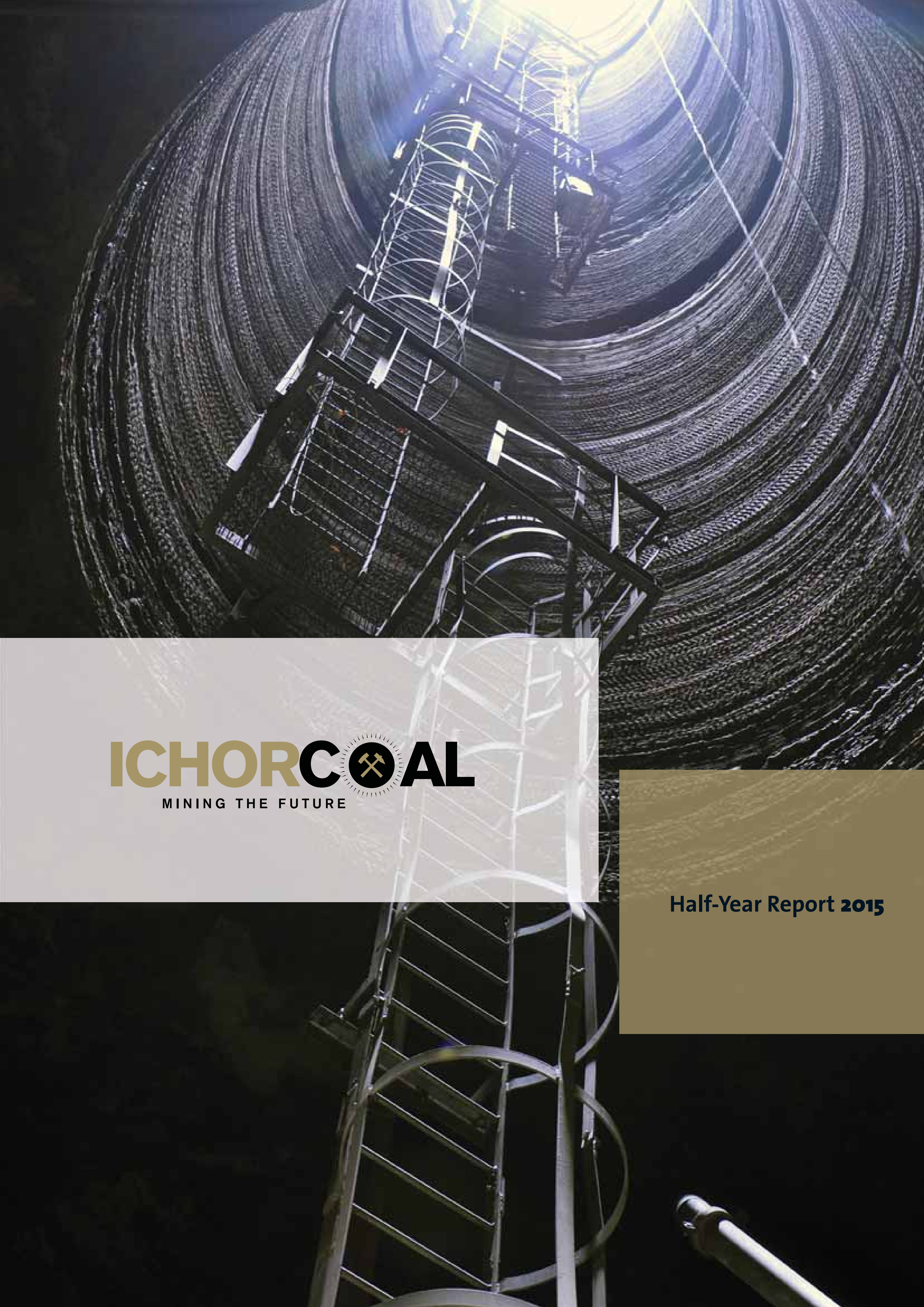


ICHORCOAL

MINING THE FUTURE

Half-Year Report 2015

KEY FIGURES

Income statement figures	1 Jan - 30 Jun 2015 EUR k	1 Jan - 30 Jun 2014 EUR k
Revenue	**22 661**	26 030
EBITDA	**3 058**	4 592
EBIT	**(3 424)**	1 605
Profit or loss for the period	**(347)**	(16 599)

Balance sheet figures	30 Jun 15 EUR k	31 Dec 2014 EUR k
Total assets	**175 186**	176 629
Non-current assets	**153 783**	150 432
Current assets	**21 503**	26 196
Total equity	**66 333**	64 237
Non-current liabilities	**97 257**	103 199
Current liabilities	**11 696**	9 193

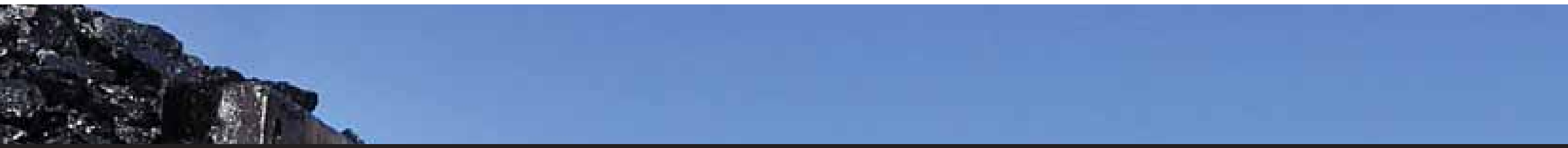
Cash flow figures	1 Jan - 30 Jun 2015 EUR k	1 Jan - 30 Jun 2014 EUR k
Cash flow from operating activities	**(5 035)**	327
Cash flow from investing activities	**(5 044)**	(82)
Cash flow from financing activities	**(2 000)**	(367)
Cash and cash equivalents at the end of the period	**8 004**	9 213

CONTENTS

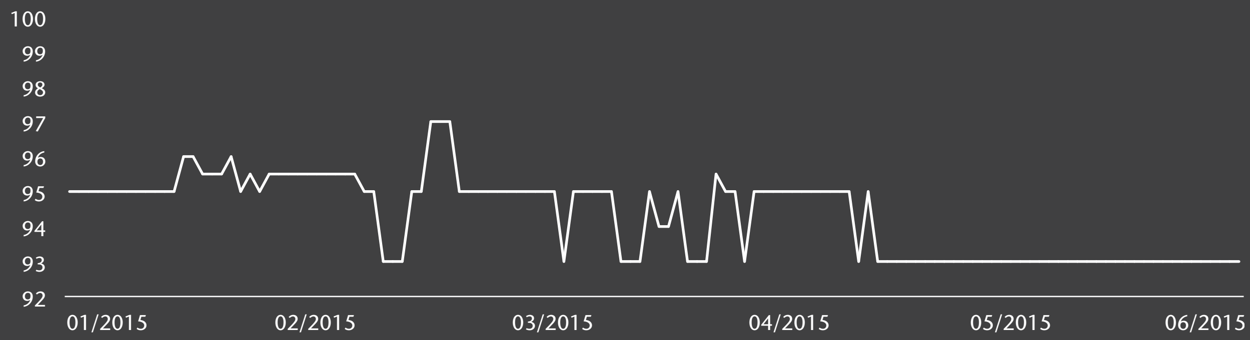
ICHOR COAL SHARES AND BONDS

ICHOR COAL SHARE PRICE
WKN A1JQEX, ISIN NL0010022307

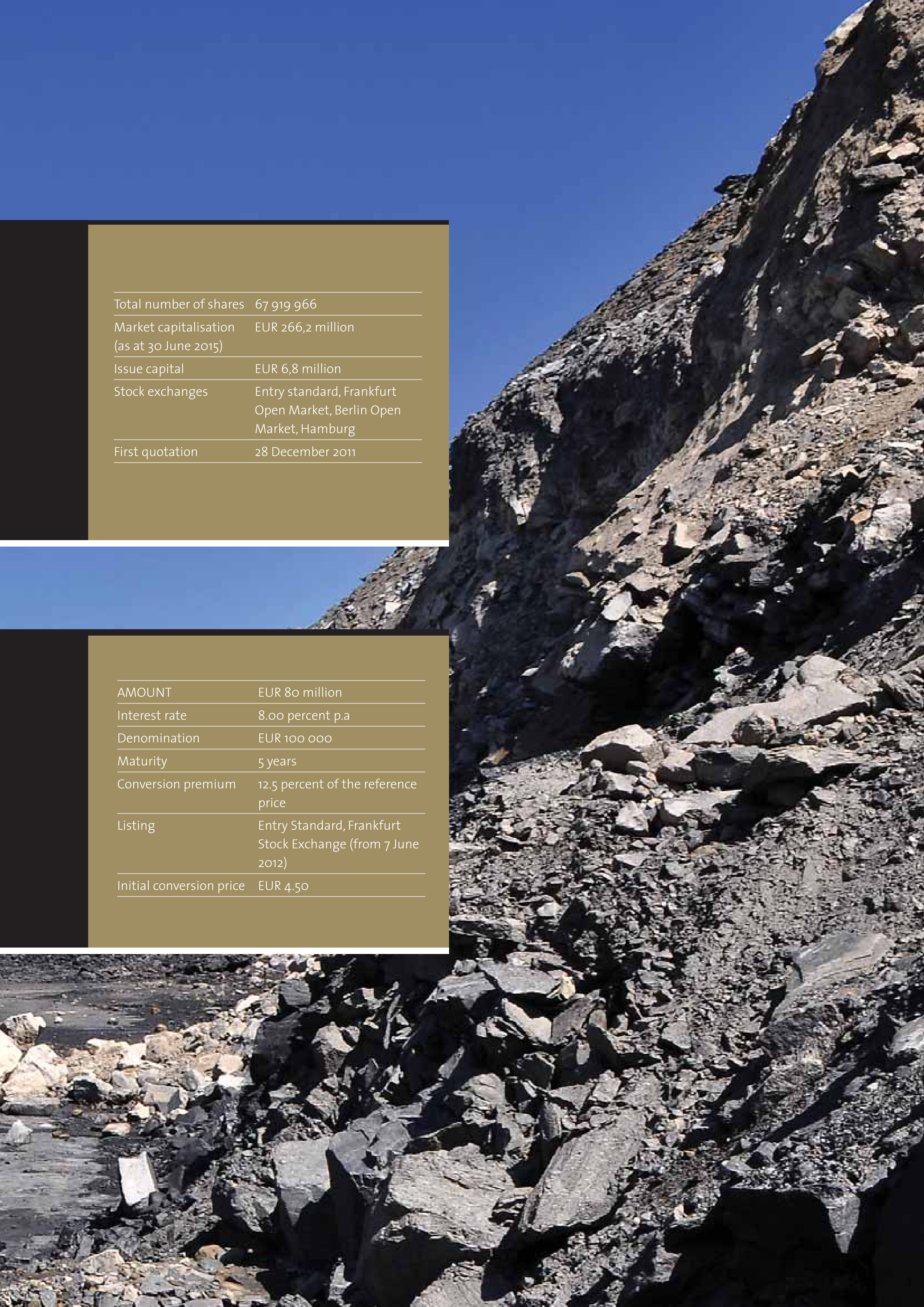
SHARE PRICE AT 30 JUNE 2015 - EUR 3.92



ICHOR COAL N.V. EO-CONV BONDS 2012(17)
WKN A1G4ZA, ISIN DE000A1G4Z19



BOND TRADING AT 93 PERCENT ON 30 JUNE 2015



Total number of shares	67 919 966
Market capitalisation (as at 30 June 2015)	EUR 266,2 million
Issue capital	EUR 6,8 million
Stock exchanges	Entry standard, Frankfurt Open Market, Berlin Open Market, Hamburg
First quotation	28 December 2011

AMOUNT	EUR 80 million
Interest rate	8.00 percent p.a
Denomination	EUR 100 000
Maturity	5 years
Conversion premium	12.5 percent of the reference price
Listing	Entry Standard, Frankfurt Stock Exchange (from 7 June 2012)
Initial conversion price	EUR 4.50

PREFACE BY THE MANAGEMENT BOARD

Dear Shareholders

Over the first six months of the 2015 financial year, we took major steps in the execution of our strategy towards our goal of becoming the leading mid-tier thermal coal producer in South Africa.

We delivered a solid performance on both pillars of our strategy, namely: acquisitive and organic growth. On the former, we announced the acquisition of Penumbra coal mine from Continental Coal in May and a few months later, our intention to make an offer to acquire the shares in Universal Coal that we do not already own. This marks IchorCoal as a meaningful player in the consolidation of the South African junior coal sector.

On the organic front, Mbuyelo Coal's flagship project – Manungu – produced first coal in June and is well on the way to achieving its ramp-up targets. Kangala, in the Universal Coal stable, reached steady state and record production volumes in the second quarter. Further, Vunene made good progress on the refurbishment of the infrastructure to restart underground mining operations, which will underpin production for at least the next 20 years.

These developments place us in an excellent position to achieve our stated objective of producing 15-million tonnes annually by 2017.

Conditions in the commodities sector remained extremely challenging, with a further deterioration in commodity prices across the board. This presented a tougher than forecast operating environment, with an average 8% decline in international thermal coal spot prices over the six months. This brings the year-on-year decline to 18%, presenting a considerable challenge to the coal sector as a whole.

In terms of global demand, weakness in Chinese thermal coal consumption and the steep drop in Chinese industrial output remain sources of concern. The anticipated rise in Indian coal offtake, while significant, has so far failed to match the drop in Chinese consumption. Short-term recovery is therefore not expected while the market remains in a net oversupply position – although no doubt, in time, the cycle will turn.

On a more positive note, more than 40% of global electricity generation is still coal based, and it is estimated that coal will remain the second largest source of energy in the long run. Fossil fuels supply 87% of the world's primary energy demand, with coal being the largest source of volume growth in primary energy consumption. Coal is cheaper and easier to ship than gas, which makes it a compelling proposition for developing countries in particular and further supports growth in consumption. The International

The implementation of our strategy went into **higher gear**

Energy Agency projects that the price of coal will remain more competitive than natural gas beyond 2040.

Coal demand in South Africa – our primary focus – remains buoyant with abundant thermal coal reserves and a favourable geology for cost effective extraction. As the country remains in a net energy deficit position, we are uniquely positioned through our existing relationship with state-owned power utility Eskom, and the close proximity of our producing assets to power stations, to benefit from the favourable domestic conditions. In particular, rising South African electricity demand has outstripped Eskom's generating capacity and the power utility has embarked on a major power build programme, investing billions of rands in some 9 600MW of new coal-fired power stations.

Turning to acquisitions, subsequent to being named preferred bidder for Continental Coal's Vlakvarkfontein and Penumbra mines for R128-million (EUR 9,4 million), the existing shareholder in the former elected to exercise their pre-emptive right in line with an existing agreement between the parties. Thus, we have proceeded with the necessary steps to complete the purchase of Penumbra. Apart from an attractive entry price, the proximity of Penumbra to our existing Vunene operation presents a potential to extract material synergies. The Penumbra acquisition includes a rail siding and a yearly export allocation of 18 000 tonnes at the Richards Bay Coal Terminal.

Subsequent to 30 June we received Competition Commission approval for the acquisition and are in the process of finalising an application for ministerial consent for the transfer of the asset in terms of South African mining legislation. We expect Penumbra to start producing in the first quarter of 2016.

In August we announced our firm intention to launch an all-cash offer to acquire the shares in ASX-listed miner Universal Coal that we do not already own. IchorCoal is currently a 29.99% shareholder in the company. Universal Coal was recently granted the requisite approvals to start re-commissioning work at its next key asset, the New Clydesdale colliery (NCC) and anticipates bringing the complex into production later this year.

We believe that the combination of Universal Coal and IchorCoal's existing operations will provide much needed scale and thus a higher level of resilience to the group to better navigate the turbulence prevailing in the coal sector.

In June, we were delighted to report the production of first coal at Manungu, operated by Mbuyelo Coal in which we have a 45% equity share. Manungu is located in Mpumalanga province and has a 460-million tonne resource base and a long-term coal supply agreement with Eskom. The mine will initially supply 1.6-million tonnes per annum to Eskom, ramping up to 3-million tonnes per annum from the fourth year onwards.

Vunene posted a commendable improvement in its safety performance for the first half of 2015, with the lost time injury frequency rate dropping 18% to 1.08 at the end of June from 1,33 at the end of December last year. There were no fatalities recorded for the reporting period. Efforts to instil a culture of zero harm are ongoing, with a focus on a training campaign to identify potential hazards. A remarkable achievement was that for the period under review, no accidents were recorded from the underground operations, where refurbishment work has been carried out since January.

Vunene prides itself on its performance from an occupational health perspective with zero incidents of occupational illnesses recorded.

Concerning environmental management, significant progress was made in addressing water related issues that have plagued opencast operations for some time. Compliance with the approved environmental management programme and other permit conditions is continuously monitored with regular reporting taking place. The process of applying for environmental authorisations for the re-commissioning of underground mining operations is well underway.

Run-of-mine production was slightly higher than the corresponding period last year – by 30 000 tonnes at 1.02-million tonnes. As expected, the average strip ratio of 8.03 cubic metres of waste per tonne of coal mined was significantly higher than the 5.18 ratio achieved in prior year. This increase resulted in a rise in the cost per tonne mined.

Notwithstanding the increase in strip ratio, Vunene kept a tight control on costs through increased efficiencies and rigid cost management practices. Despite the strip ratio increasing by 55%, the average cost per strip ratio reduced by 22% and the cost per tonne mined increased by 20%. Moreover, to minimise the effect of the increase in unit costs, Vunene negotiated an increase from its primary customer, Eskom, which took effect on June 1.

The refurbishment of the underground mine is progressing well following a somewhat slow start in January. Vunene had to train more than 60 new hires from the local area in highly specialised roof support procedures and practices to ensure that the refurbishment project, particularly the required specialised roof support, complies with international best practice. These individuals will be available to Vunene as well as the mining industry in general once the project is completed. The target date for first coal remains first quarter 2016.

Revenue was 13% down to €22.7m on the prior year due to a combination of a 25% year-on-year drop in export prices and a fall in overall sales. Although sales to Eskom rose, this was below contracted volumes. We expect to catch up on this in the second half of the year. At current prices, it is not economical to export and therefore the export programme has been suspended.

Cost of sales increased from €17.9m to €19.2m mainly due to the strengthening of the rand against the euro. However, on a rand basis, the cost of sales decreased by 3% year-on-year. As a result, gross profit decreased from €8.2m to €3.5m.

Partly offsetting the negative trends in the results drivers was a translation gain in foreign exchange resulting from the strengthening of the rand against the euro. The average exchange rate strengthened to R13.30/€ from R14.64/€ in June last year. The net result was a drop in ebitda to €3.1m from €4.6m a year ago.

Our equity position continues to improve. The debt-to-equity ratio improved to 1,64 from 1,75 and in June, the outstanding corporate bonds were redeemed. This together with the change in fair value of the convertible bonds had a positive effect on the liability section of the balance sheet.

The implementation of our social and labour plan (SLP) is proceeding as planned. We submitted a new SLP for implementation for a five-year period starting in January 2015 and conduct our corporate social investment (CSI) according to the plan. We will combine our CSI activities with those of Penumbra to make a more meaningful impact on local economic development and the surrounding communities, with whom we focus on nurturing good relationships.

With our production increasing from the Manungu project, the first phase of the Vunene underground refurbishment near completion and Penumbra and NCC coming on line, we are very well positioned to benefit from any uptick in market prices as and when it occurs. Domestic demand will remain strong as Eskom expands its generation capacity.

In the second half, our focus will be on completing and implementing the acquisition initiated in the first half.

We thank our employees and business partners for their commitment and express our gratitude to our investors for their support.

Rosebank, 30 September 2015

Half-Year Financial Statement

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2015 (UNAUDITED)

	Note	1 Jan - 30 Jun 2015 EUR k	1 Jan - 30 Jun 2014 EUR k
Revenue		22 661	26 030
Cost of sales	4.2	(19 163)	(17 876)
Gross profit		**3 498**	**8 154**
Income from investments		357	57
Other income	4.3	2 303	147
Depreciation, amortisation and impairments	4.4	(6 481)	(2 987)
Selling and distribution expenses	4.5	(36)	(836)
Other operating expenses	4.6	(1 439)	(1 578)
General and administrative expenses	4.7	(1 626)	(1 352)
Operating profit		**(3 423)**	**1 605**
Finance Income	4.8	11 594	454
Finance costs	4.8	(6 119)	(18 834)
Profit or loss before income taxes		**2 052**	**(16 775)**
Income taxes	4.9	(2 399)	176
Profit or loss for the period		**(347)**	**(16 599)**
OTHER COMPREHENSIVE INCOME			
ITEMS THAT CAN BE RECLASSIFIED TO PROFIT OR LOSS			
Differences from currency translation		2 250	(10)
Other comprehensive income		**–**	**(10)**
Other comprehensive income after income taxes		**2 250**	**(10)**
Total comprehensive income		**1 903**	**(16 609)**
PROFIT OR LOSS ATTRIBUTABLE TO:			
Owners of the parent		1 013	(17 323)
Non-controlling interest		(1 360)	724
		(347)	**(16 599)**
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:			
Owners of the parent		2 916	(17 330)
Non-controlling interest		(1 013)	721
		1 903	**(16 609)**
Earnings/Diluted earnings per share		**0,01**	**(0,31)**

The accompanying notes form part of these interim financial statements (unaudited).

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2015 (UNAUDITED)

	Note	30 Jun 2015 EUR k	31 Dec 2014 EUR k
ASSETS			
Non-current assets			
Intangible assets	3.1	1 948	2 166
Property, plant and equipment	3.2	76 318	74 826
Investments accounted for using the equity method	3.3	75 226	72 347
Other financial assets		–	94
Deferred tax assets	3.7	291	999
		153 783	150 432
Current assets			
Inventories		4 559	866
Trade and other receivables		7 098	4 324
Other current financial assets		1 668	1 360
Other assets		174	506
Cash and cash equivalents	3.4	8 004	19 140
		21 503	26 196
Total assets		175 286	176 629
EQUITY AND LIABILITIES			
Equity			
Issued capital	3.5	6 792	6 792
Capital reserves	3.5	87 562	87 562
Share-based payment reserves		410	216
Accumulated retained earnings	3.5	(29 136)	(13 352)
Profit or loss for the period	3.5	1 013	(15 784)
Other reserves	3.5	(10 640)	(12 543)
Equity attributable to owners of the parent		56 001	52 892
Non-controlling interest	3.5	10 332	11 345
		66 333	64 237
Non-current liabilities			
Other provisions		7 441	6 909
Interest-bearing loans and borrowings	3.6	72 116	80 545
Other non-current financial liabilities		828	956
Deferred tax liabilities	3.7	16 872	14 789
		97 257	103 199
Current liabilities			
Other provisions		1 404	1 350
Interest-bearing loans and borrowings	3.6	399	2 384
Other current financial liabilities		290	292
Trade and other payables		8 897	4 127
Liabilities from income taxes		18	19
Other liabilities		688	1 021
		11 696	9 193
Total liabilities		108 953	112 392
TOTAL EQUITY AND LIABILITIES		175 286	176 629

The accompanying notes form part of these interim financial statements (unaudited).

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2015 (UNAUDITED)

	Note	Issued capital Ordinary shares EUR k
1 January 2015	3.5	6 792
Appropriation of prior year results	3.5	
Profit or loss for the period	3.5	–
Other comprehensive income	3.5	–
Total comprehensive income		**–**
Share-based payment		–
		–
30 June 2015	3.5	6 792

The accompanying notes form part of these interim financial statements (unaudited).

	Note
1 January 2014	
Appropriation of prior year results	3.5
Profit or loss for the period	3.5
Other comprehensive income	3.5
Total comprehensive income	
Conversion of Ichor Coal N.V. Convertible Bonds	3.5
30 June 2014	3.5

The accompanying notes form part of these interim financial statements (unaudited).

	Equity attributable to owners of the parent								
			Profit or loss for the period		Other reserves			Non-controlling interest	
	Capital reserves EUR k	Accumulated retained earnings EUR k	Continuing operations EUR k	Discontinued operations EUR k	EUR k	Share-based payment EUR k	Total EUR k	EUR k	Total equity EUR k
	87 562	**(13 352)**	**(15 784)**	**–**	**(12 543)**	**216**	**52 891**	**11 345**	**64 236**
	–	(15 784)	15 784	–	–		–	–	–
	–	–	1 013	–	–	–	1 013	(1 360)	(347)
	–	–	–	–	1 903	–	1 903	347	2 250
	–	**–**	**1 013**	**–**	**1 903**		**2 916**	**(1 013)**	**1 903**
	–	–	–	–	–	194	194	–	194
	–	–	–	–	–	194	194	–	194
	87 562	**(29 136)**	**1 013**	**–**	**(10 640)**	**410**	**56 001**	**10 332**	**66 333**

	Equity attributable to owners of the parent								
	Issued capital			Profit or loss for the period		Other reserves		Non-controlling interest	
	Ordinary shares EUR k	Capital reserves EUR k	Accumulated retained earnings EUR k	Continuing operations EUR k	Discontinued operations EUR k	EUR k	Total EUR k	EUR k	Total equity EUR k
	5 500	**27 156**	**(4 083)**	**(10 162)**	**893**	**(13 072)**	**6 232**	**10 950**	**17 182**
	–	–	(9 269)	10 162	(893)	–	–	–	–
	–	–	–	(17 323)	–	–	(17 323)	724	(16 599)
	–	–	–	–	–	(7)	(7)	(3)	(10)
	–	**–**	**–**	**(17 323)**	**–**	**(7)**	**(17 330)**	**721**	**(16 609)**
	4	224	–	–	–	–	228	–	228
	5 504	**27 380**	**(13 352)**	**(17 323)**	**–**	**(13 079)**	**(10 870)**	**11 671**	**801**

INTERIM CONSOLIDATED STATEMENT OF CASH FLOW

FOR THE SIX MONTHS ENDED 30 JUNE 2015 (UNAUDITED)

	Note	30 Jun 2015 EUR k	30 Jun 2014 EUR k
Profit or loss for the period		**(347)**	**(16 599)**
Reconciliation of profit or loss to the cash flow from operating activities:			
Depreciation, amortisation and impairments	4.4	6 481	2 987
Profit or loss from investments in associates	3.3	(357)	(57)
Loss/Profit on sale of assets		17	–
Sharebased payments		193	–
Gain or loss on conversion component of Convertible Bonds	4.8	(11 362)	11 480
Effective interest on Convertible and Corporate Bonds	4.8	2 859	2 748
Changes due to foreign currency changes		(3 138)	79
Changes in deferred taxes	3.7	2 364	(176)
Changes in inventories		(3 750)	229
Changes in trade and other receivables		(2 685)	(1 268)
Changes in trade and other payables		4 734	1 540
Changes in provisions		(72)	(149)
Changes in other financial assets and liabilities		–	(487)
Changes in other working capital items		28	–
Cash flow from operating activities		**(5 035)**	**327**
Proceeds from disposals of intangible assets and property, plant and equipment		18	–
Cash flow from disposals of consolidated subsidiaries, less cash given up in the exchange		–	3 018
Purchases of intangible assets and property, plant and equipment	3.1 / 3.2	(5 063)	(333)
Exploration expenditure and mining activities	3.1 / 3.2	–	(2 767)
Cash flow from investing activities		**(5 044)**	**(82)**
Repayments of interest-bearing loans and borrowings received	3.6	(2 000)	(367)
Cash flow from financing activities		**(2 000)**	**(367)**
Cash flow-related changes in cash and cash equivalents		**(12 079)**	**(122)**
Changes in cash and cash equivalents due to exchange rates		943	–
Cash and cash equivalents at beginning of period	3.4	19 140	9 335
Cash and cash equivalents at end of period	3.4	**8 004**	**9 213**

The accompanying notes form part of these interim financial statements (unaudited).

SELECTED NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (unaudited)

1. GENERAL INFORMATION

1.1 Corporate information

Ichor Coal N.V. is a limited liability company incorporated in Amsterdam, Netherlands. The shares of Ichor Coal N.V. are admitted for trading on the High Risk Market of the Hamburg Stock Exchange and the Entry Standard of the Frankfurt Stock Exchange. Ichor Coal N.V. head office is located at 30 Jellicoe avenue, Rosebank, South Africa, 2196

Ichor Coal N.V. is an international mining company focusing on thermal coal production in South Africa. The company owns and operates its own coal resources and sells the output coal both locally and in international markets. Furthermore, the company holds minority equity positions in two South African mining companies.

1.2 Basis of preparation

The interim consolidated financial statements for the six months ended 30 June 2015 were prepared in accordance with IAS 34 *Interim Financial Reporting*, as issued by the IASB and as in effect and adopted by the European Union (EU). They do not include all of the information required for full annual financial statements and should be read in conjunction with the Group's annual financial statements as at 31 December 2014. The Annual Report 2014, including the annual financial statements as at 31 December 2014, is available upon request at the Group's office at 30 Jellicoe Avenue, Rosebank 2196, South Africa and can also be downloaded at www.ichorcoal.com.

1.3 Accounting policies

The accounting policies applied by the Group in these interim condensed consolidated financial statements are the same as those applied by the Group in its annual financial statements as at 31 December 2014, except for the following aspects.

Standards and interpretations effective as of 1 January 2015 were applied accordingly and may represent a change to the standards and interpretations applied in the Group's annual financial statements as at 31 December 2014.

1.4 New and amended standards and interpretations

The following standards and interpretations became effective on 1 January 2015 and are to be applied for the first time. The standards and interpretations have no impact on the Group's disclosures, financial position or financial performance.

- IFRS 10 Consolidated Financial Statements
- Annual Improvements Cycle – 2010 – 2012
- Annual improvements Cycle – 2011 – 2013
- Amendments to IAS 19 Defined Benefit Plans: Employee Contributions
- IFRIC Interpretation 21 Levies (IFRIC 21)

2. IMPAIRMENTS

Annually or when circumstances indicate that the carrying amount of significant mining related assets may not be recoverable, an impairment test is performed. At each interim reporting date, management also assesses whether there is any indication that the carrying amount of significant mining related assets may not be recoverable.

No circumstances have been identified that the carrying amount of the Group's significant mining related assets may not be recoverable.

SELECTED NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (continued)

3. SELECTED NOTES TO THE INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION

3.1 Intangible assets

	Purchased rights EUR k	Exploration and Evaluation Asset EUR k	Customer Relationship EUR k	Total EUR k
Acquisition or production cost				
1 January 2015	410	268	3 509	4 187
Additions	45	122	–	167
Disposals	(10)	–	–	(10)
Effect of translation to presentation currency	14	7	123	144
30 June 2015	**459**	**397**	**3 632**	**4 488**
Amortisation and impairments				
1 January 2015	278	–	1 743	2 021
Additions	85	–	374	459
Disposals	(1)	–	–	(1)
Effect of translation to presentation currency	9		52	61
30 June 2015	**371**	**–**	**2 169**	**2 540**
Carrying amounts				
30 June 2015	**88**	**397**	**1 463**	**1 948**
1 January 2015	132	268	1 766	2 166

3.2 Property, plant and equipment

	Mine assets EUR k	Land and buildings EUR k	Technical equipment and machinery EUR k	Other equipment, operational and office equipment EUR k	Total EUR k
Acquisition or production cost					
1 January 2015	80 055	3 391	1 923	1 136	86 505
Additions	4 632	89	54	124	4 899
Disposals	–	–	–	(43)	(43)
Transfers	(44)	–	–	44	–
Effect of translation to presentation currency	2 509	115	64	30	2 718
30 June 2015	**87 152**	**3 595**	**2 041**	**1 291**	**94 079**
Depreciation and impairments					
1 January 2015	10 657	16	468	537	11 679
Additions	5 668	119	158	80	6 025
Disposals	–	–	–	(17)	(17)
Effect of translation to presentation currency	54	(1)	12	10	75
30 June 2015	**16 379**	**134**	**638**	**610**	**17 761**
Carrying amounts					
30 June 2015	**70 773**	**3 461**	**1 402**	**682**	**76 318**
1 January 2015	69 398	3 374	1 455	599	74 826

3.3 Investment accounted for using the equity method

As at 30 June 2015, the carrying amount of the investment in associates amounted to EUR 75 226 thousand. The Group's share of the realised gains in Mbuyelo Coal (Pty) Ltd and Universal Coal Plc. for the period between 1 January 2015 to 30 June 2015 amounted to EUR 357 thousand. No dividend has been received by Ichor Coal N.V. from either investment in the first half year of 2015.

3.4 Cash and cash equivalents

As at 30 June 2015, IchorCoal Group's cash and cash equivalents amounted a favorable balance of EUR 8 004 thousand.

3.5 Equity

The components and changes in consolidated equity are summarised in the consolidated statement of changes in equity.

Issued capital

The issued capital of EUR 6 791 996 is divided into 67 919 966 common shares, with a nominal value of EUR 0.10 each. There was no change to issued capital since 31 December 2014.

The issued capital as at 30 June 2015 consisted entirely of fully paid-up ordinary shares. Each fully paid ordinary share carries the right to dividends as declared and carries the right to one vote at shareholders' meetings.

Capital reserves

There was no change in capital reserves for the period ended 30 June 2015.

SELECTED NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (continued)

3. SELECTED NOTES TO THE INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

3.5 Equity (continued)

Share-based payment reserve

The company issued equity-settled instruments to certain qualifying employees under an employee share option scheme to purchase shares in the company's authorised but unissued ordinary shares as well as a deferred share plan scheme as part of the long-term incentives. Equity share based payments are measured at the fair value of the equity instrument at the date of the grant, which was EUR 410 thousand. Deferred share-based compensation is expensed over the vesting period, based on the company's estimate of the shares that are expected to eventually vest.

Share based payment at 30 June 2015 amounted to EUR 194 thousand.

Non-controlling interest

As at 30 June 2015 the following entities were consolidated in the Group's consolidated financial statements which include non-controlling interest stakes held by third parties of:

	30 Jun 2015 EUR k	31 Dec 2014 EUR k
Vunene Mining (Pty) Ltd, South Africa	10 332	11 344
Indawo Estate (Pty) Ltd, South Africa	–	1
Non-controlling interest	**10 332**	**11 345**

3.6 Interest-bearing loans and borrowings

Financing of the IchorCoal Group is mainly obtained by the parent company IchorCoal N.V. Direct external financing to the subsidiaries of the company is obtained in the form of trade or project finance facilities provided it is advantageous to the group

As at 30 June 2015, total interest-bearing loans and borrowings are composed as follows:

	30 Jun 2015 EUR k	31 Dec 2014 EUR k
Ichor Coal N.V. Convertible Bonds	72 116	80 545
Non-current loans and borrowings	**72 116**	**80 545**

	30 Jun 2015 EUR k	31 Dec 2014 EUR k
Ichor Coal N.V. Convertible Bonds	399	399
Ichor Coal N.V. Corporate Bonds	–	1 985
Current loans and borrowings	**399**	**2 384**

Convertible Bonds

In 2012, Ichor Coal N.V. issued EUR 80 million Convertible Bonds, which – subject to early prepayment or conversion – mature in June 2017. The bonds had a nominal value of EUR 100 000 and carried a fixed interest rate of 8.0% per annum until the maturity date, to be paid quarterly in arrears. Under certain conditions standard adjustment mechanisms would apply to the conversion share price or Ichor Coal N.V. would obtain the right to pay back all – but not part – of the outstanding notes including the accrued interest. As at 30 June 2015, no such events occurred, which would have triggered an adjustment to the conversion share price or a clean-up option.

The conversion component, which was classified at inception as a financial instrument at fair value through profit or loss and has been revalued as at 30 June 2015 at EUR 8 335 thousand (31 December 2014: EUR 19 625). The resulting gain of EUR 11 362 thousand, which is a non-cash item, has been recognised in the statement of comprehensive income. For purposes of the revaluation of the conversion component, the Group used a binomial options pricing model with Ichor Coal N.V.'s share price, volatility of the share price (Frankfurt stock exchange) and remaining time to expiry being significant input factors. Based on accounting requirements in conjunction with the binomial options pricing model, a decreasing share price coupled with the share price volatility results in a significant decrease in the conversion liability thereby generating significant finance gains. On conversion of the Convertible Bonds, the conversion liability will be transferred to the capital reserve in equity.

In the absence of an eventual conversion, the liability will reduce down to zero based on the decreasing effects of the lapsing time to maturity.

As at 30 June 2015, the carrying value of the host component was EUR 64 159 thousand (31 December 2014: EUR 61 319 thousand), including accrued interest.

The movement of the Convertible Bonds during the first six months of the 2015 financial year was as follows:

	30 Jun 2015 EUR k	31 Dec 2014 EUR k
Host instrument opening balance	**61 319**	58 434
Conversion component opening balance	**19 625**	18 284
	80 944	76 718
Cash-effective movements		
Interest for the period	**3 124**	6 374
Interest payments during the period	**(3 116)**	(6 374)
Non-cash-effective movements		
Fair value movement of conversion component	**(11 362)**	1 341
Accrued effective interest portion	**2 841**	4 970
Foreign exchange	**84**	–
Conversion of Nineteen bonds into equity	**–**	(2 085)
Ichor Coal N.V. Convertible Bonds	**72 515**	**80 944**

Corporate bonds

In 2013, Ichor Coal N.V. issued EUR 35 million of up to EUR 40 million unsecured and unsubordinated Corporate Bonds. The bonds were issued at par and will – subject to early prepayment – mature in June 2015. The bonds had a nominal value of EUR 100 000 and carried a fixed interest rate of 6.5% per annum until the maturity date, to be paid quarterly in arrears.

As at 30 June 2015, the carrying value of the corporate bonds was EUR 0 (nil), as the maturity date for the bonds was 4 June 2015. The bonds were fully settled on that date.

The movement of the Corporate Bonds during the first six months of the 2015 financial year was as follows:

	30 Jun 2015 EUR k	31 Dec 2014 EUR k
Opening balance	**1 985**	34 095
Conversion of corporate bonds	**–**	(32 677)
Cash-effective movements		
Interest for the period	**56**	1 352
Interest payments during the period	**(59)**	(1 207)
Non-cash-effective movements		
Accrued effective interest portion	**18**	423
Repayment (Settlement)	**(2 000)**	–
Ichor Coal N.V. Corporate Bonds	**–**	**1 985**

SELECTED NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (continued)

3. SELECTED NOTES TO THE INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

3.7 Deferred tax assets and deferred tax liabilities

The Group's net deferred tax asset and liability recognised in the balance sheet is as follows.

	30 June 2015		31 Dec 2014	
	Deferred tax assets EUR k	Deferred tax liabilities EUR k	Deferred tax assets EUR k	Deferred tax liabilities EUR k
Property, plant and equipment	**25**	**15 308**	25	14 789
Non-current financial assets	**114**	**–**	72	–
Other provisions	**152**	**–**	110	–
Other liabilities	**–**	**1 564**	792	–
Temporary differences	**291**	**16 872**	**999**	**14 789**
Tax loss carry-forwards	**–**	**–**	–	–
Total	**291**	**16 872**	**999**	**14 789**
Amounts as per balance sheet	**291**	**16 872**	**999**	**14 789**

4. SELECTED NOTES TO THE INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

4.1 Revenue

	1 Jan - 30 Jun 2015 EUR k	1 Jan - 30 Jun 2014 EUR k
Mining revenues	**21 814**	25 372
Care and maintenance services	**670**	517
Other services	**177**	141
Revenue	**22 661**	**26 030**

Revenue decrease was mainly due to a reduction in export revenue year-on-year. Export revenue was significantly impacted by the decline in export prices over the last 12 months.

4.2 Cost of sales

	1 Jan - 30 Jun 2015 EUR k	1 Jan - 30 Jun 2014 EUR k
Equipment rental	**11 190**	8 632
Consumables	**4 311**	4 098
Labour	**937**	866
Outsourced mining services	**5 480**	1 729
Change in coal at stock	**(3 730)**	169
Other services	**396**	1 934
Cost of rendering care and maintenance services	**579**	448
Cost of sales	**19 163**	**17 876**

The increase in the cost of sales can be attributed to two major factors.

- The strengthening of the rand against the euro caused foreign currency translation fluctuations. On a rand basis, the cost of sales decreased by 3% year-on-year.

- Increases in cost of production due to changes in geology at Vunene Mine. Strip ratio's increased by 55% from an average of 5.18 in 2014 to 8.03 in 2015. To offset the dramatic increase in strip ratio, cost saving measures were implemented and the resultant cost per strip ratio was reduced.

4.3 Other income

	1 Jan - 30 Jun 2015 EUR k	1 Jan - 30 Jun 2014 EUR k
Foreing currency translation gain	**2 213**	1
Other	**90**	146
Other Income	**2 303**	**147**

4.4 Depreciation, amortisation and impairments

The depreciation, amortisation and impairments split up as follows:

	1 Jan - 30 Jun 2015 EUR k	1 Jan - 30 Jun 2014 EUR k
Depreciation of property, plant and equipment	**6 395**	2 567
Amortization of intangible assets	**86**	420
Depreciation, amortisation and impairments	**6 481**	**2 987**

Depreciation is majorly based on a unit of production method. The increase in depreciation can be ascribed mainly to the additional box-cut capitalised as well as increase in rehabilitation assets.

4.5 Selling and distribution expenses

Selling and distribution expenses are mainly incurred in relation to coal sales on the international export markets.

4.6 Other operating expenses

	1 Jan - 30 Jun 2015 EUR k	1 Jan - 30 Jun 2014 EUR k
Consulting and legal expenses	**1 219**	463
Audit and accounting service expenses	**75**	65
Other professional services	**80**	295
Advertising expenses	**5**	8
Insurance contributions	**20**	49
Royalty tax	**–**	558
Miscellaneous	**40**	140
Other operating expenses	**1 439**	**1 578**

4.7 General and administrative expenses

	1 Jan - 30 Jun 2015 EUR k	1 Jan - 30 Jun 2014 EUR k
Salaries	**969**	947
Travel and entertainment expenses	**50**	169
IT and Communication	**56**	–
Head office expenses	**551**	236
General and administrative expenses	**1 626**	**1 352**

SELECTED NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (continued)

4 SELECTED NOTES TO THE INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (continued)

4.8 Financial result

The financing cost and income can be analysed as follows:

	1 Jan - 30 Jun 2015 EUR k	1 Jan - 30 Jun 2014 EUR k
Interest income from bank accounts	232	166
Interest income	**232**	**166**
Gain on coal price hedging instrument	–	288
Gain on conversion component Convertible Bonds	11 362	–
Finance Income	**11 594**	**454**

	1 Jan - 30 Jun 2015 EUR k	1 Jan - 30 Jun 2014 EUR k
Interest on Convertible Bonds	2 825	3 193
Effective interest portion on Convertible Bonds	2 841	2 389
Interest on Corporate Bonds	56	1 141
Effective Interest portion on Corporate Bonds	18	357
Interest on rehabilitation provision	337	216
Interest on debts and borrowings	42	58
Interest and similar expenses	**6 119**	**7 354**
Loss on conversion component of Convertible Bonds	–	11 480
Finance costs	**6 119**	**18 834**

4.9 Income tax and deferred tax

Total taxation benefit/(expense) comprises as follows:

	1 Jan - 30 Jun 2015 EUR k	1 Jan - 30 Jun 2014 EUR k
Current taxes	35	(1)
Deferred taxes	2 364	177
Income taxes	**2 399**	**176**

5. OTHER SELECTED DISCLOSURES

5.1 Financial assets and liabilities

Presentation by categories

The balance sheet items as at 30 June 2015, comprising financial assets and liabilities can be attributed to the measurement categories according to IAS 39 as follows:

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

	30 Jun 2015			
	Carrying amount EUR k	Loans and receivables EUR k	Financial liabilities measured at amortised cost EUR k	Financial liabilities at fair value through profit or loss EUR k
Assets				
Trade and other receivables	7 098	7 098	–	–
Other current financial assets	1 668	1 668	–	–
Cash and cash equivalents	8 004	8 004	–	–
Liabilities				
Interest-bearing loans and borrowings	72 515	–	64 159	8 335
Other non-current financial liabilities	828	–	828	–
Trade and other payables	8 896	–	8 896	–
Other current financial liabilities	290	–	290	–

As at 30 June 2015, the financial assets and liabilities measured at fair value are categorized in the following classes:

	30-Jun-15			
	Carrying amount EUR k	Level 1 EUR k	Level 2 EUR k	Level 3 EUR k
Liabilities				
Interest-bearing loans and borrowings	72 515	–	8 335	–

During the first six months of the 2015 financial year, no transfers occurred between Level 1 and Level 2 and no transfers occurred into or out of Level 3.

SELECTED NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Unaudited) (continued)

Valuation techniques

The conversion component of the IchorCoal Convertible Bonds has been valued using a binomial options pricing model. Significant input factors for the model are IchorCoal N.V.'s share price, the volatility of the share price and the remaining time to expiry. The conversion component is very exposed to the sensitivities of the share price and share price volatility.

The Group furthermore held a coal commodity derivative in 2014, at fair value through profit or loss, to mitigate price risks from fluctuations in the underlying coal price index. The derivative is traded at a commodity derivative exchange and has been classified as Level 1. The derivative expired in October 2014.

Fair values

The balance sheet items as at 30 June 2015, comprising financial assets and liabilities have a fair value as follows:

	30 Jun 2015	
	Carrying amount EUR k	Fair Values EUR k
Assets		
Trade and other receivables	7 098	7 098
Other current financial assets	1 668	1 668
Cash and cash equivalents	8 004	8 004
Liabilities		
Interest-bearing loans and borrowings	72 515	72 633
Other current financial liabilities	828	828
Trade and other payables	8 896	8 896
Other current financial liabilities	290	290

Except for the Convertible Bonds, which mature in 2017, the financial assets and liabilities have mainly short terms to maturity. Therefore, carrying amounts at the reporting date approximate the fair value. The Convertible Bonds have been listed on the Entry Standard of the Frankfurt Stock and traded at 93% as at 30 June 2015.The above fair value disclosure is based on that market value. However, it remains that for purposes of these interim financial statements, the carrying amount of the host component represents the discounted nominal amount and the carrying amount of the conversion component represents the fair value of the conversion option as at 30 June 2015.

5.2 Relationships with related parties

Related parties are those persons and companies that control IchorCoal Group or that are controlled or subject to significant influence by IchorCoal Group. Key management personnel of Ichor Coal N.V. as well as close family members of key management are also deemed related parties.

Transactions with subsidiaries and associates

Intercompany transactions within IchorCoal Group have been eliminated in the consolidated financial statements. Since 2013, Ichor Coal N.V. entered into various loan agreements with its subsidiary Vunene Mining (Pty) Ltd. for mine development purposes on a basis equal to third party agreements. As at 30 June 2015, EUR 21 583 thousand, including accrued interest of EUR 2 865 thousand, was outstanding. Furthermore, Ichor Coal N.V. performed certain group functions, which have been reimbursed from Vunene Mining (Pty) Ltd by way of a management fee of EUR 167 thousand.

Transactions with key management personnel

Key management personnel are also related parties and comprise the members of the Supervisory Board and the Management Board of Ichor Coal N.V and Vunene Mining (Pty) Ltd. No significant transactions with key management personnel occurred during the first six months ending 30 June 2015 beyond the incentive compensation.

5.3 Contingent liabilities and commitments

As at 30 June 2015, the Goup's purchase obligations from contract mining companies amount to EUR 30 527 thousand relating to the period from 2015 to 2017. Underground mine expansion capital expenditure commitments amounts to EUR 34 318 thousand.

The Group is currently not involved as a defendant in any litigations and there are no contigent liabilities identified as at 30 June 2015.

5.4 Events after the balance sheet date

On 8 June 2015 Ichor Coal concluded agreements to acquire the Continental Coal's Penumbra Coal mine.

IchorCoal will pay EUR 4,04 million (ZAR 55 million) for Continental Coal South Africa's 100% interest in Penumbra, which has a resource of 14 million gross tons in situ and produced 500 000 tons of coal per annum since 2012. The Penumbra acquisition also includes a rail siding and an annual export allocation of 18 000 tons at Richards Bay Coal Terminal.

IchorCoal intends funding the acquisitions of Penumbra through a combination of internal funds and third party funding.

The transaction remains subject to the fulfilment of a number of conditions precedent that are typical for a transaction of this nature, including requisite regulatory approvals from competition authorities and the department of mineral resources. No effective control exists as at 30 June 2015, and therefore the trasaction is classified as a subsequent event.

Rosebank, 30 September 2015

Nonkululeko Nyembezi-Heita
Chief Executive Officer

Andries Engelbrecht
Chief Operating Officer

ADDITIONAL INFORMATION

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 June 2015 in ZAR k (Unaudited)

	30 Jun 2015
Assets	
Non-current assets	
Intangible assets	26 535
Property, plant and equipment	1 039 699
Investments accounted for using the equity method	1 024 820
Deferred tax assets	3 971
	2 095 025
Current assets	
Inventories	62 104
Trade and other receivables	96 691
Other current financial assets	22 722
Other assets	2 366
Cash and cash equivalents	109 044
	292 927
Total assets	2 387 952
Equity and liabilities	
Equity	
Issued capital	97 826
Capital reserves	1 251 007
Share-Based Payment Reserves	5 652
Accumulated retained earnings	(444 711)
Profit or loss for the year	13 479
Other reserves	(165 387)
Equity attributable to owners of the parent	757 866
Non-controlling interest	145 804
	903 670
Non-current liabilities	
Other provisions	101 371
Interest-bearing loans and borrowings	982 446
Other non-current financial liabilities	11 286
Deferred tax liabilities	229 855
	1 324 958
Current liabilities	
Other provisions	19 130
Interest-bearing loans and borrowings	5 438
Other current financial liabilities	3 949
Trade and other payables	121 188
Liabilities from income taxes	240
Other liabilities	9 379
	159 324
Total liabilities	1 484 282
Total equity and liabilities	2 387 952

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 June 2015 in ZAR k (Unaudited)

	1 Jan – 30 Jun 2015 ZAR k
Revenue	301 523
Cost of sales	(254 977)
Gross profit	46 546
Income from investments	4 752
Other income	30 648
Depreciation, amortisation and impairments	(86 240)
Selling and distribution expenses	(476)
Other operating expenses	(19 145)
General and administrative expenses	(21 636)
Operating profit	(45 551)
Finance Income	154 267
Finance costs	(81 416
Profit or loss before income taxes	27 300
Income taxes	(31 922)
Profit or loss for the period	(4 622)
OTHER COMPREHENSIVE INCOME	
Items that can be reclassified to profit or loss	
Differences from currency translation	–
Other comprehensive income	–
Other comprehensive income after income taxes	–
Total comprehensive income	(4 622)
PROFIT OR LOSS ATTRIBUTABLE TO:	
Owners of the parent	13 479
Non-controlling interest	(18 101)
	(4 622)
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:	
Owners of the parent	13 479
Non-controlling interest	(18 101)
	(4 622)
Earnings/Diluted earnings per share	0,2

REVIEW REPORT

To: the shareholders of Ichor Coal N.V.

Introduction

We have reviewed the interim consolidated financial statements of Ichor Coal N.V., for the six-month period ended 30 June 2015, comprising the interim consolidated statement of financial position as at 30 June 2015 and the related interim consolidated statement of comprehensive income, interim consolidated statement of changes in equity and interim consolidated statement of cash flows for the six-month period then ended and explanatory notes. Management is responsible for the preparation of these interim consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union ("IAS 34"). Our responsibility is to issue a review report on these interim consolidated financial statements based on our review.

Scope

We conducted our review in accordance with Dutch Law including standard 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information 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 Dutch 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.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial statements for the six-month period ended 30 June 2015 are not prepared, in all material matters, in accordance with IAS 34, "Interim Financial Reporting", as adopted by the European Union.

Amsterdam, 30 September 2015

Ernst & Young Accountants LLP

Signed by JJ Vernooij

NOTES

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Ichor Coal Share

ISIN	NL0010022307
WKN	A1JQEX
Stock Symbol	IO0
Domain Stock Exchange	Frankfurt
First trading day	June 29, 2012
Transparency level	Entry Standard

Supervisory Board

Lars Windhorst (Chairman)
Paolo Barbieri
Edwin Eichler
Remi Grosjean