
Deutsche Rohstoff
ANNUAL REPORT 2015

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CORPORATE BODIES (AS OF 31/12/2015)

EXECUTIVE BOARD	DR. THOMAS GUTSCHLAG DR. JÖRG REICHERT
SUPERVISORY BOARD	MARTIN BILLHARDT (Chairman) PROF. DR. GREGOR BORG WOLFGANG SEYBOLD

DEUTSCHE ROHSTOFF GROUP AT A GLANCE

(Annual financial statements in accordance with the German Commercial Code (HGB) / Consolidated Financial Statements)

IN TEUR	31/12/2015	31/12/2014	31/12/2013
Sales Revenue	1,899	22,870	17,762
EBITDA	4,906	113,768	1,906
EBIT	2,419	88,726	-5,432
Result from ordinary activities	-557	84,661	-7,809
Net profit (after minority interests)	1,155	25,171	-8,304
Cash and cash equivalents	83,032	103,325	50,461
Shareholder's equity	61,840	62,488	38,894
Equity ratio in %	48.3	46.4	29.6
Number of shares in thousands (DRAG)	5,063	5,322	5,322
Market capitalization	74,933	89,837	128,795

SHARE DETAILS (AS OF 31/12/2015)

Total number of shares	5,063,072
Amount of share capital	EUR 5,063,072.00
Stock exchange/ trading exchange	XETRA / Frankfurt, Berlin, Düsseldorf, Stuttgart
ISIN / WKN	DE000A0XYG76 / A0XYG7
Stock exchange segment:	Entry Standard, member of the Peformance Index Top 30, DAX Int. Mid 100 Index and the Rhine-Neckar Index
Designated Sponsor	ICF Bank AG

SHAREHOLDER STRUCTURE

Management	9.90 %
Deutsche Rohstoff AG (from the share buyback programme)	2.50 %
BASF-VC	6.31 %
Other investors	81.29 %

FINANCIAL CALENDAR 2016

Financial Statement Press Conference	10/05/2016
Release 2015 Group results	10/05/2016
Annual General Meeting 2016	05/07/2016
Release of 2016 Half Year Group results (Group interim financial report)	until 30/09/2016

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LETTER TO THE SHAREHOLDERS

DEAR SHAREHOLDERS OF DEUTSCHE ROHSTOFF AG
LADIES AND GENTLEMEN,

For our company the year 2015 is best described by the expansion of our project portfolio. In the USA we acquired acreage for the development of oil and gas production and successfully completed initial drillings. With Salt Creek Energy we have furthermore established a new company in the US oil and gas business, with a very experienced management team at its command. In the metals division we continued to support Almonty Industries and completed a new investment in the company Hammer Metals. Ceritech proceeded its activities in the area of rare earths and Tin International was able to extend its licenses in Saxony.

DR. THOMAS GUTSCHLAG,
CEO, DEUTSCHE ROHSTOFF AG

All this took place in a continuously weak market environment with commodity prices heading south practically throughout the entire year. The US oil benchmark WTI, which is relevant to our US business, lost 31 % of its value, after prices had already slumped by 44 % in 2014. European traded Ammonium paratungstate (APT), the tungsten benchmark for Almonty, performed even worse with minus 46 %.

In light of this development our decisions to sell the operative units in the USA and the Wolfram Mine in Australia in 2014 turned out once again to be absolutely right. The sales have given us the financial flexibility in the past year allowing us to identify interesting resource projects and also, where appropriate, to invest in these. The focus of our investments was again the US oil and gas sector. In the metal division we have rather focused on the development of existing assets. The only exception is the relatively small investment in Hammer Metals.

The annual results turned out to be better than expected a year ago. In last years annual report we had forecasted a considerable single-digit loss for the Group, due to limited sales. Despite this, at the end of the year there was a mildly positive consolidated result of EUR 0.4 million and EUR 1.1 million after minority interests. The overall performance amounted to EUR 11.7 million, earnings before interest, taxes and amortizations (EBITDA) EUR 4.1 million, and earnings before interest and taxes (EBIT) EUR 2.0 million.

The main reason for this pleasing result was once again EUR/USD currency gains, which totalled almost EUR 9 million. Correspondingly, the parent company Deutsche Rohstoff AG (DRAG) recorded a positive result. Its annual net profit totalled EUR 3.5 million. This enables us to recommend a dividend payment of EUR 0.55 per share to this year's annual general meeting. We are thus continuing our shareholder-friendly dividend policy. The distribution of a reliable and highest possible dividend remains an essential objective for the future.

In 2015 we have simplified our corporate structure at various points. The Board of Directors of Australian Tin International Ltd decided to pay out the shares of the daughter company Tin International AG, formerly Sachsenzinn GmbH, and subsequently to liquidate the company. This step brought savings of around EUR 80,000 per year. We have also divested ourselves from Strategic Resources Development in Australia and have initiated a sales process for Jutland Petroleum. At Devonian Metals we have undertaken a further writedown, to take into account the difficult market situation.

Financially, the Group is on firm ground. The balance sheet total has slightly reduced to EUR 128 million. The assets consist furthermore in large part of liquid funds and securities, which are relatively easily saleable. As at 31 December 2015 EUR 83 million, that is, 65 % of assets fell in both these categories. Equity amounted to EUR 60.9 million, which corresponded to an equity ratio of 48 % following 46 % in the previous year. We were thus not only solidly financed, but also capable of acting at all times.

The development of the DRAG share price did not of course meet our expectations. It fell by nearly 9 % from the closing price of EUR 16.20 on January 2nd to EUR 14.80 on December 30th. However, in comparison with most companies in the industry, this is actually a relatively good result, partly due to the share buyback programme which started in August and resulted in the buyback of 127,810 shares. In the 2014 and 2015 we have returned EUR 10 million to shareholders in the form of share buybacks and dividends.

For the current year we have ambitious plans. We want to drill more intensively in the USA for oil and gas. Production, turnover and revenue will substantially increase over the course of the year. In December 2015 we have forecasted an annual result of EUR 10 million for the Group. We keep this target unchanged. Should, as we expect, the price of oil climb moderately by the close of the year, this will reflected in the share price. Over the past twelve months we have laid the foundation for a successful business and will consequently begin to reap the benefits this year.

DR. JÖRG REICHERT,
CTO, DEUTSCHE ROHSTOFF AG

COMMODITIES ARE THE FUTURE.
COME WITH US.

Glückauf – as the German miners' good luck call goes – from Heidelberg.

Dr. Thomas Gutschlag
CEO

Dr. Jörg Reichert
CTO

AN INTERVIEW WITH THE CEO, DR. THOMAS GUTSCHLAG

The price of crude oil has dropped by one-third since 2014. At the end of 2015, it had reached a 10-year low. What are the main drivers behind it and what price trends do you see for the year 2016 and beyond?

Dr. Thomas Gutschlag: "The key drivers for the oil price were mainly the strong dollar and a surplus of oil supply which has to be absorbed by the market first before prices will recover. My expectation for WTI (West Texas Intermediate) crude oil in 2016 lies between USD 40 and USD 50 per barrel. I see a moderate increase in oil prices in the coming years with markets rebalancing."

In September your US American subsidiary Elster Oil & Gas began production through five horizontal wells and announced that further wells would follow in 2016. Are you holding onto that target?

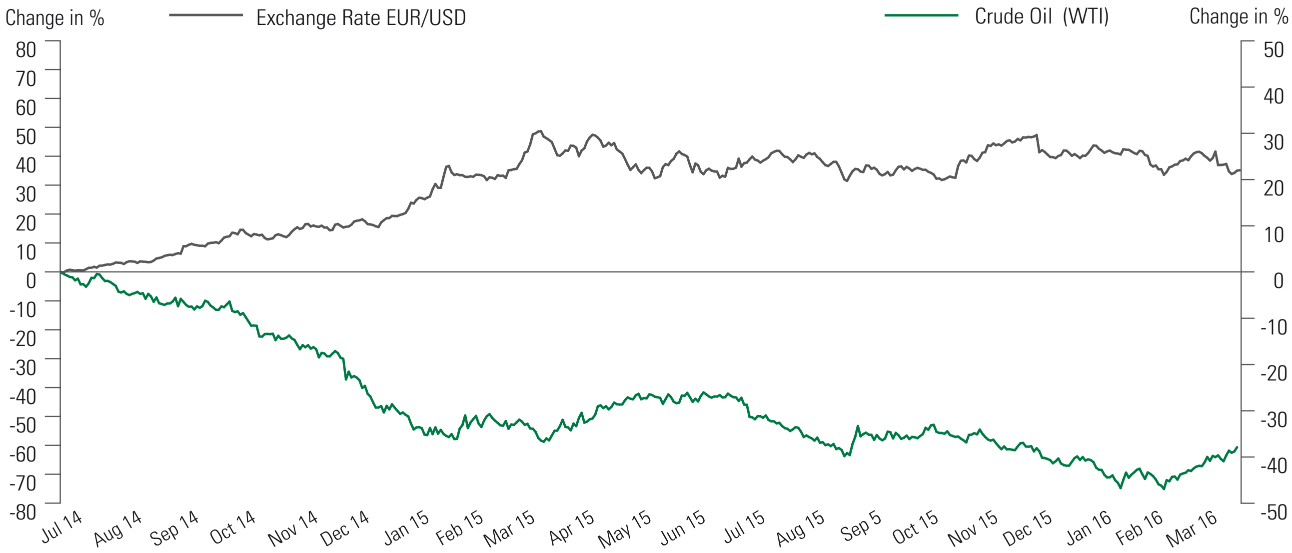
Dr. Thomas Gutschlag: "Absolutely. Our wells are profitable at current prices and we expect their recovery to continue. Elster Oil & Gas is however not the operator. Therefore, we are dependent on the final decision of the operator of the wells in Denver. Under current conditions the next six wells will go into production during the course of the summer."

Cub Creek Energy was planning to start its first drill programme between Q4 2015 and latest Q1 2016. Is there a definite timeline?

Dr. Thomas Gutschlag: "Yes, we are planning very specifically to begin drilling activities in the coming weeks. We want to drill two well sites one after the other."

How do you see the likelihood of acquiring further acreage in the US? Do you have room for action in the current situation and what role will Salt Creek Oil & Gas play in this strategy?

CRUDE OIL PRICE DEVELOPMENT (WTI) COMPARED TO THE EXCHANGE RATE EUR/USD



Dr. Thomas Gutschlag: "We are constantly acquiring smaller fields that complement the already existing tenements and allow for additional wells. At the same time we have been and are regularly participating in numerous sales processes for existing production and larger land packages. We have a clear strategy that includes certain economic hurdle rates from which we will not back down. It is therefore difficult to foresee how successful we will be. The US market is very competitive. However, Salt Creek has a very experienced team which seeks out opportunities independently. This gives us an even stronger market presence."

Are there any further acquisition targets?

Dr. Thomas Gutschlag: "We see gold projects as attractive. In this market we look very intensely at all possible investments.

Almonty is DRAG's most important non-oil holding. Through the purchase of convertible bonds and shares, Deutsche Rohstoff has further strengthened its engagement with Almonty. What is the rational behind this strategy in the context of low tungsten prices and Almonty's relatively high debt to equity ratio?

Dr. Thomas Gutschlag: "In the last two years Almonty has evolved into one of the largest of the few remaining western producers of tungsten concentrates. The tungsten market is small but it is a very important metal for many industrial applications. With the acquisition of Sangdong in South Korea, Almonty has scored a real coup. This is one of the largest and commercially most interes-ting tungsten deposits outside of China. We are confident that the tungsten price will rebound significantly in 2016. We consider Almonty's debt burden as manageable."

In the last AGM you described the oil and gas division as DRAG's "bread-and-butter business" and the metal projects in the portfolio as "icing on the cake". What value do you assign to your metal projects? What is the future business strategy going to look like and are you planning further acquisitions or divestments?

Dr. Thomas Gutschlag: "As for my assessment, nothing has changed. The oil production generates stable revenue and profits which will clearly increase in the coming years. Our investments in the metals division, such as Almonty or Hammer Metals, do not contribute to a steady revenue stream, but will in our view increase significantly in value over the medium term. Once we consider the time to be right, we will cash-in on these.

We are always on the lookout for exciting opportunities and we have a very competent team that constantly evaluates potential projects. However, the development of our existing portfolio is paramount, as we don't want to lose focus with an inflated portfolio."

You have the ordinary right to call the issued bond for the first time on 11th July 2016. Do you intend to take advantage of the possibility?

Dr. Thomas Gutschlag: "Our goal is to reduce the financing costs. At the same time, however, we don't want to restrict our financial leeway. Whether we call the bond will depend on what financial alternatives we can develop."

Will a third share buyback program follow in the near future, after the initial two?

Dr. Thomas Gutschlag: "A third buyback programme is not planned at the present time. However, we can decide on a further scheme very quickly if we deem it to be reasonable."

What investment volumes do you see in the coming years for DRAG divisions?

Dr. Thomas Gutschlag: "The main part of our investments will go into oil production and development in the USA. Investments in that area could easily exceed the USD 100 million mark."

ANALYST COVERAGE

Analyst reports are an important instrument for investors and the media to provide them with independent information covering the business performance of a public limited company. These reports interpret the development of the company and the commodity market, make own estimations of the price development and profits to publish a target price for the share. In 2015 First Berlin, an independent financial company based in Berlin, and the Hamburg based private bank M.M. Warburg analysed the stock of Deutsche Rohstoff.

STOCK

The DRAG stock has been listed in the Entry Standard Segment of the Frankfurt Stock Exchange with the securities identification number WKN: AOXYG7 and ISIN: DE000AOXYG76 since the start of business on 27th May 2010. The stock exchange abbreviation is 'DR0'. Since the beginning of 2011 the stock has belonged to the 'Entry Standard Performance Index TOP 30' and in the meantime also to the 'DAX International Mid-100' as well to the local 'Rhein-Neckar-Index'.

During the year the Deutsche Rohstoff share price fell by 9 % – from EUR 16.20 to EUR 14.80 – with an average daily trading volume of 5,582 shares per day. Market capitalization amounted to some EUR 74.93 million by the end of December 2015.

A second share buyback programme commenced at the beginning of August after shares valued at EUR 5 million had already been bought back in 2014. By the end of 2015 a total of 127,810 shares valued at EUR 1.96 million had been purchased at an average price of EUR 15.54 per share. The 259,075 shares from the 2014 buyback programme were withdrawn in October 2015. The resulting number of shares decreased to 5,063,072.

At the annual general meeting on 21st July 2015 the distribution of a dividend at EUR 0.50 per share was decided and on the following day the amount was transferred to the shareholders' accounts. It was the second dividend after the payment of EUR 0.10 in the year 2013.

BOND

Deutsche Rohstoff issued a bond in the amount of EUR 62.5 million with an annual interest of 8 % in July 2013. This has a term until July 2018 and may be terminated for the first time in July 2016.

ANNUAL GENERAL MEETING 21 JULY 2015, WIESLOCH

DEUTSCHE ROHSTOFF SHARE PRICE

Following a first buyback programme in 2014, at a nominal EUR 5.1 million, a further buyback programme occurred in the market in the period covered by this report, in which bonds to a nominal value of EUR 5.6 million could be acquired. The entire outstanding volume amounted to around EUR 51 million at the end of 2015.

The price of the listed bonds in the Entry Standard for bonds on the Frankfurt Stock Exchange fluctuated - from the point of view of short outliers - between 104 % and 109 % in the period under review.

In January and July 2015 interest payments were made on time. The rating score BB+ was re-confirmed by Creditreform in June 2015.

GENERAL MEETING AND ANALYSTS' CONFERENCES

The fifth annual general meeting as a public company took place on 21st July 2015 at the Palatin Kongresshotel in Wiesloch near Heidelberg. 180 shareholders attended the meeting. All proposals by the management were agreed with a substantial majority.

In addition, Deutsche Rohstoff once again participated in various capital market conferences.

This year's annual general meeting will take place on 5th July 2016 in Best Western Plus Palatin Kongresshotel in Wiesloch again.

SHAREHOLDER STRUCTURE

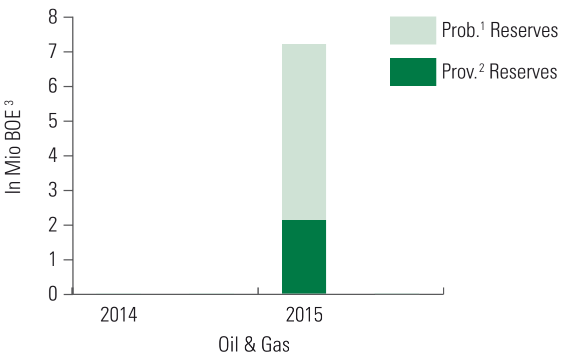
The current equity of EUR 5,063,072 is divided into an equal amount of registered shares. The Board held 9.9 % of these at the end of December 2015, BASF-VC 6.31 %, DRAG 2.5 % due to the buyback programme from August 2015 and other institutional and private investors 81.29 %. The total number of investors was around 4,243. The shares repurchased in 2015 had up till now not been withdrawn. The company is therefore reckoning in all publications with the old number of shares.

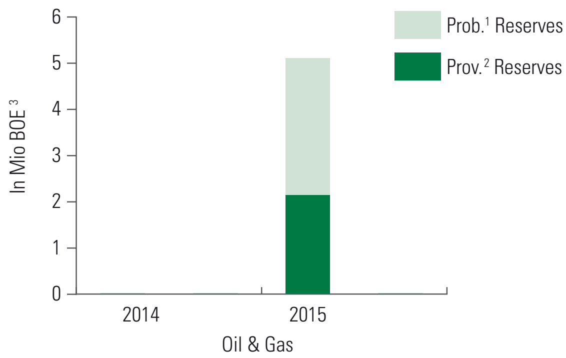
LENDER

At the end of 2014 it was possible to restructure the bank loan which was granted by a major European bank during February 2013. The loan amounts to EUR 6.4 million and it runs until the end of 2018. The interest rate is variable and was 0.52 % p.a. during the period under review. The loan can be reduced at any time.

OVERVIEW RESSOURCES (AS OF 31/12/2015)

In the reporting period several portfolio companies of Deutsche Rohstoff were able to significantly increase their resource base. This occurred through either exploration success or the acquisition of projects with already existing resources. Therefore, the resource depletion through production activities was more than compensated.





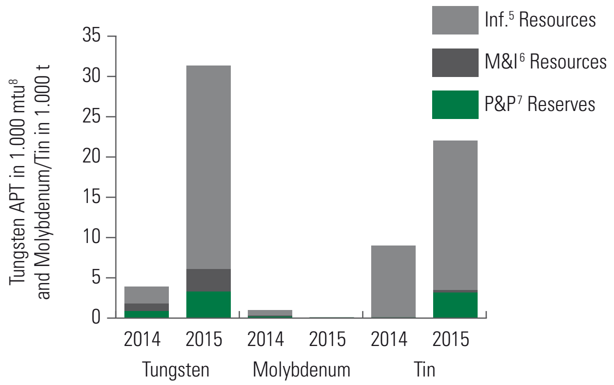
CUB CREEK ENERGY (SPE-PRMS[4])

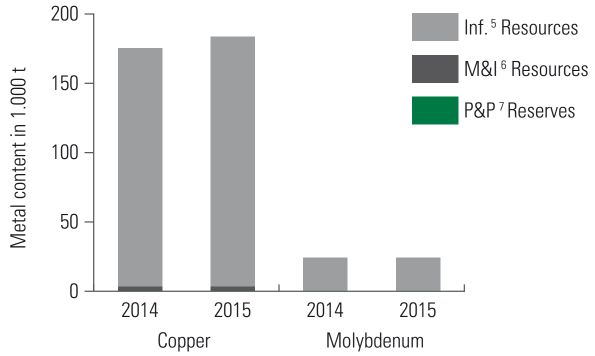
In December 2015 Cub Creek Energy (CCE) announced for the first time a reserve estimate for its total acreage. The estimate was populated by the renowned US company Ryder Scott and reports only those reserves attributable to CCE.

ELSTER OIL & GAS (SPE-PRMS[4])

Also in December 2015 Ryder Scott finalized a first reserve estimate of Elster Oil & Gas (EOG). Similarly to Cub Creek the reported reserves are fully attributable to EOG.

[1] Prob. = probable
[2] Prov. = proved
[3] BOE = barrel of oil equivalent („BOE"). Gas (in cubic feet) has been converted according to industry standards with the factor 5,600 to BOE
[4] SPE-PRMS: Petroleum Resource Management System of the Society of Petroleum Engineers



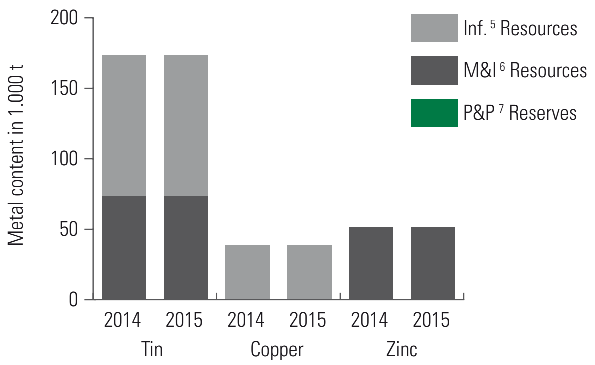


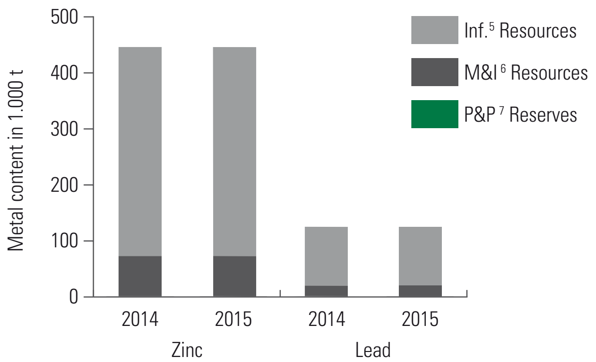
ALMONTY INDUSTRIES (NI43-101[9])

The greatest change occurred through the acquisition of Sangdong which represents 89 % of all Almonty's tungsten resources. Wolfram Camp (+101 %) and Valtreixal (+31 %) could increase their resources and also convert a substantial amount into reserves, whilst Los Santos faced a resource write-down (-55 %) due to the exclusion of tailings. By-products occur at Wolfram Camp (molybdenum) and Valtreixal (tin).

HAMMER METALS (JORC[10] 2012)

Hammer owns the Kalman (copper/molybdenum) and the Overlander resource (copper). The exploration focused on the latter in the reporting period, resulting in a resource increase of around 7.7 kt copper metal.





TIN INTERNATIONAL (JORC[10] 2004 / 2012)

Exploration activities continued throughout the reporting period, yet no updated resource estimate was published. Accordingly, the resource statement remains unchanged.

DEVONIAN METALS (NI43-101[9])

No activities took place at Devonian Metals. The published resources therefore remain unchanged.

For the portfolio companies Rhein Petroleum, Jutland Petroleum and Ceritech no resource estimates have been published to date.

[5] Inf. = inferred;

[6] M&I = measured and indicated

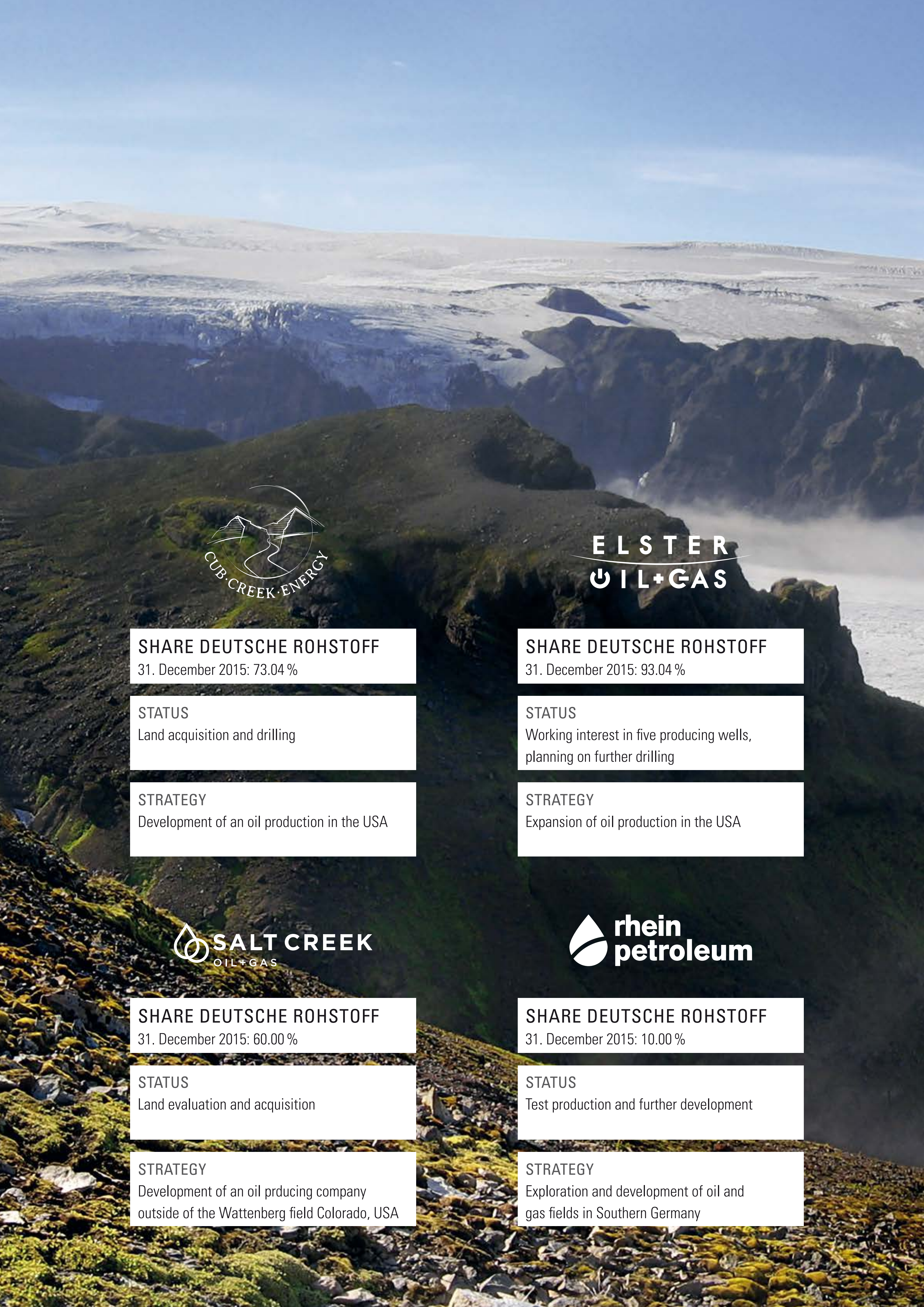
[7] P&P = proven und probable

[8] mtu = metric tonne unit, corresponding with 10 kg

[9] NI43-101 = National Instrument: Canadian Standard for classification of resources

[10] JORC = Joint Ore reserves Committee: Australian Standard for classification of resources

OIL AND GAS



CUB CREEK ENERGY

SHARE DEUTSCHE ROHSTOFF
31. December 2015: 73.04 %

STATUS
Land acquisition and drilling

STRATEGY
Development of an oil production in the USA

ELSTER OIL + GAS

SHARE DEUTSCHE ROHSTOFF
31. December 2015: 93.04 %

STATUS
Working interest in five producing wells, planning on further drilling

STRATEGY
Expansion of oil production in the USA

SALT CREEK OIL + GAS

SHARE DEUTSCHE ROHSTOFF
31. December 2015: 60.00 %

STATUS
Land evaluation and acquisition

STRATEGY
Development of an oil prducing company outside of the Wattenberg field Colorado, USA

rhein petroleum

SHARE DEUTSCHE ROHSTOFF
31. December 2015: 10.00 %

STATUS
Test production and further development

STRATEGY
Exploration and development of oil and gas fields in Southern Germany

OIL AND GAS

DEUTSCHE ROHSTOFF USA

Deutsche Rohstoff USA (DRUSA) is a 100 % US subsidiary company of Deutsche Rohstoff AG in which DRAG holds all US oil and gas investments. The successful sale of Tekton Energy for USD 220 million in 2014 has so far been the most important milestone in the Group's history.

In order to build onto the success of Tekton Energy, Deutsche Rohstoff has meanwhile founded three companies, which pursue a similar business model. These are Cub Creek Energy, Elster Oil & Gas, and Salt Creek Oil & Gas. The management of all three companies played an important role in the success of Tekton Energy and can draw from extensive experience in the US oil and gas business gathered over the preceding decades. The companies provide the vital core of activities of Deutsche Rohstoff AG and are essential components of the Group's strategy. In 2015, both companies, Cub Creek Energy and Elster Oil & Gas published reserves reports for their tenements. In total, proved reserves of 4.25 million BOE (barrels of oil equivalent) and probable reserves of 8.03 million BOE were defined. Based on the NYMEX forward curve (NYMEX Strip Pricing) as of 31 October 2015 the following economic KPIs result from the reported reserves:

RESERVE CATEGORY	REVENUE (MIO. USD)	NET EARNINGS (MIO. USD)	DISCOUNTED NET EARNINGS 10 % (MIO. USD)
Proved	169.83	72.33	33.11
Probable	324.69	133.75	56.27

DRILLING IN THE WATTENBERG FIELD,USA

DEVELOPMENT OF AN OIL PRODUCTION IN THE WATTENBERG FIELD, USA

CUB CREEK ENERGY

The focus of Cub Creek Energy lies in the development of the company's acreage in the Wattenberg oilfield in Colorado, USA. Cub Creek Energy was founded in May 2014 by Deutsche Rohstoff AG together with an experienced management team, who holds the remaining shares in the company.

In January 2015 and several times during the year the company successfully managed to acquire tenements in the Wattenberg area. Meanwhile Cub Creek holds approximately 2,300 acres (9.31 km²) in the north-eastern part of the area, in which historically some of the best performing oil wells had been drilled by Tekton Energy and other companies.

Due to the declining oil price Cub Creek managed to negotiate very advantageous transaction structures. Instead of a high, initial one-off payment to the owners of the oil rights, it was agreed to deliver a share of the revenues upon the start of successful extraction. This structure ensured that up to the start of drilling activities no significant financial risks or any capital commitment was entered into. Furthermore, the contracts were shaped in a way which allowed timing and extent of drilling activities to be adapted to the oil price.

Since the acquisition of the tenements, the management has worked intensely

OIL PRODUCTION IN THE WATTENBERG FIELD, USA

on permitting, well site identification and contractual agreements with the landowners. Moreover, in March 2016 a 3D seismic survey was carried out over a portion of the acreage. By now Cub Creek has grown its inventory of possible gross wells to approximately 100. The company has in the meantime received final approval for 40 wells with an average net share of 80 %. Further approvals are expected to be granted in the coming months as they are applied for.

Similarly to Elster Oil & Gas, Cub Creek was able to publish a reserves for a major part of their acreage in December 2015. The report was prepared by the renowned firm Ryder Scott and confirmed the value of the reserves at low oil price levels in December 2015.

For Cub Creek Energy's fields, Ryder Scott calculated a proved reserve of 2.12 million BOE and a probable reserve of 5.08 million BOE, which is fully apportioned to the net shares of Cub Creek. Based on the NYMEX forward curve (NYMEX Strip Pricing) as of 31 October 2015, the following figures result from the reserves:

RESERVE CATEGORY	REVENUE (MIO. USD)	NET EARNINGS (MIO. USD)	DISCOUNTED NET EARNINGS 10 % (MIO. USD)
Proved	85.10	30.12	11.35
Probable	202.06	80.01	33.63

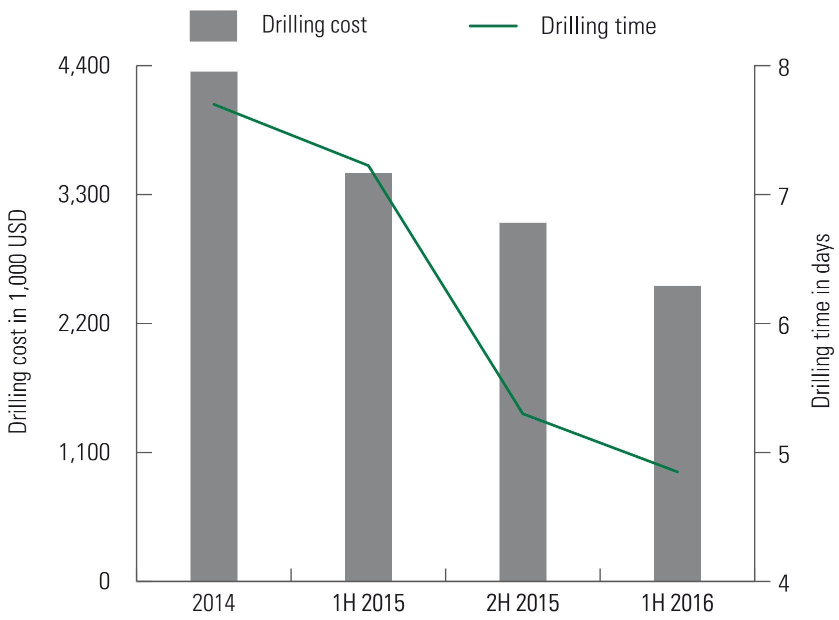
The Future Net Income is defined as sales minus shares of partners, royalties, development and running costs, and production management.

The reserves report thereby comprises merely 49 of the company's potential wells. As of the Q2 2016 Cub Creek had defined a final drill programme totalling 20 wells. The contract with the drilling companies has already been signed and commencement of drilling is scheduled for the 2nd quarter. For Cub Creek who will be the operator of the campaign, it is particularly noteworthy to highlight that the sharp fall in oil price since summer 2014 has led to a significant reduction in costs for drilling equipment and associated services.

Meanwhile the management of Cub Creek is confident that the costs for drilling and completion of one well will be in the range of USD 2.5 - 2.7 million.

AVERAGE DRILLING COST AND TIME FOR 4000 FT DEEP DRILL HOLES IN THE WATTENBERG FIELD, USA

Sources: Anadarko Petroleum, Synergy Resources, Bill Barett Corp, Bonanza Creek Energy



Two years ago similar wells would have cost approximately USD 4.0 - 4.5 million. This prediction is in line with those of the competing companies in the Wattenberg field, such as Andarko Petroleum or Bill Barrett Corp. (see Chart).

Based on the current drilling costs for 20 wells the total investment volume amounts to USD 50 million. Since Cub Creek holds a net share of approximately 90 % in the wells, around USD 45 million are attributable to Cub Creek.

For each of the 20 wells the management of Cub Creek assumes a respective reserve of approximately 300,000 to 350,000 BOE. Even on the basis of a lower oil price, Cub Creek expects significant revenues. However, since most wells are scheduled to go into production not before the 3rd or 4th quarter, the most significant income stream is expected to come on line in 2017.

Apart from the development of the existing fields the company seeks to benefit from the current oil price weakness through the acquisition of further acreage or even already existing oil production. Overall, Cub Creek has managed to develop an outstanding starting position for the years to come, enabling it to immensely leverage an eventual rise in oil price.

ELSTER OIL & GAS

Elster Oil & Gas, like Cub Creek Energy, has its focus on the Wattenberg field in Colorado. It is operated by the same management team as Cub Creek Energy. In contrast to Cub Creek Energy, Elster is a company whose focus solely lies in the development of oil production from wells that are operated by partners.

Elster currently holds a total of around 800 acres (3.24 km^2) on which a total of 62 wells can be drilled and have already been fully approved. On average Elster holds a estimated share of 35 %. In summer 2015 one operating partner sunk the first five wells which were completed in August and have been producing oil and gas since September.

Already in the first month the production rates exceeded management expectations. All wells produced a combined average of 3,434 BOE per day in the first 30 days. In the first three-and-a-half months of production, the five wells generated a revenue of USD 2.01 million attributable to Elster. The operative costs, before administrative expense of USD 1.17 million and the scheduled amortizations of USD 0.79 million, were approximately USD 0.14 million for the whole company, that is, less than 10 % of the revenue. This shows that the oil wells in the Wattenberg field are very profitable even at low prices. The revenue stream is derived mainly from oil production and to a lesser extent gas production.

In December 2015 Elster Oil & Gas produced a reserve report on the basis of the already existing wells encompassing those 62 wells that have already been approved. The report confirmed average gross reserves of 386,880 BOE for each of the five producing wells at the Wind Pad. For the total acreage of Elster Oil & Gas, Ryder Scott calculated a proved reserve of 2.13 million BOE and a probable reserve of 2.96 million BOE.

The reserves are to be accounted solely to Elster's shares and includes the 62 approved wells. Based on NYMEX Strip Pricing as of 31 October 2015, the following figures result from the reserves:

RESERVES CATEGORY	REVENUES (MILLIONS USD)	NET INCOME (MILLIONS USD)	DISCOUNTED NET INCOME 10 % (MILLIONS USD)
Proved	84.73	42.21	21.76
Probable	122.63	53.74	22.64

In March 2016 the drilling partner has begun to sink further six wells at the same site as where the first five wells are located. Completion is expected for Q2 2016.

Similarly to Cub Creek, Elster Oil & Gas holds very high quality assets in a particularly productive part of the Wattenberg oil field. The additional wells that are scheduled to be drilled and brought into production on the tenements of Elster Oil & Gas in the coming years will grow Deutsche Rohstoff's production volumes and ongoing revenues. Elster thus represents an important building block in the company's strategy.

SALT CREEK OIL & GAS

Salt Creek Oil & Gas represents the third key company in the US Oil and Gas portfolio of Deutsche Rohstoff. The company was founded in May 2015, and its focus is as much on the acquirement of investments in oilfields which are operated by our partners, as on the operation and development of its own fields.

Salt Creek's strategy for 2016 is to acquire first oil and gas fields in the USA to take advantage of the market situation due to the weak prices. They focus on fields with already existing production or alternatively attractive new assets.

RHEIN PETROLEUM

Wintershall, as the operator, started the first production test phase at the well 'Bedernau 2' in 2015 which was continued till April 2016. The test work will be continued at the well 'Lauben'.

Rhein Pertoluem (RP) finished another well in winter 2014/spring 2015 in the licensed area of the Northern Upper Rhine. The well turned out to be successful in the end of 2015 with a subsequent test production, which is still running. A further drilling is planned at another licensed area north of Karlsruhe in early summer 2016.

The DRAG management decided to make no further investment in RP. This means that DRAG's stake will be diluted over time. Though at any future time, DRAG can decide to invest in RP, if the drilling results are promising.

SCHWARZBACH 1 WELL

METALS

ALMONTY INDUSTRIES

SHARE DEUTSCHE ROHSTOFF
31 December 2015: 14.02 %

STATUS
Three producing mines, two development projects

STRATEGY
Establishment of the biggest tungsten producer outside of China

CERITECH

SHARE DEUTSCHE ROHSTOFF
31 December 2015: 67.86 %

STATUS
Optimization of the processing

STRATEGY
Establishment of a low-cost producer for rare earths

DEVONIAN METALS INC.

SHARE DEUTSCHE ROHSTOFF
31 December 2015: 47.00 %

STATUS
Exploration of the Wrigley Pb/Zn-deposit in JV with Glencore

STRATEGY
Disposition of the asset

HAMMER METALS LTD.

SHARE DEUTSCHE ROHSTOFF
31 December 2015: 15.40 %

STATUS
Exploration of own licensed area and under a JV with Newmont

STRATEGY
Identification of world class IOCG-Copper-Gold-deposits

TIN INTERNATIONAL

SHARE DEUTSCHE ROHSTOFF
31 December 2015: 61.51 %

STATUS
Exploration of three Tin projects in the Erzgebirge

STRATEGY
Development and sale of the assets

ALMONTY INDUSTRIES

With the sale of the Wolfram Camp mine to Almonty Industries in September 2014, Deutsche Rohstoff has become the second-largest shareholder of the Toronto listed company with a holding of 13.21 %.

In addition, Deutsche Rohstoff holds the following investment in the tungsten producer:

- A convertible bond in the amount of CAD 6.0 million, bearing interest at 4 % p.a. and a conversion price of CAD 1.45. The bond, which was part of the sale of Wolfram Camp, is due in March 2017.
- A convertible bond in the amount of CAD 4.0 million, bearing interest at 5 % p.a. and a conversion price of CAD 0.81. The bond matures in September 2017 and is secured with the South Korean Sangdong asset.
- A short-term loan in the amount of USD 1.0 million, bearing interest of 6 %. The loan is due in January 2017 and is also secured with the South Korean Sangdong asset.

Fully converted the Deutsche Rohstoff share in Almonty currently amounts to 20.48 %. Since September DRAG has a seat on the board of Almonty.

The reporting period was marked by further declining tungsten prices. The average monthly price for APT (Europe) dropped from USD 291.94 mtu in January 2015 to USD 171.11 per mtu in January 2016. This equates to a loss of 41 %. Since the end of the year there have been signs of a bottom formation, followed by a slight recovery since March 2016.

As a result of the weak tungsten prices, Almonty closed the financial year 2014/2015 with a loss of CAD 19.5 million (compared to a profit of CAD 10.4 million during the previous year) due to the amortization of the existing mines and their inventories.

PROCESSING PLANT AT WOLFRAM CAMP MINE, AUSTRALIA

OPEN PIT AT LOS SANTOS, SPAIN

In spite of these challenging conditions, Almonty continued its expansion strategy, with the goal of becoming the dominant player in the tungsten market outside China. The intention is to increase annual production capacity to 7,100t WO_3 until 2019 which corresponds to about 40 % of the non-Chinese tungsten supply.

At the beginning of September the company reported the successful merger with Woulfe Mining, securing the South Korean Sangdong project by issuing 34,828,500 new shares in exchange for the existing Woulfe shares. Woulfe liabilities and convertible bonds were taken over by Almonty. Sangdong is a past-producing mine which contains one of the largest tungsten resource in the world with above-average grades. In January 2016 Almonty published an updated feasibility study for the project, estimating the required capital expenditure at CAD 70 million. Subject to successful completion of the advanced negotiations towards project financing, Sangdong is scheduled to start production in 2018 and reach its nameplate capacity of 2,200 tonnes WO_3 in the following year. The size of the resource enables a mine life of several decades and allows for substantial capacity increases if the market develops positively.

At the beginning of January 2016 Almonty announced a further acquisition. Along with Los Santos and Wolfram Camp, Panasqueira was added to the portfolio as the third producing mine. The operating company Beralt Ventures Inc. was acquired for a token amount of EUR 1.00 from the parent company Sojitz Tungsten Resources Inc. Existing liabilities between Beralt Venture and Sojitz in the amount of EUR 12.26 million were reduced to EUR 1.5 million, of which Almonty immediately settled EUR 1.0 million and converted the remaining EUR 0.5 million to a convertible bond (4 % interest p.a. maturing on 29 December 2017). A large part of Almonty's management previously worked at the Panasqueira mine, which is why the asset's strengths and weaknesses are very well known to the company. Almonty regards Panasqueira with its more than 100-year-old mining history as a "development and knowhow centre" for Sangdong and the other projects.

The resource basis of Almonty could be substantially improved by the acquisitions of Sangdong and Panasqueira, but also through exploration success in existing mines and projects. Consequently the sum of all "measured" and "indicated" resources including reserves increased 4.6-fold compared to 2014. The category "inferred" resources grew 12.7-fold compared in the same timeframe.

The three other assets developed as follows:

· Los Santos: Continuous optimization work in the treatment process led to a further reduction of total cash operating costs (mining, treatment, G&A) from USD 224 per mtu in the financial year 2013/14 to USD 150 per mtu in the financial year 2014/15. In addition, Almonty accelerated the exploration work with the target to extending the operating mine life significantly beyond 2018.

· Wolfram Camp: Extensive modifications to the processing plant were carried out during the reporting period with completion anticipated by mid 2016. The mine is still in a transformation process, which has not been reflected in the operating KPI's yet. The total cash operating costs in the twelve months to September 2015 sat at USD 323 per mtu. Extensive exploration campaigns resulted in a considerable increase partially paired with higher tungsten grades.

· Valtreixal: A large part of the resource could be converted into reserves through ongoing exploration efforts. Technical planning is on scheduled with the goal to bring the project into production by 2018.

PROCESSING PLANT AT LOS SANTOS,SPAIN

HAMMER METALS

At the beginning of 2015 Deutsche Rohstoff took advantage of the weak commodity market and invested AUD 1.32 million in the Australian exploration company Hammer Metals. With a share of 15.16 % Deutsche Rohstoff is currently (31 March 2016) the company's largest shareholder. In addition DRAG holds a convertible bond bearing 10 % interest p.a. in the amount of AUD 650,000, maturing in July 2017. Fully converted - at a conversion price of AUD 0.06 per share - Deutsche Rohstoff's share in Hammer amounts to 22.81 %. Since September 2015 Deutsche Rohstoff has a seat on the board of Hammer Metals.

A part of the Hammer shares were originally acquired indirectly via the Australian subsidiary SRD (Strategic Resources Development), in which Deutsche Rohstoff held 70 %. Due to a realignment of strategy SRD was liquidated in its previous form at the start of 2016 and the Hammer Metals were proportionately transferred to the SRD shareholders.

Hammer holds 2,011 km² exploration ground in the region of Mount Isa (Australia), which is in the neighbourhood of mines owned by large mining companies such as Glencore, BHP Billiton and Chinova. The goal of Hammer's exploration strategy is the identification of so-called iron-oxide-copper-gold (IOCG) deposits, as are present in the nearby Ernest Henry Mine (approx. 220 million ore tonnes with a copper grade of 1.1 % and a gold content of 0.5 g/t). Furthermore, the licensed area offers potential for other deposit types. The so-called Pilgrim Fault runs through the property, a fault zone which hosts the mined-out "Tick Hill" deposit, located south of Duchess village (513,333 ounces grading 22.6 g/t).

The summer 2015 drilling programme revealed predominantly positive results, resulting in an increase of the known 'Overlander' resource. It also attracted interest of larger mining companies in

Hammer's ground leading to the announcement of a Joint Venture Agreement with Newmont Mining (www.newmont.com) in December 2015. The agreement includes the following key elements:

- The properties concerned are 'Overlander', 'Even Steven' and 'Dronfeld', overall 250 km^2, which is approximately around 12.5 % of Hammer's tenements.

- The already defined resources of 'Overlander North' and 'Overlander South' in the Joint Venture area are exempt from the agreement. Newmont has a pre-emptive right to purchase the resources for USD 2.65 million (0.057 USD/lb copper resource).

- Newmont has the option to obtain a share of 75 % in Joint Venture in three phases, through a total investment of USD 10.5 million for exploration and project development.

- Up to a total of USD 4.5 million all Joint Venture costs will be borne by Newmont and Hammer will act as the manager of the Joint Venture.

- Newmont will make both technical resources and geological expertise available to the Joint Venture throughout all phases.

The Joint Venture field activities commenced in mid January 2016. All gravity and geomagnetic surveys as well as geochemical rock sampling activities have been completed since then. The obtained data is currently being analysed with the intention to begin an exploration drilling campaign in the first half of the year.

In parallel with the Joint Venture activities Hammer is also making progress on its 100 % owned tenements. Key focus areas are 'Hammertime', 'Scalper' and 'Kalman West'. 'Hammertime' and 'Scalper' were advanced through detailed gravity surveys and geomagnetic analysis was carried out at 'Hammertime' in order to increase the level of confidence in the already existing data. The goal of the still ongoing evaluation is the identification of highly prospective drill targets. Since 2013 Hammer applies a systematic approach to its tenements with the goal to identify IOGC deposits in the under-explored parts of the Mount Isa formation. Over the recent months three further regional copper-gold target areas have been identified on free ground. The company immediately secured these tenements through the lodgement of exploration license applications 'Cathay', 'Resolve' and 'Questro'.

GEOLOGICAL SURVEY OF AN ORE BEARING HORIZON, AUSTRALIA

CERITECH

On 31 December 2014 the annual general meeting of Ceritech decided to carry out a capital reduction followed by a capital raise, which were carried out in June and July 2015. The share placement was underwritten by Deutsche Rohstoff AG and lead to the increase of DRAG's stake by 6.5 % points to 67.85 % as no other shareholders participated in the placement.

The Brazilian gypsum project made substantial progress during the reporting period. The cooperation with two mining firms, which are amongst the largest companies of their kind in Brazil, was intensified. Following on the successful testing of 100 kg of samples and the discussion of the results in Brazil, two larger samples of three and four tonnes were sent to Germany.

For the first time extensive large-scale testing could be carried out on this material, with some promising results. By using simple physical separation methods it was possible to produce a 30 % rare earth concentrate from one of the treated bulk samples. This product can effectively be further concentrated in subsequent stages. Test work on the second bulk sample is in progress with Ceritech hoping to be able to develop a similarly effective processing method.

In February 2015 the board decided to return the Storkwitz exploration license to the Saxon Mining Authority and ceased all work associated with this project. The decision was based on the processing test work results, which showed poor treatability of the Storkwitz ore. An economic extraction of the rare earths, even in significantly improved market conditions, appears to be not achievable.

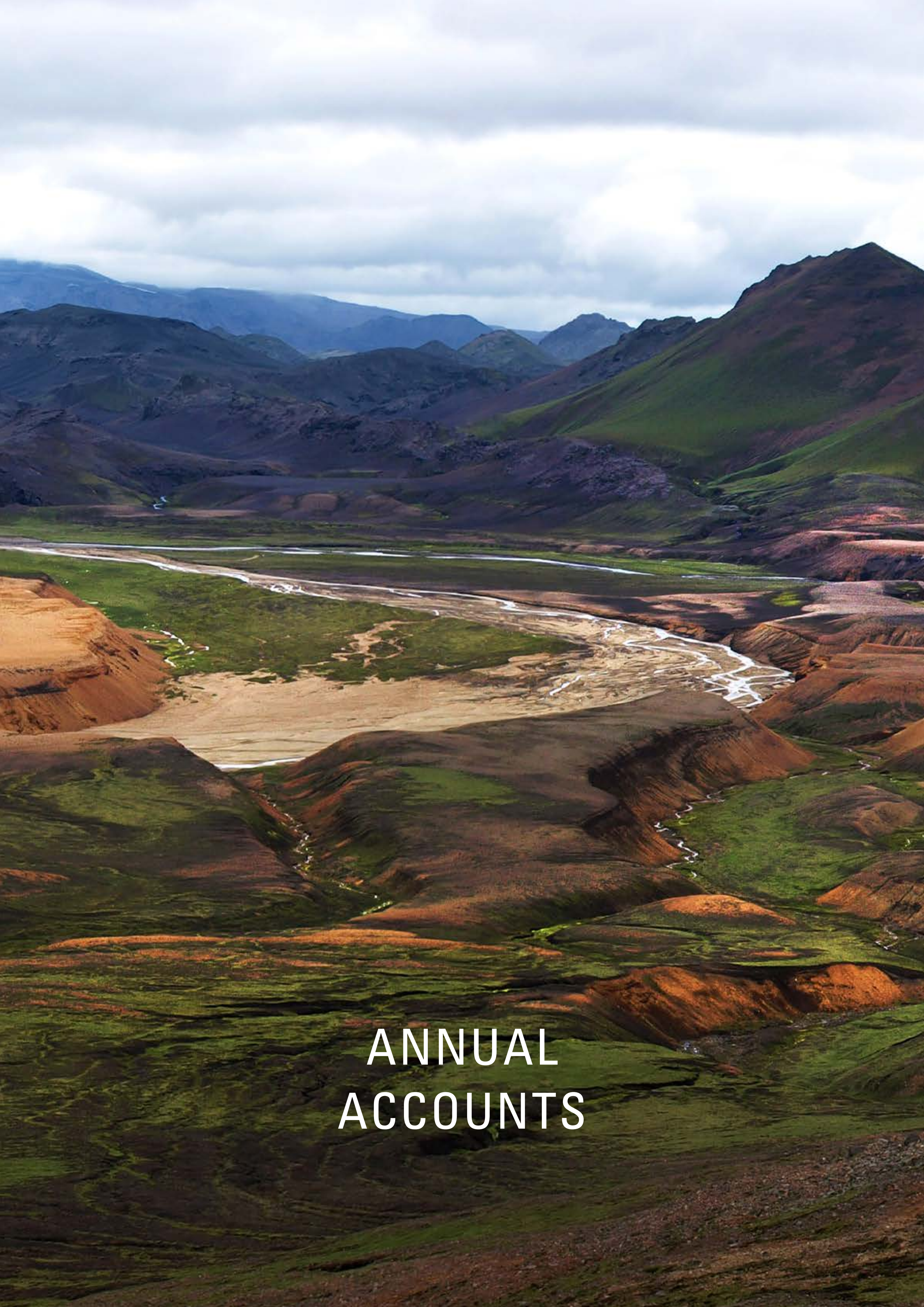
TIN INTERNATIONAL

The Australian Tin International Ltd. hitherto held 100 % of Sachsenzinn GmbH. In order to further reduce costs, Tin International Ltd. decided to transfer the administrative and strategic management to Sachsenzinn GmbH and to liquidate Tin International Ltd. On 14 December 2015 Sachsenzinn GmbH was therefore converted into a stock corporation with the name "Tin International AG" (TIN AG) and headquartered in Leipzig. Subsequently Tin International Ltd. distributed all shares in the new Tin International AG in the form of a dividend to its shareholders. Deutsche Rohstoff's holding in Tin International AG slightly increased by 1.3 % points to 61.5 % as a result of these measures and through smaller share acquisitions. The business objective of Tin International AG continues to be the development of its three tin exploration licenses in Saxony.

During the reporting period the company's main activities focused on the Sadisdorf license. In order to be able to carry out further underground exploration work in the future, one of the historic drifts and parts of the mine workings were rehabilitated by a mining contractor. As part of the ground support work a bulk sample was taken and sent to Australia for laboratory test work - with very pleasing results. At the moment surface mapping work takes place with the aim to identify further resource potential in the vicinity of the known resource.

Exploration work in the Gottesberg district revealed hints of a much wider lateral extent of the ore body than previously anticipated. TIN AG therefore decided to apply for a new license that includes an extended area, which was granted on 7 December 2015 by the Saxon Mining Authority.

On 16 January 2015 the Saxon Mining Authority granted a new exploration license for the Geyer resource, which contains, along with tin and zinc, the hi-tech metal indium. The new exploration license covers this element and expires on 31 December 2017. Since June extensive processing tests were carried out on Geyer ore as part of a cooperation with the Federal Ministry of Education and Research (BMBF).



ANNUAL ACCOUNTS

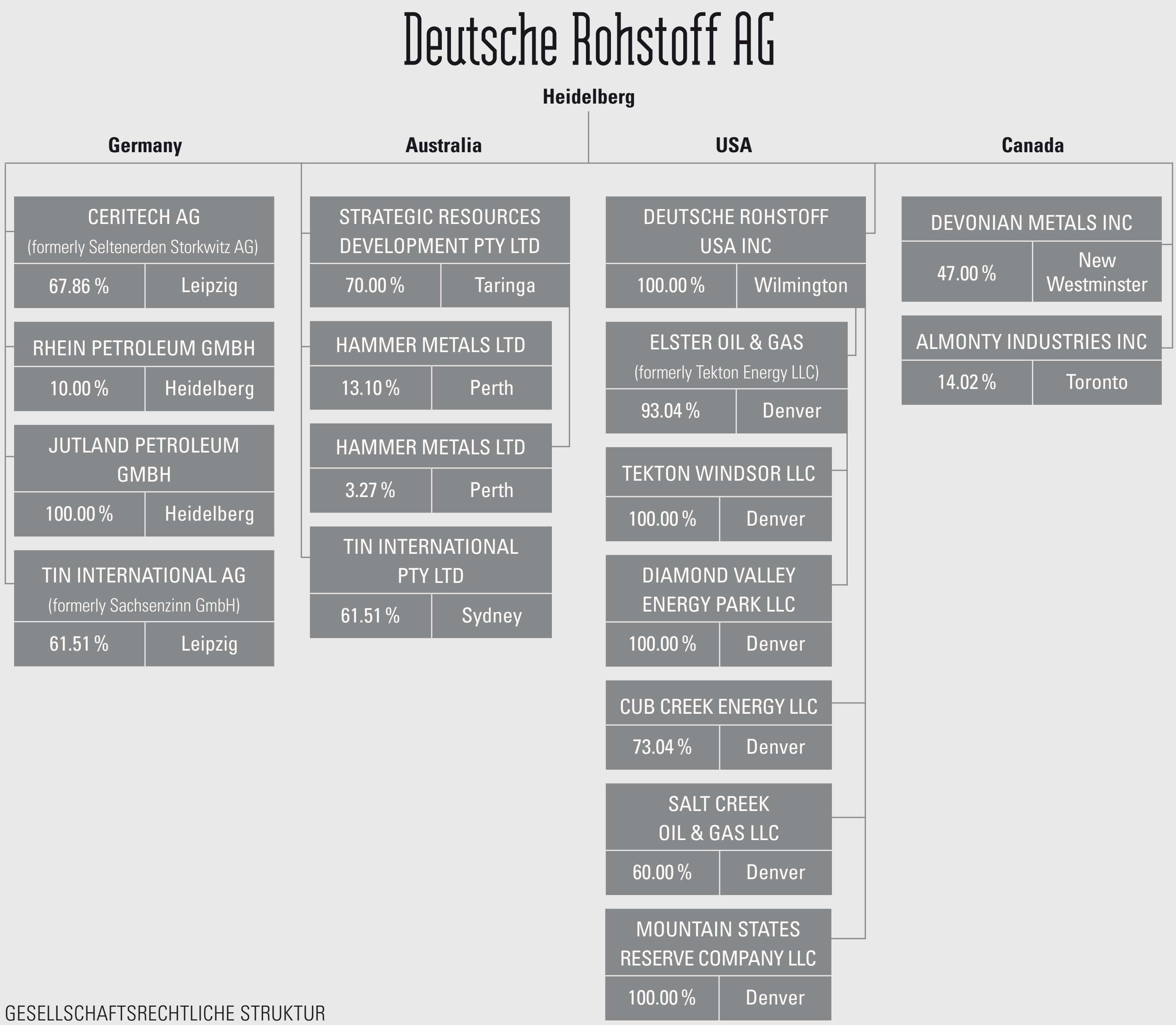
I. FUNDAMENTAL INFORMATION ON THE GROUP

1. BUSINESS MODEL

The Deutsche Rohstoff Group is involved in the exploration and extraction of oil and gas as well as the exploration and extraction of basic metals. It confines its activities to countries with a stable political and legal system. All activities are currently located in the USA, Australia, Western Europe and Canada. Deutsche Rohstoff is represented by subsidiaries and equity investments in those countries. As the parent company, it manages the Group, initiates new projects, establishes subsidiaries and invests in companies, finances activities or finds financing partners, takes decisions on new investments and divestitures, and handles public relations work. The local operating business is the responsibility of experienced managers, mainly specialized engineers and geologists with extensive industry experience.

As of 31 December 2015, the Deutsche Rohstoff Group comprised the following group companies:

In comparison to the prior year, there were some changes in the basis of consolidation. Deutsche Rohstoff founded a new oil and gas company in the USA named Salt Creek Oil and Gas in June 2015. As with the existing companies Cub Creek Energy and Elster Oil and Gas, the business model is focused on acquiring and developing lucrative sites in the USA. Salt Creek sounds out projects in all parts of the USA. With an interest of 60 %, Deutsche Rohstoff holds the majority of shares in the company. The remaining interests were acquired by the management, which is also significantly involved in financing the company. Together, the management team has many decades of experi-



GESELLSCHAFTSRECHTLICHE STRUKTUR

ence in the oil and gas industry in the USA and has made a major contribution to the business success of Tekton Energy. Tekton Energy sold off its significant assets in mid-2014 at a high profit. By year-end 2015, the company had still not acquired any sites.

Mountain States Reserves Company LLC was also newly founded in the USA. Its business purpose is to acquire and hold royalties and minority interests in oil extraction companies. There is a very large and liquid market for interests of this kind in the USA. As a rule, these relate to producing fields with stable returns. Deutsche Rohstoff holds all the shares in the new company. It did not yet have any operating activities as of the end of the fiscal year.

Diamond Valley Energy Park, which Deutsche Rohstoff holds indirectly via Deutsche Rohstoff USA and Elster Oil & Gas, had land near the city of Windsor until September 2014. The former Tekton Energy had planned to build an interim storage facility for crude oil on the land. This ceased to be relevant following the sale of the significant assets of Tekton Energy in May 2014. The company therefore sold the land in September 2014, but retained the mineral rights, i.e., the right to receive a share of revenue if oil were to be extracted on the land. The company will receive income from the mineral rights for the first time in 2016, as wells were drilled at the site at the end of 2015. The shareholding in Jutland Petroleum GmbH increased from 50 % to 100 %, as Deutsche Rohstoff purchased the shares held by the former co-shareholder Herzford International Ltd. at the end of March 2015, and the company was fully consolidated in the consolidated financial statements for the first time. Jutland Petroleum has a license to explore for hydrocarbons in southern Denmark. Jutland conducted a reinterpretation of seismic data during the reporting period. This was a relatively cost-effective way of discovering opportunities for drilling wells. Deutsche Rohstoff considers this to have been successful. Owing to the departure of the co-shareholder, Deutsche Rohstoff decided to sell the license or Jutland Petroleum.

The shareholding in Ceritech AG increased to 67.86 % after the annual general meeting passed a resolution on a capital reduction and a capital increase in April 2015. These measures were carried out in June and July 2015 and entered in the commercial register. As not all of the shareholders participated, Deutsche Rohstoff AG acquired the remaining shares, increasing its shareholding by around 6.4 % compared to 31 December 2014. Over the course of the year, low shareholdings were resold under the conditions of the capital increase. In December 2015, the Board of Directors of the Australian company Tin International Ltd, in which Deutsche Rohstoff has a majority shareholding, passed a resolution to convert Sachsenzinn GmbH into a German stock corporation and to rename it Tin International AG. In mid-December 2015, Tin International Ltd distributed its 100 % shareholding in Tin International AG to its shareholders in the form of a dividend. As a result of these measures and smaller acquisitions, Deutsche Rohstoff AG's shareholding in Tin International AG increased slightly by 1.3 % to 61.51 %.
In February 2016, the shareholder meeting of Tin International Ltd passed a resolution to liquidate the company. The liquidation is expected to be completed by mid-2016. The business purpose of Tin International AG is the development of three exploration licenses in Saxony with a focus on tin metal. As in the prior year, activities during the reporting period focused on the Sadisdorf licensed site.

Strategic Resources Development Pty Ltd (in which Deutsche Rohstoff holds 70 % of the shares), Taringa, Australia, held three licenses in the State of Queensland and a share in Hammer Metals Ltd, Australia, in the reporting period. In January 2016, the shareholders passed a resolution to transfer SRD's pro rata equity investment in Hammer Metals to DRAG by way of a capital reduction at SRD and to terminate Deutsche Rohstoff's equity investment in SRD. As a result, SRD will leave the Group and be deconsolidated.

The Australian company Hammer Metals, the Canadian companies Almonty Industries and Devonian Metals, and Rhein Petroleum, which are shown in the diagram, were carried as equity investments as of year-end 2015. In February 2015, Deutsche Rohstoff AG and Strategic Resources Development (SRD), which (still) belonged to the Group, participated in a capital increase at the Australian company Hammer Metals Ltd. Additional shares and a convertible bond were purchased in the course of the year. Deutsche Rohstoff AG invested a total of EUR 1.33 million directly and indirectly via SRD. The shareholding in Hammer Metals came to 15.40 % at the end of 2015. Hammer Metals has around 2,000 m^2 of license blocks in the Mount Isa region in Queensland, Australia. The company mainly carries out exploration for copper and gold. In December 2015, Hammer concluded a joint venture agreement with Newmont Mining, one of the largest gold producers in the world. The joint venture relates to around 15 % of the sites that Hammer has licensed. Newmont has undertaken to invest up to USD 10.5 million. In return, it would receive an 80 % shareholding in the joint venture company. This means Hammer has a strong partner that will take on financing of further exploration in the JV areas. Hammer does not have to contribute any financing for this portion of its licenses.

Almonty Industries produces tungsten concentrates from three mines at present. These are Los Santos in Spain, Wolfram Camp in Australia and, since the beginning of 2016, Panasqueira in Portugal. In September 2015, Almonty merged with Woulfe Mining, also domiciled in Canada, which develops the Sangdong tungsten project in South Korea. The Woulfe shareholders received newly issued shares in Almonty, which diluted the shares of the existing Almonty shareholders. Deutsche Rohstoff AG's shareholding decreased from 24.92 % to 14.02 % as a result of the merger.

Devonian Metals Inc, New Westminster, Canada, has an interest in a joint venture with Glencore Canada, a wholly owned subsidiary of Glencore International, which carried out exploration at the zinc/lead/silver deposit in Wrigley (North West Territories, Canada). Devonian is currently trying to sell the joint venture company. Due to the difficult market situation for exploration companies, Deutsche Rohstoff expects the sale to have no effect on income.

Rhein Petroleum GmbH, in which Deutsche Rohstoff holds 10 % of the shares, is involved in petroleum exploration and extraction in southern Germany. In spring 2015, the company successfully sunk a well in the Northern Upper Rhine licensed site. This well started test extraction at the beginning of 2016. In the fall of 2015, the consortium partner Wintershall had started test extraction in Bedernau at the shared licensed site in Mindelheim. In the fiscal year 2015, the Group generated revenue from the extraction of oil and gas in the USA and, to a lesser extent, from the sale of gold medals. In addition to the income from producing resources and associated rights e.g., royalties, the business model includes acquiring resource projects at favorable conditions, as well as developing and divesting such projects. Pricing is straightforward for all commodities traded on the stock exchange (gold, silver, oil, tin, copper, etc.), as the buyer pays the current market price if the supplied product fulfills the usual specifications. In these cases, the competitive position also plays a minor role, as purchasers will generally purchase almost any amount. Customers for the oil produced are oil-trading companies. Gas supply companies that operate pipeline grids purchase the extracted natural gas. The price for the oil and natural gas delivered is based on the US-American WTI and Henry Hub. The price actually paid depends on factors including the quality of the oil extracted. In addition, the customers receive a marketing allowance.

The shares of Deutsche Rohstoff AG have been traded in the Entry Standard segment of the Frankfurt Stock Exchange since May 2010. The Company's market capitalization was around EUR 75 million as of 31 December 2015 (prior year: EUR 90.0 million).

2. OBJECTIVES AND STRATEGIES

In the group management report for 2014, the Company set itself the overarching objective of increasing its market capitalization to between EUR 150 million and EUR 200 million in a 12-month period for 2015/2016. As in 2014/2015, this objective was not achieved, mainly due to the very weak commodities markets. However, the management board remains convinced that the measures initiated in the past year will contribute to achieving the objective in the period 2016/2017, particularly if commodities prices rise again.

Following the sale of the significant assets of Tekton Energy in May 2014 and of Wolfram Camp Mining/Tropical Metals in September 2014, the management used 2015 in order to realign the Company and lay the foundations for strong revenue and earnings growth in subsequent years.

Activities focus on oil and gas extraction in the USA. In the reporting year, the Company pursued the objective of developing a comprehensive portfolio of potential horizontal wells. At the same time, however, as little capital as possible was to be tied up due to falling prices and the high level of uncertainty regarding future development. In the first quarter of 2015, two agreements were concluded with owners of rights to oil and gas deposits that fulfill both criteria. Due to the type of agreement, the licensors receive a share of revenue only once production commences. An up-front fee, as is generally customary in the US market, was avoided. In the course of 2015 and at the beginning of 2016, smaller additional sites were secured. In total, Cub Creek and Elster currently have potential of approximately 150 - 200 gross wells, i.e., not adjusted for minority interests in the wells. This means the Group has prospective sites on a scale equivalent to those of Tekton Energy when its significant assets were sold. In addition, several wells were brought to a stage where drilling can commence, i.e., Cub Creek can begin drilling soon. This means Cub Creek has met the set objectives. Cub Creek and Salt Creek are also pursuing the objective of acquiring production activities already under way. Due to the sharp decrease in oil prices, producing wells are being sold at prices which the management considers to be based on the currently low oil prices.

In the Metals division, Deutsche Rohstoff created a project team back in mid-2014 that systematically evaluates the target markets Australia, Canada and the USA for attractive investment opportunities in gold, copper and nickel projects. By the fall of 2014, several companies in Australia and the USA had been identified as having extremely high-quality resources and as being undervalued according to usual criteria. At the beginning of February 2015, a capital increase was agreed with one of these companies, Hammer Metals Inc Australia, in which Deutsche Rohstoff directly and indirectly (via Strategic Resources Development) secured a shareholding of 15.40 %. The shares of another shareholder were acquired subsequently. As a result, the shareholding in Hammer Metals is now 15.51 %.
In the Metals division, Deutsche Rohstoff continues to pursue involvement in a gold project. This involvement could be in the form of shares, convertible bonds or a royalty.

3. RESEARCH AND DEVELOPMENT

The Group conducts very little research and development. Its R&D activities are aimed at helping develop or optimizing existing projects. As a rule, oil and gas extraction and ore mining make recourse to existing, freely accessible procedures. The Group makes use of service providers that perform the work using state-of-the-art technology. Until the end of 2014, one exception was Ceritech, which outsourced research contracts for alternative procedures for separating rare earths elements (REEs) from a mixed rare earth concentrate. However, at the end of 2014, Ceritech's management board decided to discontinue development of this alternative procedure, as it will have no commercial use in the foreseeable future or such use would have been achievable only with significant additional investments. Within the scope of the gypsum project, Ceritech is working together with service providers that to help define and optimize the preparation process. However, this procedure is not entirely new. Instead, it involves a combination of existing and proven technologies tailored to the specific case.

II. REPORT ON ECONOMIC POSITION

1. MACROECONOMIC AND SECTOR-SPECIFIC ENVIRONMENT

The world economy grew by 3.1 % in 2015 (source: IMF), thus continuing its moderate growth of prior years.

The decline in commodities prices continued in 2015. Only gold performed fairly well, losing just 11 % compared to the beginning of the year. By contrast, tungsten APT fell by 46 %. Basic metals also suffered heavy losses. Nickel was down 42 % over the course of the year. WTI (Western Texas Intermediate) crude oil lost a further 31 % during the year, having already fallen by around 44 % in 2014.

As in 2014, this was primarily attributable to the supply side:

· OPEC continues to produce significantly above demand

· US inventories remain at a persistently high level

· Production in the USA remained almost unchanged until year end, although there has been a veritable slump in the number of active wells

Demand increased by around 1.6 million barrels a day in 2015. The international energy agency (IEA) expects a further increase of around 1.2 million barrels for 2016 and 2017. Toward the end of the decade, demand is expected to exceed 100 million barrels a day (source: IEA Medium-Term Market Report 2016). The increasing demand is therefore likely to compensate for the current oversupply in the medium to long term and lead to increasing prices.

In the USA, many companies from the oil and gas sector came under pressure during the year, as they had significantly increased their indebtedness in order to expand when the market was booming up to mid-2014. Following the sharp decline in oil prices since mid-2014, returns are insufficient to service debt in many cases. Companies operating in the area of shale oil have been especially hard hit, as this sector was particularly profitable when oil prices were high. Service companies offering services such as drilling or fracking also shrank considerably in the past year, as the number of active wells slumped considerably. The further development of the market will hinge on whether oil and gas prices increase again and, if so, what level they reach.

Prices for the special metals that are important for the Deutsche Rohstoff Group declined further in 2015, having already fallen considerably in 2014. The price of tungsten APT (ammonium paratungstate, a primary product for the processing industry) in Europe could not be maintained at the level at the beginning of the year of roughly USD 327/mtu (metric ton unit, equivalent to approximately 10 kg) and fell to below USD 178/mtu by the end of the year. This decline is due to the slowdown in economic activity in China and lower investments in the oil and gas industry.

The price of tin fell considerably in 2015: Based on its price of approximately USD 19,400/t in January 2015, it fell by 24.7 % to approximately USD 14,600/t within 12 months. The price development is primarily attributable to weak global economic demand coupled with excess supply. Worldwide demand for tin decreased by 3 % in 2015 (source: ITRI, International Tin Reasearch Institute). In addition, after almost seven years as a tin importer, China was for the first time able to meet its demand itself in 2015 and became an exporter. In this context, China primarily made use of concentrates from Myanmar, imports of which rose by almost 62 % In view of the low prices, ITRI estimates that global tin production decreased by 6 % in 2015. In view of continued falling prices, tin inventories worldwide have fallen drastically. Were demand to increase, prices could rise significantly. This could be compensated for in the short term by the fact that China has steadily stocked up its inventories of ore concentrates through consistently strong imports, while its own tin production has decreased, and is now in a position to respond rapidly to rising prices.

The market for rare earths also continued to be weak over the course of 2015. Following the abolition of the Chinese REE export quotas at the beginning of 2015, prices initially stagnated at a low level. When the Chinese REE export duties were also abolished on 1 May 2015, a significant fall in value was observed. The price for neodymium fell by 30 % over the year as a whole. The price for cerium fell by as much as 55 %. In the final quarter, however, these prices stabilized at a low level. Despite the difficult market environment, the Australian company Lynas was able to organize its production so as to cover costs. By contrast, the US-based Molycorp was unable to service its debts and had to file for insolvency on 25 June 2015. In August, operations at the Mountain Pass REE mine were discontinued and purchasers for Molycorp's production facilities are since being sought.

Currency changes have a significant impact on the Group's business development. The EUR/USD exchange rate played a particularly important role. All important commodities transactions are made in US dollars. A stronger US dollar, i.e., an increasing exchange rate, means that commodities outside the USA become more expensive. With a rising dollar, demand tends to decrease and with it the price level of commodities. According to most market observers, the further development of the US dollar will depend on the interest rate trend in the USA and in the other important regions. While the US Federal Reserve increased the key interest rates for the first time in December 2015, other central banks, including the European Central Bank, are further relaxing their monetary policies. This foreseeable expansion of the interest difference strengthened the dollar over the course of the year and resulted in further appreciation of around 10 % against the euro.

2. BUSINESS PERFORMANCE

In line with the corporate strategy, the Group focused on the Oil and Gas division in the fiscal year 2015, and again mainly on activities in the USA. In this division, there were also equity investments in the two German companies Rhein Petroleum and Jutland Petroleum. However, these were insignificant compared to the activities in the USA. In the Metals division, the focus was on investments at the Canadian equity investment Almonty Industries, the new equity investment Hammer Metals in Australia and the German subsidiary Ceritech AG. As in the prior year, Deutsche Rohstoff AG, as the parent company, bought back bonds and shares and distributed a dividend for the second time in the Company's history.

Following the sale of the significant assets of Tekton Energy in 2014, Cub Creek Energy (CCE), which was founded in mid-2014, initially focused on the objective of acquiring sites, making its first acquisition in January 2015. CCE concluded a user agreement for a site located in the core area of the Wattenberg field in Colorado. The purchase price was USD 700,000. The site can accommodate 12 horizontal wells. One drilling site was also contractually secured. CCE's management immediately began preparing the corresponding approvals for drilling. By the end of December, all the required approvals were in place.

In March 2015, CCE announced the conclusion of a joint operating agreement with a smaller oil and gas company. That company has around 2,000 acres (8.1 km^2), also located in the core area of the Wattenberg field. The agreement makes provision for CCE to develop the sites as an operator. Cub Creek did not pay an up-front fee. The size of the sites is roughly equivalent to the core area of the sites that Tekton Energy successfully sold in 2014.

In June 2015, Deutsche Rohstoff jointly founded a new oil and gas company named Salt Creek Oil and Gas LLC together with the former Tekton founders. The company has its registered offices in Denver, Colorado. As well as oil projects, the company focuses in particular on gas projects. As of year-end 2015, the company had still not acquired any sites.

In 2015, Elster Oil & Gas, formerly Tekton Energy, invested as a minority shareholder in five horizontal wells in the Wattenberg field. The operator began drilling these wells at the end of March and successfully completed them in July 2015. All five wells discovered reserves and started producing oil and gas in September 2015. In mid-October, Elster published the figures for the first month of production. At 3,434 barrels of oil equivalents a day, they were considerably higher than expected. Elster's economic share was 38 %, equivalent to 1,305 barrels a day. In January 2016, extraction attributable to Elster still averaged 929 barrels a day. By the end of December, Elster had generated revenue of around USD 1.8 million from these wells.

In March 2015, the equity investment in Rhein Petroleum GmbH reported on a well that had struck oil in Riedstadt-Goddelau, south of Frankfurt am Main. By the end of the year, preparations were completed for test extraction, which commenced at the beginning of 2016.

In the first quarter of 2015, Deutsche Rohstoff AG acquired a further 50 % shareholding in Jutland Petroleum GmbH and therefore holds 100 % of the shares in the company. Jutland conducted a reinterpretation of seismic data during the reporting period. This was a relatively cost-effective way of discovering opportunities for drilling wells. Deutsche Rohstoff considers this to have been successful.

In the Metals division, the equity investment Almonty Industries further enhanced its leading position in the production of tungsten concentrates outside China. In June 2015, the Canadian company announced that it was merging with Woulfe Mining, a company also domiciled in Canada. The merger was completed in September 2015. Woulfe contributes the Sangdong Mine in South Korea, which is considered a mine with one of the longest lives outside China, with high-grade deposits. At the beginning of January 2016, Almonty also acquired the Portuguese Panasqueira mine from the Japanese Sojiz Group. Following this acquisition, Almonty has three producing mines and two promising development projects.

In the reporting period, development of Almonty's share price was weak, in line with decreasing tungsten prices. At the beginning of year, the share price was still CAD 0.65, but closed the year at CAD 0.28. As a result, the value of the Almonty shares held by Deutsche Rohstoff is significantly lower than the carrying amount. Nevertheless, the management board does not consider it necessary to recognize a write-down on the carrying amount. Deutsche Rohstoff expects the equity investment to develop positively due to its good market position and promising development projects. In addition, in line with the key market research institute for the tungsten sector (Argus Media), Deutsche Rohstoff expects tungsten prices to rise again.

In September 2015, Deutsche Rohstoff signed another convertible bond for Almonty of CAD 4.0 million. It is subject to 5 % interest and can be converted to shares at a conversion price of CAD 0.81. At the end of December, Deutsche Rohstoff additionally granted Almonty a loan of USD 1.0 million. It has a term of 12 months and is subject to interest at 6 %. In February 2015, the existing convertible bond was reduced by CAD 1.5 million to a new total of CAD 6.0 million. This adjustment was agreed on when the agreement was concluded on the basis of a comparison of the balance sheet values, in particular of inventories, when the agreement was concluded with those when the first binding letter of understanding was signed. The reduction was already taken into account in the 2014 financial statements.

At the beginning of February 2015, Deutsche Rohstoff announced that it had subscribed to a capital increase of AUD 1.25 million at the Australian company Hammer Metals. This is equivalent to a shareholding of around 15 % in the company. Hammer Metals carries out exploration of copper/gold deposits in the Mount Isa region in Queensland, Australia, and has large sites in the vicinity of existing mines, including those of Glencore. In the course of the year, the Group further increased its shareholding. In March, it acquired shares from a co-shareholder. In July 2015, Deutsche Rohstoff signed a convertible bond at Hammer Metals of AUD 650,000. It is subject to interest at 10 % p.a. and has a term of two years. The conversion price is AUD 0.06. At all events, Deutsche Rohstoff AG receives the interest, which can also be paid in shares, for 12 months.

Hammer Metals reported on the results of the exploration several times in the course of the year. The exploration was very positive. In December 2015, a joint venture agreement was signed with Newmont Mining, one of the largest gold producers in the world. Within the scope of this agreement, Newmont has the option of acquiring 80 % of sub-sites from the Hammer portfolio for an investment of USD 10.5 million.

At a general meeting in April 2015, Ceritech AG passed a resolution to reduce capital to zero and to subsequently increase capital by EUR 1.4 million to EUR 1.50 per share, with retroactive effect as of 31 December. Of this amount, EUR 0.50

relates to a premium. In the course of this capital increase, which was fully subscribed, Deutsche Rohstoff's AG shareholding increased to 67.86 %. Work on the gypsum project in Brazil continued unabated throughout the year. The Company's activities included extensive testing of several bulk samples, which it received from the potential partners in Brazil. In one case, excellent results were achieved, indicating that it should be possible to obtain high-quality concentrate at low cost.

At TIN International Ltd, with its operational subsidiary Tin International AG (formerly: Sachsenzinn GmbH), the focus was again on the Sadisdorf licensed site in 2015. The license was granted to Tin International AG at the beginning of 2013. In September 2014, Tin International AG for the first time received an estimate of resources for Sadisdorf by an independent appraiser in accordance with the Australian JORC standard. The report confirmed the historical data. For the Gottesberg and Geyer licensed sites, Tin International AG again performed only work requiring minor financial resources in the reporting year.

Deutsche Rohstoff AG's shareholding increased slightly to 61.51 % in the course of the year. To simplify the structure and reduce costs, the board of directors of TIN International Ltd passed a resolution in December 2015 to convert the wholly owned subsidiary Sachsenzinn GmbH into a German stock corporation, perform a capital increase from company funds and rename the company Tin International AG. At the same time, the shares of the new Tin International AG were distributed to the shareholders of Tin International Ltd. at a ratio of 100:1, effective as of 16 December 2015.

As part of a voluntary buyback offer, Deutsche Rohstoff AG purchased own bonds with a nominal value of around EUR 5.6 million in February 2015. They were deducted accordingly from the capitalized bond value. At the beginning of August 2015, the Company initiated a further share buyback program in which 120,010 shares were acquired by December 2015 at a total purchase price of around EUR 1.9 million, equivalent to around 2.5 % of share capital. In October 2015, 259,057 shares from the 2014 buyback program were redeemed. The new capital stock now comes to EUR 5,063,072.

In July 2015, Deutsche Rohstoff AG distributed a dividend of EUR 0.50 per share or around EUR 2.5 million. Of the dividend distributed, 72 % came from the tax deposit account, with the result that no tax on investment income was withheld from the shareholders for this portion.

In 2015, as in previous years, the Group recorded significant exchange rate gains in US dollars as a result of the sharp fall in the value of the euro. On aggregate, currency changes with an effect on income came to EUR 8.4 million within the Group.

Deutsche Rohstoff used 2015 to reestablish its position in the US oil and gas business and prepare for a comprehensive drilling program in subsequent years. It invested around CAD 5.3 million in the equity investment Almonty, thus further increasing its commitment in the area of tungsten. At the same time, the portfolio of activities was streamlined and a new investment was entered into with Hammer Metals. The Group greatly benefited financially from the high US dollar position, which resulted in significant exchange rate gains. As a result of buying back bonds, the Group reduced its external indebtedness.

3. RESULTS OF OPERATIONS, FINANCIAL POSITION AND NET ASSETS

RESULTS OF OPERATIONS

Selected data from the income statement

Fiscal year ending 31 December 2015

IN EUR MILLION	2015	2014
Revenue	1.9	22.9
Total operating performance [1]	11.3	135.6
Gross profit [2]	11.3	130.5
EBITDA [3]	4.9	113.7
Operating result (EBIT) [4]	2.4	88.7
Earnings before tax	-0.6	84.7
Net income for the year	0.5	54.0

1 Total operating performance is defined as revenue plus increase or decrease in finished goods and work in process plus own work capitalized plus other operating income plus income from sale/deconsolidation.
2 Gross profit is defined as total operating performance less cost of materials.
3 EBITDA is defined as earnings for the period before interest, taxes, depreciation and amortization on tangible and intangible assets.
4 EBIT is defined as earnings for the period before interest and taxes.

In the past fiscal year, consolidated net income for the year came to EUR 0.5 million (prior year: EUR 54.0 million) with total operating performance of EUR 11.3 million (prior year:

EUR 135.6 million). In the prior year, the high earnings were largely due to the sale of Tekton Energy's assets and the sale of the Wolfram Camp mine. To this extent, 2015 was a kind of new beginning. Total operating performance comprises the revenue of EUR 1.7 million from oil and gas production of the subsidiary Elster Oil & Gas, in which the Company has a shareholding of 93 %, as well as own work capitalized of EUR 0.9 million (prior year: EUR 0.2 million). This relates to management services at the US companies. The services are not consolidated. The main contribution to the Group's net income for the year was from other operating income, which reached EUR 8.5 million and chiefly resulted from exchange rate gains in EUR/USD. Cost of materials, which still contributed EUR 5.1 million in the prior year, fell to almost zero, as the Wolfram Camp mine dropped out of the basis of consolidation at the end of 2014. In total, gross profit amounted to EUR 11.3 million (prior year: EUR 130.5 million).

Personnel expenses of EUR 2.3 million (prior year: EUR 5.9 million) decreased considerably, particularly as a result of the deconsolidation of Wolfram Camp Mining. Other operating expenses came to EUR 4.1 million (prior year: EUR 10.4 million). In the prior year, this item included exchange rate losses of EUR 2.6 million in connection with the sale of Wolfram Camp. In 2015, costs included EUR 0.28 million incurred for the repurchase of bonds at above their nominal value. Earnings before interest, taxes, depreciation and amortization came to EUR 4.9 million (EUR 113.7 million).

Amortization, depreciation and write-downs of EUR 1.6 million are almost solely attributable to amortization and depreciation of fixed assets.

Earnings before interest and taxes stood at EUR 2.4 million (EUR 88.7 million).

The financial result of EUR -3.0 million includes the interest payments of EUR 4.0 million on the bond issued in 2013. Income taxes of EUR 1.1 million consist almost exclusively of tax refund claims in the USA and the change in deferred taxes.

The loss in the high single-digits millions projected in the prior year was exceeded. The specific forecast in the semi-annual report, which assumes only a consolidated net loss for the year in the low single-digit millions, was also ultimately exceeded. This was due to the continued weakness of the euro as of year-end, which continuously increased the value of the US dollar stocks held within the Group.

FINANCIAL POSITION

Selected notes to the cash flow statement

Fiscal year ending 31 December 2015

IN EUR MILLION	2015	2014
Cash flow from operating activities	1.2	-19.0
Cash flow from investing activities	-15.1	89.6
Cash flow from financing activities	-14.1	-47.5
Increase/decrease in cash and cash equivalents	-25.6	23.1
Cash and cash equivalents at the beginning of the fiscal year	74.1	39.8
Cash and cash equivalents at the end of the fiscal year	48.4	74.1

The cash flow from operating activities came to EUR 1.2 million in 2015 (prior year: EUR -19.0 million). Investment in property, plant and equipment came to EUR 7.2 million in 2015. This mainly pertained to investments in wells at Elster Oil and Gas of EUR 6.0 million. In addition, the Group invested EUR 2.9 million in fixed intangible assets and EUR 4.6 million in fixed financial assets. This pertained to the signing of a convertible bond at Almonty and to the share purchases and signing of a convertible bond at Hammer Metals.

At EUR -14.1 million, cash flow from financing activities improved by EUR 33.4 million compared to the prior year (EUR -47.5 million). The Group repurchased treasury shares of EUR 1.9 million as well as own bonds of EUR 5.8 million. In addition, a dividend of EUR 2.5 million was distributed to the shareholders of Deutsche Rohstoff AG.
As of 31 December 2015, cash and cash equivalents including securities classified as fixed and current assets in the Group came to EUR 83.0 million (prior year: EUR 103.3 million). Cash and cash equivalents correspond to bank balances plus short-term liabilities to banks.
The equity ratio came to 48.3 % (prior year: 46.4 %), thus increasing despite the fact that equity dropped slightly from EUR 62.5 million to EUR 61.8 million. However, total assets declined from EUR 134.7 million to EUR 128.1 million, as a result of which the equity ratio increased.

Liabilities within the Group mainly include the outstanding bond of EUR 51.6 million and the bank loan of EUR 6.4 million. Both the bond and the bank loan have a term until 2018 and are therefore of a medium-term nature. Deutsche Rohstoff is currently examining options for repaying the bond early and placing a new bond with an extended term. Due to the low interest charged, it is not planned to repay the loan until it falls due.

The management board currently takes the view that the Deutsche Rohstoff Group will at all times continue to be in a position to meet its future obligations and to carry out investments on the basis of above-average equity and liquidity.

NET ASSETS

Selected balance sheet data

Fiscal year ending 31 December 2015

IN EUR MILLION	2015	2014
Fixed assets	48.8	36.5
Current assets	78.5	93.7
Equity	61.8	62.5
Liabilities	62.2	67.8
Provisions	1.1	1.5
Total assets	128.1	134.7

The Group's total assets of EUR 128.1 million include 38.1 % or EUR 48.8 million of fixed assets. Property, plant and equipment increased from EUR 2.3 million year on year to EUR 7.5 million in 2015. The increase was almost solely attributable to investments in oil and gas extraction in the USA.

As of 31 December 2015, intangible assets of EUR 17.5 million (prior year: EUR 12.3 million) comprised extraction rights of EUR 16.2 million and goodwill (prior year: EUR 1.3 million).

Fixed financial assets again increased to EUR 23.8 million in the reporting year (prior year: EUR 22.0 million). They contain the new equity investment in Hammer Metals (EUR 0.8 million) as well as a convertible bond for Hammer of EUR 0.4 million. In September 2015, Deutsche Rohstoff signed a convertible bond for Almonty Industries of EUR 2.7 million and, in December 2015, a loan of USD 1.0 million. In addition, the Group carries a bond denominated in USD in its fixed assets which was issued by a large German industrial company. This investment has no relation to the Group's operating activities and merely serves as a long-term investment of excess cash.

The 47 % investment in Devonian Metals in Canada was valued at only EUR 0.5m (prior year: EUR 1.26m), as the intended sale of the equity investment at its previous carrying amount no longer seems realistic on account of the difficult financing situation in the mining sector. The carrying amount was therefore subject to an extraordinary write-down of EUR 760,000.

The 10 % equity investment in Rhein Petroleum is carried at amortized cost of EUR 3.0 million (prior year: EUR 2.8 million).

As of 31 December 2015, there were receivables with a term of less than one year and other assets of EUR 7.4 million (prior year: EUR 0.8 million). The increase is primarily due to tax receivables in the USA (EUR 3.6 million), trade receivables (EUR 1.7 million) and the short-term loan granted to Almonty.

Securities classified as current assets comprise a US dollar bond as well as other short-term interest-bearing instruments (e.g., time deposits, commercial papers) that are to be sold again within 12 months. They came to EUR 22.6 million in the reporting year (prior year: EUR 18.7 million). The increase is attributable to the fact that further cash and cash equivalents were invested in short-term securities. None of these bonds and securities have any connection to the Company's operating business, but merely serve as investments of cash funds. Bank balances come to EUR 48.4 million (prior year: EUR 74.1 million). The decrease is chiefly attributable to the investments in fixed assets (EUR 14.6 million), the investment in short-term securities (EUR 2.8 million), the decrease in liabilities of around EUR 6.5 million, the share buyback of EUR 2.0 million and the dividend distribution of EUR 2.5 million.

For the sake of clearer and simpler accounting, the management board has decided, in contrast to the prior year, to offset the total future tax relief and burdens and the separately determined deferred tax assets and liabilities against each other. The disclosed deferred tax liabilities comprise the following netted temporary differences as well as the net amount from recognized tax loss carryforwards from DRAG:

Deferred tax liabilities	EUR 4,104k
Less	
Deferred tax assets from temporary differences	EUR - 418k
Remaining deferred tax liabilities	EUR 3,686k
Less	
Deferred tax assets on loss carryforwards (total)	EUR - 1,281k
Net deferred tax liabilities	EUR 2,405k

The Group's economic situation continues to be characterized by its strong equity position. Equity amounted to EUR 61.8 million as of 31 December 2015 (prior year: EUR 62.5 million). The decrease compared to the prior year is primarily due to the share buyback and the dividend distribution. The equity ratio rose slightly from 46.4 % to 48.3 %.

Liabilities of EUR 62.2 million (prior year: EUR 67.8 million) mainly consist of the bond issued (EUR 51.6 million), bank loans (EUR 6.4 million), interest payable on the bond (EUR 2.2 million) and trade payables (EUR 1.0 million). In February 2015, Deutsche Rohstoff AG repurchased own bonds with a nominal value of EUR 5.6 million, which reduced bonds payable to EUR 51.6 million.

The bank loan was restructured at the end of 2014. It now falls due at the end of 2018 but can be repaid at any time. The loan is subject to a floating rate of interest that is tied to the EURIBOR. Interest expenses in 2015 were very moderate, as the interest rate was just 0.52 % p.a. In view of the low burden from interest and the high degree of flexibility, the management board has decided not to repay the loan for the time being.

Provisions decreased on the prior year from EUR 1.5 million to EUR 1.1 million.

In the table below, the Company provides an overview of further indicators that are of particular importance for assessing its ability to service debt. This is based on the perspective prevailing on the reporting date of 31 December 2015.

ADDITIONAL SELECTED FINANCIAL INFORMATION

Fiscal year ending 31 December 2015

	2015	2014
EBIT interest coverage ratio[1]	0.6	17.8
EBITDA interest coverage ratio[2]	1.2	22.8
Total DEBT / EBITDA[3]	11.8	0.6
Total net debt / EBITDA[4]	-5.1	-0.3
Risk-bearing capital[5]	0.5	0.5
Total debt / capital[6]	0.5	0.5

1 Ratio of EBIT (EBIT is defined as revenue plus changes in inventories plus other own work capitalized plus other operating income less cost of materials less personnel expenses less depreciation and amortization less other operating expenses less other taxes plus income from equity investments) to interest expenses and similar expenses.
2 Ratio of EBITDA (EBITDA is defined as EBIT plus depreciation and amortization) to interest expenses and similar expenses.
3 Ratio of financial liabilities (financial liabilities are defined as liabilities to banks plus liabilities from bonds plus other interest-bearing liabilities) to EBITDA.
4 Ratio of net financial liabilities (net financial liabilities are defined as total debt less cash and cash equivalents) to EBITDA. Cash and cash equivalents are defined as securities classified as fixed and current assets plus any bank balances.
5 Ratio of liability capital (liability capital is defined as equity to total assets).
6 Ratio of financial liabilities (total debt) to financial liabilities plus equity.

OVERALL ASSESSMENT

From the point of view of the management board, the economic and financial situation of the Group remains excellent. Business developed satisfactorily. Although commodities prices fell rather sharply, in particular for oil and tungsten, which are particularly important for the Group, the damage done to the Group by the weaker price development in 2015 was limited. This was chiefly due to the sale of the significant assets in the Oil and Gas division in the USA and of the Wolfram Camp mine in Australia in 2014. In addition, Deutsche Rohstoff was able to make the most the weak market situation. There were favorable purchase opportunities in the USA, which were also taken advantage of. The Group continues to enjoy excellent liquidity. In the course of the year, the Group also benefited from the strong rise in the US dollar, as most of the cash and cash equivalents were denominated in US dollars. The amounts denominated in US dollars in the USA have a positive impact on the currency translation of equity. The equity ratio increased slightly, because although equity fell marginally, the greater decrease in total assets meant that the equity ratio could improve nonetheless.

On the assets side of the balance sheet, 64.8 % of total assets (around EUR 83 million) consisted of cash and cash equivalents and securities classified as fixed and current assets at the end of 2015. Due to the excellent liquidity, the management continues to believe it will be able to purchase high-quality projects at favorable terms and thus lay the foundations for strong value growth in the future

4. NON-FINANCIAL PERFORMANCE INDICATORS

The management strives to avoid incidents in the area of HSE (Health, Safety, Environment) entirely. There are clearly defined, detailed rules that employees and visitors alike must observe. The number of incidents in this area is the major non-financial performance indicator. There were no events of this kind at the subsidiaries in the past year. The objective was therefore achieved.

III. SUBSEQUENT EVENTS

The following events had a significant impact on the development of business after the reporting date and prior to the end of April 2016:

As of 1 January 2016, Deutsche Rohstoff AG issued a loan of USD 1.0 million to Almonty Industries. The loan has a term of 12 months and is subject to interest at a rate of 6 %. Further shares of Woulfe Mining, which holds the Sangdong project in South Korea, are pledged as security. At the same time, Almonty concluded a USD 14 million working capital loan with UniCredit.

In February 2016, DRAG purchased 1 million Almonty shares from an institutional investor. The shareholding in the company increased to 15.16 % as a result. In February, Almonty reported on the development of the fiscal year 2014/2015, which ended on 30 September 2015. Revenue increased by around 18 % to CAD 36.1 million (prior year: CAD 29.6 million). The company reports a net loss for the year of around CAD 20.0 million (prior year: net income for the year of CAD 10.4 million), primarily as a result of the weak tungsten price and the resulting write-downs on the Los Santos and Wolfram Camp mines. As expected, the weak trend continued in the first quarter of the fiscal year 2015/2016. Almonty published a further loss of CAD 5.2 million in April.

At a general meeting at the end of February 2016, the shareholders of Tin International Ltd. decided to liquidate the company. The liquidation is expected to be completed by mid-2016.

In March 2016, Almonty performed a capital increase of CAD 3.2 million in which Deutsche Rohstoff AG did not participate. As a result of the capital increase, its shareholding was further diluted to 14.02 %. In February and April 2016, Elster Oil & Gas and Cub Creek Energy reported on current and planned wells in Colorado. The development of drilling costs, which are now estimated at just USD 2.5 to 2.7 million for a well with a lateral length of one mile, is of particular significance. Cub Creek reported on the conclusion of an agreement with a drilling services provider, with which 20 horizontal wells are to be drilled from the beginning of June. At the same time, Elster Oil & Gas is also participating with a minority interest in six further wells, work on which began at the end of March. In April 2016, Almonty signed a binding letter of intent for the sale of the Wolfram Camp mine to the Australian company ATC Alloys in return for shares in ATC. Following the transaction, Almonty would be the largest shareholder in ATC, which operates a facility for producing ferro-tungsten in Vietnam. The conclusion of the transaction is subject to the condition that a capital increase of at least AUD 6.0 million succeeds. The prices for oil and tungsten initially continued to develop weakly at the beginning of the year, but reversed in March and April, reaching a level of USD 45/barrel for WTI at the end of April, almost 75 % higher than the low of USD 26/barrel in mid-February. Tungsten APT was traded at USD 210/mtu at the end of April, just under 30 % above the lows of early February.

The EUR/USD exchange rate did not continue its decline of the prior year, but instead recovered to USD 1.1360/EUR by the end of April. Almonty's share price, which had reached a low of CAD 0.20 in February, recovered by 50 % to CAD 0.31 by the end of April.

IV. FORECAST, OPPORTUNITIES AND RISK REPORT

1. FORECAST

The focus of the Group's business activities remains on developing new oil and gas projects in the USA. For 2016, up to 40 oil wells with an investment volume of up to USD 75 million are planned by Elster and Cub Creek. In addition, new investments will be made in the Metals division. The management board constantly examines new projects. In light of its very good liquidity, the Group can take advantage of opportunities as they arise.

Deutsche Rohstoff believes that global demand for goods and energy – and therefore the demand for all types of resources – will continue to increase further in the medium and long-term future. In the short-term, however, the demand for resources could fluctuate greatly with a corresponding effect on prices. The development of China is of particular importance for the commodities markets, as the country has become the greatest consumer of resources in many categories. Should growth in China continue to slow down, this would presumably have serious consequences for the commodities sector. However, China's resource requirements are continuing to increase, although growth has declined.

For internal management, the Group uses the consolidated net income for the year as the most significant financial performance indicator. The management board expects consolidated net income of EUR 10.0 million for 2016. The major contribution will come from the USA, where revenue from oil and gas extraction and corresponding profits are planned on the one hand, and where earnings are expected to be positively influenced by tax refunds on the other. The earnings forecast would be jeopardized if Cub Creek or Elster were forced to delay drilling, for example due to a significant fall in oil prices.

Moreover, the management board's main objective is to be able to distribute a constantly rising dividend in the years ahead. In this way, the shareholders should be able to participate in the Company's success.

2. RISKS AND OPPORTUNITIES

MANAGING OPPORTUNITIES AND RISKS

The operations of Deutsche Rohstoff AG itself are limited. All major activities take place at the subsidiaries and equity investments, each of which has its own management. The activities in the mining and oil and gas sectors are subject to a large number of risks and opportunities, both within and beyond the Company. We seek to identify and leverage opportunities at an early stage without neglecting or underestimating the associated risks. The management of Deutsche Rohstoff AG and the management of the group companies attaches particular importance to identifying risks in good time, estimating the consequences of the respective risks occurring, evaluating and, if possible, quantifying the likelihood of occurrence on an ongoing basis.

The management board of the holding company in Heidelberg uses a range of tools to identify opportunities and detect risks at an early stage and counteract them:

- The annual financial planning is prepared for the holding company as well as for the subsidiaries on a monthly basis and is subject to constant variance analysis. Larger variances are taken as an opportunity to examine the corresponding costs directly or to adjust the planning, if necessary.

- The credit and cash management of the subsidiaries is ensured via the parent company. There is close cooperation with those responsible for finances based on capital and liquidity planning.

- Deutsche Rohstoff AG, as the parent company, is represented on all supervisory committees of the group companies and also of the equity investments. There are regular board and supervisory board meetings at which the business policy is discussed in detail.

- Two to three times a month, or more frequently if necessary, extensive conference calls are held with the management of the subsidiaries. The management board is informed about all current developments and discusses upcoming measures during these conference calls.

In addition, personal visits on site or by the management of subsidiaries in Heidelberg provide an opportunity to discuss the respective situation comprehensively and to plan the next months and years from an operational perspective. These visits take place at least twice a year. There is also a regular exchange at management level with the investees in the form of on-site visits as well as telephone calls and correspondence during the year.

RISKS AND OPPORTUNITIES

The opportunities and risks are divided into five categories:

Systemic opportunities and risks
Industry opportunities and risks
Performance-related opportunities and risks
Financial opportunities and risks
Other opportunities and risks

The management of the individual companies focuses on the significant opportunities and risks. Such significant opportunities and risks are discussed with the Group's management board on an ongoing basis. They are the subject of regular telephone calls, reports, minutes and discussions during on-site visits. It is generally the responsibility of the highest management level of each subsidiary to anticipate opportunities and risks and regularly report to the management of the Group. The management of the Group, together with those responsible, specifies measures aimed at mitigating risks.

Systemic opportunities and risks

This category includes one of the main risks that arises in the resources business, namely the risk of a decrease in prices of the resources produced. Decreasing prices have substantial effects on the profitability of extraction and on the liquidity requirements of the respective group company. If the prices that can be achieved per unit produced drop below the costs incurred for producing such a unit for a protracted period, the Company's ability to continue as a going concern may be jeopardized.

In the Deutsche Rohstoff Group, the price risk mostly relates to oil and gas at present. Cub Creek Energy and Elster Oil & Gas regularly use sensitivity analyses to calculate how earnings and cash flow change with various prices for oil and gas. If there were to be a long-term drop in the price for WTI oil to below USD 30/barrel, the new horizontal wells would no longer pay for themselves as quickly as management considers appropriate from an opportunities and risk perspective. If the price level were below this threshold, no new wells would presumably be sunk. Deciding not to drill would affect the net assets, financial position and results of operations, but would under no circumstance jeopardize the Company's continued existence. As of the balance sheet date, prices are above this threshold. Cub Creek Energy and Elster Oil & Gas expect a long-term oil price of between USD 50.0/barrel and USD 70.0/barrel.

As with oil and gas production, there is also a price risk in the production of tungsten concentrates. If the price for the concentrates were to fall below the production cost for a protracted period, Almonty Industries could face risks to its ability to continue as a going concern. Unlike in oil production, the Company has to cover relatively high operating costs, which are also largely fixed and can be reduced only with a certain lead time. Since September 2014, there has been a significant fall in the European APT price, which is important for Almonty. In 2015, the average annual price was USD 227/mtu (prior year: USD 357). In February 2016, the price fell to its lowest level for many years of USD 165/mtu. By the end of April 2016, it had recovered to USD 210/mtu.

Largely aws a result of the low prices and the write-downs on the inventories of the mines in Wolfram Camp and Los Santos necessitated as a result, Almonty reported a loss of CAD 20.0 million for the fiscal year ending 30 September 2015. In the first quarter of the fiscal year 2015/2016 (1 October to 31 December 2015), there was also a loss. This came to CAD 5.2 million.

Should the low-price phase continue for a longer period, there is the risk of Almonty reporting losses at the level of the mines that the company operates and of its not generating sufficient returns to cover ongoing costs or to service the long-term liabilities. As a result, the management could be forced to close one or more mines. Moreover, in such a case, the financing of the Sangdong and Valtreixal development projects would be difficult and could be considerably delayed or prove to be impossible. If the management were to fail to acquire other financing in such a situation, it would not be possible to rule out the company becoming insolvent. In extreme cases, Deutsche Rohstoff faces the risk of the stockholding, the two convertible bonds and the short-term loan granted, and therefore carrying amounts of around EUR 15.0 million, becoming worthless. However, there is security for the second convertible bond of CAD 4.0 million and the short-term loan of USD 1m, which is recoverable from today's perspective.

Deutsche Rohstoff AG, as the second-largest shareholder, considers the risk of such a development to be manageable. The management board sees the risk of insolvency as less than 25 %. Through the purchase of mines and development projects, Almonty has significantly increased its share in production of tungsten concentrates outside China and also of the known reserves. It is one of the largest producers outside China. The purchase of the concentrates produced is ensured for the long term by means of supply agreements with Global Tungsten and Powders (GTP).

Almonty has been able to secure a significant amount of additional financing in recent months. The company announced in early January 2016 that it had concluded a financing agreement worth USD 14.0 million with UniCredit. As part of this agreement, Almonty receives USD 250/mtu from its customer, even if the market price is lower. The difference is paid through the UniCredit financing. It is repaid only when the market price rises above USD 250/mtu.

Conversely, a rising price would have a very significant effect on the results of operations, financial position and net assets at all group companies and equity investments. This therefore presents a significant opportunity. The management board expects the price of oil and gas and some metals to increase over the course of 2016. As of the balance sheet date, both oil and the most important metals, including tungsten, were up 20-40 % on the lows at the beginning of the year. The value of the Group's assets increases disproportionately when prices rise.

For example, when oil prices increase again, the value of producing oil fields rises sharply. Deutsche Rohstoff wishes to make use of this effect and is currently systematically looking for appropriate acquisitions.

The Company's investments are mainly in US dollars and, to a much lesser extent, in Australian dollars. The related currency risk is significant and is reflected in the consolidated financial statements, both with and without affecting income.
The management constantly reviews the options for hedging or mitigating the currency risk. To this end, forward exchange contracts are concluded regularly in order to secure a certain exchange rate for foreign currency items that will be paid back on a specified date.

With regard to currencies, the management sees the opportunity to continue generating additional earnings. Should the euro continue to lose value against the US dollar in the medium term, as the majority of market observers expect (see Deutsche Bank, Commerzbank), this would mean a significant increase in the value of the investments as well as higher returns in euros.

Industry opportunities and risks

As deposits of resources are bound to a particular location, they generally depend to a large extent on the political and legal environment. The Deutsche Rohstoff Group therefore operates only in countries where a stable and reliable environment is to be expected. Nevertheless, there may be regulatory changes that significantly influence the profitability of projects in these countries. Such an effect could arise if the use of fracking technology were to be restricted in Colorado or other federal states. However, the management currently regards this risk as low.

Due to the booming commodities market, there was a shortage in the availability of suitable personnel and service providers in recent years, particularly in Australia. At present, this risk seems to have disappeared as many projects are being put on ice, particularly due to poor financing opportunities. Most services as well as equipment and material can be purchased cheaper now in Australia, and most particularly in the USA, than was the case a few months ago. We do not expect this situation to deteriorate at all over the remainder of the year.

Performance-related opportunities and risks

In the area of service provision, there are the following significant risks relating to extraction companies. These risks can arise either individually or in combination, with each having a extensive influence on the Group's net assets, financial situation and results of operations, but particularly if they occur in combination:

Extraction rates: The commercial success of the wells of the oil companies depends on the extraction rates or the total amount that it is currently possible to extract. If the extractable volume is significantly lower than 250,000 BOE, the cash value of the well may not be positive. However, Cub Creek and Elster currently expect the planned wells to significantly exceed this figure. With lower drilling costs and an annual average oil price of USD 44/barrel, it should be possible to achieve positive present values.

The management teams of Cub Creek Energy and Elster Oil & Gas constantly review their assumptions relating to the possible extraction rates on the basis of new findings generated by the companies themselves or by competitors operating in the vicinity. This is intended to avoid poor drilling results and extraction rates. Of course, better-than-expected extraction rates present an opportunity with a positive effect on the results of operations.

Exploration results are, by their nature, predictable only to a limited extent. The exploration activities within the Group therefore carry the risk of wells or other types of exploration not being as successful as hoped. As a consequence, the value of the capitalized exploration expenses could decrease or these expenses could become completely worthless. However, due to the relatively low capitalized balance sheet values, the influence on the Group as a whole following the sale of the oil and gas activities is not particularly high and in no way jeopardizes the Company's continued existence. By contrast, better-than-expected exploration results can have a considerable positive influence, particularly on net assets.

Financial opportunities and risks

The ability to finance project development is one of the key success factors in the extraction of resources. As of the end of 2015, Deutsche Rohstoff had above-average equity reserves and high cash reserves. Nevertheless, the parent company could have to borrow additional funding to complete horizontal drilling programs in the USA or to acquire new projects. Funding requirements can also be higher than planned on account of delays or cost increases for the projects. Whether or not additional funding can be procured going forward hinges on the success of the current and future project activities, the conditions on the capital market and other factors. If it is not possible to borrow funds at favorable conditions or indeed at any conditions, the management could possibly be forced to reduce the operating expenses by delaying, limiting or discontinuing project development.

In general, the Deutsche Rohstoff Group endeavors to counter the financing risk with a very conservative financing policy. The reach of the cash available is constantly calculated. Ongoing discussions are held with potential providers of equity and borrowed capital in an attempt to create further funding opportunities that can also be used independently of the capital market.

Some group companies carry substantial amounts of unused tax losses or the ability offset future investments against profits. This applies in particular to Deutsche Rohstoff USA and Deutsche Rohstoff AG. The management board assumes that, based on current tax legislation, these loss carryforwards and other deductions can be carried forward and used for offsetting against future or past profits in accordance with the tax regulations (e.g., minimum taxation). If changes in the law at short notice, a change in the capital or ownership structures or other events mean that it is not possible to use the tax loss carryforwards in full or in part, e.g., because it is not possible to yield long-term profits with resource projects, income tax payments would then be incurred on the profits expected to be recorded in the future if the respective subsidiaries develop successfully. These tax payments would burden liquidity and capitalized deferred taxes could be impaired in value. The management board therefore regularly reviews the recoverability of deferred tax assets recognized on loss carryforwards. Local tax advisors have been engaged to recognize and remedy tax risks at an early stage in all countries where the Group has a domicile.

Other opportunities and risks

In the area of other risks, the risk of accidents affecting employees or third parties and the natural environment should be mentioned. Accidents of this kind can result in damages claims and additionally tarnish the Company's reputation. Both can negatively impact results of operations and net assets, and in extreme cases even jeopardize the Company's continued existence.

Overall picture of the risk situation

Just under 64.8 % of the assets of the Deutsche Rohstoff Group are cash and cash equivalents and securities. Most of this is held in US dollars. In the view of the management board, there are only marginal operating risks at the time this report was released. This will change only when new oil production is commissioned. The most significant risks at present are the oil price, the tungsten price, the currency risk, the recoverability of the equity investment in Almonty Industries and the risks pertaining to the further development of the exploration companies. However, the management board believes that all of these risks are manageable and even in the most unfavorable case would not jeopardize the continued existence of the Company. The management board therefore believes that the overall business risk is low. The main risks are also countered by opportunities arising from increasing commodities prices, a continued favorable exchange rate or successful development of projects by the exploration companies. In addition, thanks to its very good liquidity situation, the Company has the opportunity to invest in promising new activities.

Heidelberg, 9 May 2016

The management board

Dr. Thomas Gutschlag, Dr. Jörg Reichert

CONSOLIDATED BALANCE SHEET

ASSETS		31 DEC 2015	31 DEC 2014
		EUR	EUR
A.	FIXED ASSETS		
I.	Intangible assets		
1.	Purchased franchises, industrial and similar rights and assets, and licenses in such rights and assets	16,158,925	10,676,744
2.	Goodwill	1,342,189	1,601,871
		17,501,115	**12,278,615**
II.	Property, plant and equipment		
1.	Petroleum extraction equipment	5,314,075	0
2.	Exploration and evaluation	1,595,909	1,646,905
3.	Plant and machinery	443,974	512,526
4.	Other equipment, furniture and fixtures	119,258	94,187
		7,473,215	**2,253,618**
III.	Financial assets		
1.	Equity investments	11,821,167	11,455,464
2.	Securities classified as fixed assets	11,990,430	10,504,384
		23,811,597	21,959,848
B.	CURRENT ASSETS		
I.	Inventories		
	Finished goods and merchandise	54,574	37,557
		54,574	**37,557**
II.	Receivables and other assets		
1.	Trade receivables	1,738,465	106,328
2.	Receivables from other investees and investors	1,093,916	0
3.	Other assets	4,530,128	725,982
		7,362,509	**832,310**
III.	Securities classified as current assets	22,596,717	18,731,270
IV.	Bank balances	48,444,686	74,089,486
C.	PREPAID EXPENSES	**275,816**	**191,044**
D.	DEFERRED TAX ASSETS	**533,826**	**4,322,322**
	TOTAL ASSETS	**128,054,055**	**134,696,070**

EQUITY AND LIABILITIES			31 DEC 2015		31 DEC 2014
			EUR		EUR
A.	EQUITY				
I.	Subscribed capital	5,063,072		5,322,147	
. /.	less nominal value of treasury shares	-120,010	4,943,062	-259,075	5,063,072
	Conditional capital: EUR 2,000,000 (prior year: EUR 2,000,000)				
II.	Capital reserves		29,740,580		29,628,615
III.	Revenue reserves		0		0
IV.	Equity differences from currency translation		6,466,537		4,213,459
V.	Consolidated net retained profit		18,124,147		21,252,162
VI.	Minority interests		2,566,102		2,331,158
			61,840,428		**62,488,466**
B.	PROVISIONS				
1.	Tax provisions		179,122		0
2.	Other provisions		910,311		1,540,304
			1,089,433		**1,540,304**
C.	LIABILITIES				
1.	Bonds, thereof convertible: EUR 0		51,555,000		57,111,000
2.	Liabilities to banks		6,406,622		6,406,537
3.	Trade payables		956,669		216,566
4.	Other liabilities		3,267,157		4,086,860
			62,185,448		**67,820,963**
D.	DEFERRED TAX LIABILITIES		**2,938,746**		**2,846,337**
	TOTAL EQUITY AND LIABILITIES		**128,054,055**		**134,696,070**

CONSOLIDATED INCOME STATEMENT

		1 JAN - 31 DEC 2015	1 JAN - 31 DEC 2014
		EUR	EUR
1.	REVENUE	1,897,054	22,870,648
2.	INCREASE OR DECREASE IN FINISHED GOODS AND WORK IN PROCESS	17,017	1,860,918
3.	OTHER OWN WORK CAPITALIZED	940,772	154,596
4.	OTHER OPERATING INCOME	8,527,502	110,683,235
5.	COST OF MATERIALS	59,351	5,079,688
	a) Cost of raw materials, consumables and supplies and of purchased merchandise	0	573,640
	b) Cost of purchased services	59,351	4,506,048
6.	PERSONNEL EXPENSES	2,277,990	5,937,225
	a) Wages and salaries	2,154,797	5,833,832
	b) Social security, pensions and other benefit costs	123,193	103,393
	thereof for old-age pensions: EUR 11,077 (prior year: EUR 4,634)		
7.	AMORTIZATION, DEPRECIATION AND WRITE-DOWNS	1,578,900	25,434,019
	a) of intangible assets and property, plant and equipment	1,550,675	25,041,710
	b) on current assets	28,225	392,309
8.	OTHER OPERATING EXPENSES	4,110,949	10,392,052
9.	OTHER INTEREST AND SIMILAR INCOME	1,234,875	922,323
10.	AMORTIZATION OF FINANCIAL ASSETS AND SECURITIES CLASSIFIED AS CURRENT ASSETS	936,298	0
11.	INTEREST AND SIMILAR EXPENSES	4,210,704	4,987,091
12.	RESULT FROM ORDINARY ACTIVITIES	-556,971	84,661,645
13.	INCOME TAXES	-1,108,261	28,813,115
	thereof expenses (prior year: income) from changes in recognized deferred taxes: EUR 3,047,812 (prior year: EUR -278,179)		
14.	OTHER TAXES	22,548	1,831,908
15.	CONSOLIDATED NET INCOME FOR THE GROUP FOR THE YEAR	528,741	54,016,622
16.	PROFIT (-) /LOSS (+) ATTRIBUTABLE TO MINORITY INTERESTS	626,166	-28,844,885
17.	PROFIT CARRYFORWARD (+)	18,720,626	819,960
18.	TRANSFER TO REVENUE RESERVES	-1,751,387	-4,739,535
19.	CONSOLIDATED NET RETAINED PROFIT	18,124,147	21,252,162

		2015	2014
		EUR	EUR
	CONSOLIDTED NET INCOME FOR THE PERIOD (INCLUDING MINORITY INTERESTS)	**528,740**	**54,016,622**
+/-	Write-downs/write-ups of fixed assets	2,359,868	25,041,710
+/-	Increase/decrease in provisions	177,547	1,417,011
-/+	Gains/losses from the disposal of Wolfram Camp Mining Pty. Ltd. and Tropical Metals Pty. Ltd.	0	231,340
-/+	Profit/loss from the sale of assets and liabilities of Elster Oil & Gas Group	0	-103,605,131
+/-	Other non-cash expenses/income	-46,492	2,875,092
-/+	Increase/decrease in inventories, trade receivables and other assets that cannot be allocated to investing or financing activities	-5,803,622	10,987,800
+/-	Increase/decrease in trade payables and other liabilities that cannot be allocated to investing or financing activities	1,179,243	-9,464,620
-/+	Gains/losses from the disposal of fixed assets	22	0
+/-	Interest expenses/income paid/received	2,975,829	-197,881
+/-	Income taxes paid/received	-1,108,261	-278,180
-/+	Income tax payments	930,692	0
	CASH FLOW FROM OPERATING ACTIVITIES	**1,193,566**	**-18,976,237**
-	Cash paid for investments in intangible assets	-2,866,708	-195,339
+	Cash received from disposals of property, plant and equipment	208,362	149,278,647
-	Cash paid for investments in property, plant and equipment	-7,182,394	-37,735,225
+	Cash received from disposals of fixed financial assets	103,000	0
-	Cash paid for investments in fixed financial assets	-4,591,168	-1,125,771
-	Cash paid for additions to the basis of consolidation	-65,000	-9,148,938
+	Cash received in connection with short-term financial management of cash investments	4,341,522	21,825,928
-	Cash paid in connection with short-term financial management of cash investments	-6,135,103	-33,311,434
+	Interest received	1,087,294	0
	CASH FLOW FROM INVESTING ACTIVITIES	**-15,100,196**	**89,587,868**
+	Cash received from equity contributions from other shareholders	1,541,635	0
-	Cash paid from equity reductions to shareholders of the parent company	-1,871,398	-38,929,176
-	Cash repayments of bonds and loans	-6,181,573	-8,539,697
-	Interest paid	-4,454,264	0
-	Dividends paid to shareholders of the parent company	-2,531,536	0
-	Dividends paid to minority interests	-568,560	0
	CASH FLOW FROM FINANCING ACTIVITIES	**-14,065,696**	**-47,468,873**
	Change in cash and cash equivalents	-27,972,325	23,142,758
+/-	Changes in cash and cash equivalents due to exchange rates	2,323,299	11,921,064
+/-	Changes in cash and cash equivalents due to changes in the basis of consolidation	4,226	-789,815
+	Cash and cash equivalents at the beginning of the period	74,089,485	39,815,478
	CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**48,444,684**	**74,089,485**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

IN EUR	SUBSCRIBED CAPITAL	CAPITAL RESERVES	REVENUE RESERVES	EQUITY DIFFERENCE FROM CURRENCY TRANSLATION
AS OF 1 JAN 2014	**5,322,147**	**29,628,615**	**0**	**-6,599,815**
Capital repayment and distribution to minority interests	0	0	0	0
Transfer to the revenue reserves	0	0	4,739,535	0
Acquisition of treasury shares	-259,075	0	-4,739,535	0
Foreign currency translation	0	0	0	10,813,274
Reclassifications	0	0	0	0
Net income for the year	0	0	0	0
AS OF 31 DEC 2014	**5,063,072**	**29,628,615**	**0**	**4,213,459**
AS OF 1 JAN 2015	**5,063,072**	**29,628,615**	**0**	**4,213,459**
Capital increase through sale of shares to minority interests	0	111,965	0	0
Capital repayment and distribution to minority interests	0	0	0	0
Transfer to the revenue reserves	0	0	1,751,387	0
Acquisition of treasury shares	-120,010	0	-1,751,387	0
Foreign currency translation	0	0	0	2,253,078
Reclassifications	0	0	0	0
Dividend	0	0	0	0
Net income for the year	0	0	0	0
AS OF 31 DEC 2015	**4,943,062**	**29,740,580**	**0**	**6,466,537**

PROFIT/LOSS CARRYFORWARD	NET INCOME/LOSS FOR THE YEAR	EQUITY OF THE DRAG GROUP	MINORITY INTERESTS	GROUP EQUITY
9,124,431	**-8,304,471**	**29,170,906**	**9,723,486**	**38,894,392**
0	0	0	-36,237,213	-36,237,213
0	-4,739,535	0	0	0
0	0	-4,998,610	0	-4,998,610
0	0	10,813,274	0	10,813,274
-8,304,471	8,304,471	0	0	0
0	25,171,737	25,171,737	28,844,885	54,016,622
819,960	**20,432,202**	**60,157,308**	**2,331,158**	**62,488,465**
819,960	**20,432,202**	**60,157,308**	**2,331,158**	**62,488,465**
0	0	111,965	1,429,670	1,541,635
0	0	0	-568,560	-568,560
0	-1,751,387	0	0	0
0	0	-1,871,397	0	-1,871,397
0	0	2,253,078	0	2,253,078
20,432,202	-20,432,202	0	0	0
-2,531,536	0	-2,531,536	0	-2,531,536
0	1,154,908	1,154,908	-626,166	528,743
18,720,626	**-596,479**	**59,274,326**	**2,566,102**	**61,840,428**

CONSOLIDATED STATEMENT OF CHANGES IN FIXED ASSETS

ACQUISITION AND PRODUCTION COST

IN EUR		1 JAN 2015	ADDITIONS	DISPOSALS
I.	INTANGIBLE ASSETS			
	1. Purchased franchises, industrial and similar rights and assets, and licenses in such rights and assets	11,599,807	2,410,327	0
	2. Goodwill	2,194,300	373,103	0
		13,794,107	**2,783,430**	**0**
II.	PROPERTY, PLANT AND EQUIPMENT			
	1. Petroleum extraction equipment	0	5,980,410	0
	2. Exploration and evaluation	4,477,093	1,119,275	-181,610
	3. Plant and machinery	474,228	27,499	0
	4. Other equipment, furniture and fixtures	140,716	60,387	-2,275
		5,092,037	**7,187,570**	**-183,884**
III.	FINANCIAL ASSETS			
	1. Equity investments	11,455,464	1,195,020	-62,500
	2. Securities classified as fixed assets	10,504,383	3,396,148	-1,205,705
		21,959,847	**4,591,168**	**-1,268,205**
		40,845,991	**14,562,168**	**-1,452,089**

CHANGES IN BASIS OF CONSOLIDATION	RECLASSIFICATIONS	FOREIGN CURRENCY TRANSLATION	31 DEC 2015
105,972	1,258,169	1,838,029	17,212,304
0	0	0	2,567,403
105,972	**1,258,169**	**1,838,029**	**19,779,707**
0	-103,855	139,751	6,016,306
0	-1,100,497	111,880	4,426,141
0	-53,817	107,543	555,453
0	0	5,276	204,104
0	**-1,258,169**	**364,450**	**11,202,004**
0	0	-8,396	12,579,587
0	-653,626	0	12,041,201
0	**-653,626**	**-8,396**	**24,620,788**
105,972	**-653,626**	**2,194,083**	**55,602,499**

CONSOLIDATED STATEMENT OF CHANGES IN FIXED ASSETS

ACCUMULATED AMORTIZATION, DEPRECIATION AND WRITE-DOWNS

IN EUR		1 JAN 2015	ADDITIONS	DISPOSALS
I.	INTANGIBLE ASSETS			
	1. Purchased franchises, industrial and similar rights and assets, and licenses in such rights and assets	923,062	129,929	0
	2. Goodwill	592,428	632,786	0
		1,515,490	**762,715**	**0**
II.	PROPERTY, PLANT AND EQUIPMENT			
	1. Petroleum extraction equipment	0	694,192	0
	2. Exploration und Evaluierung	2,830,188	-78	0
	3. Plant and machinery	-38,298	56,574	0
	4. Other equipment, furniture and fixtures	46,529	37,271	0
		2,838,419	**787,959**	**0**
III.	FINANCIAL ASSETS			
	1. Equity investments	0	758,421	0
	2. Securities classified as fixed assets	0	50,771	0
		0	**809,192**	**0**
		4,353,909	**2,359,866**	**0**

				NET BOOK VALUES	
CHANGES IN BASIS OF CONSOLIDATION	RECLASSIFICA-TIONS	FOREIGN CURREN-CY TRANSLATION	31 DEC 2015	31 DEC 2015	31 DEC 2014
0	0	388	1,053,379	16,158,925	10,676,744
0	0	0	1,225,214	1,342,189	1,601,871
0	**0**	**388**	**2,278,593**	**17,501,114**	**12,278,615**
0	-9,609	17,649	702,232	5,314,075	0
0	-2,099	2,221	2,830,232	1,595,909	1,646,905
0	11,709	81,493	111,478	443,974	512,526
0	0	1,047	84,846	119,258	94,187
0	**0**	**102,410**	**3,728,788**	**7,473,215**	**2,253,618**
0	0	0	758,421	11,821,167	11,455,464
0	0	0	50,771	11,990,430	10,504,384
0	**0**	**0**	**809,192**	**23,811,596**	**21,959,848**
0	**0**	**102,797**	**6,816,573**	**48,785,926**	**36,492,081**

1. GENERAL

The consolidated financial statements of Deutsche Rohstoff were prepared in accordance with the accounting provisions of Secs. 290 et seq. HGB ["Handelsgesetzbuch": German Commercial Code].

The consolidated income statement is classified using the nature of expense method.

To improve clarity, we summarize individual consolidated balance sheet and income statement items and present and comment on them separately in these notes to the consolidated financial statements. For the same reason, we also indicate in the notes whether individual items are related to other items and "thereof" items.

The consolidated financial statements are presented in euro (EUR). Unless otherwise indicated, all figures are rounded up or down to the nearest euro in accordance with commercial rounding practice. Please note that differences can result from the use of rounded amounts and percentages.

2. BASIS OF CONSOLIDATION

The consolidated financial statements include Deutsche Rohstoff AG as well as three German and nine foreign subsidiaries. In the prior year, the consolidated financial statements included two German and seven foreign subsidiaries. Please also refer to 5.2. Information on shareholdings.

Through the acquisition of a further 50 % of the shares in Jutland Petroleum, with registered offices in Heidelberg, in March 2015, Deutsche Rohstoff AG's total shareholding increased to 100 %. This company was hitherto carried as an equity investment due to immateriality. Due to the new 100 % shareholding, the company was consolidated for the first time in April 2015. The purpose of this company is to explore, develop and extract oil and gas deposits, with a focus in Denmark.

Moreover, the newly founded US-American subsidiaries Salt Creek Oil & Gas (shareholding: 60 %) and Mountain States Reserve Company (shareholding: 100 %), both with registered offices in Denver, USA, were consolidated for the first time in June 2015. The business purpose of Salt Creek Oil & Gas is to acquire and operate oil and gas fields in the USA, with a focus on own operations and developing resource potential.

The objective of the Mountain States Reserve Company is to hold smaller equity investments in oil and gas wells as well as oil and gas licenses.

As a result of the share acquisitions and the cash capital increase performed in June 2015 at the German subsidiary Ceritech, the shareholding in the company increased from 61.43 % to 67.86 %.

The shareholder meeting of TIN International Ltd passed a resolution on 25 February 2016 to liquidate the company. The company will not be deconsolidated before it has been liquidated. Moreover, TIN International Ltd. passed a resolution on 15 December 2015 to distribute its shares in Tin International AG (formerly: Sachsenzinn GmbH) to its shareholders in accordance with the respective shareholding. Deutsche Rohstoff therefore discloses direct shareholdings in Tin International AG (formerly: Sachsenzinn GmbH) which come to 61.51 % – including additional share acquisitions – as of 31 December 2015.

3. CONSOLIDATION PRINCIPLES

Companies which were consolidated for the first time due to an acquisition were accounted for using the purchase method as of the date on which the companies became a subsidiary.

The carrying amount of the shares belonging to the parent company is offset against the equity of the subsidiary attributable to those shares. Equity is stated at the fair value of the assets, liabilities, prepaid expenses and deferred income to be included in the consolidated financial statements at the time of consolidation. Any remaining asset difference is disclosed as goodwill; any difference on the liabilities side is disclosed separately under equity as a "Negative consolidation difference."

The fair value of the assets, liabilities, prepaid expenses and deferred income is determined as of the date on which the company became a subsidiary; this is also the date of acquisition accounting.

Intercompany receivables and liabilities, revenue, income and expenses and any intercompany profits and losses were eliminated.

4. ACCOUNTING AND VALUATION METHODS

The following accounting and valuation methods were used to prepare the financial statements.

The financial statements of the companies included in the consolidated financial statements were prepared in accordance with uniform accounting and valuation methods.

Purchased **intangible assets** are recognized at acquisition or production cost and are amortized over their useful lives using the straight-line method if they have a limited life. The useful life ranges from three to five years. Intangible assets primarily comprise extraction rights as well as exploration and extraction licenses. Exploration licenses are amortized using the straight-line method over the anticipated total exploration period as of the date of acquisition. By contrast, extraction licenses are amortized over the expected remaining useful life of the deposit using the straight-line method. There is one exception regarding the straight-line amortization method for extraction rights, which are amortized according to the degree of utilization. The degree of utilization reflects the economic rate of depreciation. Extraordinary write-downs are recognized if the impairment is expected to be permanent.

Goodwill from acquisition accounting of shares is amortized pro rata temporis over a period of five years. The estimated useful lives are based on the expected extraction periods and volumes, the appropriateness of which is evaluated on a regular basis and adjusted downwards as necessary.

Property, plant and equipment are recognized at acquisition or production cost and are depreciated if they have a limited life. The cost of self-constructed assets includes direct costs as well as a proportionate share of overheads.

Property, plant and equipment contains the category “Petroleum extraction equipment” on account of the specific features of an extractive company. The petroleum extraction equipment relates to extraction equipment operated by Elster Oil & Gas as part of the Magpie project at the “Wattenberg” oil and gas field in Colorado (USA).

Classification of property, plant and equipment also contains a classification item “Exploration and evaluation.” The item contains expenses incurred during the exploration and evaluation phase in direct connection with the discovery of minable material and which directly serve the procurement of raw materials more likely than not to generate future cash flows. Direct costs and a proportionate share of overheads are recognized.

As of the date of commercial extraction, these items are reclassified to the respective fixed asset items. Should it emerge that, due to events or changes in circumstances, the estimated raw materials available are not sustainable or fall significantly short of expectations or the yield is not sufficient for viable extraction, the assets affected are written off through profit or loss.

Property, plant and equipment are depreciated over their estimated useful lives using the straight-line method. The useful life for plant and machinery ranges between 8 and 25 years, for other equipment, furniture and fixtures between 3 and 13 years. There is one exception regarding the straight-line depreciation method for petroleum extraction equipment, which is depreciated according to the degree of utilization. The degree of utilization reflects the economic rate of depreciation. Extraordinary write-downs are recognized if the impairment is expected to be permanent.

Financial assets are recognized at the lower of cost or market.

Inventories are recognized at the lower of cost or market.

Finished goods and merchandise are valued at production cost. In addition to the direct cost of materials, direct labor and other special direct costs, production costs include production and materials overheads as well as depreciation. Borrowing costs were not included in production cost. General and administrative expenses were also not capitalized. In all cases, valuation was at net realizable value, i.e., the cost to complete was deducted from the expected sales prices.

Receivables and other assets were stated at their nominal value less allowances for specific risks. As pending transactions, **derivative financial instruments** are generally not recognized. Gains on hedging instruments that cannot be designated to corresponding hedged items are only realized upon maturity. Unrealized losses from derivative financial instruments are recognized with an effect on income if they are not included in a hedge and the unrealized losses are not compensated for by offsetting changes in the value of the hedged item.

Other securities classified as current assets are recognized at acquisition cost or, if applicable, at the lower listed or market prices on the balance sheet date. **Prepaid expenses** include payments made prior to the balance sheet date that relate to expenses for a particular period after this date. **Other provisions** account for all uncertain liabilities and potential losses from pending transactions. They are recognized at the settlement value deemed necessary according to prudent business judgment (i.e., including future cost and price increases). Provisions with a residual term of more than one year were discounted. Recultivation provisions were primarily recognized for field clearance and well plugging. This involves recognizing a pro rata addition, taking into account expected future price and cost increases as well as discounts in line with the respective remaining term.

Provisions are discounted using an interest rate suitable for instruments of an equivalent term in accordance with the RückAbzinsV ["Rückstellungsabzinsungsverordnung": German Ordinance on the Discounting of Provisions].

Liabilities were recorded at the settlement value. To determine **deferred taxes** arising due to temporary or quasi-permanent differences between the carrying amounts of assets, liabilities, prepaid expenses and deferred income in the statutory accounts and their tax carrying amounts or due to tax loss carryforwards, the resulting tax burden and relief are valued using the company-specific tax rates at the time the differences reverse; these amounts are not discounted. Differences due to consolidation procedures in accordance with Secs. 300 to 307 HGB are taken into account; differences arising on the first-time recognition of goodwill or a negative consolidation difference are not included. Deferred tax assets were recognized on tax loss carryforwards if expected to be offset within the next five years. Where permissible, deferred tax assets and deferred tax liabilities are netted.

Foreign currency assets and liabilities were translated using the mean spot rate on the balance sheet date. If they had residual terms of more than one year, the realization principle and the historical cost principle were applied.

Except for equity, assets and liabilities in the financial statements prepared in foreign currency were translated into euro at the mean spot rate on the balance sheet date. Equity is translated at historical exchange rates. The items of the income statement are translated into euros at the average exchange rate. The resulting translation difference is recognized in consolidated equity under the item "Equity difference from currency translation."

5. NOTES TO THE CONSOLIDATED BALANCE SHEET

5.1. FIXED ASSETS

The development of fixed assets, including amortization, depreciation and write-downs for the fiscal year, is shown in the statement of changes in fixed assets.

In the fiscal years 2013 and 2014, shares in Elster Oil & Gas LLC totaling 29.14 percentage points were acquired by minority interests. As a result of this capital consolidation, hidden reserves of EUR 8,569k in total were capitalized in the item "Purchased franchises, industrial and similar rights and assets, and licenses in such rights and assets."

In addition, extraction rights in connection with possible oil and gas wells were capitalized under this item. In the fiscal year 2015, a further EUR 1,613k and EUR 993k of extraction rights was capitalized for the first time by Elster Oil & Gas LLC and Cub Creek Energy LLC respectively.

The item "Purchased franchises, industrial rights and similar rights and assets, and licenses in such rights and assets" breaks down as follows. (see Table 5.1.1.).

The petroleum extraction equipment relates to five wells in the "Wattenberg" field ibn Colorado, USA, an average of 39 % of which is allocable for economic purposes to the company Elster Oil & Gas LLC, and which were put into production in September 2015. Elster Oil & Gas LLC acts as a non-operator in this structure (seeTable 5.1.2.).

5.2. INFORMATION ON SHAREHOLDINGS

See Table 5.2.

Exercising the valuation option allowed under Sec. 253 (3) Sentence 4 HGB, the equity investment in Almonty Industries Inc. was disclosed with the carrying amount of EUR 7,428,369.30, as in the prior year. This carrying amount is based on a market value of CAD 0.86 per share on acquisition. The market value as of 31 December 2015 came to CAD 0.28 per share, with the price reaching CAD 0.32 per share by the date on which the financial statements were prepared. However, the carrying amount has not been written down to the fair value, as the net value per share – based on price forecasts from independent research companies – is higher than the historical acquisition cost, and the management board does not expect permanent impairment. We refer to our explanations under IV.2 in the management report.

TAB 5.1.1. PURCHASED FRANCHISES, INDUSTRIAL RIGHTS AND SIMILAR RIGHTS AND ASSETS, AND LICENSES IN SUCH RIGHTS AND ASSETS

PROJECT/COMPANY	RAW MATERIAL	2015	2014
Elster Oil & Gas LLC	Oil and gas	15,019,030	10,630,565
Cub Creek Energy LLC	Oil and gas	993,439	0
Other	Various	146,456	46,179
		16,158,925	**10,676,744**

TAB 5.1.2. EXPLORATION AND EVALUATION

PROJECT/COMPANY	RAW MATERIAL	2015	2014
Elster Oil & Gas LLC	Oil and gas	0	1,034,829
Cub Creek Energy LLC	Oil and gas	875,252	76,873
Tin International AG	Tin and copper	178,610	32,296
Tin International Pty Ltd	Tin	0	185,499
Ceritech AG	Rare earths	542,047	317,408
		1,595,909	**1,646,905**

5.3. INVENTORIES

Inventories relate to gold as finished goods

5.4. RECEIVABLES AND OTHER ASSETS

The remaining terms of receivables and other assets break down as follows: (see table 5.4. und 5.4.1.).

5.5. DERIVATIVE FINANCIAL INSTRUMENTS

There are currency and other derivative transactions (see table 5.5).

The currency transactions comprise a forward exchange contract based on US dollars (USD) concluded as a currency hedge – for the assets of Deutsche Rohstoff AG valued in US dollars.

In the prior year, a cross-currency swap was disclosed under currency transactions. However, this was reversed prematurely in September 2015. The provision for potential losses of EUR 625,658.05 recognized as of 31 December 2014 was utilized. Other transactions include derivative financial instruments in the form of costless collars comprising put and call options concluded to hedge the currency risk of the inventories in US dollars. They were not accounted for as hedges in accordance with Sec. 254 HGB. Derivative financial instruments are measured at fair value on the basis of published market prices. If there is no price listed on an active market, other suitable valuation methods are used. The market values of the forward exchange contracts were provided by the relevant contractual partners (financial service providers) with which the hedging transactions were concluded. To determine the market value of the put and call options (costless collars) as of the balance sheet date, the values prepared by the relevant contractual partner were also used to determine the market value on the basis of a mark-to-market valuation. SeeTable 5.5.

5.6. PREPAID EXPENSES

Prepaid expenses primarily relate to prepaid insurance and consulting.

TAB. 5.2.INFORMATION ON SHAREHOLDINGS

	REGISTERED OFFICE	INCL. SHARES IN ACC. WITH SEC. 16 AKTG DIREKT %	INDIREKT %	TOTAL %	FISCAL YEAR	EQUITY IN LW	NET INCOME/ LOSS FOR THE YEAR IN LW
CONSOLIDATED AFFILIATES							
Deutsche Rohstoff AG	Heidelberg, Germany						
Deutsche Rohstoff USA Inc	Wilmington, USA	100.00		100.00	2015		
Elster Oil & Gas LLC	Denver, USA		93.04	93.04	2015		
Tekton Windsor LLC	Denver, USA		93.04	93.04	2015		
Diamond Valley Energy Park LLC	Denver, USA		93.04	93.04	2015		
Cub Creek Energy LLC	Denver, USA		73.04	73.04	2015		
Salt Creek Oil & Gas LLC	Denver, USA		60.00	60.00	2015		
Mountain States Reserve Company LLC	Denver, USA		100.00	100.00	2015		
TIN International Pty Ltd	Sydney, Australia	61.51		61.51	2015		
Strategic Resources Development Pty Ltd	Taringa, Australia	70.00		70.00	2015		
Tin International AG (formerly: Sachsenzinn GmbH)	Leipzig, Germany	61.51		61.51	2015		
Ceritech AG	Leipzig, Germany	67.86		67.86	2015		
Jutland Petroleum GmbH	Heidelberg, Germany	100.00		100.00	2015		
OTHER EQUITY INVESTMENTS							
Devonian Metals Inc *	New Westminster, Canada	47.00			2014/15[1]	5,520,394	- 80,034
Almonty Industries Inc *	Toronto, Canada	14.02			2014/15[2]	49,002,000	- 20,292,0000
Hammer Metals Inc.*	Mount Lawley, Australia		16.37	16.37	2014/15[3]	6,754,497	- 3,912,374

* Measured at group amortized cost, as Deutsche Rohstoff AG cannot exert significant influence on the business or financial policies of these companies.

1 Abschlussstichtag 30. April 2015

2 Abschlussstichtag 30. September 2015

3 Abschlussstichtag 30. Juni 2015

TAB 5.4. RECEIVABLES AND OTHER ASSETS

			31 Dec 2015
IN EUR	< 1 YEAR	> 1 YEAR	TOTAL
Trade receivables	1,738,465	0	1,738,465
Receivables from other investees and investors	1,093,916	0	1,093,916
Other assets	4,342,022	188,106	4,530,128
			7,362,509

			31 Dec 2014
IN EUR	< 1 YEAR	> 1 YEAR	TOTAL
Trade receivables	106,328	0	106,328
Other assets	530,525	195,457	725,982
			832,310

TAB 5.4.1. OTHER ASSETS

IN EUR	2015	2014
Deposits	188,106	170,665
Receivables from German and foreign tax offices	4,000,224	185,309
VAT receivables	51,149	60,308
Interest income cap	253,869	282,466
Sundry other	36,780	27,234
	4,530,128	**725,982**

TAB 5.5. DERIVATIVES

CATEGORY	NOMINAL AMOUNT	FAIR VALUE	BOOK VALUE (IF AVAILABLE)	BALANCE SHEET ITEM (IF RECOGNIZED)
IN EUR				
Currency transactions	4,347,826	11,692	0	n/a
Other transactions	0	-31,662	-31,662	other provisions

5.7. DEFERRED TAXES

A group tax rate of approximately 34 % was used for calculating deferred taxes. Deferred tax assets were recognized on tax loss carryforwards of roughly EUR 13.1 million (prior year: EUR 6.8 million). The recognition of these deferred tax assets is based only on tax loss carryforwards that are expected to be offset within the next five years. For the sake of clearer and simpler accounting, the management board has decided, in contrast to the prior year, to offset the separately determined deferred tax assets and liabilities. This offsetting is at the level of the individual legal entities. The deferred taxes before offsetting are presented in the following table.5.7.).

5.8. EQUITY

The development of equity is shown in the statement of changes in equity.

As of 31 December 2015, the subscribed capital of EUR 5,063,072k (prior year: EUR 5,322k) corresponds to the balance sheet item recognized at the parent company. By resolution of the management board of 21 July 2015, the share capital of Deutsche Rohstoff AG was reduced by EUR 259,075.00 to EUR 5,063,072.00 by redeeming own shares. The capital reduction was entered in the commercial register on 20 October 2015.

By 31 December 2015, a total of 120,010 shares with an imputed value of share capital of EUR 1.00 each had been repurchased. As of 31 December 2015, the Company's treasury shares thus amounted to 120,010 with an imputed value of share capital of EUR 120,010.00 (2.37 %). Treasury shares are valued at an average acquisition cost of EUR 15.59 (prior year: EUR 19.29) per share, and thus a total of EUR 1,871,397.52 (prior year: EUR 4,998,610.45). A further 7,800 shares with an imputed value of share capital of EUR 1.00 each were to be repurchased at the end of the year. However, as the acquisition was not completed until the beginning of 2016 due to the turn of the year, these shares will not be disclosed until the fiscal year 2016.

Treasury shares were acquired for the purpose of flexibly managing the Company's cash requirements. The nominal value of treasury shares is deducted from subscribed capital on the face of the balance sheet in accordance with Sec. 272 (1a) HGB (EUR 120,010.00). An amount of EUR 1,751,387.52 of the net income for the year was posted to other revenue reserves in the fiscal year. The difference between the nominal value of the treasury shares and the acquisition cost of treasury shares of EUR 1,751,387.52 was offset against revenue reserves. The change of EUR 112k in the capital reserves in the current year arises from sales of shares to minority interests at the subsidiary Ceritech AG. The equity portions attributable to the minority interests were presented separately.

Pursuant to Sec. 268 (8) HGB, there is no restriction on the distribution of profits due to the recognition of deferred tax assets and deferred tax liabilities in the balance sheet. Of the consolidated equity, an amount of EUR 1,056k was not distributable in the prior year due to legal restrictions in accordance with Sec. 268 (8) HGB, as deferred tax assets exceed deferred tax liabilities.

5.9. PROVISIONS

Other provisions developed as follows see table 5.9.). Other provisions essentially relate to provisions for personnel expenses.

5.10. LIABILITIES

Liabilities are listed in the table below: (see table 5.10.).

The item "Bonds, non-convertible" includes liabilities from issuance of a corporate bond. In the fiscal year 2015, Deutsche Rohstoff AG bought back bonds with a nominal value of EUR 5,556,000.00 (prior year: EUR 5,126,000.00) and redeemed them. As a result, the corporate bond comes to EUR 51,555,000.00 (prior year: EUR 57,111,000.00) as of 31 December 2015.

TAB. 5.7. DEFERRED TAXES

EUR	31 DEC 2015	31 DEC 2014
Deferred tax assets on differences in carrying amounts for		
Property, plant and equipment	158	0
Receivables and other assets	214,344	206,334
Securities classified as current assets	39,330	0
Bank balances	23,569	0
Other provisions	140,790	536,358
Liabilities	43	1,538,952
TOTAL	**418,234**	**2,281,644**
DEFERRED TAXES ON LOSS CARRYFORWARDS	**1,280,763**	**2,040,678**
TOTAL DEFERRED TAX ASSETS	**1,698,997**	**4,322,322**
Deferred tax liabilities on differences in carrying amounts for		
Intangible assets	2,573,542	1,555,527
Securities classified as current assets*	389,924	129,186
Bank balances*	1,140,451	1,161,624
Total deferred tax liabilities	**4,103,917**	**2,846,337**
TOTAL DEFERRED TAXES, NET	**- 2,404,920**	**1,475,985**

TAB. 5.9. PROVISIONS

IN EUR	AS OF 1 JAN 2015	UTILIZATION	REVERSAL	ALLOCATION	CHANGE BASIS OFCONSOLIDA-TION	CURRENCY	2015
Tax provisions	0	0	0	179,122	0	0	179,122
Other provi-sions	1,540,304	-945,487	-22,440	318,254	0	19,680	910,311
Total provi-sions	**1,540,304**	**-945,487**	**-22,440**	**497,376**	**0**	**19,680**	**1,089,433**

TAB. 5.10. LIABILITIES

DUE IN (YEARS)			31 DEC 2015		
IN EUR	< 1 YEAR	1 TO 5 YEARS	> 5 YEARS	TOTAL	THEREOF SECURED
Bonds, non-convertible	0	51,555,000	0	51,555,000	0
Liabilities to banks	6,622	6,400,000	0	6,406,622	6,406,622
Trade payables	956,669	0	0	956,669	0
Other liabilities	3,267,157	0	0	3,267,157	0
thereof for social security	8,065	0	0	8,065	0
thereof for taxes	170,105	0	0	170,105	0

DUE IN (YEARS)			31 DEC 2014		
IN EUR	< 1 YEAR	1 TO 5 YEARS	> 5 YEARS	TOTAL	THEREOF SECURED
Bonds, non-convertible	0	57,111,000	0	57,111,000	0
Liabilities to banks	414,025	5,992,512	0	6,406,537	6,406,537
Trade payables	216,566	0	0	216,566	0
Other liabilities	4,044,323	42,537	0	4,086,860	0
thereof for social security	8,755	0	0	8,755	0
thereof for taxes	644,882	0	0	644,882	0

TAB. 6.2. OTHER OPERATING INCOME

IN EUR	2015	2014
Income from the sale of fixed assets of the Elster Oil & Gas Group	0	104,322,975
Income from exchange rate gains	8,417,427	5,749,949
Sundry other income	110,075	610,311
	8,527,502	**110,683,235**

6.NOTES TO THE CONSOLIDATED INCOME STATEMENT

6.1. REVENUE

Revenue by segment and region breaks down as follows.

IN EUR	2015	2014
Gold	65,475	0
High-tech metals	0	6,208,022
Oil	1,658,020	14,745,864
Gas	54,664	1,837,338
Other	118,895	79,424
	1,897,054	**22,870,648**

IN EUR	2015	2014
Germany	65,475	79,424
USA	1,831,579	16,583,202
Australia und Asia	0	6,208,022
	1,897,054	**22,870,648**

Revenue is comparable with the prior year only to a limited extent due to the sale of the significant assets and liabilities of Elster Oil & Gas LLC as well as of the two Australian companies Wolfram Camp Mining and Tropical Metals during the prior year.

6.2. OTHER OPERATING INCOME

The item mainly includes income from exchange rate gains generated at the level of Deutsche Rohstoff AG. These exchange rate gains mainly arose as a result of the valuation as of the balance sheet date of bank accounts – kept in US dollars – as well as of the transactions performed during the year on the bank accounts kept in US dollars and the securities classified as current assets valued in US dollars. Due to the increase in the US dollar exchange rate compared to 31 December 2014, additional realized and unrealized exchange rate gains have to be disclosed. Other operating income comprises the following (see table 6.2.).

6.3. EXTRAORDINARY WRITE-DOWNS

Amortization, depreciation and write-downs include extraordinary write-downs of EUR 758,420.78 on the equity investment in Devonian Metals Inc in order to measure the carrying amount at fair value due to permanent impairment.

6.4.OTHER OPERATING EXPENSES

Other operating expenses break down as follows (see table 6.4.). As a result of the sale of the two Australian subsidiaries Wolfram Camp Mining and Tropical Metals in the prior year, the items “Operating expenses” and “Sundry other operating expenses” in particular have decreased considerably.

6.5. INCOME TAXES

IN EUR	2015	2014
Income (-)/expense (+) from changes in deferred taxes	3,047,812	- 278,179
	3,047,812	**- 278,179**

7. OTHER NOTES

7.1. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

Cash and cash equivalents comprise the balance sheet item “Bank balances.”

The presentation of the cash flow statement is comparable with the prior year only to a limited extent, as there were amendments to GAS 21 “Cash Flow Statements” in the calendar year 2015.

7.2. RELATED PARTY TRANSACTIONS

In the fiscal year, there were no significant transactions with related parties that were not conducted at arm’s length.

7.3. CONTINGENT LIABILITIES AND OTHER FINANCIAL OBLIGATIONS

CONTINGENT LIABILITIES

There are no contingent liabilities.

OFF-BALANCE-SHEET TRANSACTIONS

See table 7.3.

OTHER FINANCIAL OBLIGATIONS

In addition to the contingent liabilities and off-balance-sheet transactions, there are other financial obligations (see table 7.3.1.).

STOCK OPTION PROGRAM

In accordance with the resolution approved at the annual general meeting of Deutsche Rohstoff AG on 22 July 2011, the

TAB. 6.4. OTHER OPERATING EXPENSES

IN EUR	2015	2014
Operating expenses	30,695	1,427,231
Non-recognizable exploration and evaluation expenses	253,159	273,525
Administrative expenses	3,495,228	3,684,420
Selling expenses	247,036	548,586
Other expenses	84,831	4,458,290
	4,110,949	**10,392,052**
FOR OPERATING EXPENSES		
Rent and leases	28,289	742,284
Maintenance, third-party repairs for plant and machinery	2,406	0
Utilities	0	684,947
	30,695	**1,427,231**
FOR ADMINISTRATIVE EXPENSES		
Legal and consulting fees	1,306,597	800,391
Bookkeeping costs	25,777	132,752
Insurance premiums	67,885	139,674
Costs incurred by the supervisory board and similar bodies	304,165	133,500
Rent and leases	238,719	196,642
Cost of preparing and auditing the financial statements	157,323	169,940
IT expenses (rent, maintenance, consulting, etc.)	123,725	42,604
Contributions	16,840	21,890
Office supplies	36,747	30,067
Post and telephone expenses, data transfer	27,075	35,430
Bank charges and fees	72,343	20,735
Cost of repurchasing bonds	277,800	572,022
Allocation to provision for potential losses/costs for reversing cross-currency swap	316,342	625,658
Freight out	0	120,003
Cost of stock exchange listing	223,244	205,686
Other administrative expenses	300,646	437,426
	3,495,228	**3,684,420**
FOR SELLING EXPENSES		
Travel expenses	184,800	200,930
Advertising and sales promotion	61,186	31,768
Royalties	1,050	158,460
Other selling expenses	0	157,428
	247,036	**548,586**

IN EUR	2015	2014
FOR OTHER EXPENSES		
Deconsolidation costs	0	231,341
Exchange rate losses	1,042	3,305,961
Incidental personnel expenses/training	10,773	15,327
Vehicle expenses	33,057	99,739
Losses from the disposal of property, plant and equipment	3,022	14,134
Donations	250	9,482
Write-down of receivables	5,192	0
Sundry other operating expenses*	31,495	782,306
	84,831	**4,458,290**

* In the reporting year, this item includes expenses relating to other periods of EUR 0.00 (prior year: EUR 510k).

management board was authorized until 31 December 2013 to launch stock option plans and to issue, once or in several tranches, up to 225,000 stock options with subscription rights to new registered no-par value shares in the Company representing a pro-rata amount of EUR 1.00 of the share capital per share with a term of up to seven years to members of management of the Company's affiliates in Germany and abroad and their affiliates in Germany and abroad, subject to the condition that each stock option grants the right to subscribe a new share in the Company.

By resolution dated 13 September 2011, the management board made use of the authorization for the first time and issued 90,000 stock options to members of management of the Company's affiliates in Germany and abroad as well as 28,000 stock options to the Company's employees and its affiliates in Germany and abroad. By resolution dated 3 January 2012, the management board once again made use of the authorization and issued 50,000 stock options to members of management of the Company's affiliates in Germany and abroad as well as 49,000 stock options to the Company's employees and its affiliates in Germany and abroad.

Following the issue of these stock options, there remain 8,000 options for employees and no further options for members of management. In the meantime, three employees to whom the options had been issued have left Deutsche Rohstoff AG or affiliates. A total of 28,000 options were returned to the Company. Together with the 8,000 options that had not been issued under the first two tranches, a total of 36,000 options were available for reissue.

On 14 June 2013, the management board made use of the authorization by the annual general meeting and, in a third tranche, issued 32,000 stock options to employees of the Company.

In 2014, 42,500 stock options were returned from the second tranche, which had been granted to members of management of the Company's affiliates in Germany and abroad. Furthermore, an employee left a German affiliate in 2014, as a result of which an additional 5,000 stock options were returned from the third tranche.

The vesting period for the first tranche of the stock option program expired on 13 September 2015.

On 13 September 2015, the management board, with the approval of the supervisory board dated 18 September 2015, resolved in accordance with Art. 1 (5) of the 2011 stock option program to provide a cash settlement for all options exercised or to be exercised pursuant to Art. 7 (2) of the 2011 stock option program in exchange for payment of the difference between the exercise price pursuant to Art. 5 of the stock option program and the authoritative reference price pursuant to Art. 6 (2) of the stock option program, instead of granting subscription shares. A total of 35,000 stock options were exercised in 2015.

TAB. 7.3. OFF-BALANCE-SHEET TRANSACTIONS

	PURPOSE	RISKS	REWARDS
Operating leases	Safeguard the liquidity situation and improve the equity ratio	Risks arise from the non-cancelable minimum lease term as well as higher refinancing costs.	Short-term contractual obligations, allowing leased items to be upgraded to keep up with technical progress.

TAB. 7.3.1. OTHER FINANCIAL OBLIGATIONS

IN EUR	DUE IN < 1 YEAR	DUE IN > 1 YEAR	2015	DUE IN < 1 YEAR	DUE IN > 1 YEAR	2014
Office rent	256,412	365,510	620,922	121,133	151,549	272,682
Vehicle leasing	14,429	7,919	22,348	20,518	19,943	40,461
Other	49,228	54,609	103,837	2,183	182	2,365
			747,107			**315,508**

TAB. 7.4. EMPLOYEES

			2014			2014
HEADCOUNT	PRODUCTION	ADMINISTRATION	TOTAL	PRODUCTION	ADMINISTRATION	TOTAL
Wage earners	0	0	0	27.0	0	27.0
Salaried employees	0	14.0	14.0	0	19.0	19.0
Trainees	0	0	0	2.0	0	2.0
	0	**14.0**	**14.0**	**29.0**	**19.0**	**48.0**

As of the date they were granted, the stock options had a value of EUR 0k. As of the balance sheet date, this figure stood at EUR 517k (prior year: EUR 847k). This decrease is attributable to the decline of the share price of Deutsche Rohstoff AG since the last balance sheet date.

7.4. EMPLOYEES

The average number of employees during the fiscal year is presented below (see table 7.4.). The average number of employees is a quarter of the total numbers of employees as of 31 March, 30 June, 30 September and 31 December.

7.5. CORPORATE BODIES

MANAGEMENT BOARD

Dr. Thomas Gutschlag, Mannheim
Dr. Titus Gebel, Schönau
Dr. Jörg Reichert, Leipzig (since 1 January 2015)

SUPERVISORY BOARD

Martin Billhardt, Cuxhaven (chairman)
    Operating Partner at WP Management Solutions AG, Bad Homburg
Prof. Dr. Gregor Borg, Halle
    Head of the working group on petrology and economic geology (Fachgruppe für Petrologie und Lagerstättenforschung) at the University of Halle-Wittenberg
Wolfgang Seybold, Esslingen am Neckar
    Banking professional, general manager of AXINO Investment GmbH

7.6. TOTAL REMUNERATION OF THE MANAGEMENT BOARD

Remuneration of the management board of Deutsche Rohstoff AG for performing its functions at the parent company and the subsidiaries amounted to EUR 642k (prior year: EUR 721k).

7.7. GESAMTBEZÜGE DES AUFSICHTSRATS

Compensation of the supervisory board of Deutsche Rohstoff AG for performing its functions at the parent company and the subsidiaries amounted to EUR 118k (prior year: EUR 113k).

7.8. AUDITOR FEES AND SERVICES

The total fees charged by the group auditor for the fiscal year amount to EUR 93k and relate to audit services.

Heidelberg, 9 May 2016

The management board

Dr. Thomas Gutschlag   Dr. Jörg Reichert

DEAR SHAREHOLDERS,

Over the past financial year, the Supervisory Board performed its duties in accordance with law, the statutes and rules of procedure, and intensively supervised the Executive Board's business conduct, in terms of fulfilling its advisory and regulatory role. In all decisions that were of fundamental importance to the company, the Supervisory Board was directly involved. Within the scope of fulfilling its duty, the Executive Board reported to the Supervisory Board regularly, promptly and comprehensively, both in writing and orally and/or by telephone, on matters of corporate planning, the situation and development of the company and its affiliated subsidiaries and affiliated companies, as well as all significant business transactions. The Supervisory Board has voted, after careful consideration and consultation, on the decisions or actions of the Executive Board, which are subject to approval by law, the Articles of Association of the Rules of Procedure of the Executive Board, as well as other decisions of fundamental importance.

In my capacity as the Chairman of the Supervisory Board I have retained constant contact with the Executive Board and regularly kept myself informed about the development of the company and its subsidiaries. In particular, this includes the acquisition of fields for the development of oil and gas production in the USA; the participation in five horizontal drillings in Colorado; the subscription to a convertible bond with Almonty Industries of more than CAD 4 million; the granting of a short-term loan to Almonty amounting to over USD 1 million; the investment in Hammer Metals and the multiple increase in shares over the course of the year. I have furthermore kept abrest of the activities carried out by the exploration companies Tin International and Ceritech as well as the investments in Rhein Petroleum, Jutland Petroleum and Devonian Metals together with further significant business transactions completed by the company, its subsidiaries and associated companies.

MEETINGS OF THE SUPERVISORY BOARD AND KEY POINTS OF DELIBERATION

In the fiscal year 2015, a total of six Supervisory Board meetings were held. All meetings were held with physical attendance. No committees were formed. The focus of the meetings of the Supervisory Board in the financial year 2014 were on the following subjects:

· the agreement concluded with Almonty Industries in February 2015, in which all remaining claims from the sale of Wolfram Camp and Tropical Metals were settled;

· the investment in Hammer Metals in February 2015;

· the acquisition of areas from Cub Creek Energy in March 2015;

· a capital reduction with subsequent capital increase in Ceritech in March 2015;

· the appraisal of the annual financial statements and the approval of the consolidated financial statements for the financial year 2014 at the financial meeting on 1st June 2015 following extensive discussion with the auditors for the financial statements and consolidated financial statements for the fiscal year 2015;

· the formation of Salt Creek Energy in Denver/USA in June 2015;

· the progress of exploration and processing activities of Tin International and Ceritech;

· the share buyback program in the second half of the year 2015;

· the results of the interim financial statements on 30th June 2015;

· the investment of the company's liquid assets;

· the development of commodity prices, in particular oil prices in the USA and the European tungsten-APT;

· the evaluation of exchange rate trends, particularly of the EUR/USD;

· the investment and budget planning for the financial year 2016;

The budget adjustments for the fiscal year 2015 established by the Executive Board and the budget planning for the fiscal year 2016 were reviewed in detail and approved by the Supervisory Board. The strategic direction of the company and the group was advised, reviewed and adapted on the basis of medium-and-long-term corporate planning and scenario comparisons. The Supervisory Board thoroughly analyzed and tested the information received from the Executive Board, and discussed it with the Executive board. Special attention was paid to the risk situation and risk management.

The Executive Board regularly informed the Supervisory Board of the situation regarding net assets, finances and earnings at Deutsche Rohstoff AG and its affiliated subsidiaries and associated companies.

In addition to that and outside of the Supervisory Board meetings, the Supervisory Board approved business transactions which are subject to approval according to the law, the bylaws of the company or the rules of procedure for the Executive Board. These were in particular:

· the approval of the Executive Board to the voluntary public buy-back proposal of the DRAG to the owners of the " 8 % bonds 2013/2018" in total of up to EUR 20 million;

· the authorization of the Executive Board to conclude an agreement with Almonty Industries to settle all claims resulting from the sale of Wolfram Camp and Tropical Metals on 2nd February 2015;

· the authorization to a capital increase in Hammer Metals to the value of AUD 1.25 million on 2nd February 2015;

· the subscription of the Supervisory Board to a keepwell statement for Ceritech on 16th February 2015;

· the approval to the withdrawal of own shares on 21st July 2015;

· the approval to repurchase of own shares on 29th July 2015;

· the approval to subscription to a convertible bond from Almonty Industries on 1st September 2015, and,

· the authorization for the Executive Board to conclude a new lease for company premises on 18th September 2015.

ANNUAL FINANCIAL STATEMENTS, CONSOLIDATED FINANCIAL STATEMENTS, THE GROUP MANAGEMENT REPORT AND THE PROPOSAL FOR THE UTILIZATION OF NET RETAINED PROFITS

Ernst & Young GmbH, an auditing firm based in Stuttgart, branch Mannheim, Theodor-Heuss-Anlage 2, 68165 Mannheim (EY), was appointed on July 21, 2015 by the Annual General Meeting as auditors and Group auditors for the financial year 2015. They were then appointed by the Supervisory Board to conduct the audit of the separate and consolidated financial statements of the company. EY examined the individual and consolidated financial statements (including group management report) provided by the Executive Board, for the financial year 2015, and issued an unqualified audit certificate.

All Supervisory Board members received the specific documentation relevant to the financial statements in good time before the meeting of the Supervisory Board on May 9, 2016, in particular the annual financial statements and consolidated financial statements, the related audit reports of EY and the proposal of the Executive Board for the utilization of net retained profits. All members of the Supervisory Board examined the above-mentioned documents in detail in preparation for this meeting. At the financial meeting, the annual financial statements, the consolidated financial statements, the group management report and the proposal for the utilization of retained net profits were discussed with the Executive Board. The Supervisory Board has independently examined each of the annual financial statements prepared by the Executive Board, as well as the consolidated financial statements and the group management report, for their lawfulness, correctness, suitability and cost-effectiveness, as well as the proposal of the Executive Board for the utilization of the net retained profits. The responsible partner of EY, as well as the Audit Manager, also participated in this meeting on May 9, 2016. They reported on the analysis, commented on the key audit areas and made themselves available to the Supervisory Board for additional questions and information.

REPORT OF THE SUPERVISORY BOARD

After careful examination of the financial statements, the consolidated financial statements and the group management report for the financial statements and the group management report for the financial year 2015, the Supervisory Board has raised no objections, nor has it raised any objections to the proposal of the Executive Board for the utilization of retained net profits. The Supervisory Board concurred with the audit results of EY and approved the financial statements and the consolidated financial statements of Deutsche Rohstoff AG. The financial statements of Deutsche Rohstoff AG are thus approved.

The Supervisory Board would like to thank the members of the Executive Board and all employees for their commitment and hard work in 2015.

Heidelberg, May 2016

On behalf of the Supervisory Board

Martin Billhardt

Chairman

TO DEUTSCHE ROHSTOFF AG

We have audited the consolidated financial statements prepared by Deutsche Rohstoff AG, Heidelberg, comprising the balance sheet, the income statement, the cash flow statement, the statement of changes in equity and the notes to the consolidated financial statements together with the group management report for the fiscal year from 1 January to 31 December 2015. The preparation of the consolidated financial statements and the group management report in accordance with German commercial law is the responsibility of the Company's management. Our responsibility is to express an opinion on the consolidated financial statements and the group management report based on our audit.

We conducted our audit of the consolidated financial statements in accordance with Sec. 317 HGB and German generally accepted standards for the audit of financial statements promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Those standards require that we plan and perform the audit such that misstatements materially affecting the presentation of the net assets, financial position and results of operations in the consolidated financial statements in accordance with [German] principles of proper accounting and in the group management report are detected with reasonable assurance. Knowledge of the business activities and the economic and legal environment of the Group and expectations as to possible misstatements are taken into account in the determination of audit procedures. The effectiveness of the accounting-related internal control system and the evidence supporting the disclosures in the consolidated financial statements and the group management report are examined primarily on a test basis within the framework of the audit. The audit includes assessing the annual financial statements of those entities included in consolidation, the determination of entities to be included in consolidation, the accounting and consolidation principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements and the group management report. We believe that our audit provides a reasonable basis for our opinion.

Our audit has not led to any reservations.

In our opinion, based on the findings of our audit, the consolidated financial statements comply with the legal requirements and give a true and fair view of the net assets, financial position and results of operations of the Group in accordance with [German] principles of proper accounting. The group management report is consistent with the consolidated financial statements and as a whole provides a suitable view of the Group's position and suitably presents the opportunities and risks of future development.

Mannheim, 9 May 2016

Ernst & Young GmbH
Wirtschaftsprüfungsgesellschaft

Kaschub	Hällmeyer
Wirtschaftsprüfer	Wirtschaftsprüfer
[German Public Auditor]	[German Public Auditor]

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DISCLAIMER

FORWARD-LOOKING STATEMENTS

This report contains forward-looking statements that reflect the management's current views in respect of future developments. Such statements are subject to risks and uncertainties that are beyond the ability of Deutsche Rohstoff AG (DRAG) to control or estimate precisely. Such statements may include future market conditions and economic environment, the behaviour of other market participants, the successful acquisition or sale of group companies or interests and the actions of government bodies. Should any of the above stated risks or other risks and uncertainties occur, or should the assumptions underlying any of these statements prove incorrect, then the actual results may differ significantly from those expressed or implied by such statements. DRAG neither intends nor assumes any obligation to update any forward-looking statements to reflect events or developments that take place after the date of this report.

DEVIATIONS RESULTING FROM TECHNICAL GROUNDS

For technical reasons (e.g. resulting from the conversion of electronic formats) deviations may arise between the accounting documents contained in this Annual Report and those submitted to the electronic Federal Gazette in Germany. In this case the version submitted to the electronic Federal Gazette shall be considered the binding version.

This English version of the Annual Report is a translation of the original German version; in the event of any deviation, the German version of the Annual Report shall take precedence over the English version.

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