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AKTOR SUDAN LIMITED

REPORT AND FINANCIAL STATEMENTS
Period from 17 May 2011 to 31 December 2011

AKTOR SUDAN LIMITED

REPORT AND FINANCIAL STATEMENTS Period from 17 May 2011 to 31 December 2011

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AKTOR SUDAN LIMITED

BOARD OF DIRECTORS AND OTHER OFFICERS

Board of Directors:

Andriana Pias

Company Secretary:

Brena Services Limited
Zinonos Kitieos 8
Kato Lakatamia 2322
Nicosia Cyprus

Independent Auditors:

Horwath DSP Limited
Certified Public Accountants and Registered Auditors
Photiades Business Centre
1st floor, 8 Stasinou Avenue
P.O Box 22545
1522 Nicosia

Registered office:

Nikokleous 8
Kaimakli 1037
Nicosia Cyprus

AKTOR SUDAN LIMITED

REPORT OF THE BOARD OF DIRECTORS

The Board of Directors presents its first report and audited financial statements of the Company for the period from 17 May 2011 to 31 December 2011.

Incorporation

The Company Aktor Sudan Limited was incorporated in Cyprus on 17 May 2011 as a private limited liability Company under the Cyprus Companies Law, Cap. 113.

Principal activities

The principal activities of the Company are the holding of investment and provision of finance.

Review of current position, future developments and significant risks

The Company has incurred losses during the year. However the board of directors expects that the appreciation of the value of the investment in the subsidiary company in the forthcoming years will outweigh these losses.

The main risks and uncertainties faced by the Company and the steps taken to manage these risks, are described in note 3 of the financial statements.

Results

The Company's results for the period are set out on page 5. The net loss for the period is carried forward.

Share capital

Authorised capital

Under its Memorandum the Company fixed its share capital at 5.000 ordinary shares of nominal value of €1 each.

Issued capital

Upon incorporation on 17 May 2011 the Company issued to the subscribers of its Memorandum of Association 1.000 ordinary shares of €1 each at par.

Board of Directors

The member of the Company's Board of Directors as at the date of this report is presented on page 1. The sole director was a member of the Board of Directors throughout the period from 17 May 2011 to 31 December 2011.

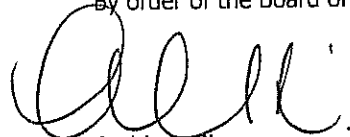
Events after the reporting period

Any significant events that occurred after the end of the reporting period are described in note 17 to the financial statements.

Independent Auditors

The Independent Auditors, Horwath DSP Limited, have expressed their willingness to continue in office and a resolution giving authority to the Board of Directors to fix their remuneration will be proposed at the Annual General Meeting.

By order of the Board of Directors,



Andriana Pias
Director

Nicosia, 22 March 2012

Independent auditor's report

To the Members of Aktor Sudan Limited

Report on the financial statements

We have audited the accompanying financial statements of parent company Aktor Sudan Limited (the "Company"), which comprise the statement of financial position as at 31 December 2011, and the statements of comprehensive income, changes in equity and cash flows for the period from 17 May 2011 to 31 December 2011, and a summary of significant accounting policies and other explanatory information.

Board of Directors' responsibility for the financial statements

The Board of Directors is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113, and for such internal control as the Board of Directors determines is necessary to enable the preparation of 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 financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 the Board of Directors as well as evaluating the overall presentation of the financial statements.

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

Independent auditor's report (continued)

To the Members of Aktor Sudan Limited

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the parent company Aktor Sudan Limited as at 31 December 2011, and of its financial performance and its cash flows for the period from 17 May 2011 to 31 December 2011 in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of the Cyprus Companies Law, Cap. 113.

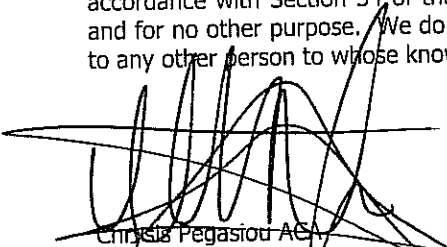
Report on other legal requirements

Pursuant to the requirements of the Auditors and Statutory Audits of Annual and Consolidated Accounts Law of 2009, we report the following:

- We have obtained all the information and explanations we considered necessary for the purposes of our audit.
- In our opinion, proper books of account have been kept by the Company.
- The Company's financial statements are in agreement with the books of account.
- In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Cyprus Companies Law, Cap. 113, in the manner so required.
- In our opinion, the information given in the report of the Board of Directors is consistent with the financial statements.

Other matter

This report, including the opinion, has been prepared for and only for the Company's members as a body in accordance with Section 34 of the Auditors and Statutory Audits of Annual and Consolidated Accounts Law of 2009 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whose knowledge this report may come to.



Chrysis Pegasidou ACA
Certified Public Accountant and Registered Auditor
for and on behalf of
Horwath DSP Limited
Certified Public Accountants and Registered
Auditors

Nicosia , 22 March 2012

AKTOR SUDAN LIMITED

STATEMENT OF COMPREHENSIVE INCOME

Period from 17 May 2011 to 31 December 2011

	Note	2011 €
Administration expenses		(6.722)
Other expenses	5	<u>(1.550)</u>
Operating loss		(8.272)
Finance costs	7	<u>(193)</u>
Loss before tax		(8.465)
Tax	8	<u>(3)</u>
Net loss for the period		(8.468)
Other comprehensive income		<u>-</u>
Total comprehensive expense for the period		<u>(8.468)</u>

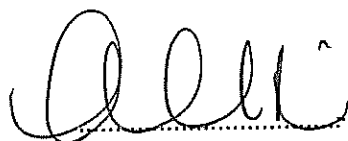
The notes on pages 9 to 15 form an integral part of these financial statements.

AKTOR SUDAN LIMITED

STATEMENT OF FINANCIAL POSITION 31 December 2011

	Note	2011 €
ASSETS		
Non-current assets		
Investments in subsidiaries	9	26.041
Non-current loans receivable	10	<u>78.959</u>
		<u>105.000</u>
Current assets		
Cash at bank and in hand	11	<u>9.959</u>
		<u>9.959</u>
		<u>114.959</u>
Total assets		
EQUITY AND LIABILITIES		
Equity		
Share capital	12	1.000
Accumulated (losses)		<u>(8.468)</u>
Total equity		<u>(7.468)</u>
Current liabilities		
Trade and other payables	14	122.272
Borrowings	13	152
Current tax liabilities	15	<u>3</u>
		<u>122.427</u>
		<u>114.959</u>
Total equity and liabilities		

On 22 March 2012 the Board of Directors of Aktor Sudan Limited authorised these financial statements for issue.



Andriana Pias
Director

The notes on pages 9 to 15 form an integral part of these financial statements.

AKTOR SUDAN LIMITED

STATEMENT OF CHANGES IN EQUITY

Period from 17 May 2011 to 31 December 2011

	Note	Share capital €	Accumulated (losses) €	Total €
Total comprehensive expense for the period		-	(8.468)	(8.468)
Issue of share capital	12	1.000	-	1.000
Balance at 31 December 2011		1.000	(8.468)	(7.468)

Companies which do not distribute 70% of their profits after tax, as defined by the relevant tax law, within two years after the end of the relevant tax year, will be deemed to have distributed as dividends 70% of these profits. Special contribution for defence at 20% for the tax years 2012 and 2013 and 17% for 2014 and thereafter (in 2011 the rate was 15% up to 30 August 2011 and 17% thereafter) will be payable on such deemed dividends to the extent that the shareholders (companies and individuals) are Cyprus tax residents. The amount of deemed distribution is reduced by any actual dividends paid out of the profits of the relevant year at any time. This special contribution for defence is payable by the Company for the account of the shareholders.

The notes on pages 9 to 15 form an integral part of these financial statements.

AKTOR SUDAN LIMITED

STATEMENT OF CASH FLOWS

Period from 17 May 2011 to 31 December 2011

	Note	2011 €
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before tax		<u>(8.465)</u>
Cash flows used in operations before working capital changes		(8.465)
Increase in trade and other payables		122.272
Net cash flows from operating activities		<u>113.807</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for purchase of investments in subsidiaries	9	(26.041)
Loans granted		<u>(78.959)</u>
Net cash flows used in investing activities		<u>(105.000)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issue of share capital		<u>1.000</u>
Net cash flows from financing activities		<u>1.000</u>
Net increase in cash and cash equivalents		9.807
Cash and cash equivalents:		
At beginning of the period		<u>-</u>
At end of the period	11	<u><u>9.807</u></u>

The notes on pages 9 to 15 form an integral part of these financial statements.

AKTOR SUDAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Period from 17 May 2011 to 31 December 2011

1. Incorporation and principal activities

Country of incorporation

The Company Aktor Sudan Limited (the "Company") was incorporated in Cyprus on 17 May 2011 as a private limited liability Company under the Cyprus Companies Law, Cap. 113. Its registered office is at Nikokleous 8, Kaimakli 1037, Nicosia Cyprus.

Principal activities

The principal activities of the Company are the holding of investment and provision of finance.

2. Accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below.

Basis of preparation

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and the requirements of the Cyprus Companies Law, Cap. 113.

The Company is not required by the Cyprus Companies Law, Cap.113, to prepare consolidated financial statements because the Company and its subsidiaries constitute a small sized group as defined by the Law and the Company does not intend to issue consolidated financial statements for the period from 17 May 2011 to 31 December 2011.

The European Union has concluded that since its 4th Directive requires parent companies to prepare separate financial statements, and since the Cyprus Companies Law, Cap. 113, requires the preparation of such financial statements in accordance with IFRS as adopted by the European Union, the provisions of International Accounting Standard 27 "Consolidated and separate financial statements" that require the preparation of consolidated financial statements in accordance with IFRS do not apply.

The financial statements have been prepared under the historical cost convention

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates and requires Management to exercise its judgement in the process of applying the Company's accounting policies. It also requires the use of assumptions that affect the 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. Although these estimates are based on Management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

Adoption of new and revised IFRSs

During the current period the Company adopted all the new and revised International Financial Reporting Standards (IFRS) that are relevant to its operations and are effective for accounting periods beginning on 17 May 2011.

At the date of approval of these financial statements, standards and interpretations were issued by the International Accounting Standards Board which were not yet effective. Some of them were adopted by the European Union and others not yet. The Board of Directors expects that the adoption of these accounting standards in future periods will not have a material effect on the financial statements of the Company.

Subsidiary companies

Investments in subsidiary companies are stated at cost less provision for impairment in value, which is recognised as an expense in the period in which the impairment is identified.

AKTOR SUDAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Period from 17 May 2011 to 31 December 2011

2. Accounting policies (continued)

Finance costs

Interest expense and other borrowing costs are charged to profit or loss as incurred.

Tax

Current tax liabilities and assets are measured at the amount expected to be paid to or recovered from the taxation authorities, using the tax rates and laws that have been enacted, or substantively enacted, by the reporting date.

Financial instruments

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash on hand, deposits held at call with banks and bank overdrafts. In the statement of financial position, bank overdrafts are included in borrowings in current liabilities.

Derecognition of financial assets and liabilities

Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is not generally the case with master netting agreements, and the related assets and liabilities are presented gross in the statement of financial position.

AKTOR SUDAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Period from 17 May 2011 to 31 December 2011

2. Accounting policies (continued)

Share capital

Ordinary shares are classified as equity.

3. Financial risk management

Financial risk factors

The Company is exposed to interest rate risk, credit risk, liquidity risk and capital risk management arising from the financial instruments it holds. The risk management policies employed by the Company to manage these risks are discussed below:

3.1 Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. Borrowings issued at variable rates expose the Company to cash flow interest rate risk. Borrowings issued at fixed rates expose the Company to fair value interest rate risk. The Company's Management monitors the interest rate fluctuations on a continuous basis and acts accordingly.

3.2 Credit risk

Credit risk arises when a failure by counter parties to discharge their obligations could reduce the amount of future cash inflows from financial assets on hand at the reporting date. The Company has no significant concentration of credit risk. The Company has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history and monitors on a continuous basis the ageing profile of its receivables. Cash balances are held with high credit quality financial institutions and the Company has policies to limit the amount of credit exposure to any financial institution.

3.3 Liquidity risk

Liquidity risk is the risk that arises when the maturity of assets and liabilities does not match. An unmatched position potentially enhances profitability, but can also increase the risk of losses. The Company has procedures with the object of minimising such losses such as maintaining sufficient cash and other highly liquid current assets and by having available an adequate amount of committed credit facilities.

3.4 Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

Fair value estimation

The fair values of the Company's financial assets and liabilities approximate their carrying amounts at the reporting date.

4. Critical accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

AKTOR SUDAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Period from 17 May 2011 to 31 December 2011

4. Critical accounting estimates and judgments (continued)

• Income taxes

Significant judgement is required in determining the provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

• Impairment of investments in subsidiaries

The Company periodically evaluates the recoverability of investments in subsidiaries whenever indicators of impairment are present. Indicators of impairment include such items as declines in revenues, earnings or cash flows or material adverse changes in the economic or political stability of a particular country, which may indicate that the carrying amount of an asset is not recoverable. If facts and circumstances indicate that investment in subsidiaries may be impaired, the estimated future undiscounted cash flows associated with these subsidiaries/associates would be compared to their carrying amounts to determine if a write-down to fair value is necessary.

5. Other expenses

	2011
	€
Incorporation expenses	1.550
	<u>1.550</u>

6. Expenses by nature

	2011
	€
Auditors' remuneration	1.170
Accounting fees	575
Other professional fees	2.677
Administration expenses	2.300
Incorporation expenses	1.550
Total expenses	<u><u>8.272</u></u>

7. Finance costs

	2011
	€
Other finance expenses	193
	<u>193</u>

8. Tax

	2011
	€
Corporation tax - current period	3
Charge for the period	<u><u>3</u></u>

AKTOR SUDAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Period from 17 May 2011 to 31 December 2011

8. Tax (continued)

The tax on the Company's results before tax differs from the theoretical amount that would arise using the applicable tax rates as follows:

	2011
	€
Loss before tax	<u>(8.465)</u>
Tax calculated at the applicable tax rates	(847)
Tax effect of expenses not deductible for tax purposes	<u>850</u>
Tax charge	<u><u>3</u></u>

The corporation tax rate is 10%.

Under certain conditions interest income may be subject to defence contribution at the rate of 15% (10% to 30 August 2011). In such cases this interest will be exempt from corporation tax. In certain cases, dividends received from abroad may be subject to defence contribution at the rate of 20% for the tax years 2012 and 2013 and 17% for 2014 and thereafter (in 2011 the rate was 15% up to 30 August 2011 and 17% thereafter).

9. Investments in subsidiaries

	2011
	€
Balance at 17 May	-
Additions	<u>26.041</u>
Balance at 31 December	<u><u>26.041</u></u>

The details of the subsidiaries are as follows:

<u>Name</u>	<u>Country of incorporation</u>	<u>Principal activities</u>	<u>Holding %</u>
Baqtor Mining Co. Ltd	Sudan	Dormant Company	90

10. Non-current loans receivable

	2011
	€
Loans to own subsidiaries (Note 16)	<u>78.959</u>
	<u><u>78.959</u></u>

The fair values of non-current receivables approximate to their carrying amounts as presented above.

11. Cash at bank and in hand

For the purposes of the statement of cash flows, the cash and cash equivalents include the following:

	2011
	€
Cash at bank and in hand	9.959
Bank overdrafts (Note 13)	<u>(152)</u>
	<u><u>9.807</u></u>

AKTOR SUDAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Period from 17 May 2011 to 31 December 2011

11. Cash at bank and in hand (continued)

The exposure of the Company to credit risk and impairment losses in relation to cash and cash equivalents is reported in note 3 of the financial statements.

12. Share capital

	2011 Number of shares	2011 €
Authorised		
Ordinary shares of €1 each	<u>5.000</u>	<u>5.000</u>
Issued and fully paid		
Issue of shares	<u>1.000</u>	<u>1.000</u>
Balance at 31 December	<u>1.000</u>	<u>1.000</u>

Authorised capital

Under its Memorandum the Company fixed its share capital at 5.000 ordinary shares of nominal value of €1 each.

Issued capital

Upon incorporation on 17 May 2011 the Company issued to the subscribers of its Memorandum of Association 1.000 ordinary shares of €1 each at par.

13. Borrowings

	2011 €
Current borrowings	
Bank overdrafts (Note 11)	<u>152</u>

14. Trade and other payables

	2011 €
Shareholders' current accounts - credit balances (Note 16)	120.527
Accruals	<u>1.745</u>
	<u>122.272</u>

The fair values of trade and other payables due within one year approximate to their carrying amounts as presented above.

15. Current tax liabilities

	2011 €
Corporation tax	<u>3</u>
	<u>3</u>

AKTOR SUDAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Period from 17 May 2011 to 31 December 2011

16. Related party transactions

The following transactions were carried out with related parties:

16.1 Loans to own subsidiaries (Note 10)

	2011
	€
As at 31 December	<u>78.959</u>
	<u>78.959</u>

The loan to related company Baqtor Mining Co. Ltd was provided interest free, and there was no specified repayment date.

16.2 Shareholders' current accounts - credit balances (Note 14)

	2011
	€
As at 31 December	<u>120.527</u>
	<u>120.527</u>

The shareholders' current accounts are interest free, and have no specified repayment date.

17. Events after the reporting period

There were no material events after the reporting period, which have a bearing on the understanding of the financial statements.

Independent Auditor's report on pages 3 and 4