

Mineral Resources Limited
Appendix 4D
Half-year report

1. Company details

Name of entity:	Mineral Resources Limited
ABN:	33 118 549 910
Reporting period:	For the half-year ended 31 December 2015
Previous period:	For the half-year ended 31 December 2014

2. Results for announcement to the market

			\$'000
Revenues from ordinary activities	down	23.2% to	577,160
Normalised profit after tax (before non cash impairment charges and adjustments for Mineral Resources Rent Tax)	down	4.8% to	48,115
Profit from ordinary activities after tax ⁽ⁱ⁾	up	255.9% to	47,538
Profit attributable to the owners of Mineral Resources Limited	up	258.7% to	48,213

Dividends

	Amount per security Cents	Franked amount per security Cents
Final dividend	15.00	15.00
Interim dividend	8.50	8.50
Total dividend	23.50	23.50

Comments

Normalised profit for the Group after providing for income tax amounted to \$48,115,000 (31 Dec 2014: \$50,527,000)

⁽ⁱ⁾ Profit from ordinary activities after tax for the previous corresponding period includes impairment charge of \$15,865,000 (after tax effect) and reversal of \$65,162,000 in Deferred tax assets due to abolition of Mineral Resources Rent Tax (MRRT)

3. Net tangible assets

	Reporting period Cents	Previous period Cents
Net tangible assets per ordinary security	<u>550.97</u>	<u>536.99</u>

4. Dividends

Current period

	Amount per security Cents	Franked amount per security Cents
Final dividend	15.00	15.00
Interim dividend	8.50	8.50
Total dividend	23.50	23.50

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Previous period

	Amount per security Cents	Franked amount per security Cents
Final dividend	32.00	32.00
Interim dividend	7.50	7.50
Total dividend	39.50	39.50

5. Dividend reinvestment plans

The following dividend or distribution plans are in operation:

The record date for determining entitlements to the interim dividend will be 26 February 2016 and paid on 4 March 2016. The Company's Dividend Reinvestment Plan (DRP) will be available for shareholders to participate for the interim dividend declared today. Shares issued under the DRP will be priced at the Volume Weighted Average Price (VWAP) for fully paid Mineral Resources Limited (MRL) shares sold on the ASX in the five business days following the record date of 26 February 2016, rounded to the nearest whole cent. No discount will be applied. Shares issued under the DRP will rank equally in all respects with existing fully paid MRL shares, will be registered in the participant's holding and appear on the participant's routine transaction statement issued at the end of the month following the allocation. Full particulars of the operation of the DRP are available on the Company's website, www.mineralresources.com.au. The DRP will not be underwritten.

The last date for receipt of election notices for the dividend or distribution plans: 1 March 2016

6. Audit qualification or review

The financial statements were subject to a review by the auditors and the review report is attached as part of the Interim Report.

Mineral Resources Limited

ABN 33 118 549 910

Interim Report - 31 December 2015

Mineral Resources Limited
Corporate directory
31 December 2015

Directors	Peter Wade (Chairman) Chris Ellison (Managing Director) Kelvin Flynn James McClements Joe Ricciardo
Company Secretary	Bruce Goulds
Registered office	1 Sleat Road Applecross WA 6153 P: + 61 8 9329 3600 F: + 61 8 9329 3601 Postal address: Locked Bag 3, Canning Bridge, Applecross WA 6153
Principal place of business	1 Sleat Road Applecross WA 6153
Share register	Computershare Investor Services Pty Limited Level 2, Reserve Bank Building 45 St Georges Terrace Perth WA 6000 P: + 61 8 9323 2000 F: + 61 8 9322 2033 www.computershare.com/au
Auditor	RSM Australia Partners 8 St Georges Terrace Perth WA 6000 P: + 61 8 9261 9100 F: + 61 8 9261 9111 www.rsm.com.au
Bankers	National Australia Bank 100 St Georges Terrace Perth WA 6000 www.nab.com.au
Stock exchange listing	Mineral Resources Limited shares are listed on the Australian Securities Exchange (ASX code: MIN)
Website	www.mineralresources.com.au

Mineral Resources Limited
Directors' report
31 December 2015

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Mineral Resources Limited (referred to hereafter as the 'Company') and the entities it controlled at the end of, or during, the half-year ended 31 December 2015.

Directors

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

Peter Wade
Chris Ellison
Kelvin Flynn
James McClements
Joe Ricciardo

Principal activities

During the financial half-year, the principal continuing activities of the Group consisted of the integrated supply of goods and services to the resources sector.

Dividends

Dividends paid and declared during the financial half-year were as follows:

	Consolidated	
	31 Dec 2015	31 Dec 2014
	\$'000	\$'000
DIVIDENDS PAID DURING HALF YEAR		
Fully franked dividends provided for and paid during the half-year	28,147	59,700
DIVIDENDS PROPOSED AT THE 2014/15 ANNUAL GENERAL MEETING (AGM)		
Interim dividend for the year ended 30 June 2016 of 5.3 cents (previous corresponding period: NIL) per ordinary share fully franked at a tax rate of 30% to be paid on 4 March 2016. This dividend amount to be paid has been provided for in this half year financial report.	10,000	-
DIVIDENDS DECLARED OR PAID SINCE THE END OF THE HALF-YEAR		
Interim dividend for the year ended 30 June 2016 of 3.2 cents, taking the total interim dividend to 8.5 cents (previous corresponding period: 7.5 cents) per ordinary share fully franked at a tax rate of 30% to be paid on 4 March 2016. This dividend amount to be paid has not been provided for in this half year financial report.	5,800	14,045
	<u>43,947</u>	<u>73,745</u>

On 18 February 2016, the Directors declared a total interim dividend for the year ending 30 June 2016 of 8.5 cents per ordinary share (inclusive of the 5.3 cents announced at the AGM) to be paid on 4 March 2016, a total estimated distribution of \$15,800,000.

Review of operations

Financial performance

The Group achieved revenue of \$577 million for the half-year ended 31 December 2015 (1H FY16), which was down 23% on the prior corresponding period ('pcp') reflecting lower revenue resulting from the significant decline in iron ore prices and 0.3 million wet metric tonnes of manganese previously sold in 1H FY15.

The Group's earnings before interest, tax, depreciation and amortisation (EBITDA) of \$133 million for 1H FY16, was in line with pcp, and normalised net profit after tax (NPAT) of \$48 million, was down 5% (pcp). Both EBITDA and NPAT were in line with the Group's financial guidance provided in November 2015.

The key factors influencing the financial performance for 1H FY16 include:

- Mining Services & Processing segment grew equivalent crushing capacity by 11% (pcp);
- Solid contribution from pipeline and water services in Mining Services & Processing;
- Lower construction earnings in Mining Services & Processing;
- Mining segment increased EBITDA from \$3.60 to \$7.30 per wet metric tonne; and
- Iron ore export volumes increased by 8% (pcp) to 5.9 million wet metric tonnes.

Depreciation and amortisation of \$64 million in 1H FY16 was consistent with the previous two half-year periods. The Group's effective tax rate was 28% in 1H FY16, reflecting the benefit of tax relief on research and development activities.

Operational performance

The Group has considerably improved its safety performance over the past two years. The Total Recordable Injury Frequency Rate (TRIFR) has decreased from an industry average portion of 15.0 per million man-hours worked in 2013 to 5.1 per million man-hours worked in 1H FY16.

Mining Services & Processing

The Mining Services & Processing segment continued to perform throughout the period. Highlights include:

- Increased equivalent crushing capacity by 11% as a result of demand from existing long term customers;
- Commencement of construction at the Mount Marion Lithium project. The Group has both a 30% equity interest (with an option to increase its interest to 43.1%) in the project and has a life-of-mine contract for the infrastructure and mining/processing operations on a build-own-operate basis. The project is scheduled for first shipment in mid 2016;
- Pipeline and water services continued to provide a solid contribution to earnings and has a significant pipeline of work scheduled for the remainder of FY16; and
- Site Services also delivered a solid contribution to earnings based on its strategy of providing accommodation services to the Group's internal projects as well as other existing long term customers.

Mining

The Group's Mining segment had a strong half operationally despite the difficult commodity price environment. Highlights include:

- Record half-year export performance of 5.9 million wet metric tonnes of iron ore. This represents an 8% increase on pcp;
- EBITDA per wet metric tonne increased by 103% (pcp) from \$3.60 to \$7.30. This was driven by a 22% decrease in CFR cash costs from \$A72.90 to \$A57.20 per wet metric tonne (across both Iron Valley and Carina/J4 operations);
- Ongoing introduction of Super Quad road trains on the Iron Valley to Port Hedland road haulage route, which resulted in lower haulage costs and improved efficiency. In addition there has been improved on-road safety performance which has continued to exceed expectations. More rollouts are planned over the next few months with the full benefit expected by the end of FY16;
- Progressed plans to maximise the utilisation of the Yilgarn central mineral processing infrastructure hub with the completion of the haul road and mine development for the J4 deposit. First ore from J4 was hauled to the crushing plant during November 2015;

Mineral Resources Limited
Directors' report
31 December 2015

- The application for environmental approvals for J5 and Bungalbin East progressed with detailed environmental studies (a requirement of the Public Environmental Review (PER) process) nearing completion;
- Work continued with the Southern Ports Authority, CBH and Brookfield Rail to enable the Group to progressively transfer Yilgarn iron ore exports from Kwinana to the Esperance port. This should lead to significantly lower costs and efficiencies throughout the mine to customer chain;
- Good progress on initiatives to enhance the Mount Marion Lithium project, including:
 - Commencement of an exploration program consisting of infill drilling in the area of known mineralisation and extension drilling to expand the resource base; and
 - Metallurgical test work identifying an additional 4% to 6% spodumene product which can be extracted by adding a flotation circuit to the beneficiation plant.

The Group's actual commodity export sales volumes are as follows:

'000 WMTs	Half 1 FY15		Half 1 FY16	
	Produced	Shipped*	Produced	Shipped
<u>Utah Point</u>				
Iron Valley	1,057	823	3,567	3,126
Phil's Creek	1,678	1,862	-	-
Other	445	365	-	42
Total Utah Point	3,180	3,050	3,567	3,168
KBT2 / Carina	2,413	2,435	2,590	2,733
Total Iron Ore	5,593	5,485	6,157	5,901

* Excludes 315,000 wmt of manganese shipped in the period.

Cash and working capital

The Group's balance sheet continues to benefit from the Company's highly cash generative operations. At 31 December 2015, the Group had net cash (cash and cash equivalents less debt) of \$174 million, an increase of \$56 million from 30 June 2015.

Net cash at the period end included \$28 million of working capital inflows from construction activities which are partially expected to reverse in future periods.

Capital expenditure in 1H FY16 was \$91 million and comprised; the development of the Group's Mining segment projects (including Mount Marion Lithium project); mine fleet associated with Mining segment projects; additional crushing capacity; and infrastructure to support LNG power generation at mine sites.

In addition to its cash holdings, the Group has access to over \$400 million of undrawn debt facilities to support business development. These facilities were renewed for a 3 year term in 1H FY16.

Capital management

As advised at the AGM in November 2015, the Group's approach to capital management includes an allocation of \$40 million to a combination of fully franked dividends and an on-market share buyback (comprising a minimum of \$10 million for the interim dividend and the residual \$30 million to a share buyback during the course of the year). In recognition of the strong operational performance in the first-half and the Group's strong balance sheet, the Board has decided to increase the allocation of profits to the interim dividend by approximately \$6 million.

A fully franked interim dividend of 8.5 cents per ordinary share has been declared for shareholders as at 26 February 2016, with a payment date of 4 March 2016.

The Group has also re-purchased 1.2m shares at an average price of \$3.64. The Group will look to purchase the remaining \$26 million worth of shares over the rest of the 12 month period allotted to the buy-back programme.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Group during the financial half-year.

Rounding of amounts

The Company is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 6.

This report is made in accordance with a resolution of Directors, pursuant to section 306(3)(a) of the Corporations Act 2001.

On behalf of the Directors



Chris Ellison
Managing Director

18 February 2016
Perth

RSM Australia Partners

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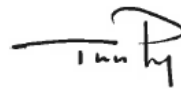
AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Mineral Resources Limited for the half-year ended 31 December 2015, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.



RSM AUSTRALIA PARTNERS



TUTU PHONG
Partner

Perth, WA
Dated: 18 February 2016

Mineral Resources Limited

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31 December 2015

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General information

The financial statements cover Mineral Resources Limited as a consolidated entity consisting of Mineral Resources Limited and the entities it controlled at the end of, or during, the year. The financial statements are presented in Australian dollars, which is Mineral Resources Limited's functional and presentation currency.

Mineral Resources Limited is a listed public company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

1 Sleat Road
Applecross WA 6153

A description of the nature of the Group's operations and its principal activities are included in the notes to the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 18 February 2016.

Mineral Resources Limited
Statement of profit or loss and other comprehensive income
For the half-year ended 31 December 2015

	Note	Consolidated 31 Dec 2015 \$'000	31 Dec 2014 \$'000
Revenue		577,160	751,691
Other income		12,453	5,384
Expenses			
Changes in closing stock		6,579	(15,506)
Raw materials and consumables		(82,573)	(73,087)
Equipment costs		(13,164)	(24,677)
Subcontractors		(53,298)	(82,141)
Employee benefits expense		(87,625)	(135,564)
Transport and freight		(193,469)	(243,457)
Depreciation and amortisation		(63,994)	(61,268)
Other expenses		(32,053)	(48,173)
Finance costs		(3,163)	(3,799)
Operating profit before impairment charges and income tax expense		66,853	69,403
Income tax on operating profit before impairment charges		(18,738)	(18,876)
Profit after tax before non cash impairment charges and adjustments for Minerals Resource Rent Tax ("MRRT")		48,115	50,527
Impairment charges	3	(825)	(22,665)
Income tax on impairment charges		248	6,800
Profit before MRRT expense		47,538	34,662
Tax expense on reversal of MRRT deferred tax assets		-	(65,162)
Profit/(loss) after income tax expense for the half-year		47,538	(30,500)
Included within profit after income tax expense for the half-year is total income tax expense of \$18,490,000 (2014: \$77,238,000)			
Other comprehensive income			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Gain on asset revaluation reserve, net of tax		90	90
<i>Items that may be reclassified subsequently to profit or loss</i>			
Gain on the revaluation of available-for-sale financial assets, net of tax		90	16
Other comprehensive income for the half-year, net of tax		180	106
Total comprehensive income/(loss) for the half-year		<u>47,718</u>	<u>(30,394)</u>
Profit/(loss) for the half-year is attributable to:			
Non-controlling interest		(675)	(117)
Owners of Mineral Resources Limited		48,213	(30,383)
		<u>47,538</u>	<u>(30,500)</u>
Total comprehensive income for the half-year is attributable to:			
Non-controlling interest		(675)	(117)
Owners of Mineral Resources Limited		48,393	(30,277)
		<u>47,718</u>	<u>(30,394)</u>
Basic and diluted profit per share after tax before impairment and MRRT (cents per shares)		25.62	27.01
Basic and diluted profit/(loss) per share (cents per shares)		25.67	(16.24)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes

Mineral Resources Limited
Statement of financial position
As at 31 December 2015

	Consolidated	
Note	31 Dec 2015	30 June 2015
	\$'000	\$'000
Assets		
Current assets		
Cash and cash equivalents	291,618	209,814
Trade and other receivables	108,512	136,352
Inventories	76,068	73,447
Income tax refund due	1,730	3,147
Other	5,887	5,392
Total current assets	<u>483,815</u>	<u>428,152</u>
Non-current assets		
Receivables	11,022	11,053
Investments accounted for using the equity method	190	190
Financial assets	8,688	7,417
Property, plant and equipment	713,181	672,107
Intangibles	57,605	61,746
Exploration & mine development expenditure	366,357	372,516
Deferred tax	38,807	38,395
Total non-current assets	<u>1,195,850</u>	<u>1,163,424</u>
Total assets	<u>1,679,665</u>	<u>1,591,576</u>
Liabilities		
Current liabilities		
Trade and other payables	231,400	173,526
Borrowings	32,846	20,731
Provisions	22,404	27,617
Total current liabilities	<u>286,650</u>	<u>221,874</u>
Non-current liabilities		
Borrowings	84,558	70,892
Deferred tax	177,691	182,806
Provisions	38,102	33,851
Total non-current liabilities	<u>300,351</u>	<u>287,549</u>
Total liabilities	<u>587,001</u>	<u>509,423</u>
Net assets	<u>1,092,664</u>	<u>1,082,153</u>
Equity		
Issued capital	4 505,711	504,771
Reserves	1,551	1,371
Retained profits	565,991	555,925
Equity attributable to the owners of Mineral Resources Limited	<u>1,073,253</u>	<u>1,062,067</u>
Non-controlling interest	19,411	20,086
Total equity	<u>1,092,664</u>	<u>1,082,153</u>

The above statement of financial position should be read in conjunction with the accompanying notes

Mineral Resources Limited
Statement of changes in equity
For the half-year ended 31 December 2015

Consolidated	Issued capital \$'000	Reserves \$'000	Retained profits \$'000	Non-controlling interest \$'000	Total equity \$'000
Balance at 1 July 2014	495,552	6,138	616,860	20,759	1,139,309
Loss after income tax expense for the half-year	-	-	(30,383)	(117)	(30,500)
Other comprehensive income for the half-year, net of tax	-	106	-	-	106
Total comprehensive income/(loss) for the half-year	-	106	(30,383)	(117)	(30,394)
<i>Transactions with owners in their capacity as owners:</i>					
Transaction with non-controlling interest	-	-	-	(485)	(485)
Shares issued under Dividend Reinvestment Plan	6,719	-	-	-	6,719
Others	-	130	-	-	130
Dividends paid (note 5)	-	-	(59,700)	-	(59,700)
Balance at 31 December 2014	<u>502,271</u>	<u>6,374</u>	<u>526,777</u>	<u>20,157</u>	<u>1,055,579</u>
Consolidated	Issued capital \$'000	Reserves \$'000	Retained profits \$'000	Non-controlling interest \$'000	Total equity \$'000
Balance at 1 July 2015	504,771	1,371	555,925	20,086	1,082,153
Profit/(loss) after income tax expense for the half-year	-	-	48,213	(675)	47,538
Other comprehensive income for the half-year, net of tax	-	180	-	-	180
Total comprehensive income/(loss) for the half-year	-	180	48,213	(675)	47,718
<i>Transactions with owners in their capacity as owners:</i>					
Shares issued under Dividend Reinvestment Plan	940	-	-	-	940
Dividends paid and declared (note 5)	-	-	(38,147)	-	(38,147)
Balance at 31 December 2015	<u>505,711</u>	<u>1,551</u>	<u>565,991</u>	<u>19,411</u>	<u>1,092,664</u>

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

Mineral Resources Limited
Statement of cash flows
For the half-year ended 31 December 2015

	Consolidated	
	31 Dec 2015	31 Dec 2014
	\$'000	\$'000
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	599,859	820,076
Payments to suppliers and employees (inclusive of GST)	(410,194)	(768,294)
	189,665	51,782
Interest received	457	1,698
Interest and other finance costs paid	(2,645)	(3,086)
Income taxes paid	(22,511)	(66,734)
Net cash from/(used in) operating activities	164,966	(16,340)
Cash flows from investing activities		
Payments for property, plant and equipment	(87,228)	(78,456)
Proceeds from disposal of property, plant and equipment	9,268	-
Payments for exploration and evaluation	(3,262)	(4,181)
Payments for mine development	(112)	(3,226)
Payments for investments	(400)	(6,642)
Proceeds from disposal of investment in Aquila Resources Limited	-	178,977
Payments for intangibles	(264)	-
Net cash (used in)/from investing activities	(81,998)	86,472
Cash flows from financing activities		
Transaction with non-controlling interests	-	(356)
Proceeds from borrowings	37,485	79,820
Repayment of borrowings	(11,442)	(110,545)
Dividends paid	(27,207)	(52,981)
Net cash used in financing activities	(1,164)	(84,062)
Net increase/(decrease) in cash and cash equivalents	81,804	(13,930)
Cash and cash equivalents at the beginning of the financial half-year	209,814	206,454
Cash and cash equivalents at the end of the financial half-year	291,618	192,524

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

Note 1. Significant accounting policies

These general purpose financial statements for the interim half-year reporting period ended 31 December 2015 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 30 June 2015 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New, revised or amending Accounting Standards and Interpretations adopted

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Group.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Note 2. Operating segments

Business segment

The Group has identified its operating segments based on internal management reports that are reviewed by the Board (who are identified as the Chief Operating Decision Makers ("CODM")) in assessing performance and in determining the allocation of resources.

The Group continues to report its business results as three operating segments being Mining Services and Processing, Mining and Central. All are operating within the resources sector of the Australian economy.

The measurement of segment results is in line with the basis of information presented to management for internal management reporting purposes and the performance of each segment is measure based on underlying Earnings before Interest and Tax ("EBIT") contribution.

The accounting policies applied for internal reporting purposes are consistent with those applied in the preparation of the financial statements.

Mineral Resources Limited
Notes to the financial statements
31 December 2015

Note 2. Operating segments (continued)

Operating segment information

Consolidated - 31 Dec 2015	Mining Services & Processing \$'000	Mining \$'000	Central \$'000	Total \$'000
Total revenue	196,301	380,794	65	577,160
Other revenue	10,392	768	60	11,220
Expenses	(117,380)	(338,585)	362	(455,603)
Earnings before interest, tax, depreciation and amortisation	89,313	42,977	487	132,777
Depreciation and amortisation	(33,218)	(30,141)	(635)	(63,994)
Interest revenue	-	227	1,006	1,233
Net finance costs	-	385	(3,548)	(3,163)
Operating profit before impairment charges and income tax	56,095	13,448	(2,690)	66,853
Income tax on operating profit before impairment charges				(18,738)
Profit after tax before impairment charges				48,115
Impairment charges				(825)
Income tax on impairment charges				248
Profit after income tax expense				47,538
Assets				
Segment assets	645,941	525,450	508,274	1,679,665
Liabilities				
Segment liabilities	331,200	221,636	34,165	587,001

Intersegment revenue

Consolidated - 31 Dec 2015	Mining Services & Processing \$'000	Mining \$'000	Central \$'000	Total \$'000
Revenue				
Sales to internal and external customers	250,829	380,770	531	632,130
Intersegment sales	(54,528)	24	(466)	(54,970)
Total revenue	196,301	380,794	65	577,160

Mineral Resources Limited
Notes to the financial statements
31 December 2015

Note 2. Operating segments (continued)

	Mining Services & Processing \$'000	Mining \$'000	Central \$'000	Total \$'000
Consolidated - 31 Dec 2014				
Total revenue	360,310	391,561	(180)	751,691
Other revenue	2,578	749	-	3,327
Expenses	(242,699)	(373,898)	(6,008)	(622,605)
Earnings before interest, tax, depreciation and amortisation	120,189	18,412	(6,188)	132,413
Depreciation and amortisation	(35,591)	(24,603)	(1,074)	(61,268)
Interest revenue	58	16	1,983	2,057
Net finance costs	(842)	-	(2,957)	(3,799)
Operating profit before impairment charges and income tax	83,814	(6,175)	(8,236)	69,403
Income tax on operating profit before impairment charges				(18,876)
Profit after tax before impairment charges				50,527
Impairment charges				(22,665)
Income tax on impairment charges				6,800
Profit before MRRT expense				34,662
Income tax expense on reversal of MRRT deferred tax asset				(65,162)
Loss after income tax expense				(30,500)
Consolidated - 30 June 2015				
Assets				
Segment assets	899,032	651,661	40,883	1,591,576
Liabilities				
Segment liabilities	293,971	186,256	29,196	509,423
<i>Intersegment revenue</i>				
Consolidated - 31 Dec 2014				
Revenue				
Sales to internal and external customers	424,929	391,561	(180)	816,310
Intersegment sales	(64,619)	-	-	(64,619)
Total revenue	360,310	391,561	(180)	751,691

Mineral Resources Limited
Notes to the financial statements
31 December 2015

Note 3. Impairment charges

	Consolidated	
	31 Dec 2015	31 Dec 2014
	\$'000	\$'000
Trade receivables (associated with manganese stockpile)	-	13,455
Inventory	238	8,296
Property, plant and equipment	-	893
Investments	327	21
Others	260	-
	<u>825</u>	<u>22,665</u>

Note 4. Equity - issued capital

	Consolidated			
	31 Dec 2015	30 June 2015	31 Dec 2015	30 June 2015
	Shares	Shares	\$'000	\$'000
Ordinary shares	<u>187,859,873</u>	<u>187,637,090</u>	<u>505,711</u>	<u>504,771</u>

Movements in ordinary share capital

Details	Date	Shares	\$'000
Balance	1 July 2015	187,637,090	504,771
Share issued for dividend reinvestment		<u>222,783</u>	<u>940</u>
Balance	31 December 2015	<u>187,859,873</u>	<u>505,711</u>

Movements in share capital

Details	Date	Shares	\$'000
Balance	1 July 2014	186,556,246	495,552
Shares issued for dividend reinvestment		<u>714,028</u>	<u>6,719</u>
Balance	31 December 2014	<u>187,270,274</u>	<u>502,271</u>

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

Note 5. Equity - dividends

Dividends paid and declared during the financial half-year were as follows:

	Consolidated	
	31 Dec 2015	31 Dec 2014
	\$'000	\$'000
DIVIDENDS PAID DURING HALF YEAR		
Fully franked dividends provided for and paid during the half-year	28,147	59,700
DIVIDENDS PROPOSED AT THE 2014/15 ANNUAL GENERAL MEETING (AGM)		
Interim dividend for the year ended 30 June 2016 of 5.3 cents (previous corresponding period: NIL) per ordinary share fully franked at a tax rate of 30% to be paid on 4 March 2016. This dividend amount to be paid has been provided for in this half year financial report.	10,000	-
DIVIDENDS DECLARED OR PAID SINCE THE END OF THE HALF-YEAR		
Interim dividend for the year ended 30 June 2016 of 3.2 cents, taking the total interim dividend to 8.5 cents (previous corresponding period: 7.5 cents) per ordinary share fully franked at a tax rate of 30% to be paid on 4 March 2016. This dividend amount to be paid has not been provided for in this half year financial report.	5,800	14,045
	<u>43,947</u>	<u>73,745</u>

On 18 February 2016, the Directors declared a total interim dividend for the year ending 30 June 2016 of 8.50 cents per ordinary share (inclusive of the 5.3 cents announced at the AGM) to be paid on 4 March 2016, a total estimated distribution of \$15,800,000.

Note 6. Contingent liabilities

Since the last annual report, there has been no material change of contingent liabilities.

Note 7. Events after the reporting period

Subsequent to the reporting date, the Company has purchased 1.2m shares (\$4.4mil) as part of an on-market share buy-back plan.

Apart from the dividend declared as disclosed in note 5 and the abovementioned matter, no other matters or circumstance have arisen since 31 December 2015 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Mineral Resources Limited
Directors' declaration
31 December 2015

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Group's financial position as at 31 December 2015 and of its performance for the financial half-year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of Directors made pursuant to section 303(5)(a) of the Corporations Act 2001.

On behalf of the Directors



Chris Ellison
Managing Director

18 February 2016
Perth

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**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
MINERAL RESOURCES LIMITED**

We have reviewed the accompanying half-year financial report of Mineral Resources Limited which comprises the statement of financial position as at 31 December 2015, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Mineral Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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Independence

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

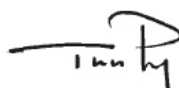
Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Mineral Resources Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.



RSM AUSTRALIA PARTNERS



TUTU PHONG
Partner

Perth, WA
Dated: 18 February 2016