

Year-end report January-December 2015

(This is a translation if any differences the Swedish one is the valid.)

Fourth quarter October to December

- Operating income totaled -3 075TSEK (-2 641) TSEK
- Profit after tax was for the period amounted to -3 078 TSEK (-2 276) TSEK
- Earnings per share amounted to -0.04 SEK (-0.04) SEK
- Equity per share amounted to 0.15SEK (0.19) SEK

The period from January to December

- Operating income totaled -6 905 TSEK (-7 659) TSEK
- The result after tax was -6 560 TSEK (-7 294) TSEK
- Earnings per share amounted to SEK-0.08 (-0.10) SEK
- Equity per share amounted to 0.15 SEK (0.19) SEK

Significant events during the reporting period

- The company now supplies iron ore to China. Supply contract and the deposit has been made with Chinese Mining Sun Globe and Resources Corporation. Delta Minerals obtained in October 2015 advance payment on the first delivery.
- Delta Minerals signed a contract concerning the sale of construction sand as of October 2015
- Delta Minerals decided to expand production with brick material.
- The activities of the Philippines are estimated now to reach break-even.
- Delta Minerals conducted in November a fully underwritten rights issue of 3.2 MILLION with an option for the Company board to decide on an oversubscription of share issue of about 2 million. The rights issue was subscribed to 706%

- Delta Minerals president of the Philippine company and Board member of the parent company, Cornelio Casido acquired 2 115 217 A-shares by Patric Perenius, a former board member.

Significant events after the end of the reporting period

- Delta Minerals Ltd has completed the new share issues as the Board decided authorized by the extraordinary general meeting on 14 October 2015.

Delta Minerals

Delta Minerals AB is a public Swedish limited company listed on AktieTorget with rights to pursue environmental projects in the Philippines with the support of regional/local authorities. The company's goal is to carry on business in river deltas in northern/North-Western Philippines for the extraction of minerals and sand.

The company's operations

During the year, pilot production in Aparri, Cagayan is used to build up sales channels. This work has now been fruitful and the initial payment to the company concerning the sale took place in October.

Magnetite

The company has during the period reached a so-called framework agreement with Golden Kingdom Holding (GKH) for the sale of magnetite to China. GKH is a trading company in the field of raw materials based in Singapore.

This framework agreement will complement the company's earlier signed a contract with SunGlobe Mining and Resources Corporation.

A first call on magnetite with advance payment has been made with the Chinese SunGlobe Mining and Resources Corporation. The agreement is based on the framework agreement on 60,000 tons of iron ore.

Construction material

Agreements have been signed with Heritage Resources and Mining Corp. regarding the sale of construction sand.

The contract is initially around 4000ton/month. Volumes may increase during the dry season from November to July.

The products are delivered directly from the factory in Aparri and thereby Delta Minerals will have no transport costs.

Uses are prefab structures as beams for example the ongoing Skyway facility in Manila, cement constructions for buildings, cement pipes for drains in Manila as well as other cities in the Philippines.

Bricks

The river material as Delta Minerals takes out of the Cagayan River includes small particles known as slimes, which must be separated before the sand can be sold.

The material is very suitable for brick production. A company in southern Philippines provides equipment for this production. The technology is adapted to local conditions. Production is estimated at a few thousand tons per month, leaving an active contribution.

The production has several advantages for the company: Delta Minerals receives revenues rather than costs for handling the material. The production process is labor intensive and provides jobs for local people. The final product is affordable and contributes to the improvement of housing in the region.

This activity is part of Delta Minerals efforts to manage all river materials properly.

Turnover

Recent developments with magnetite sales (iron ore), sales of building materials sand and last sale of bricks now gives a turnover for production in Aparri, Cagayan, which will be in the range of 5-7 MSEK at current annual rate.

The sale should provide a sufficient contribution to the activities of the Philippines to cover their running costs.

The company is now working in particular on consolidating the sales and prepare for the supply of reclamation sand in the first half of the year 2016 to Chahaya, Singapore.

Intense negotiations are currently underway for nearby supplies of sand.

Economic outcomes

Group highlights

SEC	2015-10-01	2014-10-01	2015-01-01	2014-01-01
	2015-12-31	2014-12-31	2015-12-31	2014-12-31
Net sales	–	–	–	–
Other operating income	677	–	677	–
Operating expenses	-3 052 434	-2 640 885	-6 785 017	-7 659 120
Operating profit	-3 075 043	-2 640 885	-6 905 346	-7 659 120
Net financial items	18 308	364 897	45 401	364 923
Profit/loss after tax	-3 078 862	-2 275 988	-6 560 429	-7 294 197
Earnings per share	-0.04	-0.04	-0.08	-0.10
Shareholders' equity per share	0.15	0.19	0.15	0.19
Change in cash and cash equivalents	394 171	464 200	-2 997 072	3 785 349

Economic outcomes for the parent company

Profit after tax for the quarter amounted to SEK-1 980 (-774) TSEK. For January-December amounted to -4 621 (-5 036) TSEK. The balance sheet total amounted at the end of the period to 18 469 (17 404) TSEK.

Economic outcomes group

Operating income totaled -3 075 (-2 641) TSEK and for the fourth quarter to -6 905 (-7 659) TSEK for the full year. Cash flow in the fourth quarter was 394 (464) TSEK and for January to december-2 997 (3 785) TSEK.

The balance sheet total at the end of the period was 14 168 (14 984) TSEK.

Financing

The Group's liquid assets amounted to 1 029 (4 028) TSEK 31 December. The equity ratio at 31 December amounted to 90 (98) percent and the equity of 12 716 (14 606) TSEK.

During the year, the company implemented emissions totaling 5 229 TSEK. By 2015-12-31 is the share issue pending but not registered. Equity issuance has brought about 4 667 TSEK after issue costs. The recent issue was oversubscribed with 706% and ended in January 2016.

Financial and other information

Group structure

Delta Minerals AB controls 100% of Delta Minerals Environmental Inc., based in Manila, Philippines. In the beginning of 2015 a wholly owned sales companies in Singapore was formed, Delta Minerals Sg to support sales efforts.

Investments

The Group's cash net investment amounts for the quarter 84 (63) TSEK and for January to December 273 (63) TSEK.

Transactions with related parties

Milonga Resources AB has through Thomas Lundgren during the year invoiced a total of 1 226 TSEK and 557 to the company during the quarter TSEK regarding consulting and directors ' fees. Thomas Lundgren's CEO in Delta Minerals. International Advisory Management AB (IAM) has by Håkan Gustafsson invoiced during the year a total of 838 TSEK and 541 for the quarter TSEK regarding consulting and directors ' fees. Hakan Gustafsson is the Chairman of the Board in Delta Minerals. Geokraft Tore H AB has through the total invoiced during the year Tore Hallberg 50 SEK 25 to the company during the quarter TSEK regarding consulting and directors ' fees. Tore Hallberg is former Board member in Delta Minerals AB.

Number of shares

The number of shares outstanding at 31 December is 86 956 521. These are divided into 6 284 130 A-shares and 80 672 391 B shares. In the on-going issues are 40 229 353 B-shares.

Stockholm on 25 February 2016

Thomas Lundgren
CEO and Board Member

Håkan Gustafsson
Chairman of the Board

Cornelio Casido
Board Member

Christian Bönnelyche
Board Member

This interim report has not been reviewed by the company's Auditors. The annual report will be published three weeks before the annual general meeting.

For further information, please contact

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Financial information

Quarterly report Q1 May 19, 2016

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Accounts

Consolidated income statement

Amount in Swedish kronor (SEK)	2015-10-01 2015-12-31	2014-10-01 2014-12-31	2015-01-01 2015-12-31	2014-01-01 2014-12-31
Net sales	–	–	–	–
Other operating income	677	–	677	–
Other external costs	-2 027 494	-2 382 955	-5 079 700	-6 879 659
Staff costs	-1 024 940	-257 930	-1 705 317	-779 461
Depreciation, amortization and impairment losses	-23 286	–	-121 006	–
Operating profit	-3 075 043	-2 640 885	-6 905 346	-7 659 120
Financial income	57 457	364 897	85 252	364 928
Financial expenses	-39 149	–	-39 851	-5
Profit before tax	-3 056 735	-2 275 988	-6 859 945	-7 294 197
Tax	-22 128	–	299 515	–
Profit for the period	-3 078 862	-2 275 988	-6 560 429	-7 294 197
Net income attributable to:				
The parent company's shareholders	-3 078 862	-2 275 988	-6 560 429	-7 294 197
Total net income	-3 078 862	-2 275 988	-6 560 429	-7 294 197

Earnings per share

Earnings per share before and after dilution, SEK ¹	-0.04	-0.04	-0.08	-0.10
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¹ See financial ratios for more information

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amount in Swedish kronor (SEK)	2015-10-01 2015-12-31	2014-10-01 2014-12-31	2015-01-01 2015-12-31	2014-01-01 2014-12-31
Profit for the period	-3 078 862	-2 275 988	-6 560 429	-7 294 197
Other comprehensive income				
Records that later can be reversed in the income statement:				
Changes in value				
Translation differences	101 344	-164 160	2 945	-206 333
Other comprehensive income net of tax	101 344	-164 160	2 945	-206 333
Total other comprehensive income for the year	-2 977 518	-2 440 148	-6 557 484	-7 500 530
Total comprehensive income attributable to:				
The parent company's shareholders	-2 977 518	-2 440 148	-6 557 484	-7 500 530
Total comprehensive income for the period	-2 977 518	-2 440 148	-6 557 484	-7 500 530

Consolidated statement of financial position

Amount in Swedish kronor (SEK)	2015-12-31	2014-12-31
ASSETS		
Subscribed but not paid-up capital	409 241	1 450 0000
Non-current assets		
Goodwill	7 501 787	7 501 787
Property, plant and equipment	215 534	5 592
Long-term receivables	299 132	57 600
Total fixed assets	8 425 694	9 014 980
Current assets		
Inventories/work in progress	1 329 628	–
Other receivables	3 383 515	1 941 440
Cash and cash equivalents	1 029 789	4 028 101
Total current assets	5 742 932	5 969 541
TOTAL ASSETS	14 168 626	14 984 521
SHAREHOLDERS ' EQUITY AND LIABILITIES		
Amount in kronor (SEK)	2015-12-31	2013-12-31
Shareholders ' equity		
Share capital	2 000 000	1 748 292
Other capital reserves	24 830 820	20 414 913
Reserves	-203 902	-206 847
Retained earnings, including net income	-13 910 309	-7 349 881
Total shareholders ' equity	12 716 608	14 606 477
LIABILITIES		
Current liabilities		
Accounts payable	700 773	32 238
Other short-term liabilities	751 245	345 805
Total current liabilities	1 452 018	378 043
TOTAL LIABILITIES AND SHAREHOLDERS ' EQUITY	14 168 626	14 984 521

Consolidated statement of changes in equity

	2015-12-31	2014-12-31
Equity	14 606 477	7 591 046
Profit for the period	-6 560 429	-7 294 197
Other comprehensive income	2 945	-206 333
Total comprehensive income for the period	-6 557 484	-7 500 530
New share issue, net	–	12 327 197
Ongoing unregistered issuance	5 229 814	2 188 764
Issue costs	-562 200	–
Equity	12 716 607	14 606 477
Attributable to:		
The parent company's shareholders	12 716 607	14 606 477
Total shareholders' equity	12 716 607	14 606 477

Consolidated statement of cash flows

Amount in Swedish kronor (SEK)	2015-10-01 2015-12-31	2014-10-01 2014-12-31	2015-01-01 2015-12-31	2014-01-01 2014-12-31
Cash flow from operating activities				
Operating profit before financial items	-3 075 043	-2 640 885	-6 905 346	-7 659 120
Adjustments for items not included in cash flow;				
-Reversal of depreciation	121 006	–	121 006	–
Interest received	249 045	96 536	85 252	96 567
Interest paid	-32 518	–	-33 220	-5
Taxes paid	-54 739	–	-13 695	–
Cash flow from operating activities before changes in working capital	-2 792 250	-2 544 349	-6 746 003	-7 562 558
Changes in working capital	840 188	-1 151 515	142 293	-1 654 862
Increase/decrease in inventories	184 295	-162 920	-1 166 707	-162 920
Increase/decrease in other current assets	-570 161	-562 403	-699 906	-1 613 091
Increase/decrease in other current liabilities	-15 952	-400 731	405 686	97 911
Increase/decrease in accounts payable	1 242 006	-25 461	1 603 220	23 238
Cash flow from operating activities	-1 952 061	-3 695 864	-6 603 711	-9 217 420
Cash flow from investing activities				
Investments in property, plant and equipment	-83 767	-5 592	-330 962	-5 592
Investments in financial fixed assets	–	-57 600	57 600	-57 600
Cash flow from investing activities	-83 767	-63 192	-273 362	-63 192
Cash flow from financing activities				
New share issue, net after issue costs	2 430 0000	4 223 256	3 880 0000	13 065 961
Cash flow from financing activities	2 430 0000	4 223 256	3 880 0000	13 065 961
Change in cash and cash equivalents	394 171	464 200	-2 997 072	3 785 349
Reconciliation of change in cash and cash equivalents				
Opening balance of cash and cash equivalents	672 694	3 558 766	4 028 101	283 259
Effects of exchange rate changes on cash and cash equivalents	-37 076	5 135	-1 240	-40 507
Closing balance of cash and cash equivalents	1 029 789	4 028 101	1 029 789	4 028 101
Change in cash and cash equivalents	394 171	464 200	-2 997 072	3 785 349

The Group's financial ratios

Amount in Swedish kronor (SEK), where not otherwise specified	2015-10-01 2015-12-31	2014-10-01 2014-12-31	2015-01-01 2015-12-31	2014-01-01 2014-12-31
Results				
Other income				
Operating profit	-3 075 043	-2 640 885	-6 905 346	-7 659 120
Profit/loss after tax	-3 078 862	-2 275 988	-6 560 429	-7 294 197
Return dimensions				
Return on shareholders ' equity,%	-22.5%	15.6%	-48.0%	-65.7%
Return on total capital,%	-21.1%	-15.2%	-45.0%	-63.9%
Financial position				
Equity/assets ratio,%	89.8%	97.5%	89.8%	97.5%
Net worth per share, SEK	0.15	0.19	0.15	0.19
Balance sheet total	14 168 626	14 984 521	14 168 626	14 984 521
Shareholders ' equity	12 716 608	14 606 477	12 716 608	14 606 477
Per share				
The total number of outstanding shares, PCs	86 956 521	76 012 699	86 956 521	76 012 699
Weighted average number of shares, PCs	86 956 521	64 351 473	84 434 299	76 012 699
Earnings per share before dilution, SEK	-0.04	-0.04	-0.08	-0.10
Earnings per share after dilution, SEK *	-0.04	-0.04	-0.08	-0.10
Equity per share before dilution, SEK	0.15	0.19	0.15	0.19
Shareholders ' equity per share after dilution, SEK	0.15	0.19	0.15	0.19
* If the loss per share will are lower dilution effects not taken into account				
Employees				
Number of employees closing date	32.0	24.0	32.0	24.0

Parent company income statement

Amount in Swedish kronor (SEK)	2015-10-01	2014-10-01	2015-01-01	2014-01-01
	2015-12-31	2014-12-31	2015-12-31	2014-12-31
Other operating income	120 677	55 000	120 677	55 000
Other external costs	-1 848 326	-1 084 444	-4 799 010	-5 053 096
Staff costs	173 472	-169 581	-173 472	-463 309
Operating profit	-1 554 177	-1 199 025	-4 851 805	-5 461 405
Interest income	-387 278	424 788	270 130	424 819
Interest expenses and similar items	-39 445	–	-40 147	-5
Profit/loss after financial items	-1 980 900	-774 237	-4 621 822	-5 036 591
Tax	–	–	–	–
Profit/loss after tax	-1 980 900	-774 237	-4 621 822	-5 036 591

Parent company statement of comprehensive income

Amount in Swedish kronor (SEK)	2015-10-01	2014-10-01	2015-01-01	2014-01-01
	2015-12-31	2014-12-31	2015-12-31	2014-12-31
This year's results	-1 980 900	-774 237	-4 621 822	-5 036 591
Other comprehensive income, net of tax	–	–	–	–
Total comprehensive income	-1 980 900	-774 237	-4 621 822	-5 036 591
Total comprehensive income attributable to:				
The parent company's shareholders	-1 980 900	-774 237	-4 621 822	-5 036 591
Total net income	-1 980 900	-774 237	-4 621 822	-5 036 591

Parent company statement of financial position summary

Amount in Swedish kronor (SEK)	2015-12-31	2014-12-31
ASSETS		
Subscribed but not paid-up capital	409 241	1 450 0000
Participations in Group companies	7 651 170	7 593 570
Receivables from Group companies	7 999 488	4 250 906
Other long-term receivables	–	57 600
Total fixed assets	15 650 658	11 902 076
Current assets		
Short-term receivables		
Other receivables	1 674 329	509 744
Cash at bank and in hand	735 542	3 542 523
TOTAL ASSETS	18 469 770	17 404 343
SHAREHOLDERS ' EQUITY AND LIABILITIES		
Share capital	2 000 000	1 748 292
Ongoing rights issue	5 229 814	2 188 764
Total restricted equity	7 229 814	3 937 056
Non-restricted equity		
Share premium	19 601 006	10 632 579
Retained earnings	-5 042 275	7 587 886
This year's results	-4 621 822	-5 036 591
Total non-restricted equity	9 936 909	13 183 874
Total shareholders ' equity	17 166 723	17 120 930
Current liabilities		
Accounts payable	700 773	32 238
Other short-term liabilities	–	41 532
Accrued expenses and deferred income	602 274	209 643
Total current liabilities	1 303 047	283 413
TOTAL LIABILITIES AND SHAREHOLDERS ' EQUITY	18 469 770	17 404 343

STATEMENT OF CHANGES IN EQUITY OF THE PARENT COMPANY IN SUMMARY

Amount in Swedish kronor (SEK)	2015-12-31	2014-12-31
Equity	17 120 930	7 641 560
Profit for the period	-4 621 822	-5 036 591
Other comprehensive income	–	–
Total comprehensive income for the period	12 499 108	2 604 969
New share issue	–	14 610 172
Ongoing non-registered corporate actions	5 229 814	2 188 764
Issue costs	-562 200	-2 282 975
Equity	17 166 722	17 120 930

Note 1 Summary of significant accounting policies

Because of their establishment

The consolidated financial statements of Delta Minerals Group have been prepared in accordance with IAS 34, interim financial reporting. The same accounting principles, definitions relating to key figures and calculation methods were applied as in the most recent annual report both for the Group and for the parent company.

To draw up reports in accordance with IFRS requires the use of some important estimates for accounting purposes. Furthermore, it requires that management make certain estimates for the purposes of applying the Group's accounting policies.

Changes in accounting policies and disclosures

No standards, amendments and interpretations issued and effective for the financial year beginning 1 January 2015 has had a significant impact on the Group's financial statements.

New standards and interpretations which are not yet applied

When preparing the consolidated financial statements as of December 31, 2015, a number of standards and interpretations has been published which has not yet entered into force and which are applicable for Delta Minerals. The following is a preliminary assessment of the impact of the introduction of these standards and statements can get at Delta Minerals financial reports:

IFRS 9 financial instruments "manages classification, valuation and accounting for financial assets and liabilities. The full version of IFRS 9 was released in July 2014. It supersedes the parts of IAS 39 that manages the classification and measurement of financial instruments. IFRS 9 retains a mixed evaluation methode but simplifies this approach in some respects. The standard is to be applied for annual periods beginning 1 January 2018. Earlier application is permitted. The Group has not yet evaluated the impact of the introduction of the standard.

IFRS 15 "Revenue from contracts with customers" regulates how accounting of proceeds to occur. The principles to IFRS 15 based on will provide users of financial reports more useful information about the company's revenue. IFRS 15 supersedes IAS 18 Revenue and IAS 11 construction contracts and related SIC and IFRIC. IFRS 15 enters into force 1 January 2017. Early application is permitted. The Group has not yet evaluated the impact of the introduction of the standard.

No other of the IFRS or IFRIC interpretations, which has not yet entered into force, is expected to have a material effect on the group.