

## Interim report January-March 2016

(This is a translation of the Swedish version. If any differences, Swedish is the valid one.)

### The period from January to March

- Operating income totaled -1 077 (-1 467) TSEK
- Profit after tax for the period amounted to -879 (-675) TSEK
- Earnings per share amounted to -0.01 (-0.03) SEK
- Shareholders ' equity per share was 0.09 (0.61) SEK
- The rights issue of November/December 2015 of 5.2 MSEK was registered in January 2016

### Significant events after the end of the reporting period

- Delta Minerals signed a partnership agreement in April 2016 with Chahaya Shipping & Trading Co. PTE LTD Singapore and is now preparing the deliveries.
- Delta Minerals was awarded price for best CRS project (Corporate Social Responsibility) in the Nordic group of companies in the Philippines, April 2016
- Delta Minerals concluded a rights issue of 18.9 MSEK in April and May 2016, which was oversubscribed by 186%
- The Board pursued a directed equity issue offer of 2.2 MSEK.

## 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 objective is to commence operations in estuaries in the North West/Northern Philippines for the extraction of minerals and sand

## The company's operations

Chahaya Shipping & Trading Co. PTE LTD and Delta Minerals have signed a partnership agreement in April 2016 to increase sand volumes to about 1 million ton annually. Chahaya is a shipping and trading company, handling shipping and sale of reclamation sand to the government of Singapore.

In conjunction to the negotiations, Delta Minerals presented a Master Plan for Chahaya, to ensure the above deliverables. The plan describes how Panamax vessels will be loaded outside the Cagayan River mouth. Delta Minerals will also store the reclamation sand at the mouth close to the anchorage ground.

The expansion to deliver 1 million tons reclamation sand per year now commences. Chahaya is presenting the company plans for purchasers in Singapore. Request for quotation for sand deliveries are made on an ongoing basis, so we are likely to soon face deliveries.

The company has worked intensively in recent months to complete the Master Plan. Gauging the river mouth have been pursued, planning detailed logistics. An island in the river mouth will be used for stockpiling reclamation sand close to anchorage ground for the large Panamax vessels. A large area of sand storage on the eastern side has also been identified. Initially we will have slightly higher costs, but as the logistics is expanding, the business will become more cost efficient.

The cost of commencing the operations have significantly been reduced relative to the company assessment, made in autumn 2015. The initial dredging costs have been reduced, due to favorable bathymetric studies. By starting with modular plants, even the initial costs have been reduced.

Delta Minerals is one of the few companies in the Philippines, having all the necessary permits for reclamation sand and the company is strategically located in the Philippines. Other countries in the region have been interested in Delta Minerals' products and business concept, and we have great expectations that potential customers project will be further developed.

In conjunction with the Chahaya partner agreement, the company has pursued out a rights issue to ensure that Delta Minerals will be well funded to respond to the Chahaya's increased demand.

The downward trend of iron ore price now seems to have reversed and the last few months in the spring of 2016, the price has increased sharply to more normal levels. The company has since the fall of 2015 received advances from the main customer SunGlobe.

### **Social and ecological work**

In addition to the works that we have been able to contribute, Delta Minerals is contributing to equip a local school. This has been made with construction materials that the company has been manufacturing and our support. We have also been supporting a hospital in Manila, run by the Catholic order; The Dominican Sisters of the Presentation.

In April 2016, the company was awarded the prize as the best CRS project (Corporate Social Responsibility) among the Nordic Business Council members in the Philippines.

### **The share**

The interest of the company has increased significantly and the number of shareholders has increased to 5800. The large number of shareholders allows for a powerful work in the Philippines.

Delta Minerals' rights issue was oversubscribed by 13.3 MSEK and was signed to 183 percent. 17.9 MSEK was added to the company through this issue. In total, investors for more than 29 MSEK were interested to participate in the share issue. The Board has also pursued a directed equity issue of additional 2.2 MSEK.

## Economic outcomes

### Group highlights

SEK	2016-01-01 2016-03-31	2015-01-01 2015-03-31	2015-01-01 2015-12-31
Net sales	–	–	–
Other operating income	–	–	–
Operating expenses	-1 076 581	-1 466 579	-6 819 609
Operating profit	-1 076 581	-1 466 579	-6 819 609
Net financial items	197 180	471 607	-184 467
Profit/loss after tax	-879 401	-674 926	-6 328 899
Earnings per share	-0.01	-0.03	-0.07
Shareholders ' equity per share	0.09	0.61	0.15
Change in cash and cash equivalents	943 175	-2 070 276	-2 124 509

### Economic outcomes for the parent company

Profit after tax for the period January-March amounted to -867 (-1 004) TSEK. The balance sheet total amounted at the end of the period to 19 033 (16 789) TSEK.

### Economic outcomes group

The group does not have any sales or other sales in the first quarter. Operating income totaled -1 077 (-1 467) TSEK. Cash flow during the period was January to March 943 (-2 070) TSEK from operations 681 (-1 737) TSEK.

The balance sheet total at the end of the period was 15 027 (14 514) TSEK.

### Financing

The Group's liquid assets amounted to 1 973 (2 008) TSEK per 31 March.

## Financial and other information

### Group structure

Delta Minerals AB controls 100% of the Delta Environmental Projects, Inc., based in Manila, the Philippines. In the beginning of 2015, a sales company was established in Singapore to support sales efforts.

### Investments

The Group's cash net investment amounts for the quarter to -30 (333) TSEK.

### Transactions with related parties

Milonga Resources AB has during the quarter by Thomas Lundgren invoiced 334 TSEK company regarding consulting and directors ' fees, Thomas Lundgren's CEO of Delta Minerals AB. International Advisory Management AB (IAM) has in the quarter by Hakan Gustafsson invoiced 127 TSEK company regarding consulting and directors ' fees. Hakan Gustafsson is Chairman of the Board in Delta Minerals AB. Consumer

Minds in Djursholm AB has by Christian Bönnelyche invoiced 24 TSEK company regarding consulting and directors ' fees, Christian Bönnelyche is a member of the Board of Delta Minerals AB.

### Number of shares

The number of shares outstanding as of March 31, 2016 is 127 185 856. These are divided into 6 284 130 A-shares and 120 901 726 B-shares.

STOCKHOLM on May 19, 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.

### For further information, please contact

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### Financial information

Quarterly report Q2 30 August 2016

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## Accounts

### Consolidated income statement

Amount in Swedish kronor (SEK)	2016-01-01 2016-03-31	2015-01-01 2015-03-31	2015-01-01 2015-12-31
<b>Net sales</b>	–	–	–
Other operating income	–	–	–
Other external costs	-931 636	-1 128 135	-5 519 902
Staff costs	-144 665	-338 444	-1 178 701
Depreciation, amortisation and impairment losses	-279	–	-121 006
<b>Operating profit</b>	<b>-1 076 581</b>	<b>-1 466 579</b>	<b>-6 819 609</b>
Financial income	222 986	471 607	85 268
Financial expenses	-25 806	–	-269 735
<b>Profit before tax</b>	<b>-879 401</b>	<b>-994 972</b>	<b>-7 004 076</b>
Tax	–	320 046	675 177
<b>Profit for the period</b>	<b>-879 401</b>	<b>-674 926</b>	<b>-6 328 899</b>
<b>Net income attributable to:</b>			
The parent company's shareholders	-879 401	-674 926	-6 328 899
<b>Total net income</b>	<b>-879 401</b>	<b>-674 926</b>	<b>-6 328 899</b>
<b>Earnings per share</b>			
Earnings per share before and after dilution, SEK <sup>1</sup>	-0.01	-0.03	-0.07

<sup>1</sup> See financial ratios for more information

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amount in Swedish kronor (SEK)	2016-01-01 2016-03-31	2015-01-01 2015-03-31	2015-01-01 2015-12-31
<b>Profit for the period</b>	<b>-879 401</b>	<b>-674 926</b>	<b>-6 328 899</b>
<b>Other comprehensive income</b>			
Records that later can be reversed in the income statement:			
Translation differences	4 451	-333 034	3 205
<b>Other comprehensive income net of tax</b>	<b>4 451</b>	<b>-333 034</b>	<b>3 205</b>
<b>Total other comprehensive income for the year</b>	<b>-874 950</b>	<b>-1 007 960</b>	<b>-6 325 694</b>
<b>Total comprehensive income attributable to:</b>			
The parent company's shareholders	-874 950	-1 007 960	-6 325 694
<b>Total comprehensive income for the period</b>	<b>-874 950</b>	<b>-1 007 960</b>	<b>-6 325 694</b>

## Consolidated statement of financial position

Amount in Swedish kronor (SEK)	2016-03-31	2015-03-31	2015-12-31
<b>ASSETS</b>			
Subscribed but not paid-up capital	77 894	1 450 0000	409 241
<b>Non-current assets</b>			
Goodwill	7 501 787	7 501 787	7 501 787
Property, plant and equipment	184 415	338 998	215 534
Long-term receivables	674 419	57 600	674 313
<b>Total fixed assets</b>	<b>8 438 515</b>	<b>9 348 385</b>	<b>8 800 875</b>
<b>Current assets</b>			
Inventories	1 846 329	22 454	1 059 472
Other receivables	2 769 497	3 134 822	–
Cash and cash equivalents	1 972 999	2 008 269	1 902 352
<b>Total current assets</b>	<b>6 588 826</b>	<b>5 165 545</b>	<b>5 655 882</b>
<b>TOTAL ASSETS</b>	<b>15 027 341</b>	<b>14 513 930</b>	<b>14 456 757</b>
<b>SHAREHOLDERS ' EQUITY AND LIABILITIES</b>			
<b>Amount in Swedish kronor (SEK)</b>	<b>2016-03-31</b>	<b>2015-03-31</b>	<b>2015-12-31</b>
<b>Shareholders ' equity</b>			
Share capital	2 925 275	1 833 249	2 000 000
Other capital reserves	23 905 545	12 736 385	24 830 820
Reserves	-199 191	-333 034	-203 642
Earned income including net income	-14 558 180	-453 937	-13 678 779
<b>Total shareholders ' equity</b>	<b>12 073 448</b>	<b>13 782 664</b>	<b>12 948 399</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable	445 828	213 145	700 773
Other short-term liabilities	2 508 064	518 121	807 585
<b>Total current liabilities</b>	<b>2 953 892</b>	<b>731 266</b>	<b>1 508 358</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS ' EQUITY</b>	<b>15 027 340</b>	<b>14 513 930</b>	<b>14 456 757</b>

## Consolidated statement of changes in equity

	2016-03-31	2015-03-31	2015-12-31
<b>Equity</b>	<b>12 948 399</b>	<b>14 606 477</b>	<b>14 606 477</b>
Profit for the period	-879 401	-674 926	-6 328 899
Other comprehensive income	4 450	-148 888	3 206
<b>Total comprehensive income for the period</b>	<b>-874 951</b>	<b>-823 814</b>	<b>-6 325 693</b>
Ongoing unregistered issuance	—	—	5 229 815
Issue costs	—	—	-562 200
<b>Equity</b>	<b>12 073 448</b>	<b>13 782 663</b>	<b>12 948 399</b>
<b>Attributable to:</b>			
The parent company's shareholders	12 073 448	13 782 663	12 948 399
<b>Total shareholders' equity</b>	<b>12 073 448</b>	<b>13 782 663</b>	<b>12 948 399</b>

## Consolidated statement of cash flows

	2016-01-01 2016-03-31	2015-01-01 2015-03-31	2015-01-01 2015-12-31
<b>Amount in Swedish kronor (SEK)</b>			
<b>Cash flow from operating activities</b>			
Operating profit before financial items	-1 076 581	-1 466 579	-6 819 609
Adjustments for items not included in cash flow;			
-Reversal of depreciation	279	–	121 006
Interest received	222 986	201 922	85 268
Interest paid	-26 681	–	-263 105
Taxes paid	-377 406	-19 899	-13 215
Cash flow from operating activities before changes in working capital	-1 257 402	-1 284 556	-6 889 655
Changes in working capital	1 938 173	-452 896	1 158 249
Increase/decrease in trade receivables			
Increase/decrease in inventories	-679 306	-22 454	-896 551
Increase/decrease in other current assets	1 110 770	-715 921	-10 448
Increase/decrease in other current liabilities	1 761 655	104 571	462 028
Increase/decrease in accounts payable	-254 945	180 908	1 603 220
<b>Cash flow from operating activities</b>	<b>680 771</b>	<b>-1 737 452</b>	<b>-5 731 406</b>
<b>Cash flow from investing activities</b>			
Investments in property, plant and equipment	–	-332 824	-330 963
Sale of property, plant and equipment	30 874	–	57 600
<b>Cash flow from investing activities</b>	<b>30 874</b>	<b>-332 824</b>	<b>-273 363</b>
<b>Cash flow from financing activities</b>			
New share issue	231 530	–	3 880 260
<b>Cash flow from financing activities</b>	<b>231 530</b>	<b>–</b>	<b>3 880 260</b>
<b>Change in cash and cash equivalents</b>	<b>943 175</b>	<b>-2 070 276</b>	<b>-2 124 509</b>
<b>Reconciliation of change in cash and cash equivalents</b>			
Opening balance of cash and cash equivalents	1 029 789	4 028 101	4 028 101
Effects of exchange rate changes on cash and cash equivalents	35	50 443	-1 240
Closing balance of cash and cash equivalents	1 972 999	2 008 268	1 902 352
<b>Change in cash and cash equivalents</b>	<b>943 175</b>	<b>-2 070 276</b>	<b>-2 124 509</b>



## The Group's financial ratios

Amount in Swedish kronor (SEK), where not otherwise specified	<b>2016-01-01</b> <b>2016-03-31</b>	<b>2015-01-01</b> <b>2015-03-31</b>	<b>2015-01-01</b> <b>2015-12-31</b>
<b>Results</b>			
Operating profit	-1 076 581	-1 466 579	-6 819 609
Profit/loss after tax	-879 401	-674 926	-6 328 899
<b>Return dimensions</b>			
Return on shareholders ' equity,%	-7.0%	-4.8%	-45.9%
Return on total capital,%	-6.0%	-4.6%	-43.0%
<b>Financial position</b>			
Equity/assets ratio,%	80.3%	95.0%	89.6%
Balance sheet total	15 027 341	14 513 930	14 456 757
Shareholders ' equity	12 073 448	13 782 663	12 948 399
<b>Per share</b>			
The total number of outstanding shares, PCs	127 185 856	22 706 276	86 956 521
Weighted average number of shares, PCs	115 564 048	22 706 276	84 434 299
Earnings per share before and after dilution, SEK	-0.01	-0.03	-0.07
Equity per share before and after dilution, SEK	0.09	0.61	0.15
* If the loss per share will be lower dilution effects not taken into account.			
<b>Employees</b>			
Number of employees closing date	32.0	24.0	32.0

## Parent company income statement

	2016-01-01	2015-01-01	2015-01-01
Amount in Swedish kronor (SEK)	2016-03-31	2015-03-31	2015-12-31
Other operating income	–	–	120 677
Other external costs	-1 108 883	-1 389 330	-4 799 010
Staff costs	-4 306	-86 736	-173 472
Depreciation and amortization	–	–	–
<b>Operating profit</b>	<b>-1 113 189</b>	<b>-1 476 066</b>	<b>-4 851 805</b>
Interest income	271 555	471 607	270 130
Interest expenses and similar items	-25 806	–	-40 147
<b>Profit/loss after financial items</b>	<b>-867 441</b>	<b>-1 004 459</b>	<b>-4 621 822</b>
Tax	–	–	–
<b>Profit/loss after tax</b>	<b>-867 441</b>	<b>-1 004 459</b>	<b>-4 621 822</b>

## Parent company statement of comprehensive income

	2016-01-01	2015-01-01	2015-01-01
Amount in Swedish kronor (SEK)	2016-03-31	2015-03-31	2015-12-31
<b>This year's results</b>	-867 441	-1 004 459	-4 621 822
<b>Other comprehensive income:</b>			
<b>Other comprehensive income, net of tax</b>	–	–	–
<b>Total comprehensive income</b>	<b>-867 441</b>	<b>-1 004 459</b>	<b>-4 621 822</b>
<b>Total comprehensive income attributable to:</b>			
The parent company's shareholders	-867 441	-1 004 459	-4 621 822
<b>Total net income</b>	<b>-867 441</b>	<b>-1 004 459</b>	<b>-4 621 822</b>

## Parent company statement of financial position summary

Amount in Swedish kronor (SEK)	2016-03-31	2015-03-31	2015-12-31
<b>ASSETS</b>			
Subscribed but not paid-up capital	77 894	1 450 0000	409 241
Participations in Group companies	7 651 170	7 651 170	7 651 170
Receivables from Group companies	9 623 997	5 979 756	8 119 488
Other long-term receivables	–	–	–
<b>Total fixed assets</b>	<b>17 275 167</b>	<b>13 630 926</b>	<b>15 770 658</b>
<b>Current assets</b>			
<b>Short-term receivables</b>			
Other receivables	432 533	471 287	659 936
Cash at bank and in hand	1 247 318	1 236 577	1 629 935
<b>TOTAL ASSETS</b>	<b>19 032 912</b>	<b>16 788 790</b>	<b>18 469 770</b>
<b>SHAREHOLDERS ' EQUITY AND LIABILITIES</b>			
Share capital	2 925 275	1 833 249	2 000 000
Ongoing rights issue	–	1 450 0000	925 275
<b>Total restricted equity</b>	<b>2 925 275</b>	<b>3 283 249</b>	<b>2 925 275</b>
<b>Non-restricted equity</b>			
Share premium	16 311 974	11 286 385	12 007 436
Ongoing rights issue	–	–	4 304 539
Retained earnings	-2 070 527	2 551 295	2 551 295
This year's results	-867 441	-1 004 459	-4 621 822
<b>Total non-restricted equity</b>	<b>13 374 007</b>	<b>12 833 221</b>	<b>14 241 448</b>
<b>Total shareholders ' equity</b>	<b>16 299 282</b>	<b>16 116 470</b>	<b>17 166 723</b>
<b>Current liabilities</b>			
Accounts payable	445 828	213 145	700 773
Other short-term liabilities	2 000 000	–	–
Accrued expenses and deferred income	287 802	459 174	602 274
<b>Total current liabilities</b>	<b>2 733 630</b>	<b>672 319</b>	<b>1 303 047</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS ' EQUITY</b>	<b>19 032 912</b>	<b>16 788 789</b>	<b>18 469 770</b>

Statement of changes in equity of the parent company in summary

Amount in Swedish kronor (SEK)	2016-03-31	2015-03-31	2015-12-31
<b>Equity</b>	17 166 723	17 120 930	17 120 930
Profit for the period	-867 441	-1 004 459	-4 621 822
Other comprehensive income	–	–	–
<b>Total comprehensive income for the period</b>	<b>16 299 283</b>	<b>16 116 471</b>	<b>12 499 108</b>
Ongoing unregistered issuance	–	–	5 229 814
Issue costs	–	–	-562 199
<b>Equity</b>	<b>16 299 283</b>	<b>16 116 471</b>	<b>17 166 723</b>

## Note 1 Summary of significant accounting policies

### **Base for the report**

The consolidated financial statements of Delta Minerals Group has 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. The areas involving a high degree of judgement, which is complex, or areas where assumptions and estimates are significant to the consolidated financial statements are set out in note 4.

### **Changes in accounting policies and disclosures**

No standards, amendments and interpretations issued and effective for the financial year beginning 1 January 2016 has had a significant impact on the Group's financial statements.