Consolidated Unaudited Financial Statements of

TiZir Limited

for the half-year ended 30 June 2017

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 2016. 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 2017.

*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. Forward-looking statements can generally be identified by the use of forward-looking words, such as 'expect', 'anticipate', 'likely', 'intend', 'should', 'could', 'may', 'predict', 'plan', 'propose', 'will', 'believe', 'forecast', 'estimate', 'target' and other similar expressions. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward-looking statements. Forward-looking statements are provided as a general guide only and should not be relied on as an indication or guarantee of future performance.

Forward -looking 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, financing risk, 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. There can be no assurance that actual outcomes will not differ materially from these statements.

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.

TABLE OF CONTENTS

Directors

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

Secretary

Norose Company Secretarial Services Limited
3 More London Riverside
London SE1 2AQ

Registered office

3 More London Riverside
London SE1 2AQ

Business address

Nova South, 9th Floor
160 Victoria Street
London SW1E 5LB

Company number

07727671

Auditor

Constantin
25 Hosier Lane
London EC1A 9LQ

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 2017.

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

Principal activities

The principal activities of the Group for the year ended 30 June 2017 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

TiZir Limited has announced an operating profit $7.7 million for the half-year ended 30 June 2017, compared to an operating loss of $16.7 million in the previous corresponding period.

Refer to the review of operations for further details.

Financial position

The Statement of Financial Position at 30 June 2017 comprises net assets of $325.3 million (31 December 2016 – $340.2 million) comprising:

	30 Jun 2017 US$M	31 Dec 2016 US$M	Change US$M	%
Cash balances	15.8	10.4	5.4	51.9
Working capital (net trade receivable, inventories and trade & other payables	66.7	20.3	46.4	228.6
Property, plant & equipment (including capitalised construction costs)	783.0	797.0	(14.0)	(1.8)
Intangible assets (incl. mining rights & other identifiable intangible assets recognised on acquisition)	50.1	51.7	(1.6)	(3.1)
Corporate bonds	(279.2)	(276.8)	(2.4)	0.9
Working capital facilities	(80.6)	(45.6)	(35.0)	76.8
Subordinate loans from the joint venture owners	(223.9)	(209.9)	(14.0)	6.7
Current and deferred tax liabilities	(6.7)	(5.6)	(1.1)	19.6
Other net assets and liabilities	-	(1.3)	1.3	100.0

Cash flow

Cash balances increased by $5.4 million during the half-year ended 30 June 2017 to $15.8 million (30 June 2016 – $2.5 million) as a result of:

	30 Jun 2017 US$M	30 Jun 2016 US$M	Change US$M	%
Cash used by operations (net of interest paid to bondholders)	(18.8)	(11.9)	(6.9)	(16.0)
Interest payment to bondholders	(12.3)	(12.3)	-	-
Capital expenditure	(3.4)	(10.2)	6.8	33.7
Subordinated loan contributions from the joint owners	7.0	17.0	(10.0)	(34.0)
Working capital facility (net of other borrowings repayment)	33.2	23.0	10.2	49.8
Payment of borrowing costs	(0.9)	(0.9)	-	0.1
Net other movements	0.6	(2.2)	2.8	33.4

Review of operations

TiZir Titanium & Iron Ilmenite Upgrading Facility, Norway

Production for 1H 2017 was slightly below that achieved in 1H 2016, with both titanium slag and high-purity pig iron (**HPPI**) production 2% lower. Both periods were impacted by furnace restarts and production ramp up. Encouragingly, the operation is consuming less coal and energy to achieve targeted production levels, which is enhancing the cost efficiencies of the operation. Further, optimisation of the crushing plant has resulted in higher chloride slag yields.

Titanium slag sales volumes for 1H 2017 were significantly lower than 1H 2016 largely due to shipments of residual sulphate-process titanium slag inventory during 1Q 2016 following the conversion to chloride slag in December 2015. These residual shipments account for the decrease of $10.1 million in TTI revenue for 1H 2017 compared to the prior corresponding period.

Sales of HPPI were consistent with production in 1H 2017, reflecting market acceptance of TTI's high-quality pig iron following the furnace restart at the beginning of the year.

Pricing for titanium slag continued to be stable in 1H 2017, largely due to offtake contracts. However, pricing for HPPI was stronger due to the persistence of geopolitical instability in Eastern Europe which has impacted the supply of pig iron.

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

100% basis		1Q 2017	2Q 2017	1H 2017	1Q 2016	2Q 2016	1H 2016
Titanium Slag							
Produced	(kt)	27.8	49.5	77.3	34.8	44.2	79.0
Sold	(kt)	11.5	47.1	58.6	31.2	50.2	81.4
High Purity Pig Iron							
Produced	(kt)	11.2	20.1	31.3	14.1	17.8	31.9
Sold	(kt)	7.0	20.0	27.0	9.9	20.5	30.4

Grande Côte Operations, Senegal

Production

Production levels at GCO in 1H 2017 were significantly higher compared to 1H 2016 as mining operations sustained higher runtime and throughput rates resulting in new quarterly and half-yearly records for ore mined and heavy mineral concentrate (**HMC**) produced.

The continued focus on mine optimisation initiatives throughout 1H 2017 has had a direct positive impact on mine performance. Average runtime for 1H 2017 of 81.2% represented a new half-year record for operational runtime, being 12% higher than 1H 2016 and 11% higher than the 2016 average. Throughput for 1H 2017 of 6,648tph was 6% higher than the rate achieved in 1H 2016.

Despite a necessary mine path crossover through lower grade tailings in 1Q 2017, sustained higher runtime and throughput generated at the mine increased HMC production by 23% to 344.7kt in 1H2017 compared to 1H 2016 and generated a quarterly record of 204.2kt in 2Q 2017.

The mineral separation plant (**MSP**) continued to operate near design capacity with high plant availability throughout 1H 2017. The increased production of HMC in 2Q 2017 generated record half-year production of finished goods, in particular ilmenite (13% higher than 1H 2016) and zircon (15% increase compared to 1H 2016). The introduction of medium grade zircon sands in 1Q 2017 – which has been well received by global customers – has broadened GCO's capacity to take advantage of improving zircon prices.

Sales

GCO sales volumes were stronger in 1H 2017 in line with the increase in production of finished goods. Compared to 1H 2016, overall sales volumes were 21% higher in 1H 2017, driven by a 19% increase in zircon sales, a 15% increase in ilmenite sales and the sale of 10,754 tonnes of medium grade zircon sands.

With respect to ilmenite pricing conditions, positive trends evidenced in 2016 continue in 2017 due to increasing pressure on the availability of titanium dioxide feedstock and pigment. Notably, due to strong ilmenite production at GCO, a number of ilmenite shipments budgeted for TTI were sold to external customers to take advantage of higher prevailing prices.

Following stabilisation at the end of 2016, the zircon market also experienced positive developments in 1H 2017, which, on a month to month basis, has positively impacted on GCO profitability.

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

100% basis		1Q 2017	2Q 2017	1H 2017	1Q 2016	2Q 2016	1H 2016
Mining							
Ore mined	(kt)	11,661	11,793	23,454	9,583	10,291	19,874
HMC produced	(kt)	140.5	204.2	344.7	140.7	138.9	279.6
MSP production							
Ilmenite	(t)	99,400	126,030	225,430	107,181	92,783	199,964
Zircon	(t)	11,688	16,203	27,891	10,713	13,608	24,321
Medium grade zircon sands	(t)	7,179	2,927	10,106	-	-	-
Rutile & leucoxene	(t)	2,152	2,384	4,536	1,906	2,524	4,430
Sales volume							
Ilmenite	(t)	81,636	129,713	211,349	65,001	118,649	183,650
Zircon	(t)	13,030	13,722	26,752	9,661	12,758	22,419
Medium grade zircon sands	(t)	2,711	8,043	10,754	-	-	-
Rutile & leucoxene	(t)	2,588	3,208	5,796	1,740	2,300	4,040

Corporate

Refinancing

TiZir successfully completed a new 9.5%, $300 million senior secured bond issue with maturity scheduled in July 2022. The proceeds will primarily be used to refinance the $275 million senior secured bonds maturing in September 2017.

Dividends

The directors have not recommended the payment of an interim dividend for the half-year ended 30 June 2017 (2016 – 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

With GCO continuing to optimise operations and TTI hitting production targets, TiZir expects the positive momentum evidenced in 1H 2017 to continue into the second half of the year.

Core operational 3Q 2017 activities will include:

- advancement and completion of mine optimisation initiatives at GCO in order to continue to improve runtime, throughput and recovery of the wet concentrator plant;
- detailed studies related to inclusion of areas of supplementary feed adjacent to the dredge path at GCO;
- the furnace at TTI is expected to operate at or above levels achieved in 2Q 2017 while maintaining volume consistency between production and shipments; and
- implementation of further cost reduction initiatives at both operations.

Market

Market conditions with respect to TiZir's product suite evidenced ongoing improvements throughout 1H 2017

Titanium dioxide feedstocks: Continuing 1Q 2017 trends, 2Q 2017 was a positive quarter for titanium dioxide feedstock prices with higher utilisation of pigment plants supporting additional price increases. While improved inventory levels are expected to stabilise ilmenite prices, the outlook for high-grade titanium feedstock continues to strengthen. The elimination of excess capacity, together with improving spot prices for rutile, is a strong indicator of strengthening market conditions in the sector in which TiZir's titanium feedstock production is focused.

Zircon: Conditions continue to improve in TiZir's key markets of Europe and North America with demand remaining strong. Supply is tightening with limited inventory availability and signs of lower than anticipated production. These conditions are contributing to upward pressure on prices with price increases expected throughout the remainder of 2017. Heading into 3Q 2017, a number of major producers have already announced price rises between $130 and $150 per tonne.

HPPI: Pricing remained stable in 1H 2017. Whilst geopolitical issues in Eastern Europe persist, demand is expected to endure with pricing expected to remain stable.

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

As announced on 5 July 2017, TiZir successfully completed a new 9.5%, $300 million senior secured bond issue with maturity scheduled in July 2022. The proceeds will primarily be used to refinance the $275 million senior secured bonds maturing in September 2017.

Other than the above, and to the best of the Company's knowledge, 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 26 July 2017 and signed on its behalf by:

Nic Limb
Director

	Note	Half-year ended 30 Jun 2017 US$'000	30 Jun 2016 US$'000
Sales	5	**93,492**	**83,236**
Other income/(expenses)		8,911	(1,237)
Cost of products sold		(72,555)	(76,790)
Administrative and selling costs		(1,487)	(3,459)
EBITDA for the period		**28,361**	**1,750**
Amortisation and depreciation of non-current assets		(19,333)	(17,059)
Amortisation of assets recognised on acquisition		(1,360)	(1,360)
Operating profit/(loss) for the period		**7,668**	**(16,669)**
Other operating expenses		(4)	(1,020)
Net borrowing costs	14	(24,102)	(22,325)
Other finance expenses		(351)	(459)
Income tax	6	(954)	(317)
Loss for the period	5	**(17,743)**	**(40,790)**
Attributable to non-controlling interests		(434)	1,807
Loss for the period attributable to equity holders of the parent		**(18,177)**	**(38,983)**
Other comprehensive income/(loss), net of income tax			
Items that may be reclassified to profit or loss in subsequent periods:			
Translation adjustments for financial statements of subsidiaries in a foreign currency		2,283	3,946
		2,283	**3,946**
Items that will not be reclassified to profit or loss in subsequent periods:			
Change in revaluation reserve for cash flow hedging instruments		647	4,023
Income tax in relation to revaluation of cash flow hedging instruments		(155)	(1,006)
		492	**3,017**
Total other comprehensive income for the period		2,775	6,963
Attributable to non-controlling interest		19	34
Other comprehensive income for the period attributable to equity holders of the parent		**2,756**	**6,929**
Total comprehensive income/(loss) for the period			
Attributable to equity holders of the parent		(14,968)	(33,827)
Attributable to non-controlling interests		453	1,773
Total comprehensive loss for the period attributable to equity holders of the parent		(15,421)	(32,054)
Earnings per share (US$)			
Basic earnings per share		(55.25)	(118.31)
Diluted earnings per share		(55.25)	(118.31)

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

	Half-year ended	
	30 Jun 2017 US$'000	30 Jun 2016 US$'000
Other revenue	389	500
Administrative costs	(1,399)	(1,489)
EBITDA for the period	**(1,010)**	**(989)**
Amortisation and depreciation of non-current assets	-	(60)
Operating loss for the period	**(1,010)**	**(1,049)**
Other operating expenses	(4)	(932)
Net borrowing costs	(22,175)	(20,475)
Other finance income and expenses	(1,429)	(698)
Loss for the period	**(24,618)**	**(23,154)**

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
As at 30 June 2017 (unaudited)

	Note	30 Jun 2017 US$'000	31 Dec 2016 US$'000
Assets			
Non-current assets			
Intangible assets	7	50,179	51,726
Property, plant and equipment	8	783,039	797,000
Other investments		83	81
Other non-current financial assets		410	362
Other non-current assets	10	2	2
Total non-current assets		**833,713**	**849,171**
Current assets			
Inventories	9	58,289	47,738
Trade and other receivables	10	47,856	25,811
Income tax receivable		71	-
Cash and cash equivalents	11	15,811	10,411
Total non-current assets		**122,027**	**83,960**
Total assets		**955,740**	**933,131**
Shareholders' equity and liabilities			
Share capital	12	329	329
Share premium	12	621,412	621,412
Cash flow hedging instrument revaluation reserve		(349)	(841)
Foreign currency translation reserve		(36,916)	(39,180)
Accumulated losses		(243,469)	(225,292)
Attributable to equity holders of the parent		**341,007**	**(356,428)**
Attributable to non-controlling interests	13	(15,738)	(16,191)
Total shareholders' equity		**325,269**	**340,237**
Liabilities			
Non-current liabilities			
Deferred tax		6,770	5,637
Borrowings	14	213,724	164,109
Provisions		105	107
Total non-current liabilities		**220,599**	**169,853**
Current liabilities			
Borrowings	14	370,029	368,215
Trade and other payables	16	39,397	53,193
Derivative financial liabilities		446	1,633
Total current liabilities		**409,872**	**423,041**
Total liabilities		**630,471**	**592,894**
Total shareholders' equity and liabilities		**955,740**	**933,131**

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

The financial statements were approved by the Board on 26 July 2017 and signed on its behalf by:

Nic Limb
Director

Registration number 07727671

	Note	30 Jun 2017 US$'000	31 Dec 2016 US$'000
Assets			
Non-current assets			
Property, plant and equipment		27	3
Investments in subsidiaries		899,486	899,486
Other non-current financial assets		81	55
Loans to related parties		52,651	56,651
Total non-current assets		**952,245**	**956,195**
Current assets			
Other current assets		561	2,038
Cash and cash equivalents		3,763	1,927
Total non-current assets		**4,324**	**3,965**
Total assets		**956,569**	**960,160**
Shareholders' equity and liabilities			
Share capital	12	329	329
Share premium	12	621,412	621,412
Accumulated losses		(195,685)	(171,067)
Total shareholders' equity		**426,056**	**450,674**
Liabilities			
Non-Current Liabilities			
Borrowings	14	168,702	156,409
Other non-current liabilities	15	21,732	17,320
Total non-current liabilities		**190,434**	**173,729**
Current liabilities			
Borrowings	14	334,454	330,357
Trade and other payables	16	5,625	5,400
Total current liabilities		**340,079**	**335,757**
Total liabilities		**530,513**	509,486
Total shareholders' equity and liabilities		**956,569**	960,160

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

The financial statements were approved by the Board on 26 July 2017 and signed on its behalf by:

N Limb.

Nic Limb
Director

Registration number 07727671

		Half-year ended	
	Note	**30 Jun 2017 US$'000**	**30 Jun 2016 US$'000**
Operating activities			
Loss for the period		**(17,743)**	**(40,790)**
Elimination of non-cash and non-operating income and expenses:			
- Depreciation, amortisation and provisions		20,693	18,419
- Deferred tax		895	318
- Loss on disposal of fixed assets		-	88
- Foreign exchange gains		2,368	1,153
Cash used in operating activities		**6,213**	**(20,812)**
(Increase)/decrease in inventories		(10,015)	2,945
Increase in trade receivables		(20,280)	(15,747)
Decrease in trade payables		(4,959)	(10,037)
Change in other assets and liabilities		(4,962)	16,675
Amortisation of borrowing costs		2,934	2,898
Accrued interest		(4)	(6)
Tax paid		(59)	(101)
Net change in current operation assets and liabilities		**(37,345)**	**(3,373)**
Net cash used in operating activities		**(31,132)**	**(24,185)**
Cash flows from investing activities			
Payments for non-current assets		(3,350)	(12,047)
Proceeds from sale of fixed assets		-	1,800
Interest received		4	6
Net cash used in investing activities		**(3,346)**	**(10,241)**
Cash flows from financing activities			
Proceeds from borrowings		40,186	40,045
Payment of borrowing costs		(942)	(898)
Net change in current financial assets and liabilities		(9)	11
Net cash provided by financing activities		**39,235**	**39,158**
Net effect of cash held in foreign currency		643	(2,260)
Net increase in cash held		**5,400**	**2,472**
Opening cash and cash equivalents		**10,411**	**2,653**
Closing cash and cash equivalents	**11**	**15,811**	**5,125**

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

	Half-year ended	
	30 Jun 2017 US$'000	**30 Jun 2016 US$'000**
Operating activities		
Loss for the period	**(24,618)**	**(23,154)**
Elimination of non-cash and non-operating income and expenses:		
- Depreciation, amortisation and provisions	-	60
- Foreign exchange gains	1,432	697
Cash used in operating activities	**(23,186)**	**(22,397)**
Decrease/(increase) in trade receivables	1,445	(495)
Increase in trade payables	6	517
Change in other assets and liabilities	7,159	6,147
Amortisation of borrowing costs	2,934	2,898
Net change in current operation assets and liabilities	**11,544**	**9,067**
Net cash used in operating activities	**(11,642)**	**(13,330)**
Cash flows from investing activities		
Payment for non-current assets	(25)	-
Payments from/(to) subsidiaries	7,000	(3,500)
Net cash provided by/(used in) investing activities	**6,975**	**(3,500)**
Cash flows from financing activities		
Proceeds from borrowings	7,000	17,000
Payment of borrowing costs	(496)	(898)
Net cash provided by financing activities	**6,504**	**16,102**
Net effect of cash held in foreign currency	(1)	(23)
Net increase/(decrease) in cash held	**1,836**	**(751)**
Opening cash and cash equivalents	**1,927**	**1,489**
Closing cash and cash equivalents	**3,763**	**738**

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 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**
Shareholders' equity at 1 January 2017	**329,500**	**329**	**621,412**	**(841)**	**(39,180)**	**(225,292)**	**356,428**	**(16,191)**	**340,237**
(Loss)/profit for the half-year ended 30 June 2017	-	-	-	-	-	(18,177)	(18,177)	434	(17,743)
Exchange differences on translation of foreign subsidiaries	-	-	-	(18)	2,264	-	2,246	19	2,265
Change in hedging instruments revaluation reserve	-	-	-	510	-	-	510	-	510
Other components of comprehensive income	-	-	-	492	2,264	-	2,756	19	2,775
Total comprehensive income/(loss)	**-**	**-**	**-**	**492**	**2,264**	**(18,177)**	**(15,421)**	**453**	**(14,968)**
Shareholders' equity at 30 June 2017	**329,500**	**329**	**621,412**	**(349)**	**(36,916)**	**(243,469)**	**341,007**	**(15,738)**	**325,269**

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 England & Wales. 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 2017 were authorised for issue in accordance with a resolution of the directors on 26 July 2017.

2. STATEMENT OF COMPLIANCE

The interim condensed consolidated unaudited financial statements for the half-year ended 30 June 2017 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 2016.

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 2016, except for the adoption of new standards and interpretations effective as of 1 January 2017.

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 Group's operating segments reflect the approach of the directors of the Company towards evaluating the financial performance and allocating resources to the Group's operations. The directors of the Company have been identified as the chief operating decision making group.

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

- upgraded ilmenite products; and
- 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 2017 US$'000	30 Jun 2016 US$'000	30 Jun 2017 US$'000	30 Jun 2016 US$'000
Upgraded ilmenite products	42,179	52,309	4,552	613
Extracted mineral sands products	51,313	30,927	3,746	(16,729)
Total	**93,492**	**83,236**	**8,298**	**(16,116)**
Administration costs			(1,399)	(1,489)
Other unallocated operating costs			(4)	(932)
Other finance expenses			(23,604)	(21,173)
Unallocated depreciation and amortisation of non-current assets			-	(60)
Amortisation of non-current assets recognised on acquisition			(1,360)	(1,360)
Income tax on amortisation of non-current assets recognised on acquisition			326	340
Loss for the period			**(17,743)**	**(40,790)**

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 $14.6 million during the period which were eliminated on consolidation and therefore not included in the above segment analysis (2016 – $10.9 million).

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 2017 US$'000	31 Dec 2016 US$'000
Segment assets		
Upgraded ilmenite products	119,341	86,330
Extracted mineral sands products	801,803	812,512
Total segment assets	**921,144**	**898,842**
Unallocated	34,596	34,289
Total consolidated assets	**955,740**	**933,131**
Segment liabilities		
Upgraded ilmenite products	48,809	26,911
Extracted mineral sands products	68,641	69,248
Total segment liabilities	**117,450**	**96,159**
Unallocated	513,021	496,735
Total consolidated liabilities	**630,471**	**592,894**

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 2017 US$'000	30 Jun 2016 US$'000
Income tax expense		
Current income tax expense	(59)	-
Deferred income tax expense related to origination and reversal of deferred taxes	(895)	(317)
Total	**(954)**	**(317)**

7. INTANGIBLE ASSETS

	Gross value US$'000	Amortisation US$'000	Impairment US$'000	Net value 30 Jun 2017 US$'000	Net value 31 Dec 2016 US$'000
By category					
Capitalised mining convention costs	111,832	(1,120)	(108,400)	2,312	2,355
Mine development expenditure	51,590	(4,110)	(14,229)	33,251	33,873
Other intangible assets	62,112	(47,496)	-	14,616	15,498
Total	**225,534**	**(52,726)**	**(122,629)**	**50,179**	**51,726**

	Net value 30 Jun 2017 US$'000	Net value 31 Dec 2016 US$'000
Changes over the period		
At beginning of the period	51,726	55,388
Capital expenditure during the period	-	2,055
Disposals during the period	-	(2,925)
Amortisation expenses during the period	(1,837)	(2,860)
Amortisation of impairment	266	-
Translation adjustments	24	68
At end of the period	**50,179**	**51,726**

There were no impairment losses recognised in relation to intangible assets of the Group for the half-year ended 30 June 2017 (2016 – 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 2017 US$'000	Net value 31 Dec 2016 US$'000
By category				
Land and buildings	50,689	(2,838)	47,851	47,199
Industrial and mining facilities	811,719	(101,569)	710,150	727,159
Other property, plant and equipment	40,485	(25,342)	15,143	15,145
Work in progress	9,895	-	9,895	7,497
Total	**912,788**	**(129,749)**	**783,039**	**797,000**

	Net value 30 Jun 2017 US$'000	Net value 31 Dec 2016 US$'000
Changes over the period		
At beginning of the period	797,000	813,843
Capital expenditure during the period	3,349	20,948
Disposals during the period	-	(5,921)
Depreciation during the period	(19,122)	(33,859)
Translation adjustments	1,812	1,989
At end of the period	**783,039**	**797,000**

There were no impairment losses recognised in relation to property, plant and equipment of the Group for the half-year ended 30 June 2017 (2016 – nil).

9. INVENTORIES

	30 Jun 2017 US$'000	31 Dec 2016 US$'000
By category		
Raw materials	8,479	9,081
Merchandise and finished products	15,472	6,702
Work in progress and semi-finished products	4,884	3,984
Consumables and spare parts	29,454	27,971
Total	**58,289**	**47,738**
Changes over the period		
At beginning of the period	47,738	58,935
Changes in working capital requirement	10,015	(11,841)
Translation adjustments and other movements	536	644
At end of the period	**58,289**	**47,738**

10. TRADE AND OTHER RECEIVABLES

	30 Jun 2017 US$'000	31 Dec 2016 US$'000
By category		
Trade receivables	45,250	23,334
Payroll and tax receivables	636	570
Prepayments	368	957
Other operating receivables	1,604	952
Total	**47,858**	**25,813**
Represented in the statement of financial position as:		
- Current assets	47,856	25,811
- Non-current assets	2	2
Changes over the period		
At beginning of the period	25,813	38,599
Changes in working capital requirement	21,780	(12,431)
Translation adjustments	265	(355)
At end of the period	**47,858**	**25,813**

During the six months ended 30 June 2017, the Company did not recognise an allowance for impairment of trade receivables (2016 – nil).

11. CASH AND CASH EQUIVALENTS

	30 Jun 2017 US$'000	31 Dec 2016 US$'000
By category		
Cash	**15,811**	**10,411**

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 $26.8 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 2017 US$'000	31 Dec 2016 US$'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 31 December 2016 / 30 June 2017	**329**	**329**	**621,412**

There were no shares issued by the Company during the half-year ended 30 June 2017.

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 2017 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 2017.

13. ATTRIBUTABLE TO NON-CONTROLLING INTERESTS

	% of non-controlling interests	30 Jun 2017 Profit/(loss) US$'000	30 Jun 2017 Net value US$'000	31 Dec 2016 Net value US$'000
Grande Côte Operations SA	10	**434**	**(15,738)**	**(16,191)**

	30 Jun 2017	31 Dec 2016
Changes over the period		
At beginning of the period	(16,191)	(13,919)
Profit/(Loss) for the period	434	(2,362)
Translation adjustments	19	90
At end of the period	**(15,738)**	**(16,191)**

Non-controlling interests reflects 10% ownership of GCO by the Government of the Republic of Senegal.

14. BORROWINGS

	Consolidated		Company	
	30 Jun 2017 US$'000	31 Dec 2016 US$'000	30 Jun 2017 US$'000	31 Dec 2016 US$'000
Current				
Bonds (i)	275,000	275,000	275,000	275,000
Bonds – borrowing costs at amortised cost (i)	(2,095)	(4,601)	(2,095)	(4,601)
Accrued interest payable	6,322	6,427	6,322	6,427
Operating lines of credit (ii)	35,575	37,858	-	-
Subordinated loans from related parties (iii)	55,227	53,531	55,227	53,531
	370,029	**368,215**	**334,454**	**330,357**
Non-current				
Operating lines of credit (ii)	45,022	7,700	-	-
Subordinated loans from related parties (iii)	168,702	156,409	168,702	156,409
	213,724	**164,109**	**168,702**	**156,409**

(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.

Interest charged on the bonds for the half-year ended 30 June 2017 was $12.3 million (30 June 2016 – $12.3 million).

As announced on 5 July 2017, TiZir successfully completed a new 9.5%, $300 million senior secured bond issue with maturity scheduled in July 2022. The proceeds will primarily be used to refinance the $275 million senior secured bonds maturing in September 2017.

(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 2017, interest of $1.7 million (30 June 2016 – $1.4million) 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 2017, interest of $2.9 million (30 June 2016 – $2.5 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 2017, interest of $0.8 million (2016: $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. For the half-year ended 30 June 2017, interest of $0.3 million (2016: $0.2 million) accrued on this facility. The interest was recognised as an expense in the statement of profit and loss and other comprehensive income.

During the year ended 31 December 2016, 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. For the half-year ended 30 June 2017, interest of $0.2 million (2016: $0.1 million) 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 $24.8 million ($12.4 million each) under the terms of this agreement in March and September 2016. Further, during the current half-year ended 30 June 2017, the Company received $7.0 million ($3.5 million each) under the terms of this agreement. For the half-year ended 30 June 2017, interest of $1.2 million (2016: $0.3 million) 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.

The carrying value of borrowings includes principal repayments, transaction costs, and unamortised discounts.

	Consolidated		Company	
	30 Jun 2017 US$'000	**31 Dec 2016 US$'000**	**30 Jun 2017 US$'000**	**31 Dec 2016 US$'000**
By maturity				
Less than one year	370,029	368,215	334,454	330,357
One to five years	213,724	164,109	168,702	156,409
	583,753	**532,324**	**503,156**	**486,766**
By interest rate				
Fixed interest rates				
- Under 5.0%	7,128	6,417	-	-
- Over 5.0%	287,121	284,526	279,227	276,826
	294,249	**290,943**	**279,227**	**276,826**
Variable interest rate				
- Under 5.0%	65,575	31,441	-	-
- Over 5.0%	223,929	209,940	223,929	209,940
	289,504	**241,381**	**223,929**	**209,940**
	583,753	**532,324**	**503,156**	**486,766**

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 2017 US$'000	**30 Jun 2016 US$'000**
Consolidated		
Net borrowing costs		
Interest income	(98)	(6)
Interest expense – operating lines of credit	2,007	1,825
Interest expense – subordinated loans from joint venture sponsors	6,989	5,233
Interest expense – secured bond	12,270	12,375
Amortisation of borrowing costs	2,934	2,898
	24,102	**22,325**

15. OTHER NON-CURRENT LIABILITIES

	30 Jun 2017 US$'000	31 Dec 2016 US$'000
Company		
Advance from TiZir Titanium & Iron AS	**21,732**	**17,320**

16. TRADE AND OTHER PAYABLES

	30 Jun 2017 US$'000	31 Dec 2016 US$'000
Consolidated		
By category		
Trade payables	25,725	29,840
Tax and payroll liabilities	10,557	11,499
Other operating liabilities	3,115	11,854
	39,397	**53,193**
Changes over the period		
At beginning of the period	53,193	53,781
Changes in working capital requirement	(14,296)	484
Translation adjustments	500	(1,072)
At end of the period	**39,397**	**53,193**

	30 Jun 2017 US$'000	31 Dec 2016 US$'000
Company		
By category		
Trade payables	5,590	5,251
Tax and payroll liabilities	35	147
Other operating liabilities	-	2
	5,625	**5,400**
Changes over the period		
At beginning of the period	5,400	5,012
Changes in working capital requirement	225	388
At end of the period	**5,625**	**5,400**

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

17. FINANCIAL COMMITMENTS

In 2015, 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, $31.75 million has been advanced to TiZir Limited by its shareholders under the terms of the committed facility in order to fund interest payments of the joint venture. As such, the remaining commitment of the shareholders to the $60 million committed facility at 30 June 2017 is $28.25 million. The shareholders are committed to meeting their 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 2017.

18. 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 2017 US$'000	**31 Dec 2016 US$'000**
Subordinated loans – joint venture sponsors		
ERAMET SA	139,550	131,714
Mineral Deposits Limited	84,379	78,226
	223,929	**209,940**
Changes over period:		
At beginning of the period	209,940	169,229
Contributions received during period	7,000	29,375
Accrued interest payable	6,989	11,336
At end of period	**223,929**	**209,940**

(i) As part of the agreement to establish the joint venture on 1 October 2011 ERAMET SA agreed to provide a $45.0 million subordinated loan facility which was contributed during the year ended 31 December 2013. Interest on subordinate loan facility is accrued at LIBOR 6 months plus five percent. For the half-year ended 30 June 2017, interest of $1,695,045 (30 June 2016 – $1,444,414) 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 sub-ordinated 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 2017, interest of $2,859,818 (30 June 2016 –$2,499,773) 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 subordinate loan agreements with Mineral Deposits Limited and ERAMET SA as follows:

- $25.0 million ($12.5 million each) subordinate loan agreement dated 21 September 2015. These loans are interest bearing at a rate of LIBOR plus five percent. For the half-year ended 30 June 2017, interest of $822,063 accrued on this facility (30 June 2016: $718,567). The interest was recognised as an expense in the statement of profit and loss and other comprehensive income; and

  $6.0 million ($3.0 million each) subordinate loan agreement dated 22 December 2015. These loans are interest bearing at rate of LIBOR plus seven percent. For the half-year ended 30 June 2017, interest of $264,398 accrued on this facility (30 June 2016: $239,556). The interest was recognised as an expense in the statement of profit and loss and other comprehensive income; and

(iv) During the year ended 31 December 2016, the Company entered into two new subordinate loan agreements with Mineral Deposits Limited and ERAMET SA as follows:

- $3.6 million ($1.8 million each) subordinate loan agreement dated 6 April 2016. These loans are interest bearing at a rate of LIBOR plus seven. For the half-year ended 30 June 2017, interest of $156,595 accrued on this facility (30 June 2016: $70,696). The interest was recognised as an expense in the statement of profit and loss and other comprehensive income; and

- $60.0 million ($30.0 million each) subordinate loan agreement dated 6 July 2016. These loans are interest bearing at rate of LIBOR plus seven percent. For the half-year ended 30 June 2017, interest of $1,189,785 accrued on this facility (30 June 2016: $260,008). The interest was recognised as an expense in the statement of profit and loss and other comprehensive income.

Under the terms of the respective subordinate 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.

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 2017 US$'000	31 Dec 2016 US$'000	30 Jun 2017 US$'000	31 Dec 2016 US$'000
Management fees payable – joint venture sponsors	500	1,000	5,500	5,000

19. COMPENSATION OF KEY PERSONNEL

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

	30 Jun 2017 US$'000	30 Jun 2016 US$'000
Key management personnel		
Wages and salaries	559	355
Social security costs	31	23
Other costs	51	72
	641	**450**

Directors of the Company did not receive any remuneration during the half-year ended 30 June 2017 (2016 – nil).

20. EVENTS AFTER REPORTING DATE

As announced on 5 July 2017, TiZir successfully completed a new 9.5%, $300 million senior secured bond issue with maturity scheduled in July 2022. The proceeds will primarily be used to refinance the $275 million senior secured bonds maturing in September 2017.

Other than the above, and to the best of the Company's knowledge, there are no events to report after the balance sheet date.

21. ULTIMATE CONTROLLING PARTY

The company does not have an ultimate controlling party. The company is jointly owned 50/50 by ERAMET SA, whose registered address is Tour Maine Montparnasse, 33 avenue du Maine 75755, Paris, France and Mineral Deposits Limited, whose registered office is Level 17, 530 Collins Street, Melbourne Australia.