

Facor Minerals (Netherlands) B.V.

**Schiphol Boulevard 231
1118 BH SCHIPHOL AMSTERDAM**

Financial statements 2014-2015

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Facor Minerals (Netherlands) B.V.

1.1 Report of the Board of Directors

We have pleasure in submitting the financial statements of Facor Minerals (Netherlands) B.V. (the Company) for the period commencing from 1 April, 2014 and ending at 31 March 2015.

GENERAL

Activities

The main activity of the Company is mine exploration in Turkey and in particular to trade products as Lumpy Chrome Ore, Chrome Ore Concentrate, minerals, metals and rare earth metals and investment in Mining Companies.

Investments

The Company holds 51% of the issued and fully Paid up capital in Facor Turkrom Mining (Netherlands) B.V., (formerly Dillenberg Bergen NH Realty B.V.), a company registered in Alkmaar, The Netherlands, which is owning 100% issued share capital of Cati Madencilik Ithalat ve Ihracat A.S. a company incorporated and having registered office in Istanbul, Turkey which is owning Chrome Ore mining licences. Aforementioned companies' financial data is consolidated in these financial statements and are referred to in these financial statements as the "Company" or "Group".

Legal structure

The Company is a 93.5% owned subsidiary of Facor Alloys Ltd, a company incorporated in India and having its registered office at Shreeramnagar-535101, Garividi, Dist. -Vizianagaram in the State of Andhra Pradesh in India. The remaining 6.5% is owned by Rai Bahadur Shreeram & Co. Pvt. Ltd.

FINANCIAL AND OPERATIONAL INFORMATION

Result for the period

During the financial year the Company incurred a net loss of USD 2,270,263. As of 31 March 2015 the Company had an accumulated losses of USD 4,688,126.

Human Resources

The average number of employees of the Group for the financial year ended on 31 March 2015 is 20 (31 March 2014; 6).

FUTURE OUTLOOK

Despite the current negative shareholder's equity we are convinced that our shareholders, creditors and related parties will continue to provide adequate facilities and funding and other ongoing support to the Company. We expect that future mining operations in Turkey will benefit Company's current financial position.

Schiphol Amsterdam, May 21, 2015

Board of Directors:



Mr A. Saraf



Vistra Netherlands B.V.

Facor Minerals (Netherlands) B.V.

2.1 Consolidated balance sheet as of 31 March 2015

(After result appropriation)

ASSETS	Note	31 March 2015		31 March 2014	
		USD	USD	USD	USD
Fixed assets					
<i>Intangible fixed assets</i>					
Concessions, licenses and intellectual properties	[1]	89,668		107,441	
Goodwill		7,845,779		8,836,825	
			7,935,447		8,944,266
<i>Tangible fixed assets</i>					
Property, plant and equipment	[2]	2,313,385		606,780	
			2,313,385		606,780
<i>Financial fixed assets</i>					
Other non- current assets	[3]	13,412		13,777	
			13,412		13,777
Current assets					
Stock	[4]	25,074		642,797	
			25,074		642,797
<i>Receivables</i>					
Taxes receivable	[5]	330,392		217,634	
Other receivables	[6]	2,140		-	
Prepayments and accrued income	[7]	25,281		846,982	
			357,813		1,064,616
<i>Cash and bank balance</i>	[8]		417,367		130,237
Total assets			11,062,498		11,402,473

Facor Minerals (Netherlands) B.V.

2.1 Consolidated balance sheet as of 31 March 2015

(After result appropriation)

EQUITY AND LIABILITIES	31 March 2015		31 March 2014	
	USD	USD	USD	USD
Shareholders' equity				
Issued and paid-up capital	[9]	2,301,605	1,496,059	
Share premium reserve		1	-	
Statutory reserves		-471,540	-166,375	
Other reserves		-4.688,126	-2,385,285	
		-2,858,060		-1.055,601
Minority interest	[10]	-11,715		789,883
Long-term liabilities				
Debts to credit institutions	[11]	9,200,000	9,515,900	
Debts to other companies	[12]	500,000	125,000	
Other debts	[13]	9,737	44,323	
		9,709,737		9,685,223
Current liabilities				
Due to credit institutions	[14]	2,335,465	13,322	
Trade creditors	[15]	318,674	578,811	
Due to related party	[16]	475,000	475,000	
Due to shareholder	[17]	30,000	655,546	
Other liabilities	[18]	1,063,397	260,289	
		4,222,536		1,982,968
Total equity and liabilities		11,062,498		11,402,473

Facor Minerals (Netherlands) B.V.

2.2 Consolidated profit and loss account 2014-2015

		2014-2015		2013-2014	
		USD	USD	USD	USD
Sales	[19]		308,912		13,045
Cost of sales	[20]		<u>887,089</u>		<u>8,604</u>
Gross operating result			-578,177		4,441
Amortization intangible fixed assets	[21]	991,046		991,046	
Marketing and selling expenses	[22]	47,958		1,780	
General costs	[23]	<u>270,497</u>		<u>322,614</u>	
Total operating costs			1,309,501		1,315,440
Operating result			-1,887,678		-1,310,999
Interest income and similar revenues	[24]	2,674		36,210	
Interest charges and similar costs	[25]	<u>-783,227</u>		<u>-650,408</u>	
Sum of financial income and costs			-780,553		-614,198
Result on ordinary activities before taxation			<u>-2,668,231</u>		<u>-1,925,197</u>
Taxation	[26]		-814		1,294
Result minority interest	[27]		<u>477,102</u>		<u>111,571</u>
Result on ordinary activities after taxation			-2,191,943		-1,812,332
Non operating profits	[28]	-		777	
Non operating losses	[29]	<u>-78,320</u>		<u>-1,079</u>	
Other profits			-78,320		-302
Result after taxation			<u>-2,270,263</u>		<u>-1,812,634</u>

2.3 Notes to the consolidated annual report

GENERAL

Facor Minerals (Netherlands) B.V. (the Company) is incorporated on 29 June 2012. The Company's first financial year ends at 31 March 2013.

Activities

The activities of the Company, having its registered office at Schiphol Boulevard 231, primarily consist of:

- Mine exploration in Turkey

Consolidation

The consolidated financial statements include the financial data of the Company and its group companies. Group companies are participating interests in which the Company has a direct and indirect controlling interest. When determining whether controlling interest exists, financial instruments containing potential voting rights are included.

In the consolidated accounts the following subsidiaries of the Company are fully consolidated.

- Facor Turkrom Mining (Netherlands) B.V. (FTM), held by the Company for 51%
- Cati Madencilik Ithalat ve Ihracat A.S., Turkey, held by FTM for 100%

The consolidated annual accounts have been prepared according to the accounting policies for valuation and determining results of the Company.

Going concern

In the year ended 31 March 2015 the Company incurred a net loss of USD 2,270,263. As of 31 March 2015 the Company had an accumulated deficit of USD 2,858,060. However the Company's management believes that its shareholders, creditors and related parties will continue to provide adequate facilities and funding and other ongoing support to the Company, and that, accordingly, preparation of the financial statements on a going concern basis is appropriate. The Company's main shareholder has provided a signed letter of support, reinforcing this stance.

Estimates

The preparation of financial statements in conformity with the relevant rules requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. If necessary for the purposes of providing the view required under Section 362(1), Book 2, of the Netherlands Civil Code, the nature of these estimates and judgments, including the related assumptions, is disclosed in the notes to the financial statement items in question.

PRINCIPLES OF VALUATION OF ASSETS AND LIABILITIES

General

The company financial statements have been prepared in accordance with the statutory provisions of Part 9, Book 2, of the Netherlands Civil Code and the firm pronouncements in the Dutch Accounting Standards as issued by the Dutch Accounting Standards Board.

The accounting policies for the company financial statements and the consolidated financial statements are the same. Group companies are stated at net asset value.

In general, assets and liabilities are stated at the amounts at which they were acquired or incurred, or current value. If not specifically stated otherwise, they are recognised at the amounts at which they were acquired or incurred.

2.3 Notes to the consolidated annual report

Foreign currencies

Functional currency

Items included in the financial statements of group companies are measured using the currency of the primary economic environment in which the respective group company operates (the functional currency). The consolidated financial statements are presented in US Dollar, which is the functional and presentation currency of the Company.

Transactions, receivables and debts

Foreign currency transactions in the reporting period are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the rate of exchange prevailing at the balance sheet date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates are recognised in the income statement, except when deferred in equity as qualifying hedges.

Translation differences on non-monetary assets held at cost are recognised using the exchange rates prevailing at the dates of the transactions (or the approximated rates).

Translation differences on non-monetary assets such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss.

Translation differences on intragroup long term loans that effectively constitute an increase or decrease in net investments in a foreign operation are directly recognised in equity as a component of the legal reserve for translation differences.

Translation differences on foreign-currency loans contracted to finance a net investment in a foreign operation are recognised in the legal reserve for translation differences if and when such loans effectively hedge the exchange rate exposure on that net investment in a foreign operation.

Intangible fixed assets

Intangible assets are stated at historical cost less amortisation. Allowance is made for any impairment losses expected; a loss qualifies as an impairment loss if the carrying amount of the asset (or of the cash-generating unit to which it belongs) exceeds its recoverable amount.

Amortisation percentages:

Concessions, licenses and intellectual properties	10 %
Goodwill	10 %

Tangible fixed assets

The tangible fixed assets are valued at acquisition price or manufacturing costs, less the accumulated depreciation and any special downward value adjustments. The depreciation is based on the expected useful life and is calculated on the basis of a fixed percentage of the acquisition price or manufacturing costs, taking into account any residual value. Depreciation is applied as from the moment the asset is put to use. Land is not depreciated.

Tangible fixed assets are capitalised if the economic ownership held by the company is governed by a financial lease agreement. The commitment arising from the financial lease agreement is accounted for as a liability. The interest included in the future lease instalments is charged to the result over the term of the financial lease agreement.

Financial fixed assets

Receivables

Upon initial recognition the receivables on and loans to participations and other receivables are valued at fair value and then valued at amortised cost, which equals the face value, after deduction of any provisions.

2.3 Notes to the consolidated annual report

Stock

Work in progress

The valuation of the work in progress is set at the part of the agreed upon fee for the contracted work, which can be allocated to that work in progress. Revenues and costs are recognised in the profit and loss account based on the progress of the contracted work.

Receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost. If payment of the receivable is postponed under an extended payment deadline, fair value is measured on the basis of the discounted value of the expected revenues. Interest gains are recognised using the effective interest method. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, bank balances and deposits held at call with maturities of less than 12 months. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet. Cash and cash equivalents are stated at face value.

Equity capital

Share premium reserve

The share premium reserve concerns the part of issued and paid-up capital that exceeds the nominal value of issued shares.

Long-term liabilities

The long-term liabilities concern loans with a duration longer than one year. Loans which are redeemable in the coming financial year, have been accounted for as short-term liabilities.

Current liabilities

The short-term liabilities concern the liabilities with a duration shorter than one year. These liabilities are valued at face value unless stated otherwise.

Off-balance sheet rights and obligations

Off balance sheet commitments and contingencies are valued against face value unless stated otherwise.

PRINCIPLES FOR THE DETERMINATION OF THE RESULT

General

Profit or loss is determined as the difference between the realisable value of the goods delivered and services rendered, and the costs and other charges for the year. Revenues on transactions are recognised in the year in which they are realised.

2.3 Notes to the consolidated annual report

Net turnover

Net turnover represents amounts invoiced for goods and services supplied during the financial year reported on, net of discounts and value added taxes.

Revenues ensuing from the sale of goods are accounted for when all major entitlements to economic benefits as well as all major risks have transferred to the buyer. The cost price of these goods is allocated to the same period.

Revenues from services are recognised in proportion to the services rendered. The cost price of these services is allocated to the same period.

The profit to be allocated to the work in progress is determined on the basis of costs incurred for the work as at balance sheet date, in proportion to the aggregate costs expected to be spent on the work. The net realisable value is based on an expected sales price net of costs to be incurred for completion and sales.

Cost of turnover

The cost of turnover means the costs that are directly attributable to the supplied goods and services. This value includes a downward value adjustment because of unmarketable stock.

Operating costs

Costs are allocated to the reporting year to which they are related to. Profits are recognised in the year in which goods have been provided or services have been performed. Losses are cut in the year in which these are foreseeable.

Amortization and depreciation

Intangible assets, including goodwill, are amortised and property, plant and equipment depreciated over their estimated useful lives as from the inception of their use. Land and investment property are not depreciated. Future depreciation and amortisation is adjusted if there is a change in estimated future useful life.

Financial income and charges

Interest paid and received is recognised on a time-weighted basis, taking account of the effective interest rate of the assets and liabilities concerned. When recognising interest paid, allowance is made for transaction costs on loans received as part of the calculation of effective interest.

Exchange differences

Exchange differences arising upon the settlement or conversion of monetary items are recognised in the income statement in the period that they arise, unless they are hedged.

Taxation

Taxation is based on the result in the annual accounts, taking into account the permanent differences between the profit calculation according to the annual accounts on the one hand and according to profit calculation for tax purposes on the other hand. The calculation is made at the current tax rate. The difference in the tax due, based on the profit calculation for tax purposes, is reflected in the provision for deferred tax liabilities.

2.4 Notes to the consolidated balance sheet

ASSETS

FIXED ASSETS

1. Intangible fixed assets

A summary of the movements of intangible fixed assets is given below:

	Concessions, licenses and intellectual properties	Goodwill
	€	€
Acquisition value	89,668	9,910,458
Accumulated depreciations	-	-1,073,633
Bookvalue as of 1 April	<u>89,668</u>	<u>8,836,825</u>
Amortization	-	-991,046
Movements 2014 - 2015	<u>-</u>	<u>-991,046</u>
Acquisition value	89,668	9,910,458
Accumulated amortization	-	-2,064,679
Bookvalue as of 31 March	<u>89,668</u>	<u>7,845,779</u>

2. Tangible fixed assets

A summary of the movements of tangible fixed assets is given below:

	Property, plant and equipment
	USD
Acquisition value	635,159
Accumulated depreciations	-28,379
Bookvalue as of 1 April	<u>606,780</u>
Investments	1,776,664
Depreciation	-70,059
Movement 2014 - 2015	<u>1,706,605</u>
Depreciation for the year	-98,438
Bookvalue as of 31 March	<u>2,313,385</u>

	31-03-2015	31-03-2014
	USD	USD
3. Other non-current assets		
Deposits and guarantees	13,412	13,777
	<u>13,412</u>	<u>13,777</u>

Facor Minerals (Netherlands) B.V.

2.4 Notes to the consolidated balance sheet

CURRENT ASSETS

	<u>31-03-2015</u>	<u>31-03-2014</u>
	USD	USD
4. Stock		
Work in progress and semi finished goods	<u>25,074</u>	<u>642,797</u>
	<u>25,074</u>	<u>642,797</u>
	<u>31-03-2015</u>	<u>31-03-2014</u>
	USD	USD
5. Taxes receivable		
Value added tax	<u>330,392</u>	<u>217,634</u>
	<u>330,392</u>	<u>217,634</u>
	<u>31-03-2015</u>	<u>31-03-2014</u>
	USD	USD
6. Other receivables		
Other receivables	<u>2,140</u>	<u>-</u>
	<u>2,140</u>	<u>-</u>
	<u>31-03-2015</u>	<u>31-03-2014</u>
	USD	USD
7. Prepayments and accrued income		
Prepaid management fee	3,387	20,438
Prepaid legal and administration fee	-	7,816
Advances	<u>21,894</u>	<u>818,728</u>
	<u>25,281</u>	<u>846,982</u>
	<u>31-03-2015</u>	<u>31-03-2014</u>
	USD	USD
8. Cash and bank balance		
<i>A) Cash and bank equivalents</i>		
Cash in hand	13,540	3,825
Bank balance in current account	12,583	25,436
Bank balance in fixed deposit (deposit under 3 months)	16,244	100,976
<i>B) Bank balance in fixed deposit</i>		
Bank Balance in fixed deposit (deposit over 12 months)	<u>375,000</u>	<u>-</u>
	<u>417,367</u>	<u>130,237</u>

Cati Madencilik's fixed deposit of USD 375,000 with Bank of India, London is under lien to Bank of India, London.

2.4 Notes to the consolidated balance sheet

EQUITY AND LIABILITIES

9. EQUITY CAPITAL

For an explanation on the company's share in the group equity, refer to the explanatory notes on shareholders' equity in the company's annual accounts.

10. MINORITY INTEREST

	<u>31-03-2015</u>	<u>31-03-2014</u>
	USD	USD
Third-party share		
Facor Turkkrom Mining (Netherlands) B.V.	-11,715	789,883
	<u>-11,715</u>	<u>789,883</u>

LONG-TERM LIABILITIES

	<u>31-03-2015</u>	<u>31-03-2014</u>
	USD	USD
11. Debts to credit institutions		
11.1 Loan Bank of India, London	-	9,500,000
11.2 Loan Bank of India, Jersey	8,000,000	-
11.3 Loan Bank of India, London	1,200,000	-
Other bank loans	-	15,900
	<u>9,200,000</u>	<u>9,515,900</u>

	<u>2014-2015</u>	<u>2013-2014</u>
	USD	USD
<i>11.1 Loan Bank of India, London</i>		
Value as of 1 April	9,500,000	10,000,000
Repayment	-9,500,000	-500,000
Value as of 31 March	<u>-</u>	<u>9,500,000</u>

On October 19, 2012, the Company entered into a term facility agreement with Bank of India London. This loan has been applied for acquisition of 51% of Facor Turkkrom Mining (Netherlands) B.V. The interest percentage amounts to 3-months LIBOR on USD plus mark up of 5.85%. The loan was fully repaid on July 17, 2014.

Facor Minerals (Netherlands) B.V.

2.4 Notes to the consolidated balance sheet

	<u>2014-2015</u>	<u>2013-2014</u>
	USD	USD
<i>11.2 Loan Bank of India, Jersey</i>		
Value as of 1 April	-	-
Loan received	<u>10,000,000</u>	-
Value as of 31 March	10,000,000	-
Relay obligation next financial year	<u>-2,000,000</u>	-
Long-term part as of 31 March	<u><u>8,000,000</u></u>	<u><u>-</u></u>

On July 15, 2014, the Company entered into a term facility agreement with Bank of India Jersey. This loan has been applied for acquisition of 51% of Facor Turkkrom Mining (Netherlands) B.V. The interest percentage amounts to 6-months LIBOR on USD plus mark up of 5.85%. The USD 10,000,000 loan from Bank of India, Jersey Branch is secured by way of SBLC issued by Bank of India, Vishakhapatnam Branch, being bankers of ultimate Indian Holding Company, M/s. Facor Alloys Limited, India.

The loan is to be repaid in 15 equal quarterly installments of USD 666,667 commencing in July 2015.

	<u>2014-2015</u>	<u>2013-2014</u>
	USD	USD
<i>11.3 Loan Bank of India, London</i>		
Value as of 1 April	-	-
Loan received	<u>1,500,000</u>	-
Value as of 31 March	1,500,000	-
Relay obligation next financial year	<u>-300,000</u>	-
Long-term part as of 31 March	<u><u>1,200,000</u></u>	<u><u>-</u></u>

On May 2, 2014 Cati Madencilik Ithalat ve Ihracat A.S. has entered into a Term Facility Agreement with the Bank of India for an amount of USD 1,500,000. This loan has been utilized for acquisition of Capital Equipment and Building of COB Plant of Cati Madencilik Ithalat ve Ihracat A.S. The interest percentage amounts to 6-months LIBOR on USD plus mark up of 6.00%. The loan is to be repaid in 20 equal quarterly installments of USD 75,000 commencing from May 2015.

The USD 1,500,000 loan from Bank of India, London is secured by way of Mortgage of Mine Licence of Cati Madencilik Ithalat ve Ihracat A.S. and charged by way of Pledge on the Capital Assets of Cati Madencilik and further secured by way of charge on Cati Madencilik's fixed deposit of USD 375,000 with Bank of India, London and pledge of 100% shares (148,000 Shares of TL 25 each) of Cati Madencilik issued to Facor Turkkrom Mining (Netherlands) B.V. and collateral security by way of Corporate Guarantee of USD 1,600,000 issued by ultimate Indian Holding Company M/s. Facor Alloys Limited, India, in favour of Bank of India, London.

12. Debts to other companies

	<u>2014-2015</u>	<u>2013-2014</u>
	USD	USD
<i>Loan Tusta Trading Company Ltd</i>		
Value as of 1 April	125,000	-
Loan received	<u>375,000</u>	125,000
Value as of 31 March	<u><u>500,000</u></u>	<u><u>125,000</u></u>

On February 18, 2014, the Company entered into a loan agreement with Tusta Trading Company Inc. For an aggregated amount of USD 500,000. The loan bears an interest of 12 Month LIBOR plus 4% per annum. The maturity date is 18 February 2019. No securities have been determined.

Facor Minerals (Netherlands) B.V.

2.4 Notes to the consolidated balance sheet

	31-03-2015	31-03-2014
	USD	USD
13. Other debts		
Finance lease liabilities, net	9,737	44,323
	9,737	44,323

CURRENT LIABILITIES

	31-03-2015	31-03-2014
	USD	USD
14. Due to credit institutions		
Current portion of loan Bank of India, London	335,465	13,322
Short-term portion of loan Bank of India, Jersey	2,000,000	-
	2,335,465	13,322

	31-03-2015	31-03-2014
	USD	USD
15. Trade creditors		
Value as of March 31	318,674	578,811
	318,674	578,811

	31-03-2015	31-03-2014
	USD	USD
16. Due to related party		
Loan Facor Minerals PTE Ltd	475,000	475,000
	475,000	475,000

	2014-2015	2013-2014
	USD	USD
<i>Loan Facor Minerals PTE Ltd</i>		
Value as of 1 April	475,000	-
Loan received	-	475,000
Value as of 31 March	475,000	475,000

On July 18, 2013, the Company entered into a loan agreement with Facor Minerals PTE Ltd. for an aggregate amount of USD 350,000, payable within five years falling from the date of drawdown. The loan bears an interest of 6% per annum. No securities have been determined.

On November 21, 2013, the Company entered into another loan agreement with Facor Minerals PTE Ltd. For an aggregate amount of 125,000 under the same conditions as the earlier loan agreement.

	31-03-2015	31-03-2014
	USD	USD
17. Due to shareholder		
Current account Facor Alloys Ltd	30,000	655,546
	30,000	655,546

Facor Minerals (Netherlands) B.V.**2.4 Notes to the consolidated balance sheet**

	<u>31-03-2015</u>	<u>31-03-2014</u>
	USD	USD
18. Other liabilities		
Current account Grand Trillion	300,000	-
Current account Tusta Trading Company Ltd.	200,000	-
Loan Gcorp FZE UAE	100,000	-
Advances received	166,367	101,187
Finance lease liabilities, net	27,710	29,784
Due audit expenses	22,317	26,498
Due to personnel	823	-
Due legal charges	1,000	-
Due management fee	8,434	20,679
Due accounting charges	-	443
Due interest	193,545	51,370
Due tax advisory charges	13,892	19,101
Due general expenses	3,211	11,227
Other payables	26,098	-
	<u>1,063,397</u>	<u>260,289</u>

Facor Minerals (Netherlands) B.V.

2.5 Notes to the consolidated profit and loss account

	2014-2015	2013-2014
	USD	USD
19. Sales		
Ore sales	308,912	13,045
	308,912	13,045
20. Cost of sales		
Cost of goods sold (mining and production costs)	887,089	8,604
	887,089	8,604
21. Amortization intangible fixed assets		
Goodwill	991,046	991,046
	991,046	991,046
22. Marketing and selling expenses		
Guesthouse expenses	47,958	1,780
	47,958	1,780
23. General costs		
Kayseri office expenses	50,521	135,922
Mining area expenses	108,813	46,724
Administration charges	23,685	24,748
Management fees	28,764	24,539
Tax advisory charges	12,511	20,935
Auditor charges	12,396	15,998
Kayseri housing expenses	-	14,640
Istanbul head office expenses	-	13,114
Notary charges	2,613	12,112
Consultancy charges	-	5,713
Legal charges	20,763	557
Postage charges	-	384
Other general expenses	10,431	7,228
	270,497	322,614
Financial income and costs		
24. Interest income and similar revenues		
Interest income	2,674	36,210
	2,674	36,210

Facor Minerals (Netherlands) B.V.


2.5 Notes to the consolidated profit and loss account

	<u>2014-2015</u>	<u>2013-2014</u>
	USD	USD
25. Interest charges and similar costs		
Interest loan Bank of India	634,394	616,772
Interest loan Facor Minerals PTE Ltd	28,500	20,679
Currency exchange difference	10,921	7,397
Banking fees and provision	27,621	5,117
Interest loan Tusta Trading Company Ltd	21,791	443
Credit facility arrangement fee	60,000	-
	<u>783,227</u>	<u>650,408</u>
26. Taxation		
Deferred tax income	814	-1,294
	<u>814</u>	<u>-1,294</u>
27. Result minority interest		
Facor Turkkrom Mining (Netherlands) B.V.	477,102	111,571
	<u>477,102</u>	<u>111,571</u>
28. Non operating profits		
Other profits	-	777
	<u>-</u>	<u>777</u>
29. Non operating losses		
Other losses	78,320	1,079
	<u>78,320</u>	<u>1,079</u>

Schiphol Amsterdam, May 21, 2015

Facor Minerals (Netherlands) B.V.


Mr A. Saraf


Vistra Netherlands B.V.

Facor Minerals (Netherlands) B.V.

2.6 Balance sheet as at 31 March 2015

(After result appropriation)

ASSETS	31 March 2015		31 March 2014	
	USD	USD	USD	USD
Fixed assets				
<i>Intangible fixed assets</i>				
Goodwill	7,845,779		8,836,825	
		7,845,779		8,836,825
<i>Financial fixed assets</i>				
Investment in participations	-12,193		822,124	
Receivables from group companies	500,000		125,000	
		487,807		947,124
Current assets				
<i>Trade and other receivables</i>				
Receivables from participations	520,800		-	
Taxes receivable	1,596		6,525	
Other receivables	23,457		434	
Prepayments and accrued income	-		10,918	
		545,853		17,877
<i>Cash and bank balances</i>		12,118		2,091
Total assets		8,891,557		9,803,917

Facor Minerals (Netherlands) B.V.

2.6 Balance sheet as at 31 March 2015

(After result appropriation)

EQUITY AND LIABILITIES	31 March 2015		31 March 2014	
	USD	USD	USD	USD
Shareholders' equity				
Issued share capital	2,301,605		1,496,059	
Share premium reserve	1		-	
Reserve for translation differences	-471,540		-166,375	
Other reserves	-4,688,125		-2,385,285	
		-2,858,059		-1,055,601
Long-term liabilities				
Debts to credit institutions	8,000,000		9,500,000	
Debts to other companies	500,000		125,000	
		8,500,000		9,625,000
Current liabilities				
Debts to credit institutions	2,000,000		-	
Trade creditors	40,296		19,760	
Due to related party	475,000		475,000	
Due to shareholder	30,000		655,546	
Other liabilities	704,320		84,212	
		3,249,616		1,234,518
Total equity and liabilities		8,891,557		9,803,917

Facor Minerals (Netherlands) B.V.

2.7 Profit and loss account 2014 - 2015

	2014 - 2015		2013 - 2014	
	USD	USD	USD	USD
Amortisation intangible fixed assets	991,046		991,046	
General expenses	66,716		55,045	
Total operating expenses		1,057,762		1,046,091
Operating result		-1,057,762		-1,046,091
Interest income and similar revenues	29,869		434	
Interest expenses and similar costs	-745,794		-650,853	
Sum of the financial income and expenses		-715,925		-650,419
Result on ordinary activities		-1,773,687		-1,696,510
Share in result of participations		-496,575		-116,124
Result		-2,270,262		-1,812,634

2.8 Notes to the financial statements

GENERAL

Facor Minerals (Netherlands) B.V. (the Company) is incorporated on 29 June 2012. The main activities of the Company, having its statutory seat at Breda are holding and financing.

Going concern

In the year ended 31 March 2015 the Company incurred a net loss of USD 2,270,262. As of 31 March 2015 the Company had an accumulated deficit of USD 4,688,125. However, the Company's management believes that its shareholders, creditors and related parties will continue to provide adequate facilities and funding and other ongoing support to the Company, and that, accordingly, preparation of the financial statements on a going concern basis is appropriate. The Company's main shareholder has provided a signed letter of support, reinforcing this stance.

PRINCIPLES OF VALUATION OF ASSETS AND LIABILITIES

General

The financial statements of the Company are included in the consolidated financial statements. Group companies are stated at net asset value. Other assets and liabilities are valued according to principles stated in the notes on the consolidated financial statements. This further applies to the principles of the determination of results. Shareholders' equity and net income of the company are the same as those reported in the consolidated financial statements. The company financial statements of the Company are prepared in accordance with the legal requirements of Part 9, Book 2 of the Netherlands Civil Code.

Financial fixed assets

Investment in participations

Participating interests where substantial influence is exercised over the business and financial policy are valued according to the equity method on the basis of net asset value. The net asset value is calculated on the basis of the accounting principles of the Company. Participating interests where no substantial influence is exercised are stated at fair value.

Receivables

Other receivables disclosed under financial assets include issued loans and other receivables as well as purchased loans and debentures that will be held to their maturity date. These receivables are initially measured at fair value, and subsequently carried at amortised cost. If debentures are acquired or loans are issued at a discount or premium, the discount or premium is recognised through profit or loss over the maturities of the debentures or loans using the effective interest method. Also transaction costs are included in the initial valuation and recognised in profit or loss as part of the effective interest method. Impairment losses are deducted from amortised cost and expensed in the income statement.

Shareholders' equity

Share premium

The share premium concerns the income from the issuing of shares insofar as this exceeds the nominal value of the shares (income above par).

PRINCIPLES FOR THE DETERMINATION OF THE RESULT

Share in result of participations

Dividends receivable from participations not carried at net asset value and securities are recognised as soon as the Company acquires the right to them.

2.9 Notes to the balance sheet

ASSETS

FIXED ASSETS

Intangible fixed assets

A summary of the movements of intangible fixed assets is given below:

	<u>Goodwill</u> USD
Acquisition value	9,910,458
Accumulated depreciations	<u>-1,073,633</u>
Bookvalue as of 1 April	<u>8,836,825</u>
Amortisation current year	<u>-991,046</u>
Movements 2014 - 2015	<u>-991,046</u>
Acquisition value	9,910,458
Accumulated ammortization	<u>-2,064,679</u>
Bookvalue as of 31 March	<u>7,845,779</u>

Financial fixed assets

Investment in participations

The participations of the company in group companies have been divided as follows:

Name	Statutory place of business	Share in capital	Equity in accordance with last annual account	Result in accordance with last annual account
		%	USD	USD
Facor Turkkrom Mining (Netherlands) B.V.	Alkmaar	51	-23.909	-973,677
			<u>31-03-2015</u> USD	<u>31-03-2014</u> USD
<i>Facor Turkkrom Mining (Netherlands) B.V.</i>				
Value as of 1 April			822,124	76,063
Issued shares			-	1,020,000
			<u>822,124</u>	<u>1,096,063</u>
Share in result			-496,575	-116,124
Exchange difference			<u>-305,165</u>	<u>-166,375</u>
			20,384	813,564
Net asset value adjustment			<u>-32,577</u>	<u>8,560</u>
Value as of 31 March			<u>-12,193</u>	<u>822,124</u>

Facor Minerals (Netherlands) B.V.

2.9 Notes to the balance sheet

	<u>31-03-2015</u>	<u>31-03-2014</u>
	USD	USD
Receivables from group companies		
Loan Cati Madencilik Ithalat Ve Ihracat AS	500,000	125,000
	<u>500,000</u>	<u>125,000</u>
<i>Loan Cati Madencilik Ithalat Ve Ihracat AS</i>		
Value as of 1 April	125,000	-
Loan granted	375,000	125,000
Value as of 31 March	<u>500,000</u>	<u>125,000</u>
<p>On February 21, 2014, the Company entered into a loan agreement with Cati Madencilik Ithalat Ve Ihracat AS. The loan bears an interest of 12 Month LIBOR plus 4.25% per annum. The loan shall be repaid in full on 21 February 2019. No securities have been determined.</p>		
CURRENT ASSETS		
	<u>31-03-2015</u>	<u>31-03-2014</u>
	USD	USD
Receivables from participations		
Current account Cati Madencilik Ithalat Ve Ihracat	520,800	-
	<u>520,800</u>	<u>-</u>
Taxes receivable		
Value added tax	1,596	6,525
	<u>1,596</u>	<u>6,525</u>
Other receivables		
Interest receivable from Cati Madencilik Ithalat Ve Ihracat AS	23,457	434
	<u>23,457</u>	<u>434</u>
Prepayments and accrued income		
Prepaid management fee	-	3,102
Prepaid legal and administraton fee	-	7,816
	<u>-</u>	<u>10,918</u>
Cash and bank balances		
ING Bank USD account	1,339	469
Bank of India London USD account	8,269	1,223
ING Bank EUR account	419	399
Bank of India Jersey USD account	2,091	-
	<u>12,118</u>	<u>2,091</u>

Facor Minerals (Netherlands) B.V.

2.9 Notes to the balance sheet

EQUITY AND LIABILITIES

SHAREHOLDERS' EQUITY

	2014-2015	2013-2014
	USD	USD
Issued share capital		
Value as of 1 April	1,496,059	23,049
Issue shares	805,546	1,473,010
Value as of 31 March	2,301,605	1,496,059

The share capital is divided into shares of USD 1 each. As per the date of this report 2,301,605 ordinary shares have been issued.

Share premium reserve

Value as of 1 April	-	-
Contribution	1	-
Value as of 31 March	1	-

Reserve for translation differences

Value as of 1 April	-166,375	-671
Translation difference on share capital	-305,165	-165,704
Value as of 31 March	-471,540	-166,375

Other reserves

Value as of 1 April	-2,385,285	-581,211
From proposal profit appropriation	-2,270,262	-1,812,634
Net asset value adjustment participation	-32,578	8,560
Value as of 31 March	-4,688,125	-2,385,285

LONG-TERM LIABILITIES

	31-03-2015	31-03-2014
	USD	USD
Debts to credit institutions		
Loan Bank of India London	-	9,500,000
Loan Bank of India Jersey	8,000,000	-
	8,000,000	9,500,000

Facor Minerals (Netherlands) B.V.

2.9 Notes to the balance sheet

	<u>2014-2015</u>	<u>2013-2014</u>
	USD	USD
<i>Loan Bank of India London</i>		
Value as of 1 April	9,500,000	10,000,000
Repayment	<u>-9,500,000</u>	<u>-500,000</u>
Long-term part as of 31 March	<u>-</u>	<u>9,500,000</u>

On October 19, 2012, the Company entered into a term facility agreement with Bank of India London. This loan has been applied for acquisition of 51% of Facor Turkkrom Mining (Netherlands) B.V. The interest percentage amounts to 3-months LIBOR on USD plus mark up of 5.85%. The loan was fully repaid on July 17, 2014.

	<u>2014-2015</u>	<u>2013-2014</u>
	USD	USD
<i>Loan Bank of India Jersey</i>		
Value as of 1 April	-	-
Loan received	<u>10,000,000</u>	-
Value as of 31 March	10,000,000	-
Relay obligation next financial year	<u>-2,000,000</u>	-
Long-term part as of 31 March	<u>8,000,000</u>	<u>-</u>

On July 15, 2014, the Company entered into a term facility agreement with Bank of India Jersey. This loan has been applied for acquisition of 51% of Facor Turkkrom Mining (Netherlands) B.V. The interest percentage amounts to 6-months LIBOR on USD plus mark up of 5.85%. The USD 10,000,000 loan from Bank of India, Jersey Branch is secured by way of SBLC issued by Bank of India, Vishakhapatnam Branch, being bankers of ultimate Indian Holding Company, M/s. Facor Alloys Limited, India. The loan is to be repaid in 15 equal quarterly installments of USD 666,667 commencing in July 2015.

Debts to other companies

	<u>2014-2015</u>	<u>2013-2014</u>
	USD	USD
<i>Loan Trusta Trading Company Ltd.</i>		
Value as of 1 April	125,000	-
Loan received	<u>375,000</u>	125,000
Value as of 31 March	<u>500,000</u>	<u>125,000</u>

On February 18, 2014, the Company entered into a loan agreement with Tusta Trading Company Inc. For an aggregated amount of USD 500,000. The loan bears an interest of 12 Month LIBOR plus 4% per annum. The maturity date is 18 February 2019. No securities have been determined.

CURRENT LIABILITIES

	<u>31-03-2015</u>	<u>31-03-2014</u>
	USD	USD
Debts to credit institutions		
Short-term portion loan Bank of India Jersey	<u>2,000,000</u>	-
	<u>2,000,000</u>	<u>-</u>
Creditors	<u>40,296</u>	<u>19,760</u>
	<u>40,296</u>	<u>19,760</u>

Facor Minerals (Netherlands) B.V.

2.9 Notes to the balance sheet

	<u>31-03-2015</u>	<u>31-03-2014</u>
	USD	USD
Due to related party		
Loan Facor Minerals PTE Ltd.	475,000	475,000
	<u>475,000</u>	<u>475,000</u>

	<u>2014-2015</u>	<u>2013-2014</u>
	USD	USD
<i>Loan Facor Minerals PTE Ltd.</i>		
Value as of 1 April	475,000	-
Loan received	-	475,000
Value as of 31 March	<u>475,000</u>	<u>475,000</u>

On July 18, 2013, the Company entered into a loan agreement with Facor Minerals PTE Ltd. for an aggregate amount of USD 350,000, payable within five years falling from the date of drawdown. The loan bears an interest of 6% per annum. No securities have been determined.

On November 21, 2013, the Company entered into another loan agreement with Facor Minerals PTE Ltd. For an aggregate amount of 125,000 under the same conditions as the earlier loan agreement.

	<u>31-03-2015</u>	<u>31-03-2014</u>
	USD	USD
Due to shareholder		
Current account Facor Alloys Ltd	30,000	655,546
	<u>30,000</u>	<u>655,546</u>

	<u>31-03-2015</u>	<u>31-03-2014</u>
	USD	USD
Other liabilities		
Current account Grand Trillion	300,000	-
Current account Trusta Trading Company Ltd.	200,000	-
Due accounting charges	5,648	7,239
Due interest loan Facor Minerals PTE Ltd	49,179	20,679
Due interest loan Trusta Trading Company Ltd	22,233	443
Due interest loan Bank of India London	-	51,370
Due tax advisory charges	4,128	4,481
Due interest loan Bank of India Jersey	122,132	-
Due general expenses	1,000	-
	<u>704,320</u>	<u>84,212</u>

Facor Minerals (Netherlands) B.V.

2.10 Notes to the profit and loss account

	<u>2014 - 2015</u>	<u>2013 - 2014</u>
	USD	USD
Amortisation intangible fixed assets		
Goodwill	<u>991,046</u>	<u>991,046</u>
	<u>991,046</u>	<u>991,046</u>
General expenses		
Administration charges	23,685	24,748
Tax advisory charges	5,306	11,750
Auditor charges	5,561	7,239
Management fees	5,250	6,512
Notary charges	1,949	3,855
Legal charges	20,763	557
Postage charges	-	384
VAT - non refundable	4,202	-
	<u>66,716</u>	<u>55,045</u>
Financial income and expenses		
Interest income and similar revenues		
Interest loan Cati Madencilik Ithalat Ve Ihracat AS	23,024	434
Exchange difference	6,845	-
	<u>29,869</u>	<u>434</u>
Interest expenses and similar costs		
Interest loan Bank of India London	198,099	616,772
Interest loan Facor Minerals PTE Ltd	28,500	20,679
Exchange difference	-	11,283
Banking fees and provision	1,109	1,676
Interest loan Trusta Trading Company Ltd	21,791	443
Interest loan Bank of India Jersey	436,295	-
Bank arrangement fees	60,000	-
	<u>745,794</u>	<u>650,853</u>

Facor Minerals (Netherlands) B.V.

2.10 Notes to the profit and loss account

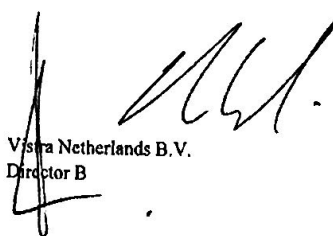
	<u>2014 - 2015</u>	<u>2013 - 2014</u>
	USD	USD
Share in result of participations		
Share in result of Facor Turkrom Mining (Netherlands) B.V.	<u>-496.575</u>	<u>-116.124</u>
	<u>-496.575</u>	<u>-116.124</u>

Schiphol Amsterdam, May 20, 2015

Facor Minerals (Netherlands) B.V.



Mr A. Saraf
Director A



Vistra Netherlands B.V.
Director B

3. Other information

3.1 Statutory rules concerning appropriation of result

The profit is at free disposal of the General Meeting of Shareholders, as stated in article 20 of the articles of association.

3.2 Proposed appropriation of result for the financial year 2014-2015

The board of directors proposes to the general meeting of shareholders that the result for the 2014-2015 financial year, amounting to USD -2.270.263, should be transferred fully to other reserves and that no dividend should be paid.

3.3 Auditor's report

With regard to the auditor's report reference is made to the following page



INDEPENDENT AUDITOR'S REPORT

Facor Minerals (Netherlands) B.V.

Burgemeester de Manlaan 2

4837 BN Breda, , The Netherlands

Report on the consolidated and stand alone financial statements

We have audited the accompanying consolidated and stand alone financial statements 2014-2015 of Facor Minerals (Netherlands) BV. , Breda, which comprise the consolidated and stand alone balance sheet as at March 31, 2015, the consolidated and stand alone profit and loss account for the year then ended and the notes, comprising a summary of the accounting policies and other explanatory information.

Management's responsibility

Management is responsible for the preparation and fair presentation of these consolidated and stand alone financial statements and for the preparation of the annual account, both in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Dutch Civil Code . Furthermore management is responsible for such internal control as it determines is necessary to enable the preparation of the consolidated and stand alone financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these consolidated and stand alone financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated and stand alone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated and stand alone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated and stand alone 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 consolidated and stand alone 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 consolidated and stand alone financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion with respect to the consolidated and stand alone financial statements

In our opinion, the consolidated and stand alone financial statements give a true and fair view of the consolidated and stand alone financial position of Facor Minerals (Netherlands), as at March 31, 2015 and of its consolidated and stand alone result for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Dutch Civil Code.

Gemert, 2015, May 22

Van den Boogaard & Smulders Accountancy LLP

A handwritten signature in blue ink, appearing to be 'P.M.H.J. van den Boogaard', written over a faint circular stamp.

P.M.H.J. van den Boogaard RA

Independent Auditor