

**ÇATI MADENCİLİK İTHALAT
VE İHRACAT ANONİM ŞİRKETİ
FINANCIAL STATEMENTS
TOGETHER WITH AUDITOR'S REPORT
AS OF 31 MARCH 2015**

ÇATI MADENCİLİK İTHALAT VE İHRACAT ANONİM ŞİRKETİ
INDEPENDENT AUDITOR'S REPORT AS OF 31 MARCH 2015

To the Shareholders and the Board of Directors of Çatı Madencilik İthalat ve İhracat Anonim Şirketi İstanbul.

We have audited the accompanying financial statements of Çatı Madencilik İthalat ve İhracat Anonim Şirketi ("the Company") which comprise the balance sheet as at 31 March 2015 and the statement of income for the period then ended, and a summary of significant accounting policies and other notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

ARTI DEĞER
ULUSLARARASI BAĞIMSIZ DENETİM VE
YEMİNLİ MALİ MÜŞAVİRLİK ANONİM ŞİRKETİ

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Çatı Madencilik İthalat ve İhracat Anonim Şirketi as of 31 March 2015 and its financial performance for the period then ended in accordance with International Financial Reporting Standards.

İstanbul, 18 May 2015

Artı Değer Uluslararası Bağımsız Denetim ve YMM A.Ş.
Member of Task International


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YEMİNLİ MALİ MÜŞAVİRLİK ANONİM ŞİRKETİ

Süleyman TAF, CPA
Partner

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ÇATI MADENCİLİK İTHALAT VE İHRACAT A.Ş.
BALANCE SHEETS AS OF 31.03.2015 AND 31.03.2014

(Currency - Turkish Lira)

(Amounts translated into USD at respective year end exchange rates for convenience purposes)

ASSETS	Note	31.03.2015		31.03.2014	
		USD	TL	USD	TL
CURRENT					
Cash and Cash Equivalents	04	405.205	1.057.711	124.031	271.603
Trade Receivables		2.140	5.587	-	-
Inventories	05	25.074	65.448	642.797	1.407.597
Other Current Assets	06	356.828	931.389	1.037.162	2.271.178
Total Current Assets		789.247	2.060.135	1.803.990	3.950.378
NON-CURRENT					
Property, Plant and Equipment	07	2.313.385	6.038.397	606.780	1.328.727
Intangible Assets	08	89.668	234.052	107.441	235.274
Other Non-Current Assets	09	13.412	35.008	13.777	30.168
Deferred Tax Asset	15	510	1.331	1.579	3.457
Total Non-Current Assets		2.416.975	6.308.788	729.577	1.597.626
TOTAL ASSETS		3.206.222	8.368.923	2.533.567	5.548.004

The accompanying notes are an integral part of these financial statements.


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ÇATI MADENCİLİK İTHALAT VE İHRACAT A.Ş.
BALANCE SHEETS AS OF 31.03.2015 AND 31.03.2014
(Currency - Turkish Lira)

(Amounts translated into USD at respective year end exchange rates for convenience purposes)

LIABILITIES	Note	31.03.2015		31.03.2014	
		USD	TL	USD	TL
CURRENT					
Financial Liabilities	10	466.387	1.217.364	54.776	119.948
Trade Payables	11	267.330	697.786	587.042	1.285.504
Other Payables	12	26.098	68.122	-	-
Other Current Liabilities	13	722.251	1.885.222	126.572	277.168
Total Short Term Liabilities		1.482.066	3.868.494	768.390	1.682.620
NON - CURRENT					
Financial Liabilities	14	1.733.194	4.523.983	185.223	405.602
Deferred Tax Liabilities	15	-	-	-	-
Total Long Term Liabilities		1.733.194	4.523.983	185.223	405.602
SHAREHOLDERS' EQUITY					
Share Capital	16	1.417.516	3.700.000	1.689.652	3.700.000
Translation differences		(424.060)	(1.106.845)	-	-
General Reserves	17	(92.029)	(240.214)	61.973	135.709
Net Loss for the period		(910.465)	(2.376.495)	(171.671)	(375.927)
Total Shareholders' Equity	18	(9.038)	(23.554)	1.579.954	3.459.782
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		3.206.222	8.368.923	2.533.567	5.548.004

The accompanying notes are an integral part of these financial statements.

ÇATI MADENCİLİK İTHALAT VE İHRACAT A.Ş.
STATEMENT OF INCOME
FOR THE PERIOD ENDED 31.03.2015 AND 31.03.2014
(Currency - Turkish Lira)
(Amounts translated into USD at respective year end exchange rates for convenience purposes)

INCOME STATEMENT	Note	01.04 - 31.03.2015		01.04 - 31.03.2014	
		USD	TL	USD	TL
Net Sales	19	308.912	806.324	13.045	28.565
Cost of Sales	20	(887.089)	(2.315.481)	(8.604)	(18.842)
GROSS PROFIT		(578.177)	(1.509.157)	4.441	9.723
Marketing, Selling and Distribution Expenses	21	(47.958)	(125.179)	(1.780)	(3.898)
General Administrative Expenses	22	(159.334)	(415.894)	(210.400)	(460.735)
BASIC OPERATING LOSS		(785.469)	(2.050.230)	(207.739)	(454.910)
Other Income / (Expenses), net		(6.887)	(17.976)	(1.079)	(2.362)
Financial Income / (Expenses), net	23	(117.295)	(306.163)	35.853	78.511
LOSS BEFORE TAX FOR THE PERIOD		(909.651)	(2.374.369)	(172.965)	(378.761)
Tax		-	-	-	-
Deferred Tax Income	15	(814)	(2.126)	1.294	2.834
NET LOSS FOR THE PERIOD		(910.465)	(2.376.495)	(171.671)	(375.927)

The accompanying notes are an integral part of these financial statements.

ÇATI MADENCİLİK İTHALAT VE İHRACAT A.Ş.
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE PERIOD ENDED 31.03.2015

	Share Capital	Translation Differences	General Reserves	Net Loss for the period	Total Equity	
Balance, 01.04.2014	3.700.000		-	135.709	(375.927)	3.459.782
Transfer to general reserves	-	-	(375.927)	375.927	-	-
Increase in share capital	-	-	-	-	-	-
- out of general reserves	-	-	-	-	-	-
- in cash	-	-	-	-	-	-
Net loss for the period	-	(1.106.845)	4	(2.376.495)	(3.483.336)	
Balance, 31.03.2015	3.700.000	(1.106.845)	(240.214)	(2.376.495)	(23.554)	

The accompanying notes are an integral part of these financial statements.

ÇATI MADENCİLİK İTHALAT VE İHRACAT A.Ş.
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE PERIOD ENDED 31.03.2014

	Share Capital	General Reserves	Net Loss for the period	Total Equity
Balance, 01.04.2013	300.000	200.531	(12.963)	487.568
Transfer to general reserves	-	(12.963)	12.963	-
Increase in share capital	-	-	-	-
- out of general reserves	51.859	(51.859)	-	-
- in cash	3.348.141	-	-	3.348.141
Net loss for the period	-	-	(375.927)	(375.927)
Balance, 31.03.2014	3.700.000	135.709	(375.927)	3.459.782

The accompanying notes are an integral part of these financial statements.

ÇATI MADENCİLİK İTHALAT VE İHRACAT A.Ş.
STATEMENT OF CASH FLOW
FOR THE PERIOD ENDED 31.03.2014
(Currency - Turkish Lira)

	01.04 - 31.03.2015	01.04 - 31.03.2014
	TL	TL
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax for the period	(2.374.369)	(378.761)
<u>Adjustment to reconcile net profit to net cash:</u>		
Depreciation and amortization expenses	196.021	69.718
Operating cash flows provided before changes in working capital	(2.178.348)	(309.043)
<u>Changes in operating assets and liabilities:</u>		
<u>Trade receivables</u>	(5.587)	-
Inventories	1.342.149	(1.407.597)
Other assets	1.334.949	(2.192.986)
Trade payables	(587.718)	1.285.504
Other payables	68.122	-
Other short term liabilities	1.608.054	266.793
Net Cash Flows Used in Operating Activities	1.581.621	(2.357.329)
CASH FLOWS FROM FINANCING		
Short term financial liabilities	1.097.416	119.948
Long term financial liabilities	4.118.381	405.602
Increase in Share capital-in cash	-	3.348.140
Net Cash Flows Generated From Financing Activities	5.215.797	3.873.690
CASH FLOWS FROM INVESTMENT ACTIVITIES		
Acquisitions of tangible fixed assets	(4.904.469)	(1.390.872)
Acquisitions of intangible assets	-	(13.193)
Net Cash Flows Used in Investment Activities	(4.904.469)	(1.404.065)
Net Increase in Cash and Cash Equivalents	1.892.949	112.296
Translation differences	(1.106.841)	-
Cash and Cash Equivalents at Beginning of period	271.603	159.307
Cash and Cash Equivalents at End of Period	1.057.711	271.603

The accompanying notes are an integral part of these financial statements.

ÇATI MADENCİLİK İTHALAT VE İHRACAT ANONİM ŞİRKETİ
NOTES TO THE FINANCIAL STATEMENTS AS OF 31.03.2015
(Currency - Turkish Lira unless otherwise expressed)

NOTES OF THE FINANCIAL STATEMENTS

1. General

Çatı Madencilik İthalat ve İhracat Anonim Şirketi (the Company) incorporated in Istanbul, Turkey on 25th June, 2012. The Company is owning mining for Chrome ore mines based in Pınarbaşı, near Kayseri.

2. Basis of Presentation of the financial statements

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS), which comprise standards and interpretations approved by the International Accounting Standards Board and International Accounting Standards and Standing Interpretations Committee interpretations approved by the IASC that remain in effect.

The Company maintains its book of account and prepares its statutory financial statements in accordance with accounting principles in the Turkish Commercial Code ("TCC") and tax legislation. The financial statements are based on the statutory records with adjustments and reclassifications for the purpose of fair presentation in accordance with IFRS.

Presentation and functional currency

The financial statements are presented in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the financial statements, the functional and presentation currency of the Company is accepted as TL.

Convenience translation of financial statements

For the convenience of the reader, the accompanying financial statements have been translated from Turkish Lira to USD with the Central Bank buying exchange rates at period-ends (31.03.2015: USD 1= TL 2,6102; 31.03.2014: USD 1= TL 2,1898). Such convenience translations are not intended to comply with the provisions of IAS 21 "The Effects of Changes in Foreign Exchange Rates".

Adoption of new and revised International Financial Reporting Standards

The Company applied the revised standards and interpretations that are relevant to its operations, published by International Accounting Standards Board (IASB) and International Accounting Standards Committee (IASC) and effective from 1 January 2013.

(a) New standards and revisions and interpretations to existing standards effective as of 1 January 2012

- IFRS 7 (amendments), "Disclosures: Transfers of Financial Assets", will be effective for annual periods beginning on or after 1 July 2011.
- IAS 12 (amendments), "Deferred Tax: Recovery of Underlying Assets", will be effective for annual periods beginning on or after 1 January 2012.


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(b) Standards that are issued but not yet effective and have not been early adopted by the Company and amendments and interpretations to existing standards

- IAS 1 (amendments), "Presentation of Items of Other Comprehensive Income", will be effective for annual periods beginning on or after 1 July 2012.
- IAS 1 (amendments), "Clarification of the Requirements for Comparative Information", will be effective for annual periods beginning on or after 1 January 2013.
- IAS 19 (amendments), "Employee Benefits", will be effective for annual periods beginning on or after 1 January 2013.
- IFRS 10, "Consolidated Financial Statements", will be effective for annual periods beginning on or after 1 January 2013.
- IFRS 11, "Joint Arrangements", will be effective for annual periods beginning on or after 1 January 2013.
- IFRS 12, "Disclosure of Interests in Other Entities", will be effective for annual periods beginning on or after 1 January 2013.
- IFRS 13, "Fair Value Measurement", will be effective for annual periods beginning on or after 1 January 2013.
- IFRS 7 (amendments), "Disclosures: Offsetting Financial Assets and Financial Liabilities", will be effective for annual periods beginning on or after 1 January 2013.
- IFRS 10, IFRS 11 and IFRS 12 (amendments), "Consolidated Financial Statements, Joint Arrangements and Disclosures of Interests in Other Entities: Transition Guide", will be effective for annual periods beginning on or after 1 January 2013.
- IAS 27 (revised), "Separate Financial Statements", will be effective for annual periods beginning on or after 1 January 2013.
- IAS 28 (revised), "Investments in Associates and Joint Ventures", will be effective for annual periods beginning on or after 1 January 2013.
- IFRIC 20, "Stripping Costs in the Production Phase of a Surface Mine", will be effective for annual periods beginning on or after 1 January 2013.
- Amendments to IFRSs, "Annual Improvements to IFRSs 2009-2011 Cycle except for the amendment to IAS 1, IAS 16 (amendments) Property, Plant and Equipment and IAS 32 (amendments) Financial Instruments: Presentation", will be effective for annual periods beginning on or after 1 January 2013.
- IAS 32 (amendments), "Offsetting Financial Assets and Financial Liabilities", will be effective for annual periods beginning on or after 1 January 2014.
- IFRS 9, "Financial Instruments", will be effective for annual periods beginning on or after 1 January 2015.
- IFRS 9 and IFRS 7 (amendments), "Mandatory Effective Date of IFRS 9 and Transition Disclosures", will be effective for annual periods beginning on or after 1 January 2015.

The Company management will evaluate the effect of the aforementioned changes within its operations and apply changes starting from effective date. It is expected that the application of the standards and the interpretations above will not have a significant effect on the financial statements of the Company.

3. Summary of Significant Accounting Policies

The principal accounting policies followed in the preparation of the accompanying financial statements are set forth below:

Related parties

For the purpose of the accompanying financial statements, key personnel in management and board of directors, their family and controlled or dependent companies, participations and subsidiaries of the Company are referred to as related parties.

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NOTES TO THE FINANCIAL STATEMENTS AS OF 31.03.2015
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Cash and cash equivalents

Cash and cash equivalents comprise of cash in hand, bank deposits and short-term investments, which can easily be converted into cash for a known amount, has high liquidity with maturities of 3 months or less. The amounts paid under the reverse repurchase agreements are included in the cash and cash equivalents. Recorded value is estimated market value of other cash and bank deposits on the balance.

Finance leases

Finance leases are capitalized at the inception of the lease at the lower of the fair value of the leased property after tax advantages or incentives have been deducted, or the present value of the minimum lease payments. Principal lease payments are recorded as a payable and are reduced as paid; the interest element is charged to the statement of income as expense during the lease period. Property, plant and equipment acquired under finance leases are depreciated over the estimated useful life of the asset.

Trade payables

Trade payables are stated at their nominal values, discounted to present value as appropriate.

Intangible assets and related amortization

An intangible asset is recognized if it meets the identifiably criterion of intangibles, control exists over the asset; it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the costs can be measured reliably. Intangible assets are carried at cost less accumulated amortization and impairment. Amortization of intangible assets is allocated on a systematic pro-rata basis using the straight-line method. Intangible assets including acquired rights, information systems and computer software are amortized using the pro-rata method over their estimated useful economic lives of 10 years.

Impairment of assets

Assets that have indefinite useful lives, for example goodwill, are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of an asset's fair value less costs to sell or value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Financial Instruments

(i) Financial assets

Investments are recognized and derecognized on trade date where the purchase of sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned and are initially measured at fair value, net of transaction costs expect for those financial assets classified as fair value through profit or loss which are initially measured at fair value.

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Financial assets are classified into the following specified categories as 'at fair value through profit or loss', 'held to maturity investments', 'available for sale Financial assets' and 'loans and receivables'.

Financial assets at fair value through profit or loss

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss on initial recognition. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term or if so designated by management. Derivatives are also categorized as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

Debt instruments that are held to maturity, are available for sale, or are loans and receivables recognize in income on an effective interest rate basis.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is that exactly discounts estimated future cash receipts through the expected life of the financial assets or where appropriate a shorter period.

Financial assets held-to-maturity

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity. Investments are classified as held-to-maturity if it is the intention of the Company's management to hold them until maturity.

Held-to-maturity investments are subsequently measured at amortized cost using the effective interest method. In addition, if there is objective evidence that the investment has been impaired, the financial asset is measured at the present value of estimated cash flows.

Financial assets available-for-sale

Available-for-sale securities are those that are not (a) held-to-maturity investments, or (b) securities held for trading. Subsequent to acquisition, available for sale securities are valued at their fair value if reliably measurable. Otherwise, they are accounted for at the amortized cost. Unrealized gains or losses arising from changes in the fair value of securities classified as available for sale are deferred in equity until the financial asset is sold, collected or otherwise is disposed of when available for sale securities are sold, collected or otherwise disposed of, related deferred gains and losses in equity are released to the income statement. All investment securities are initially recognized at cost. Transaction costs are included in the initial measurement of debt securities. Available for sale securities are measured at fair value.

Fair value of available for sale monetary assets denominated in foreign currency is determined in that foreign currency and converted using the spot rate at the reporting date. Change in fair value attributable to conversion differences that result from a change in amortized cost of the asset is recognized in profit or loss, and other changes are recognized in equity.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments, originated or acquired, that are not quoted in an active market, not held for trading, and not designated on initial recognition as assets at fair value through profit or loss or as available-for-sale. Loans and receivables are measured at amortized cost using the effective interest method.


ARTHDZGER
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(Currency - Turkish Lira unless otherwise expressed)

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at each balance sheet date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. For financial assets carried at amortized cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

With the exception of available for sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized. In respect of available for sale equity securities, any increase in fair value subsequent to an impairment loss is recognized directly in equity.

(ii) Financial liabilities

Financial liabilities and equity instruments issued by the Company are classified according to substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of Company after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set below.

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss are recorded at fair value upon initial measurement and re-measured to fair value at each reporting period. Changes in the fair values are accounted in the income statement. Net gains and losses accounted for in the income statement includes interest paid expense incurred on the financial liability.

Other financial liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Taxation and deferred income taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognized for all taxable temporary differences. Deferred tax related to the equity items is carried under the equity and not reflected to income statement. Deferred tax assets are recognized for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry-forward of unused tax assets and unused tax losses can be utilized. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets and deferred tax liabilities related to income taxes levied by the same taxation authority are offset accordingly.

Employee benefits / Retirement pay provision

Under the Turkish law and union agreements, severance payments are made to employees retiring or involuntarily leaving the Company. Such payments are considered as being part of defined retirement benefit plan as per International Accounting Standard No: 19 (revised) "Employee Benefits" ("IAS 19"). The retirement benefit obligation recognized in the balance sheet represents the present value of the defined benefit obligation as adjusted for unrecognized actuarial gains and losses.

Operating expenses

Operating expenses are recognized in profit or loss upon utilization of the service or at the date of their origin.

Revenue recognition

Revenue involves the goods and service sales invoiced value. Revenues are recognized on an accrual basis at the time deliveries of goods and services or acceptances are made, the transfer of risks and benefits related to good are realized, the amount of revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the Company, at the fair value of the consideration received or receivable. The significant risks and benefits in sales are transferred when the goods are delivered or legal proprietorship is transferred to the customer. Interest income and expenses are recognized in the income statement on an accrual basis. Net sales represent the invoiced value of goods shipped less sales returns and commission and excluding sales taxes.


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Sale of goods: Revenue is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer and the amount of revenue can be measured reliably.

Rendering of services: Revenue earned from rendering of services is recognized by using a reference to the stage of completion of the contract.

Interest revenue: Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. Dividend revenue from investments is recognized when the shareholders' rights to receive payment have been established.

Offsetting

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

Foreign currency transactions

Transactions in foreign currencies during the periods have been translated at the exchange rates prevailing at the dates of these transactions. Balance sheet items denominated in foreign currencies have been translated at the exchange rates prevailing at the balance sheet dates. The foreign exchange gains and losses are recognized in the income statement.

Provisions

Provisions are recognized when, and only when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are recognized by the amortized amount as of balance sheet date in case that the monetary loss is material. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

Commitments and contingencies

Transactions that may give rise to contingencies and commitments are those where the outcome and the performance of which will be ultimately confirmed only on the occurrence or non-occurrence of certain future events, unless the expected performance is remote. Accordingly, contingent losses are recognized in the financial statements if a reasonable estimate of the amount of the resulting loss can be made. Contingent gains are reflected only if it is probable that the gain will be realized.

Use of estimates

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the periods in which they become known.

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Significant management judgment in applying accounting policies

The following are significant management judgments in applying the accounting policies of the Company that have the most significant effect on the financial statements:

Revenue: Management needs to make significant judgment in determining when to recognize income from after-sales services.

Impairment: An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. To determine the recoverable amount, management makes assumptions about future events and circumstances.

Provisions: The Company is currently defending certain lawsuits where the actual outcome may vary from the amount recognized in the financial statements.

EBITDA

EBITDA is defined as earnings before interest expense, income tax expense (benefit), depreciation and amortization. This information should be read with the statements of cash flow contained in the accompanying financial statements.

4. Cash and Cash Equivalents

As of 31 March 2015 cash and cash equivalents are as follows:

	31.03.2015		31.03.2014	
	USD	TL	USD	TL
Cash on hand	13.540	35.387	3.825	8.376
Balance with bank	421	1.099	19.230	42.109
Fixed deposit with banks (Maturity period less than 3 months)	391.244	1.021.225	100.976	221.118
	405.205	1.057.711	124.031	271.603

5. Inventories

As of 31 March 2015 inventories are as follows:

	31.03.2015		31.03.2014	
	USD	TL	USD	TL
Work in process and semi-finished goods	25.074	65.448	642.797	1.407.597
	25.074	65.448	642.797	1.407.597

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6. Other Current Assets

As of 31 March 2015 other current assets are as follows:

	31.03.2015		31.03.2014	
	USD	TL	USD	TL
Advances given (*)	21.894	57.145	818.272	1.791.852
Interest income accrual	-	-	-	-
Pre-paid expenses	3.387	8.840	3.217	7.045
VAT Carried Forward	326.577	852.432	209.781	459.378
Pre-paid taxes	4.970	12.972	5.436	11.903
Advances given to personnel	-	-	456	1.000
	356.828	931.389	1.037.162	2.271.178

(*) Detail of advances given as of 31 March 2015 is provided below;

	31.03.2015		31.03.2014	
	USD	TL	USD	TL
Mustafa Tekir	11.104	28.983	13.235	28.983
Denge Kauçuk Krom San. Tic. Ltd. Şti.	-	-	95.991	210.200
Teknomekanik Madencilik Tekstil Makine San. Ve Tic.	-	-	194.082	425.000
Bozdağı Tasarım Peyzaj Ltd. Şti.	10.421	27.200	40.382	88.429
Gayret Makine İnşaat San. Tic. Ltd. Şti.	-	-	426.861	934.740
Özşahin Kardeşler Metal Maden San. A.Ş.	-	-	22.605	49.500
Çevik Madencilik San. Ve Tic. A.Ş.	-	-	25.116	55.000
Pınarbaşı Mot. Taş. Koop.	369	962	-	-
	21.894	57.145	818.272	1.791.852

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7. Property, Plant and Equipment

As of 31 March 2015 property, plant and equipment's are as follows:

	31.03.2015		31.03.2014	
	USD	TL	USD	TL
Property, plant and equipment	953.142	2.487.891	-	-
Motor vehicles	18.990	49.567	49.547	108.497
Furniture, fixtures and office equipment	16.920	44.165	11.308	24.762
Leasehold improvements	-	-	3.793	8.306
Financial leasing assets	99.617	260.020	118.741	260.020
Construction in progress	1.323.154	3.453.697	451.770	989.286
Accumulated depreciation	(98.438)	(256.943)	(28.379)	(62.144)
	2.313.385	6.038.397	606.780	1.328.727

8. Intangible Assets

As of 31 March 2015 intangible assets are as follows:

	31.03.2015		31.03.2014	
	USD	TL	USD	TL
Mining Rights	87.983	229.654	104.874	229.654
Tiger Plus License	5.054	13.193	6.025	13.193
Accumulated amortization	(3.369)	(8.795)	(3.458)	(7.573)
	89.668	234.052	107.441	235.274

9. Other Non-Current Assets

As of 31 March 2015 other non-current assets are as follows:

	31.03.2015		31.03.2014	
	USD	TL	USD	TL
Deposits and guarantees	13.412	35.008	13.777	30.168
Pre-paid expenses	-	-	-	-
	13.412	35.008	13.777	30.168

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10. Short Term Financial Liabilities

As of 31 March 2015 short term financial liabilities are as follows:

	31.03.2015		31.03.2014	
	USD	TL	USD	TL
Current portion of short-term bank loans	335.465	875.630	13.322	29.173
Finance lease liabilities, net	27.710	72.329	29.784	65.220
Loan - Facor Minerals (Netherlands) B.V.	-	-	443	970
Loan - GCORP FZE UAE	100.000	261.020	-	-
Credit card	3.212	8.385	11.227	24.585
	466.387	1.217.364	54.776	119.948

(*) Detail of the short term finance lease liabilities as follows;

	31.03.2015		31.03.2014	
	USD	TL	USD	TL
Minimum Lease Payments	29.788	77.752	38.056	83.334
Future Finance Charges	(2.078)	(5.423)	(8.272)	(18.114)
	27.710	72.329	29.784	65.220

11. Trade Payables

As of 31 March 2015 trade payables are as follows:

	31.03.2015		31.03.2014	
	USD	TL	USD	TL
Suppliers	195.281	509.723	115.555	253.042
Notes receivables	52.439	136.876	471.487	1.032.462
Rediscounts of notes receivables	(182)	(474)	-	-
Other trade payables	19.792	51.661	-	-
	267.330	697.786	587.042	1.285.504

12. Other Payables

As of 31 March 2015 other payables are as follows:

	31.03.2015		31.03.2014	
	USD	TL	USD	TL
Kayseri Elektrik Perakende Satış A.Ş.	1.196	3.122	-	-
Gökhan Çevik (Member of the Board)	24.902	65.000	-	-
	26.098	68.122	-	-

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13. Other Current Liabilities

As of 31 March 2015 other current liabilities are as follows:

	31.03.2015		31.03.2014	
	USD	TL	USD	TL
Taxes & Dues payables	3.261	8.513	5.687	12.454
Advance received (*)	715.167	1.866.730	101.187	221.580
Due to personnel	823	2.148	9.198	20.141
Audit expense accruals	3.000	7.831	10.500	22.993
	722.251	1.885.222	126.572	277.168

As of 31 March 2015 Advance received details are as follows:

	31.03.2015		31.03.2014	
	USD	TL	USD	TL
Facor Minerals (Netherlands) B.V.	520.800	1.359.392	-	-
Facor Turkkrom Mining (Netherlands) B.V.	28.000	73.086	-	-
Çevik Madencilik San. Ve Tic. Aş.	89.745	234.252	-	-
Harun Mugaloğlu	76.622	200.000	-	-
Others	-	-	101.187	221.580
	715.167	1.866.730	101.187	221.580

As of March 2015 other non-current liabilities are none. (2014: none)

14. Long Term Financial Liabilities

As of 31 March 2015 long term financial liabilities are as follows:

Long Term	31.03.2015		31.03.2014	
	USD	TL	USD	TL
Long-term bank loans	1.200.000	3.132.240	15.900	34.818
Facor Minerals (Netherlands) B.V.	523.457	1.366.327	125.000	273.725
Finance lease liabilities, net	9.737	25.416	44.323	97.059
	1.733.194	4.523.983	185.223	405.602

(*) Detail of the long term finance lease liabilities as follows;

	31.03.2015		31.03.2014	
	USD	TL	USD	TL
Minimum Lease Payments	9.933	25.927	48.514	106.233
Future Finance Charges	(196)	(511)	(4.191)	(9.174)
	9.737	25.416	44.323	97.059

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15. Taxation on Income

The corporation tax rate on the profits for the calendar year 2015 is 20%. Taxable profits are calculated by addition of tax disallowed expenses to and deduction of tax exemptions (investment income exemption) and deductions (investment incentive deductions) from the profit disclosed in the statutory income. No other taxes are paid unless profits are distributed.

Advance (prepaid) corporation taxes are payable on quarterly profits at the rate of 20%. Such taxes after deduction of the taxes prepaid quarterly must be declared by the 14th of the second month following any tax period and paid by the 17th. Advance corporation tax may be offset against others debts to the government.

Dividends paid to non-resident corporations which have a place of business in Turkey or resident corporations are not subject to withholding tax. Otherwise, dividends paid are subject to withholding tax at the rate of 15%. An increase in capital via issuing bonus shares is not considered as a profit distribution and thus does not incur withholding tax.

Tax losses that are reported in the Corporation Tax return can be carried forward and deducted from the corporation tax base for a maximum of five consecutive years.

In Turkey, there is no procedure for a final and definitive agreement on tax assessments. Companies file their tax returns within the 25th of the fourth month following the close of the related financial year. Tax returns are open for five years from the beginning of the year that follows the date of filing during which time the tax authorities have the right to audit tax returns, and the related accounting records on which they are based, and may issue re-assessments based on their findings.

The breakdown of cumulative temporary differences and the resulting deferred tax assets / (liabilities) are as follows:

	31.03.2015		31.03.2014	
	Cumulative temporary difference	Deferred Tax	Cumulative temporary difference	Deferred Tax
Interest income accrual	474	95	-	-
Credit to foreign currency differences	(92.922)	(18.585)	(5.712)	(1.142)
Amortization adjustment	108.588	21.718		
Audit expense accruals	(7.831)	(1.566)	22.993	4.599
Other adjustments	(1.650)	(330)		
TL	6.659	1.331	17.281	3.457
USD	2.551	510	7.892	1.579

Tax rates used for deferred tax assets and liabilities calculated on temporary differences that are expected to be realized or settled based on the taxable income in coming years under the liability method is 20%.


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16. Share Capital

As of 31 March 2015 share capital is as follows:

	31.03.2015		31.03.2014	
	USD	TL	USD	TL
12000 Nos. OF Shares of TL 25 each	1.417.516	3.700.000	1.689.652	3.700.000
	1.417.516	3.700.000	1.689.652	3.700.000

17. General Reserves

As of 31 March 2015 general reserves are as follows:

	31.03.2015		31.03.2014	
	USD	TL	USD	TL
Advance against Capital from Facor Turkkrom Mining (Netherlands) B.V.	56.754	148.140	67.650	148.140
Previous year's profit	545	1.422	649	1.422
Previous year's loss	(144.021)	(375.924)	-	-
Legal Reserves	29	75	34	74
Less: Establishment Costs	(5.336)	(13.927)	(6.360)	(13.927)
	(92.029)	(240.214)	61.973	135.709

18. Equity

As of 31 March 2015 equity detail are as follows:

	31.03.2015		31.03.2014	
	USD	TL	USD	TL
Share Capital	1.417.516	3.700.000	1.689.652	3.700.000
Translation differences	(424.060)	(1.106.845)	-	-
General Reserves	(92.029)	(240.214)	61.973	135.709
Net Loss for the period	(910.465)	(2.376.495)	(171.671)	(375.927)
	(9.038)	(23.554)	1.579.954	3.459.782

The company is showing a negative capital because of translation differences and net loss for the period. According to company business plan the company will start to get profit from 2016-2017. Until this time the shareholders have guaranteed to fund all current pending payments and future expected payments for working capital etc.,


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19. Net Sales

As of 31 March 2015 net sales are as follows:

	31.03.2015		31.03.2014	
	USD	TL	USD	TL
Domestic sales of chrome ore	307.131	801.674	12.134	26.571
Sales of mining waste	1.781	4.650	911	1.994
	308.912	806.324	13.045	28.565

20. Cost of The Sales

As of 31 March 2015 net sales are as follows:

	31.03.2015		31.03.2014	
	USD	TL	USD	TL
Cost of the sales	(887.089)	(2.315.481)	(8.604)	(18.842)
	(887.089)	(2.315.481)	(8.604)	(18.842)

21. Marketing, Selling and Distribution Expenses

As of 31 March 2015 marketing, selling and distribution expenses are as follows:

	31.03.2015		31.03.2014	
	USD	TL	USD	TL
Guesthouse expenses	(11.345)	(29.612)	(1.780)	(3.898)
Transportation expenses	(36.613)	(95.567)	-	-
	(47.958)	(125.179)	(1.780)	(3.898)

22. General Administrative Expenses

As of 31 March 2015 general administrative expenses are as follows:

	31.03.2015		31.03.2014	
	USD	TL	USD	TL
Mining area expenses	(108.813)	(284.023)	(46.724)	(102.317)
Kayseri office expenses	(50.521)	(131.871)	(135.922)	(297.643)
İstanbul head office expenses	-	-	(13.114)	(28.717)
Kayseri housing expenses	-	-	(14.640)	(32.058)
	(159.334)	(415.894)	(210.400)	(460.735)

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23. Financial Income / (Expenses),Net

As of 31 March 2015 financial incomes are as follows:

	31.03.2015		31.03.2014	
	USD	TL	USD	TL
Foreign exchange gains / (losses), net	-	-	940	2.058
Interest income	2.674	6.980	36.210	79.293
Bank commission expenses	(25.512)	(66.592)	(854)	(1.870)
Interest expenses	(94.457)	(246.551)	(443)	(970)
	(117.295)	(306.163)	35.853	78.511