

ANNUAL REPORT

**FACOR TURKKROM MINING
(NETHERLANDS) B.V.**

ALKMAAR, THE NETHERLANDS

YEAR ENDED MARCH 31, 2023

Rinki Singhal & Co

CHARTERED ACCOUNTANTS



INDEPENDENT AUDITOR'S REPORT

To

The shareholders of **Facor Turkkrom Mining (Netherlands) B.V.**

Report on the audit of the financial statements

Opinion

We have audited the financial statements of **Facor Turkkrom Mining (Netherlands) B.V.** ("the Company"), which comprise the balance sheet as at March 31, 2023, and the Statement of Profit and Loss, notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the annual accounts included in this annual report give a true and fair view of the size and composition of the financial position of the Company at March 31, 2023 in accordance with Part 9 Book 2 of the Dutch Civil Code.

Basis for opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities in this respect are described in the section 'Our responsibilities for the audit of the annual accounts'.

The Company qualifies as a "small-sized legal entity" under the provisions of the Dutch Civil Code, and accordingly it is exempt from the requirement of a statutory audit under the Dutch Civil Code. However, at the request of Management, we have performed this audit. We are not conducting this audit out of any statutory requirement or power given to us to conduct audit of the Dutch entities.

Our examination was conducted in accordance with Dutch Generally Accepted Accounting Principles (GAAP). We have reviewed and examined the financial statements of the Company and have verified that the figures reported therein are in compliance with Dutch GAAP. Furthermore, we have confirmed that the financial statements have been prepared in accordance with applicable accounting standards and regulations.

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

Description of the responsibilities concerning the annual accounts

Management's responsibilities for the annual accounts

Management is responsible for the preparation and fair presentation of the annual accounts in accordance with Part 9 Book 2 of the Dutch Civil Code. In this context, management is responsible for such internal control as it determines is necessary to enable the preparation of the annual accounts that are free from material misstatement due to error or fraud.

In preparing the annual accounts, the management must assess whether the company is able to continue its activities. Under the aforementioned accounting system, management must prepare the annual accounts with regards to the assumption of continuity, unless management intends to liquidate the company or cease its operations or if termination is the only realistic alternative. The Management must disclose the events and circumstances that may give rise to reasonable doubt about the company's ability to continue as a going concern in the annual accounts.

Our responsibilities for the annual accounts audit

Our responsibility is to plan and perform an audit to obtain sufficient and appropriate audit evidence to form our opinion.

We conducted our audit with a high level of assurance, but not absolute assurance, which may not enable us to detect all material errors and fraud during our audit.

Misstatements may arise from fraud or error and are material if, individual or collectively, they are reasonably likely to influence the economic decisions of users taken on the basis of these annual accounts. Materiality affects the nature, timing and extent of our audit work and the assessment of the effect of identified misstatements on our opinion.

We conducted our audit in a professionally critical manner and applied professional judgement where relevant in accordance with Dutch auditing standards. Our audit included the following:

- Identifying and estimating the risks that the annual accounts may contain material misstatements as a result of errors or fraud, determining and performing audit procedures in response to those risks and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. In the case of fraud, the risk of not detecting material misstatement is greater than in the case of errors. Fraud may involve conspiracy, forgery, deliberate failure to record transactions, deliberate misrepresentations or breach of internal controls;
- Obtaining an understanding of internal control relevant to the audit in order to select audit procedures that are appropriate in the circumstances. This work does not aim to express an opinion on the effectiveness of the entity's internal control;

- Evaluating the appropriateness of accounting policies used for financial reporting and evaluating the reasonableness of accounting estimates made by management, as well as the disclosures made in the annual accounts;
- Concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern;
- Evaluating the presentation, structure and content of the annual accounts and the disclosure therein;
- Evaluating whether the annual accounts give a true and fair view of the underlying transactions and events.

We have not verified any assets and liabilities by visiting the site of the company in Netherland, we have relied upon the representation given by the management.

We communicate with those responsible for governance, including the planned scope and timing of the audit and any significant finding from our audit, including any significant deficiencies within internal control.

We confirm to the persons in charge of governance that we have complied with the relevant ethical rules on independence, we also communicate with the persons in charge of governance about all relationships and other matters that may reasonably affect our independence and the related measures to ensure our independence.

We determine the key audit topics for our audit based on all matters discussed with the persons responsible for governance. We describe these key issues in our audit report, except where prohibited by law or regulation or in extremely rare circumstances where non-disclosure is in the public interest.

For M/s. RINKI SINGHAL & CO
Chartered Accountants
(FRN: 032449N)

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CA Ayushi Agrawal
(M.NO. 451747)
Partner
UDIN- 23451747BGSAVM8357

Date – 12 May 2023
Place – Noida

FACOR TURKKROM MINING (NETHERLANDS) B.V.

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FACOR TURKKROM MINING (NETHERLANDS) B.V.

REPORT OF THE BOARD OF DIRECTORS

The Board of Directors herewith submits the annual report of Facor Turkkrom Mining (Netherlands) B.V. ("the Company") for the financial year ended March 31, 2023.

ACTIVITIES

The Company's main activity is holding of investments in other group companies.

RESULT FOR THE PERIOD

The Company incurred a loss of USD 1,992,461 (2021/2022: loss of USD 5,206) for the financial year ended March 31, 2023.

General

The result of the Company is dependent on dividends received from investments and on group investment decisions.

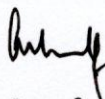
Personnel development

The average number of employees during the financial year was nil (2021/2022: nil). The Company does not expect to employ any personnel in the forthcoming financial year.

Finance development

The Company does not expect that the method of finance will significantly change in the forthcoming financial year.

BOARD OF DIRECTORS



A. Saraf
Director

FACOR TURKKROM MINING (NETHERLANDS) B.V.

BALANCE SHEET AS ON MARCH 31, 2023

	Note	March 31, 2023 USD	March 31, 2022 USD
ASSETS			
FINANCIAL FIXED ASSETS			
Investment	3	-	20,15,321
CURRENT ASSETS			
Receivable Related Parties	4	29,070	31,455
TOTAL ASSETS		29,070	20,46,776
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Share Capital	5	22,00,000	22,00,000
Translation Reserve	5	(557)	(557)
Deficit	5	(21,98,140)	(2,05,679)
		1,303	19,93,764
CURRENT LIABILITIES			
Payables to Related Parties	6	15,194	15,347
Accounts Payable and Accrued Expenses	7	12,573	37,665
		27,767	53,012
TOTAL SHAREHOLDERS' EQUITY AND		29,070	20,46,776

**Ayushi
Agrawal**

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Ayushi Agrawal
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AYUSHI AGRAWAL (M.No. 451747)

PARTNER


For RINKI SINGHAL & Co.

CHARTERED ACCOUNTANT

(FRN: 032449N)

UDIN- 23451747BGSAVM8357

PLACE: NOIDA



ASHIM SARAF

DIRECTOR

FACOR TURKKROM MINING (NETHERLANDS) B.V.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDING ON MARCH 31, 2023.

		April 1, 2022 upto and including - March 31, 2023	April 1, 2021 upto and including - March 31, 2022
	Note	USD	USD
FINANCIAL INCOME & EXPENSES			
Currency exchange result		(1,964)	(5,206)
Provisions written off		24,824	
EXPENSES			
Impairment of Investments	3	(20,15,321)	
General and administrative expenses	8	-	-
RESULT BEFORE TAXATION		(19,92,461)	(5,206)
Corporate income tax	9	-	-
RESULT AFTER TAXATION		(19,92,461)	(5,206)

**Ayushi
Agrawal**

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AYUSHI AGRAWAL (M.No. 451747)
PARTNER
For **RINKI SINGHAL & Co.**
CHARTERED ACCOUNTANT
(FRN: 032449N)
UDIN- 23451747BGSAVM8357
PLACE: NOIDA


ASHIM SARAF
DIRECTOR

FACOR TURKKROM MINING (NETHERLANDS) B.V.

NOTES TO THE ANNUAL ACCOUNTS AS AT MARCH 31, 2023

1. General information

Facor Turkkrom Mining (Netherlands) B.V. (the Company) was incorporated on February 16, 2011 under the laws of Netherlands.

2. Accounting Policies

Basis of Preparation of Financial Statements

The annual accounts have been prepared in accordance with the statutory provisions of Title 9, Book 2 of the Dutch Civil Code. The books of the Company are kept in US dollars.

Valuation

In general, assets and liabilities are stated at the amounts at which they were acquired or incurred, or fair value. If not specifically stated otherwise, they are recognized at the amounts at which they were acquired or incurred. The balance sheet and income statement include references to the notes.

Income and expenses are accounted for on an accrual basis. Profit is only included when realized on balance sheet date. Liabilities and any losses originating before the end of the financial year are taken into account if they have become known before preparation of the financial statements.

Investments

Financial fixed assets comprise of investments in companies. Investments in companies are valued at cost and are written down only where there is a permanent impairment in value.

FACOR TURKKROM MINING (NETHERLANDS) B.V.

Impairment of shares in subsidiary

On balance sheet date, the Company tests whether there are any indications of an asset which could be subject to impairment. If there are such indications, the legal entity should estimate the recoverable amount of the asset concerned. If this is not possible, the recoverable amount of the cash-generating unit to which the asset belongs, is identified.

An asset is subject to impairment if its book value is higher than its recoverable value; the recoverable value is the highest of the realizable value and the present value. An impairment is recognized as an expense in the income statement immediately

Receivables

Receivables are valued at face value less a provision for possibly uncollectable accounts.

Foreign currency translation

Balances in foreign currencies are translated into USD at exchange rates prevailing at that date.

The exchange rates used at balance sheet date are:

March 31, 2023: USD 1 = EUR 0.9223

March 31, 2022: USD 1 = EUR 0.9032

March 31, 2023: USD 1 = TRL 19.1782

March 31, 2022: USD 1 = TRL 14.6541

Consolidation

In conformity with Article 408 Book 2 of the Dutch Civil Code, the Company does not prepare consolidated annual accounts, as they are included in the Consolidated accounts of its Holding Company.

Taxation

Domestic corporation tax is determined by applying Dutch fiscal practice rules and taking into account allowable deductions, charges and exemptions.

FACOR TURKKROM MINING (NETHERLANDS) B.V.

NOTES TO THE ANNUAL ACCOUNTS AS AT MARCH 31, 2023 (Cont.)

FINANCIAL FIXED ASSETS		March 31, 2023 USD	March 31, 2022 USD
3. Investment	<u>Ownership</u>		
<u>Investment in Wholly Owned Subsidiary</u>			
Cati Madencilik Ithalat ve Ihracat A.S.	100%	20,15,321	20,15,321
Less: Impairment Loss*		-20,15,321	-
Investment in Subsidiary		<u>-</u>	<u>20,15,321</u>

*Impairment of Investment in Subsidiary

As of the year ending 31 March 2023, the Company has assessed its investment in Cati Madencilik Ithalat ve Ihracat A.S. ("the subsidiary") for impairment in accordance with Dutch Generally Accepted Accounting Principles (GAAP). Based on the assessment, it has been determined that the carrying amount of the investment is not recoverable, and therefore, an impairment loss has been recognized. The details of the impairment are as follows:

Investment in Cati Madencilik Ithalat ve Ihracat A.S: USD 2,015,321
Impairment Loss: (USD 2,015,321)
Net Carrying Amount: USD 0

The impairment loss of USD 2,015,321 has been recognized in the income statement as a separate line item within the operating expenses for the year ending 31 March 2023. The above treatment is in accordance with Dutch Accounting standard.

CURRENT ASSETS

4.Receivable related parties

Current account Cati Madencilik Ithalat ve Ihracat A.S.	<u>29,070</u>	<u>31,455</u>
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As per balance sheet date, the Company has 2 current account positions with Cati Madencilik Ithalat ve Ihracat A.S. of TRL 148,140 (USD 7,724.40) and USD 21,346.

FACOR TURKKROM MINING (NETHERLANDS) B.V.

NOTES TO THE ANNUAL ACCOUNTS AS AT MARCH 31, 2023 (Cont.)

5. SHAREHOLDERS' EQUITY

The movement in shareholders' equity is specified as follows:

	<u>Share capital</u>	<u>n reserve</u>	<u>Deficit</u>	<u>Total</u>
Balance March 31, 2021	22,00,000	(557)	(2,00,473)	19,98,970
Result for the year	-	-	(5,206)	(5,206)
Balance March 31, 2022	22,00,000	(557)	(2,05,679)	19,93,764
Result for the year	-	-	(19,92,461)	(19,92,461)
Balance March 31, 2023	<u>22,00,000</u>	<u>(557)</u>	<u>(21,98,140)</u>	<u>1,303</u>

As per April 1, 2013 the Company had a share capital of 1,020 ordinary class A shares and 980 ordinary class B shares with a nominal value of USD 100 each which were issued and fully paid up. On APRIL 2, 2013 a number of 10,200 class A shares and 9,800 class B shares with a nominal value of USD 100 each were issued and fully paid up. As per balance sheet date, the Company has a share capital of in total 11,220 class A shares and 10,780 class B shares with a nominal value of USD 100 each.

CURRENT LIABILITIES

		<u>March 31, 2023</u>	<u>March 31, 2022</u>
		USD	USD
6. Payables to related parties	EUR		
Current account Facor Minerals (Netherlands) B.V.		7,980	7,980
Current account Dilenburg Domestic Realty B.V.	6,654	7,214	7,367
		<u>15,194</u>	<u>15,347</u>
7. Accounts payable and accrued expenses	EUR		
Management fee	10,915	11,833	29,801
Tax advisory fee	-	-	7,108
Legal fee	512	556	568
Sundry expenses	170	184	188
		<u>12,573</u>	<u>37,665</u>

FACOR TURKKROM MINING (NETHERLANDS) B.V.

NOTES TO THE ANNUAL ACCOUNTS AS AT MARCH 31, 2023 (Cont.)

NOTES TO THE PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDING MARCH 31, 2023

	<u>March 31, 2023</u>	<u>March 31, 2022</u>
	USD	USD
8. General and administrative expenses		
Management fee	-	-
Tax advisory fee	-	-
Tax dues	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

9. Corporate income tax

The corporate income tax is based on the results of the Company, taking into account that certain income and expenses as reported in the profit and loss account are exempt from taxation.

FACOR TURKKROM MINING (NETHERLANDS) B.V.

OTHER INFORMATION

Appropriation of results

In accordance with the Company's articles of association, results are at the disposal of the shareholders. Management proposes to add the result for the period ended March 31, 2023 to the general reserves of the Company.

Audit

The management proposes not to audit the 2022/2023 financial statements due to the fact that the Company qualifies as a "small sized legal entity" and therefore no audit is required from a legal point of view.

Subsequent events

No events have occurred since balance sheet date, which would change the financial position of the Company and which would require adjustment or disclosure in the annual accounts as prepared.