

Facor Minerals (Netherlands) B.V.

**Burgemeester de Manlaan 2
4837 BN BREDA**

Financial statements 2014

Facor Minerals (Netherlands) B.V.

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4837 BN BREDA**

Financial statements 2014

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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, 2013 and ending at 31 March 2014.

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 Turkkrom 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 wholly 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.

FINANCIAL AND OPERATIONAL INFORMATION

Result for the period

During the first financial year the Company incurred a net loss of USD 1,812,634. As of 31 March 2014 the Company had an accumulated losses of USD 2,383,285.

Acquisition and financing

The Company is a wholly 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.

Human Resources

The average number of employees of the Group for the financial year ended on 31 March 2013 is nil

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.

Breda, 16-5-2014
Board of Directors:


Mr A. Saraf


Vistra Netherlands B.V.

Facor Minerals (Netherlands) B.V.

2.1 Consolidated balance sheet as of 31 March 2014

(After result appropriation)

ASSETS	31 March 2014		31 March 2013	
	USD	USD	USD	USD
Fixed assets				
<i>Intangible fixed assets</i>				
Concessions, licenses and intellectual properties	107.441		126.972	
Goodwill	8.836.825		9.827.871	
		8.944.266		9.954.843
<i>Tangible fixed assets</i>				
Property, plant and equipment	606.780		-	
		606.780		-
<i>Financial fixed assets</i>				
Other non- current assets	13.777		12.813	
		13.777		12.813
Current assets				
Stock	642.797		-	
		642.797		-
<i>Receivables</i>				
Taxes receivable	217.634		51.901	
Other receivables	-		27	
Prepayments and accrued income	846.982		35.889	
		1.064.616		87.817
<i>Cash and cash equivalents</i>				
		130.237		2.094.129
Total assets		11.402.473		12.149.602

Facor Minerals (Netherlands) B.V.

2.1 Consolidated balance sheet as of 31 March 2014
(After result appropriation)

EQUITY AND LIABILITIES	31 March 2014		31 March 2013	
	USD	USD	USD	USD
Shareholders' equity				
Issued and paid-up capital	1.496.059		23.049	
Statutory reserves	-166.375		-671	
Other reserves	-2.385.285		-581.211	
		-1.055.601		-558.833
Minority interest		789.883		73.081
Long-term liabilities				
Debts to credit institutions	9.515.900		10.000.000	
Debts to related parties	125.000		-	
Other debts	44.323		-	
		9.685.223		10.000.000
Current liabilities				
Debts to credit institutions	13.322		-	
Trade creditors	578.811		170.989	
Debts to related parties	475.000		-	
Debts to shareholder	655.546		1.367.398	
Other debts	260.289		1.096.967	
		1.982.968		2.635.354
 Total equity and liabilities		11.402.473		12.149.602

2.2 Consolidated profit and loss account 2014

	2014		2013	
	USD	USD	USD	USD
Sales		13.045		-
Cost of sales		8.604		-
Gross operating result		<u>4.441</u>		<u>-</u>
Depreciation intangible fixed assets	991.046		82.587	
Marketing and selling expenses	1.780		-	
General expenses	322.614		354.425	
Total operating costs		<u>1.315.440</u>		<u>437.012</u>
Operating result		<u>-1.310.999</u>		<u>-437.012</u>
Interest income and similar revenues	36.210		45	
Interest charges and similar costs	-650.408		-168.242	
Sum of financial income and costs		<u>-614.198</u>		<u>-168.197</u>
Result on ordinary activities before taxation		-1.925.197		-605.209
Taxation		1.294		344
Result minority interest		111.571		15.161
Result on ordinary activities after taxation		<u>-1.812.332</u>		<u>-589.704</u>
Non operating profits	777		5.908	
Non operating losses	-1.079		-	
Other profits		<u>-302</u>		<u>5.908</u>
Result after taxation		<u><u>-1.812.634</u></u>		<u><u>-583.796</u></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 Burgemeester de Manlaan 2, 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 Turkkrom 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 2014 the Company incurred a net loss of USD 1,812,634. As of 31 March 2014 the Company had an accumulated deficit of USD 1,055,601. 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

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.

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.

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.

2.3 Notes to the consolidated annual report

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

Intangible fixed assets

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

	Concessions, licenses and intellectual properties	Goodwill
	€	€
Acquisition value	107.441	9.910.458
Accumulated depreciations	-	-82.587
Bookvalue as of 1 April 2013	<u>107.441</u>	<u>9.827.871</u>
Amortization	-	-991.046
Movements 2014	-	-991.046
Acquisition value	107.441	9.910.458
Accumulated amortization	-	-1.073.633
Bookvalue as of 31 March 2014	<u>107.441</u>	<u>8.836.825</u>

Tangible fixed assets

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

	Property, plant and equipment
	USD
Acquisition value	635.159
Depreciation for the year 2014	-28.379
Bookvalue as of 31 March 2014	<u>606.780</u>

	31-03-2014	31-03-2013
	USD	USD
Other non-current assets		
Deposits and guarantees	<u>13.777</u>	<u>12.813</u>

2.4 Notes to the consolidated balance sheet

CURRENT ASSETS

	<u>31-03-2014</u>	<u>31-03-2013</u>
	USD	USD
Stock		
Work in progress and semi finished goods	<u>642.797</u>	<u>-</u>
Taxes receivable		
Value added tax	<u>217.634</u>	<u>51.901</u>
Other receivables		
Other receivables	<u>-</u>	<u>27</u>
Prepayments and accrued income		
Prepaid management fee	20.438	31.466
Prepaid legal and administration fee	7.816	-
Advances	<u>818.728</u>	<u>4.423</u>
	<u>846.982</u>	<u>35.889</u>
Cash and cash equivalents		
Cash on current accounts	<u>130.237</u>	<u>2.094.129</u>

2.4 Notes to the consolidated balance sheet

EQUITY AND LIABILITIES

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.

MINORITY INTEREST

	<u>31-03-2014</u>	<u>31-03-2013</u>
	USD	USD
Third-party share		
Facor Turkkrom Mining (Netherlands) B.V.	<u>789.883</u>	<u>73.081</u>

LONG-TERM LIABILITIES

	<u>31-03-2014</u>	<u>31-03-2013</u>
	USD	USD
Debts to credit institutions		
Loans received from banks	<u>9.515.900</u>	<u>10.000.000</u>

	<u>31-03-2014</u>	<u>31-03-2013</u>
	USD	USD
Debts to credit institutions		
Loan Bank of India	9.500.000	10.000.000
Other bank loan	15.900	-
	<u>9.515.900</u>	<u>10.000.000</u>

	<u>2014</u>	<u>2013</u>
	USD	USD
<i>Loan Bank of India</i>		
Value as of 1 April	10.000.000	-
Loan received	-	10.000.000
Repayment	-500.000	-
Value as of 31 March	<u>9.500.000</u>	<u>10.000.000</u>

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 is to be repaid in 20 equal quarterly installments of USD 500,000 commencing on the date falling nine months after the first utilisation date (with the first installment paid on the date 28 February 2014, falling 12 months after the first utilisation date).

	<u>2014</u>	<u>2013</u>
	USD	USD
<i>Other bank loan</i>		
Value as of 1 April	-	-
Loan received	15.900	-
Value as of 31 March	<u>15.900</u>	<u>-</u>

2.4 Notes to the consolidated balance sheet

Debts to related parties

	<u>2014</u>	<u>2013</u>
	USD	USD
<i>Loan Tusta Trading Company Ltd</i>		
Value as of 1 April	-	-
Loan received	<u>125.000</u>	<u>-</u>
Value as of 31 March	<u><u>125.000</u></u>	<u><u>-</u></u>

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.

	<u>31-03-2014</u>	<u>31-03-2013</u>
	USD	USD
Other debts		
Finance lease liabilities, net	<u>44.323</u>	<u>-</u>

CURRENT LIABILITIES

	<u>31-03-2014</u>	<u>31-03-2013</u>
	USD	USD
Debts to credit institutions		
Current portion of bank loan	<u>13.322</u>	<u>-</u>

	<u>31-03-2014</u>	<u>31-03-2013</u>
	USD	USD
Trade creditors		
Value as of	<u>578.811</u>	<u>170.989</u>

Debts to related parties

	<u>2014</u>	<u>2013</u>
	USD	USD
<i>Loan Facor Minerals PTE Ltd</i>		
Value as of 1 April	-	-
Loan received	<u>475.000</u>	<u>-</u>
Value as of 31 March	<u><u>475.000</u></u>	<u><u>-</u></u>

The loan bears an interest of 6% per annum. The maturity date is five years falling from the date of drawdown. No securities have been determined.

	<u>31-03-2014</u>	<u>31-03-2013</u>
	USD	USD
Debts to participants and companies		
Debt to Facor Alloys Ltd	<u>655.546</u>	<u>1.367.398</u>

The loan bears an interest of 6% per annum. The maturity date is five years falling from the date of drawdown. No securities have been determined.

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

	<u>31-03-2014</u>	<u>31-03-2013</u>
	USD	USD
Other debts		
Current account Dillenburg Domestic Realty B.V.	-	979.970
Advances received	101.187	-
Finance lease liabilities, net	29.784	-
Due audit expenses	26.498	16.611
Due management fee	20.679	12.390
Due accounting charges	443	-
Due interest loan Bank of India	51.370	59.676
Due tax advisory charges	19.101	2.117
Due legal charges	-	10.628
Due general expenses	11.227	15.575
	<u>260.289</u>	<u>1.096.967</u>

Facor Minerals (Netherlands) B.V.

2.5 Notes to the consolidated profit and loss account


	2014	2013
	USD	USD
Sales		
Ore sales	13.045	-
Cost of sales		
Purchases	8.604	-
Amortization intangible fixed assets		
Goodwill	991.046	82.587
Marketing and selling expenses		
Guesthouse expenses	1.780	-
General costs		
Kayseri office expenses	135.922	-
Mining area expenses	46.724	-
Administration charges	24.748	6.522
Management fees	24.539	33.180
Tax advisory charges	20.935	40.534
Auditor charges	15.998	16.607
Kayseri housing expenses	14.640	-
Istanbul head office expenses	13.114	-
Notary charges	12.112	29.199
Consultancy charges	5.713	45.071
Legal charges	557	174.974
Postage charges	384	1.139
Travel expenses	-	513
Other general expenses	7.228	6.686
	<u>322.614</u>	<u>354.425</u>
Financial income and costs		
Interest income and similar revenues		
Interest income	36.210	45
Interest charges and similar costs		
Interest loan Bank of India	616.772	59.676
Interest loan Facor Minerals PTE Ltd	20.679	-
Currency exchange difference	7.397	5.551
Banking fees and provision	5.117	3.015
Interest loan Tusta Trading Company Ltd	443	-
Credit facility arrangement fee	-	100.000
	<u>650.408</u>	<u>168.242</u>

Facor Minerals (Netherlands) B.V.

2.5 Notes to the consolidated profit and loss account

	<u>2014</u>	<u>2013</u>
	USD	USD
Taxation		
Deferred tax income	<u>-1.294</u>	<u>-344</u>
Result minority interest		
Facor Turkkrom Mining (Netherlands) B.V.	<u>111.571</u>	<u>15.161</u>
Non operating profits		
Other profits	<u>777</u>	<u>5.908</u>
Non operating losses		
Other losses	<u>1.079</u>	<u>-</u>

Breda, *16-5-2014*
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 2014
(After result appropriation)

ASSETS	31 March 2014		31 December 2013	
	USD	USD	USD	USD
Fixed assets				
<i>Intangible fixed assets</i>				
Goodwill	<u>8.836.825</u>	8.836.825	<u>9.827.871</u>	9.827.871
<i>Financial fixed assets</i>				
Investment in participations	822.124		76.063	
Receivables from group companies	<u>125.000</u>	947.124	<u>-</u>	76.063
Current assets				
<i>Trade and other receivables</i>				
Receivables from participations	-		1.021.000	
Taxes receivable	6.525		28.774	
Other receivables	434		-	
Prepayments and accrued income	<u>10.918</u>	17.877	<u>3.337</u>	1.053.111
<i>Cash and cash equivalents</i>		2.091		101.298
Total assets		<u>9.803.917</u>		<u>11.058.343</u>

Facor Minerals (Netherlands) B.V.

2.6 Balance sheet as at 31 March 2014
(After result appropriation)

EQUITY AND LIABILITIES	31 March 2014		31 December 2013	
	USD	USD	USD	USD
Shareholders' equity				
Issued share capital	1.496.059		23.049	
Reserve for translation differences	-166.375		-671	
Other reserves	<u>-2.385.285</u>		<u>-581.211</u>	
		-1.055.601		-558.833
Long-term liabilities				
Debts to credit institutions	9.500.000		10.000.000	
Debts to related parties	<u>125.000</u>		<u>-</u>	
		9.625.000		10.000.000
Current liabilities				
Trade creditors	19.760		170.989	
Debts to related parties	475.000		-	
Debts to shareholders	655.546		1.367.398	
Other debts	<u>84.212</u>		<u>78.789</u>	
		1.234.518		1.617.176
Total equity and liabilities		<u><u>9.803.917</u></u>		<u><u>11.058.343</u></u>

2.7 Profit and loss account 2014

	2014		2013	
	USD	USD	USD	USD
Amortisation intangible fixed assets	991.046		82.587	
General expenses	55.045		323.565	
Total operating expenses		1.046.091		406.152
Operating result		-1.046.091		-406.152
Interest income and similar revenues	434		4	
Interest expenses and similar costs	-650.853		-161.869	
Sum of the financial income and expenses		-650.419		-161.865
Result on ordinary activities		-1.696.510		-568.017
Share in result of participations		-116.124		-15.779
Result		-1.812.634		-583.796

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. The Company's first financial year ends at 31 March 2013.

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. The company made use of the possibility based on article 362 paragraph 8, Part 9 Book 2 of the Netherlands Civil Code to prepare company financial statements based on the accounting policies used for the consolidated financial statements.

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.

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:

	Goodwill USD
Acquisition value	9.910.458
Accumulated depreciations	<u>-82.587</u>
Bookvalue as of 1 April	<u>9.827.871</u>
Amortisation current year	-991.046
Movements 2014	<u>-991.046</u>
Acquisition value	9.910.458
Accumulated amortization	<u>-1.073.633</u>
Bookvalue as of 31 March	<u>8.836.825</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	1.612.007	-227.695

	2014 USD	2013 USD
<i>Facor Turkkrom Mining (Netherlands) B.V.</i>		
Value as of 1 April	76.063	-
Acquisition participation	-	89.542
Issued shares	<u>1.020.000</u>	-
Share in result	1.096.063	89.542
Exchange difference	<u>-116.124</u>	<u>-15.779</u>
	813.564	73.479
Net asset value adjustment	8.560	2.584
Value as of 31 March	<u>822.124</u>	<u>76.063</u>

Facor Minerals (Netherlands) B.V.

2.9 Notes to the balance sheet

	<u>31-03-2014</u>	<u>31-12-2013</u>
	USD	USD
Receivables from group companies		
Loan Cati Madencilik Ithalat Ve Ihracat AS	<u>125.000</u>	<u>-</u>
<i>Loan Cati Madencilik Ithalat Ve Ihracat AS</i>		
Value as of 1 April	-	-
Loan granted	125.000	-
Value as of 31 March	<u>125.000</u>	<u>-</u>

The loan bears an interest of 12 Month LIBOR plus 4,25% per annum. The maturity date is 21 February 2019. No securities have been determined.

CURRENT ASSETS

	<u>31-03-2014</u>	<u>31-12-2013</u>
	USD	USD
Receivables from participations		
Receivable from Facor Turkukrom Mining (Netherlands) B.V.	<u>-</u>	<u>1.021.000</u>

The amount receivable is converted into share capital on 4 April 2013.

	<u>31-03-2014</u>	<u>31-12-2013</u>
	USD	USD
Taxes receivable		
Value added tax	<u>6.525</u>	<u>28.774</u>

	<u>31-03-2014</u>	<u>31-12-2013</u>
	USD	USD
Other receivables		
Interest receivable from Cati Madencilik Ithalat Ve Ihracat AS	<u>434</u>	<u>-</u>

	<u>31-03-2014</u>	<u>31-12-2013</u>
	USD	USD
Prepayments and accrued income		
Prepaid management fee	3.102	3.337
Prepaid legal and administraton fee	7.816	-
	<u>10.918</u>	<u>3.337</u>

	<u>31-03-2014</u>	<u>31-12-2013</u>
	USD	USD
Cash and cash equivalents		
ING Bank USD account	469	82.905
Bank of India USD account	1.223	356
ING Bank EUR account	399	18.037
	<u>2.091</u>	<u>101.298</u>

2.9 Notes to the balance sheet

EQUITY AND LIABILITIES

SHAREHOLDERS' EQUITY

	<u>2014</u>	<u>2013</u>
	USD	USD
Issued share capital		
Value as of 1 April	23.049	-
Issue shares	1.473.010	23.049
Value as of 31 March	<u>1.496.059</u>	<u>23.049</u>

The share capital is divided into shares of USD 1 each. As per the date of this report 1,496,059 ordinary shares have been issued.

	<u>2014</u>	<u>2013</u>
	USD	USD
Reserve for translation differences		
Value as of 1 April	-671	-
Translation difference on share capital	-165.704	-671
Value as of 31 March	<u>-166.375</u>	<u>-671</u>

	<u>2014</u>	<u>2013</u>
	USD	USD
Other reserves		
Value as of 1 April	-581.211	-
From proposal profit appropriation	-1.812.634	-583.796
Net asset value adjustment participation	8.560	2.585
Value as of 31 March	<u>-2.385.285</u>	<u>-581.211</u>

LONG-TERM LIABILITIES

	<u>31-03-2014</u>	<u>31-12-2013</u>
	USD	USD
Debts to credit institutions		
Loan Bank of India	<u>9.500.000</u>	<u>10.000.000</u>

	<u>2014</u>	<u>2013</u>
	USD	USD
<i>Loan Bank of India</i>		
Value as of 1 April	10.000.000	-
Loan received	-	10.000.000
Repayment	-500.000	-
Long-term part as of 31 March	<u>9.500.000</u>	<u>10.000.000</u>

This loan has been applied for acquisition of 51% of Facor Turkrom Mining (Netherlands) B.V. The interest percentage amounts to 3-months LIBOR on USD plus mark up of 5.85%.

The loan is to be repaid in 20 equal quarterly installments of USD 500,000 commencing on the date falling nine months after the first utilisation date (with the first installment paid on 28 February 2014, the date falling 12 months after the first utilisation date).

2.9 Notes to the balance sheet

Debts to related parties

	<u>2014</u>	<u>2013</u>
	USD	USD
<i>Loan Tusta Trading Company Ltd</i>		
Value as of 1 April	-	-
Loan received	<u>125.000</u>	<u>-</u>
Value as of 31 March	<u><u>125.000</u></u>	<u><u>-</u></u>

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>31-03-2014</u>	<u>31-12-2013</u>
	USD	USD
Trade creditors		
Value as of	<u>19.760</u>	<u>170.989</u>

Debts to related parties

	<u>2014</u>	<u>2013</u>
	USD	USD
<i>Loan Facor Minerals PTE Ltd</i>		
Value as of 1 April	-	-
Loan received	<u>475.000</u>	<u>-</u>
Value as of 31 March	<u><u>475.000</u></u>	<u><u>-</u></u>

The loan bears an interest of 6% per annum. The maturity date is five years falling from the date of drawdown. No securities have been determined.

	<u>31-03-2014</u>	<u>31-12-2013</u>
	USD	USD
Debts to shareholders		
Debt to Facor Alloys Ltd	<u>655.546</u>	<u>1.367.398</u>

The amount payable will be converted into share capital during 2014.

	<u>31-03-2014</u>	<u>31-12-2013</u>
	USD	USD
Other debts		
Due accounting charges	7.239	6.723
Due interest loan Facor Minerals PTE Ltd	20.679	12.390
Due interest loan Tusta Trading Company Ltd	443	-
Due interest loan Bank of India	51.370	59.676
Due tax advisory charges	4.481	-
	<u><u>84.212</u></u>	<u><u>78.789</u></u>

2.10 Notes to the profit and loss account

	2014 USD	2013 USD
Amortisation intangible fixed assets		
Goodwill	991.046	82.587
General expenses		
Administration charges	24.748	6.522
Tax advisory charges	11.750	39.929
Auditor charges	7.239	6.723
Management fees	6.512	29.904
Notary charges	3.855	18.138
Legal charges	557	174.974
Postage charges	384	1.139
Consultancy charges	-	45.071
Travel expenses	-	513
Other general expenses	-	652
	<u>55.045</u>	<u>323.565</u>
Financial income and expenses		
Interest income and similar revenues		
Interest loan Cati Madencilik Ithalat Ve Ihracat AS	434	-
Interest current account bank	-	4
	<u>434</u>	<u>4</u>
Interest expenses and similar costs		
Interest loan Bank of India	616.772	59.676
Interest loan Facor Minerals PTE Ltd	20.679	-
Exchange difference	11.283	704
Banking fees and provision	1.676	1.489
Interest loan Tusta Trading Company Ltd	443	-
Credit facility arrangement fee	-	100.000
	<u>650.853</u>	<u>161.869</u>
Share in result of participations		
Share in result of Facor Turkkrom Mining (Netherlands) B.V.	<u>-116.124</u>	<u>-15.779</u>

Breda, 16-5-2014
Facor Minerals (Netherlands) B.V.

Mr A. Saraf

Vistra Netherlands B.V.

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

The board of directors proposes to the general meeting of shareholders that the result for the 2014 financial year, amounting to USD -1.812.634, 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



Van den Boogaard & Smulders

accountancy

Facor Minerals (Netherlands) B.V.
Burgemeester de Manlaan 2
4837 BN BREDA
The Netherlands

INDEPENDENT AUDITOR'S REPORT

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements 2014 of Facor Minerals (Netherlands) B.V., Breda, which comprise the consolidated balance sheet as at March 31, 2014, the consolidated 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 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 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 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 financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 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 financial statements.

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

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WTA vergunning

Van den Boogaard & Smulders Accountancy is een handelsnaam van Van den Boogaard & Smulders Accountancy LLP.



Opinion with respect to the consolidated financial statements

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of Facor Minerals (Netherlands) B.V. as at March 31, 2014 and of its result for the period commencing April 1st, 2013 up to March 31st, 2014 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, 16 May 2014.

Van den Boogaard & Smulders Accountancy LLP



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