

**ÇATI MADENCİLİK İTHALAT  
VE İHRACAT ANONİM ŞİRKETİ  
FINANCIAL STATEMENTS  
TOGETHER WITH AUDITOR'S REPORT  
AS OF 31 MARCH 2016**

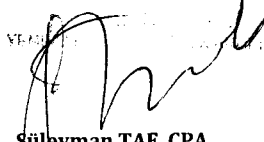


**Opinion**

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 2016 and its financial performance for the period then ended in accordance with International Financial Reporting Standards.

**İstanbul, 09 May 2016**

**Artı Değer Yeminli Mali Müşavirlik A.Ş.**  
**Member of Task International**

  
**Süleyman TAF, CPA**  
**Partner**

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**ÇATI MADENCİLİK İTHALAT VE İHRACAT A.Ş.**  
**BALANCE SHEETS AS OF 31.03.2016 AND 31.03.2015**

(Currency - Turkish Lira)

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

ASSETS	Note	31.03.2016		31.03.2015	
		USD	TL	USD	TL
<b>CURRENT</b>					
Cash and Bank Balances	04	24.288	68.866	405.205	1.057.711
Trade Receivables	05	1.972	5.587	2.140	5.587
Inventories	06	23.099	65.448	25.074	65.448
Other Current Assets	07	342.187	969.551	356.828	931.389
<b>Total Current Assets</b>		<b>391.546</b>	<b>1.109.452</b>	<b>789.247</b>	<b>2.060.135</b>
<b>NON-CURRENT</b>					
Property, Plant and Equipment	08	2.498.135	7.078.214	2.313.385	6.038.397
Intangible Assets	09	115.037	325.946	89.668	234.052
Other Non-Current Assets	10	10.647	30.168	13.412	35.008
Deferred Tax Asset	17	40.962	116.061	510	1.331
<b>Total Non-Current Assets</b>		<b>2.664.781</b>	<b>7.550.389</b>	<b>2.416.975</b>	<b>6.308.788</b>
<b>TOTAL ASSETS</b>		<b>3.056.327</b>	<b>8.659.841</b>	<b>3.206.222</b>	<b>8.368.923</b>

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



**ÇATI MADENCİLİK İTHALAT VE İHRACAT A.Ş.**  
**BALANCE SHEETS AS OF 31.03.2016 AND 31.03.2015**  
**(Currency - Turkish Lira)**  
**(Amounts translated into USD at respective year end exchange rates for convenience purposes)**

LIABILITIES	Note	31.03.2016		31.03.2015	
		USD	TL	USD	TL
<b>CURRENT</b>					
Financial Liabilities	11	310.502	879.777	466.387	1.217.364
Trade Payables	12	227.940	645.844	267.330	697.786
Other Payables	13	141.348	400.495	26.098	68.122
Other Current Liabilities	14	1.375.778	3.898.130	722.251	1.885.222
<b>Total Short Term Liabilities</b>		<b>2.055.568</b>	<b>5.824.246</b>	<b>1.482.066</b>	<b>3.868.494</b>
<b>NON - CURRENT</b>					
Financial Liabilities	15	1.011.858	2.866.999	1.733.194	4.523.983
Employee termination benefits	16	466	1.321	-	-
Deferred Tax Liabilities	17	-	-	-	-
<b>Total Long Term Liabilities</b>		<b>1.012.324</b>	<b>2.868.320</b>	<b>1.733.194</b>	<b>4.523.983</b>
<b>SHAREHOLDERS' EQUITY</b>					
Share Capital	18	1.305.852	3.700.000	1.417.516	3.700.000
Translation differences	19	(198.903)	(563.528)	(424.060)	(1.106.845)
General Reserves	20	(923.523)	(2.616.709)	(92.029)	(240.214)
Net Loss for the period		(194.991)	(552.488)	(910.465)	(2.376.495)
<b>Total Shareholders' Equity</b>		<b>(11.565)</b>	<b>(32.725)</b>	<b>(9.038)</b>	<b>(23.554)</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>3.056.327</b>	<b>8.659.841</b>	<b>3.206.222</b>	<b>8.368.923</b>

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 31.03.2016 AND 31.03.2015**  
**(Currency - Turkish Lira )**  
**(Amounts translated into USD at respective year end exchange rates for convenience purposes)**


INCOME STATEMENT	Note	01.04 - 31.03.2016		01.04 - 31.03.2015	
		USD	TL	USD	TL
Net Sales	21	-	-	308.912	806.324
Cost of Sales	22	-	-	(887.089)	(2.315.481)
<b>GROSS PROFIT</b>		-	-	<b>(578.177)</b>	<b>(1.509.157)</b>
Marketing, Selling and Distribution Expenses	23	(10.494)	(29.733)	(47.958)	(125.179)
General Administrative Expenses	24	(67.778)	(192.042)	(159.334)	(415.894)
<b>BASIC OPERATING LOSS</b>		<b>(78.272)</b>	<b>(221.775)</b>	<b>(785.469)</b>	<b>(2.050.230)</b>
Other Income / (Expenses), net	25	(2.921)	(8.277)	(6.887)	(17.976)
Financial Income / (Expenses), net	26	(54.986)	(155.797)	(117.295)	(306.163)
Losses From Discontinued Operations		(99.304)	(281.369)	-	-
<b>LOSS BEFORE TAX FOR THE PERIOD</b>		<b>(235.483)</b>	<b>(667.218)</b>	<b>(909.651)</b>	<b>(2.374.369)</b>
Tax	17	-	-	-	-
Deferred Tax Income / (Expenses), Net	17	40.492	114.730	(814)	(2.126)
<b>NET LOSS FOR THE PERIOD</b>		<b>(194.991)</b>	<b>(552.488)</b>	<b>(910.465)</b>	<b>(2.376.495)</b>

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 31.03.2016**

	Share Capital	Translation differences	General Reserves	Net Loss for the period	Total Equity
<b>Balance, 01.04.2015</b>	1.417.516	(424.060)	(92.029)	(910.465)	(9.038)
<b>Transfer to general reserves</b>	-	-	(910.465)	910.465	-
<b>Increase in share capital</b>	-	-	-	-	-
<b>- out of general reserves</b>	-	-	-	-	-
<b>- in cash</b>	-	-	-	-	-
<b>Translation differences</b>	(111.664)	225.157	78.971	-	192.464
<b>Net loss for the period</b>	-	-	-	(194.991)	(194.991)
<b>Balance, 31.03.2016</b>	1.305.852	(198.903)	(923.523)	(194.991)	(11.565)
	Share Capital	Translation differences	General Reserves	Net Loss for the period	Total Equity
<b>Balance, 01.04.2014</b>	1.689.652	-	61.973	(171.671)	1.579.954
<b>Transfer to general reserves</b>	-	-	(171.671)	171.671	-
<b>Increase in share capital</b>	-	-	-	-	-
<b>- out of general reserves</b>	-	-	-	-	-
<b>- in cash</b>	-	-	-	-	-
<b>Translation differences</b>	(272.136)	(424.060)	17.669	-	(678.528)
<b>Net loss for the period</b>	-	-	-	(910.465)	(910.465)
<b>Balance, 31.03.2015</b>	1.417.516	(424.060)	(92.029)	(910.465)	(9.038)

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

Yönetim Kurulu Başkanı  
  
 Yönetim Kurulu Başkanı



**ÇATI MADENCİLİK İTHALAT VE İHRACAT A.Ş.**  
**STATEMENT OF CASH FLOW**  
**FOR THE PERIOD ENDED 31.03.2016**  
**(Currency - Turkish Lira)**

	01.04 - 31.03.2016	01.04 - 31.03.2016	01.04 - 31.03.2015	01.04 - 31.03.2015
	USD	TL	USD	TL
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Loss before tax for the period	(235.483)	(667.218)	(909.651)	(2.374.369)
<u>Adjustment to reconcile net profit to net cash:</u>				
Depreciation and amortization expenses	85.108	263.868	69.970	196.021
Operating cash flows provided before changes in working capital	(150.375)	(403.350)	(839.681)	(2.178.348)
<u>Changes in operating assets and liabilities:</u>				
Trade receivables	168	-	(2.140)	(5.587)
Inventories	1.975	-	617.723	1.342.149
Other assets	(23.046)	(148.052)	680.699	1.334.949
Trade payables	(39.390)	(51.942)	(319.712)	(587.718)
Other payables	115.250	332.373	26.098	68.122
Other liabilities	653.993	2.014.229	595.679	1.608.054
<b>Net Cash Flows Used in Operating Activities</b>	<b>558.575</b>	<b>1.743.258</b>	<b>758.666</b>	<b>1.581.621</b>
<b>CASH FLOWS FROM FINANCING</b>				
Short term financial liabilities	(155.885)	(441.684)	411.611	1.097.416
Long term financial liabilities	(721.336)	(1.656.984)	1.172.971	3.139.556
Increase in Share capital-in cash			-	-
<b>Net Cash Flows Generated From Financing Activities</b>	<b>(877.221)</b>	<b>(2.098.668)</b>	<b>1.584.582</b>	<b>4.236.972</b>
<b>CASH FLOWS FROM INVESTMENT ACTIVITIES</b>				
Acquisitions of tangible fixed assets	(268.571)	(1.299.287)	(1.776.664)	(4.904.469)
Acquisitions of intangible assets	(26.656)	(96.292)	-	-
<b>Net Cash Flows Used in Investment Activities</b>	<b>(295.227)</b>	<b>(1.395.579)</b>	<b>(1.776.664)</b>	<b>(4.904.469)</b>
<b>Net Increase in Cash and Cash Equivalents</b>	<b>(613.873)</b>	<b>(1.750.989)</b>	<b>566.584</b>	<b>914.124</b>
Translation differences	232.956	762.144	(660.410)	(1.106.841)
<b>Cash and Cash Equivalents at Beginning of period</b>	<b>405.205</b>	<b>1.057.711</b>	<b>124.031</b>	<b>271.603</b>
<b>Cash and Cash Equivalents at End of Period</b>	<b>24.288</b>	<b>68.866</b>	<b>30.205</b>	<b>78.886</b>

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 31.03.2016**  
**(Currency - Turkish Lira unless otherwise expressed)**

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**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 owns 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 (31.03.2016: USD 1= TL 2,8334; 31.03.2015: USD 1= TL 2,6102). 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.



**ÇATI MADENCİLİK İTHALAT VE İHRACAT ANONİM ŞİRKETİ**  
**NOTES TO THE FINANCIAL STATEMENTS AS OF 31.03.2016**  
**(Currency - Turkish Lira unless otherwise expressed)**

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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.

**ÇATI MADENCİLİK İTHALAT VE İHRACAT ANONİM ŞİRKETİ**  
**NOTES TO THE FINANCIAL STATEMENTS AS OF 31.03.2016**  
**(Currency - Turkish Lira unless otherwise expressed)**

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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 or 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 except for those financial assets classified as fair value through profit or loss which are initially measured at fair value.

**ÇATI MADENCİLİK İTHALAT VE İHRACAT ANONİM ŞİRKETİ**  
**NOTES TO THE FINANCIAL STATEMENTS AS OF 31.03.2016**  
**(Currency - Turkish Lira unless otherwise expressed)**

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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.



**ÇATI MADENCİLİK İTHALAT VE İHRACAT ANONİM ŞİRKETİ**  
**NOTES TO THE FINANCIAL STATEMENTS AS OF 31.03.2016**  
**(Currency - Turkish Lira unless otherwise expressed)**

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**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.

**ÇATI MADENCİLİK İTHALAT VE İHRACAT ANONİM ŞİRKETİ**  
**NOTES TO THE FINANCIAL STATEMENTS AS OF 31.03.2016**  
**(Currency - Turkish Lira unless otherwise expressed)**

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**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**

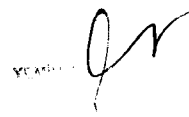
EBITDA is defined as earnings before interest expense, income tax expense (benefit), depreciation and amortization. This information should be read with the statements of cash flow contained in the accompanying financial statements.

**4. Cash and Bank Balances**

As of 31 March 2016 cash and bank balances are as follows:

	31.03.2015		31.03.2014	
	USD	TL	USD	TL
(a) Cash and Cash Equivalents				
Cash on hand	9.009	25.575	13.540	35.387
Balance with bank	35	98	421	1.099
Fixed deposit with Is Bank (Maturity period less than 3 months)	15.244	43.193	16.244	42.400
	<b>24.288</b>	<b>68.866</b>	<b>30.205</b>	<b>78.886</b>
(b) Bank Balances				
Fixed deposit with Bank of India, London (*) (Maturity period more than 12 months)	-	-	375.000	978.825
	<b>24.288</b>	<b>68.866</b>	<b>405.205</b>	<b>1.057.711</b>

(\*) Cati Madencilik's fixed deposit of USD 375,000 with Bank of India, London has been appropriated against principal and interest dues by Bank of India, London.



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**5. Trade Receivables**

As of 31 March 2016 trade receivables are as follows:

	31.03.2016		31.03.2015	
	USD	TL	USD	TL
Ekin Maden Ticaret Ve San.A.Ş.	35	100	38	100
DMS Maden Nakliye Yapı.Ltd.Şti.	1.937	5.487	2.102	5.487
	<b>1.972</b>	<b>5.587</b>	<b>2.140</b>	<b>5.587</b>

**6. Inventories**

As of 31 March 2016 inventories are as follows:

	31.03.2016		31.03.2015	
	USD	TL	USD	TL
Work in process and semi-finished goods	23.099	65.448	25.074	65.448
	<b>23.099</b>	<b>65.448</b>	<b>25.074</b>	<b>65.448</b>

**7. Other Current Assets**

As of 31 March 2016 other current assets are as follows:

	31.03.2016		31.03.2015	
	USD	TL	USD	TL
Advances given (*)	19.829	56.183	21.894	57.145
Pre-paid expenses	1.129	3.198	3.387	8.840
VAT Carried Forward (**)	316.461	896.661	326.577	852.432
Pre-paid taxes	4.768	13.509	4.970	12.972
	<b>342.187</b>	<b>969.551</b>	<b>356.828</b>	<b>931.389</b>

(\*) Detail of advances given as of 31 March 2016 is provided below;

	31.03.2016		31.03.2015	
	USD	TL	USD	TL
Mustafa Tekir	10.229	28.983	11.104	28.983
Bozdağı Tasarım Peyzaj Ltd. Şti.	9.600	27.200	10.421	27.200
Pınarbaşı Mot. Taş. Koop.	-	-	369	962
	<b>19.829</b>	<b>56.183</b>	<b>21.894</b>	<b>57.145</b>

(\*\*) VAT Carried Forward cover to VAT receivables from government. It will deduct from VAT payment which come from future selling's.

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**8. Property, Plant and Equipment**

As of 31 March 2016 property, plant and equipment's are as follows:

	31.03.2016		31.03.2015	
	USD	TL	USD	TL
Property, plant and equipment	878.059	2.487.891	953.142	2.487.891
Motor vehicles	17.494	49.567	18.990	49.567
Furniture, fixtures and office equipment	15.587	44.165	16.920	44.165
Leasehold improvements	-	-	-	-
Financial leasing assets	91.770	260.020	99.617	260.020
Construction in progress	1.677.484	4.752.984	1.323.154	3.453.697
Accumulated depreciation	(182.259)	(516.413)	(98.438)	(256.943)
	<b>2.498.135</b>	<b>7.078.214</b>	<b>2.313.385</b>	<b>6.038.397</b>

**9. Intangible Assets**

As of 31 March 2016 intangible assets are as follows:

	31.03.2016		31.03.2015	
	USD	TL	USD	TL
Mining Rights	81.052	229.654	87.983	229.654
Research and Development	33.985	96.292	-	-
Tiger Plus License	4.656	13.193	5.054	13.193
Accumulated amortization	(4.656)	(13.193)	(3.369)	(8.795)
	<b>115.037</b>	<b>325.946</b>	<b>89.668</b>	<b>234.052</b>

**10. Other Non-Current Assets**

As of 31 March 2016 other non-current assets (Deposit and Guarantees) are as follows:

	31.03.2016		31.03.2015	
	USD	TL	USD	TL
IR.74492 Benefit Transfer	8180	23,176	8,879	23,176
Kayseri Elektrik Perakande A.Ş.	2468	6,992	2,679	6,992
Enerji ve Tabii Kaynaklar Maden işleri	-	-	1,854	4,840
	<b>10.647</b>	<b>30.168</b>	<b>13.412</b>	<b>35.008</b>

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**11. Short Term Financial Liabilities**

As of 31 March 2016 short term financial liabilities are as follows:

	31.03.2016		31.03.2015	
	USD	TL	USD	TL
Current portion of short-term bank loans	300.000	850.020	335.465	875.630
Finance lease liabilities, net	8.979	25.442	27.710	72.329
Loan - Facor Minerals (Netherlands) B.V.	-	-	-	-
Loan - GCORP FZE UAE	1.523	4.315	100.000	261.020
Credit card	-	-	3.212	8.385
	<b>310.502</b>	<b>879.777</b>	<b>466.387</b>	<b>1.217.364</b>

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

	31.03.2016		31.03.2015	
	USD	TL	USD	TL
Minimum Lease Payments	9.150	25.927	29.788	77.752
Future Finance Charges	(171)	(485)	(2.078)	(5.423)
	<b>8.979</b>	<b>25.442</b>	<b>27.710</b>	<b>72.329</b>

**12. Trade Payables**

As of 31 March 2016 trade payables are as follows:

	31.03.2016		31.03.2015	
	USD	TL	USD	TL
Suppliers	202.993	575.159	195.281	509.723
Notes receivables	-	-	52.439	136.876
Rediscounts of notes receivables	-	-	(182)	(474)
Other trade payables	24.947	70.685	19.792	51.661
	<b>227.940</b>	<b>645.844</b>	<b>267.330</b>	<b>697.786</b>

**13. Other Payables**

As of 31 March 2016 other payables are as follows:

	31.03.2016		31.03.2015	
	USD	TL	USD	TL
Kayseri Elektrik Perakende Satış A.Ş.	175	495	1.196	3.122
Gökhan Çevik (Member of the Board)	141.173	400.000	24.902	65.000
	<b>141.348</b>	<b>400.495</b>	<b>26.098</b>	<b>68.122</b>

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**14. Other Current Liabilities**

As of 31 March 2016 other current liabilities are as follows:

	31.03.2016		31.03.2015	
	USD	TL	USD	TL
Taxes & Dues payables	4.106	11.634	3.261	8.513
Advances received (*)	1.302.131	3.689.458	715.167	1.866.730
Due to personnel	-	-	823	2.148
Bank Loan interest accruals	64.041	181.454	-	-
GCORP FZE UAE Loan interest accruals	4.000	11.334	-	-
Audit expense accruals	1.500	4.250	3.000	7.831
	<b>1.375.778</b>	<b>3.898.130</b>	<b>722.251</b>	<b>1.885.222</b>

(\*) As of 31 March 2016 Advance received details are as follows:

	31.03.2016		31.03.2015	
	USD	TL	USD	TL
Facor Minerals (Netherlands) B.V.	1.113.800	3.155.842	520.800	1.359.392
Facor Turkrom Mining (Netherlands ) B.V.	28.000	79.335	28.000	73.086
Çevik Madencilik San. Ve Tic. Aş.	89.745	254.284	89.745	234.252
Harun Mugaoğlu	70.586	199.997	76.622	200.000
	<b>1.302.131</b>	<b>3.689.458</b>	<b>715.167</b>	<b>1.866.730</b>

As of March 2016 other non-current liabilities are none. (2015: none)

**15. Long Term Financial Liabilities**

As of 31 March 2016 long term financial liabilities are as follows:

Long Term	31.03.2016		31.03.2015	
	USD	TL	USD	TL
Long-term bank loans	888.401	2.517.196	1.200.000	3.132.240
Facor Minerals (Netherlands) B.V.	23.457	66.463	523.457	1.366.327
GCORP FZE UAE Loan	100.000	283.340	-	-
Finance lease liabilities, net	-	-	9.737	25.416
	<b>1.011.858</b>	<b>2.866.999</b>	<b>1.733.194</b>	<b>4.523.983</b>

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

	31.03.2016		31.03.2015	
	USD	TL	USD	TL
Minimum Lease Payments	-	-	9.933	25.927
Future Finance Charges	-	-	(196)	(511)
	-	-	<b>9.737</b>	<b>25.416</b>

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**16. Employee termination benefits**

As of 31 March 2016 employee termination benefits are as follows:

	31.03.2016		31.03.2015	
	USD	TL	USD	TL
Provision at Beginning of the Period	-	-	-	-
Current Period expense	843	2.387	-	-
Payments During the Period (-)	-	-	-	-
Interest Expense / (Income)	4	13	-	-
Actuarial Loss / (Gain)	(381)	(1.080)	-	-
	<b>466</b>	<b>1.321</b>	-	-

**17. Taxation on Income**

The corporation tax rate on the profits for the calendar year 2016 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.

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

	31.03.2016		31.03.2015	
	Cumulative temporary difference	Deferred Tax	Cumulative temporary difference	Deferred Tax
Interest income accrual	(181.851)	36.370	474	95
Credit to foreign currency differences	(501.125)	100.225	(92.922)	(18.585)
Amortization adjustment	109.203	(21.841)	108.588	21.718
Audit expense accruals	(4.250)	850	(7.831)	(1.567)
Retirement pay provisions	(1.321)	264	-	-
Other adjustments	(964)	193	(1.650)	(330)
<b>TL</b>	<b>(580.308)</b>	<b>116.061</b>	<b>6.659</b>	<b>1.331</b>
<b>USD</b>	<b>(204.810)</b>	<b>40.962</b>	<b>2.551</b>	<b>510</b>

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%.

**18. Share Capital**

As of 31 March 2016 share capital is as follows:

	31.03.2016		31.03.2015	
	USD	TL	USD	TL
12000 Nos. of Shares of TL 25 each	1.305.852	3.700.000	1.417.516	3.700.000
	<b>1.305.852</b>	<b>3.700.000</b>	<b>1.417.516</b>	<b>3.700.000</b>

**19. Translation differences**

As of 31 March 2016 translation differences are as follows:

	31.03.2016		31.03.2015	
	USD	TL	USD	TL
Adjustment for previous years	(141.949)	(402.154)	-	-
Foreign exchange gain	151.289	428.663	88.205	230.232
Foreign exchange losses	(208.243)	(590.037)	(512.265)	(1.337.077)
	<b>(198.903)</b>	<b>(563.528)</b>	<b>(424.060)</b>	<b>(1.106.845)</b>

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**20. General Reserves**

As of 31 March 2016 general reserves are as follows:

	31.03.2016		31.03.2015	
	USD	TL	USD	TL
Advance against Capital from Facor Turkkrom Mining (Netherlands) B.V.	52.283	148.140	56.754	148.140
Previous year's profit	502	1.422	545	1.422
Previous year's loss	(971.419)	(2.752.419)	(144.021)	(375.924)
Legal Reserves	26	75	29	75
Less: Establishment Costs	(4.915)	(13.927)	(5.336)	(13.927)
	<b>(923.523)</b>	<b>(2.616.709)</b>	<b>(92.029)</b>	<b>(240.214)</b>

**21. Net Sales**

As of 31 March 2016 net sales are as follows:

	31.03.2016		31.03.2015	
	USD	TL	USD	TL
Domestic sales of chrome ore	-	-	307.131	801.674
Sales of mining waste	-	-	1.781	4.650
	-	-	<b>308.912</b>	<b>806.324</b>

**22. Cost of The Sales**

As of 31 March 2016 net sales are as follows:

	31.03.2016		31.03.2015	
	USD	TL	USD	TL
Cost of the sales	-	-	(887.089)	(2.315.481)
	-	-	<b>(887.089)</b>	<b>(2.315.481)</b>



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**23. Marketing, Selling and Distribution Expenses**

As of 31 March 2016 marketing, selling and distribution expenses are as follows:

	31.03.2016		31.03.2015	
	USD	TL	USD	TL
Guesthouse expenses	(10.494)	(29.733)	(11.345)	(29.612)
Transportation expenses	-	-	(36.613)	(95.567)
	<b>(10.494)</b>	<b>(29.733)</b>	<b>(47.958)</b>	<b>(125.179)</b>

**24. General Administrative Expenses**

As of 31 March 2016 general administrative expenses are as follows:

	31.03.2016		31.03.2015	
	USD	TL	USD	TL
Mining area expenses	(67.778)	(192.042)	(108.813)	(284.023)
Kayseri office expenses	-	-	(50.521)	(131.871)
	<b>(67.778)</b>	<b>(192.042)</b>	<b>(159.334)</b>	<b>(415.894)</b>

**25. Other Income / (Expenses), net**


As of 31 March 2016 other income / (expenses) are as follows:

	31.03.2016		31.03.2015	
	USD	TL	USD	TL
Other extraordinary income and profits	86	243	18.040	47.089
Other extraordinary expenses and losses	(3.007)	(8.520)	(24.927)	(65.065)
	<b>(2.921)</b>	<b>(8.277)</b>	<b>(6.887)</b>	<b>(17.976)</b>

**26. Financial Income / (Expenses), Net**

As of 31 March 2016 financial incomes are as follows:

	31.03.2016		31.03.2015	
	USD	TL	USD	TL
Interest income	16.208	45.924	2.674	6.980
Bank commission expenses	-	-	(25.512)	(66.592)
Interest Expenses	(71.194)	(201.721)	(94.457)	(246.551)
	<b>(54.986)</b>	<b>(155.797)</b>	<b>(117.295)</b>	<b>(306.163)</b>

  
M. N. ÇATI