

Baqtor Mining Company Limited

Sudan

Financial Statements

December 31, 2012

With

Auditors Report

The Board of Directors

Auditor Report

Baqtor Mining Company Limited

Sudan

Scope of audit

We have audited the accompanying balance sheet of Baqtor Mining Company Limited Sudan (The Company) as at December 31, 2012 and the related statement of income and accumulated losses and Cash flows for the year then ended, and the attached notes (1) through (7) which form an integral part of these financial statements. These financial statements have been prepared by the company management and submitted to us together with all the information and explanations which we required.

Our audit was conducted in accordance with generally accepted auditing standards in the Republic of Sudan and accordingly, included such tests of accounting records and such other auditing procedures as we considered necessary to obtain a reasonable degree of assurance to enable us to express an opinion on these financial Statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis For our opinion.

Unqualified opinion

in our opinion the financial statement taken as whole, present fairly, in all material respects, the financial position of the company as at December 31, 2012, and the results of its operations and Cash flows for the year then ended in accordance with generally accepted accounting standards in the Republic Of Sudan appropriate to the circumstances of the the company

Al Manar For Accounting Auditing

& Financial Consultancy

April 16, 2013



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Baqtor Mining Company Limited

Sudan

BALANCE SHEET

As at December 31, 2012

	<u>Note</u>	<u>2012</u>
<u>ASSET</u>		euro
Current assets		
Cash and cash equivalents	3	<u>44,258</u>
Total current assets		<u>44,258</u>
Non-current assets:		
Equipment and vehicles	4	<u>71,144</u>
Total assets		<u>115,402</u>
<u>Liabilities and accruals</u>		
Accruals		<u>1,223</u>
<u>Owner's equity</u>		
Share capital		28,934
Aktor Greece c/a		450,433
Aktor Sudan c/a		337,759
Klewos c/a		15,000
Accumulated loss		<u>(717,947)</u>
Total Owners equity		<u>114,179</u>
Total Liabilities and Owners equity		<u>115,402</u>

The accompanying notes 1 through 7 form an

integral part of these financial statements

Baqtor Mining Company Limited

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Statement of income and accumulated loss
For the year ended December 31, 2012

		Year ended December 31 <u>2012</u> Euro
Revenue		—
Operating expenses	5	442,765
Administrative expenses	6	<u>275,182</u>
Net loss		<u>717,947</u>

The accompanying notes 1 through 7 form an
integral part of these financial statements

Baqtor Mining Company Limited

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Statements of cash flows

For the year ended December 31,2012

	Year ended December 31 <u>2012</u> Euro
<u>Cash flow from operating activities</u>	
Net loss	717,947
Adjustments to reconcile net loss to net cash provided by	
Operating activity	
Depreciation	5,966
Increase in accruals	1,223
Net cash provided by operating activities	<u>(710,758)</u>
<u>Cash flow from investing activities</u>	
Acquisition for the equipments and vehicles	<u>(77,110)</u>
Net cash (used in) investing activities	<u>(77,110)</u>
<u>Cash flow from investing activities</u>	
Owners financing	<u>832,126</u>
Net cash provided by financing activities	<u>832,126</u>
Net increase in cash and cash equivalents	44,258
Cash and cash equivalents at beginning of the year/period	-
Cash and cash equivalents at end of the year	<u>44,258</u>

The accompanying notes 1 through 7 form an

Integral part of these financial statements

Baqtor Mining Company Limited

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Notes to the financial statements

For the year ended December 31, 2012

1- Organization and activities

Baqtor Mining Co.ltd is registered in the republic of the Sudan June 22, 2011. The company is engaged in mining of Gold and associated metals in red sea state _ Sudan

2- Basis of preparation and significant accounting policies

Statement of compliance currency

The financial statements have been presented in accordance with generally accepted accounting standards in republic of Sudan.

b- Functional and presentation currency

these financial statements are presented in European Euro (Euro) which is the functional currency.

c- Basis of measurement

The financial statement have been prepared on a historical cost basis using the accrual basis of accounting and the going concern concept.

d- Use of estimates and judgments

The preparation of financial statements requires management to make judgment, estimates and assumptions that affect application of policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods affected.

Baqtor Mining Company Limited

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Notes to the financial statements

For the year ended December 31,2012

e. Equipment and vehicles :

Furniture, equipment and vehicles are stated at cost less accumulated depreciation Depreciation is

Calculated on straight line method over useful lives as follows:

Motor vehicles	5 years
Equipment	7 years
Tools	5 years
Containers	4 years

f-Income tax

income tax calculated, in accordance with Sudanese tax laws, are accrued and charged to statement of income currently.

g-Cash and cash equivalents

Cash and cash equivalents for cash flow purposes comprise cash on hand and balance with banks on current accounts which are available to the company without any restrictions.

Baqtor Mining Company Limited

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Notes to the financial statements
For the year ended December 31, 2012

3- CASH AND CASH EQUIVALENTS

Cash and cash equivalents at December 31, comprise of the following:

	<u>2012</u>
	Euro
Cash on hand	44258
Balance with banks on current account	44258

Baqtor Mining Company Limited

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Notes to the financial statements
For the year ended December 31,2012

4-Equipment and vehicles

The movement in equipment and vehicles for the December 31,2012 is analyzed as under

	<u>Equipment</u> <u>Euro</u>	<u>Tools</u> <u>Euro</u>	<u>Containers</u> <u>Euro</u>	<u>Motor</u> <u>Vehicles</u> <u>Euro</u>	<u>Total</u> <u>Euro</u>
Cost					
Balance at January 1,2012	-	-	-	-	-
Additions	<u>30,000</u>	<u>5,600</u>	<u>23,296</u>	<u>18,214</u>	<u>77,110</u>
Balance at December1,2012	<u>30,000</u>	<u>5,600</u>	<u>23,296</u>	<u>18,214</u>	<u>77,110</u>
Accumulated depreciation :					
Balance at January 1,2012	-	-	-	-	-
Depreciation for the year	-	<u>945</u>	<u>1,942</u>	<u>3,079</u>	<u>5,966</u>
Balance at December 31,2012	-	<u>945</u>	<u>1,942</u>	<u>3,079</u>	<u>5,966</u>
N.B value at December 31,2012	<u>30,000</u>	<u>4,655</u>	<u>21,354</u>	<u>15,135</u>	<u>71,144</u>

Baqtor Mining Company Limited

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Notes to the financial statements

For the year ended December 31,2012

5-operating expenses

Operating expenses for the year/period December 31,comprise the following:

	Year ended December 31 <u>2012</u> Euro
Survey	10,500
Date review	32,000
Satellite imagery study	51,500
Site equipment	10,599
Mapping assistance	2,719
Sample	2,405
Custom & clearance	2,569
Exploration trip	9,500
Administrative support & services – aktor	61,703
Technical management services – aktor	242,575
Renting of equipment for field work	16,579
Maintenance	4
Ex-forms	<u>112</u>
Total	<u>442,765</u>

Baqtor Mining Company Limited

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Notes to the financial statements

For the year ended December 31, 2012

6-general and administrative expenses for the year/period ended December 31, Comprise the following :

Salaries	69,320
Government fees	85,364
Apartment rent	25,231
Bank charges	1,033
Stationeries & computer accessories	2,481
Car rent	15,013
Communication	1,718
Petrol	4,000
Courier	9,869
Hotel accommodation	37,523
Apartment maintenance & furniture	6,298
Air port VIP	1,281
Locality fees	954
Taxi charges	116
Water	250
Exchange rates differences	-1,396
Visa & travel insurance	444
Car insurance	1,599
Transport & logistics	3,688
Car services	2,951
Electricity	62
Water sewage	194
Professional fees	1,223
Depreciation	<u>5,966</u>
Total	<u>275,182</u>

Baqtor Mining Company Limited

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Notes to the financial statements
For the year ended December 31, 2012

7-Income tax

In view of net loss for the year, no income tax has been accrued in the financial statements.