

FACOR MINERALS (NETHERLANDS) B.V.

**SCHIPOL BOULEVARD 231
1118 BH SCHIPOL AMSTERDAM
THE NETHERLANDS**

FINANCIAL STATEMENTS 2016-2017

FACOR MINERALS (NETHERLANDS) B.V.

DIRECTORS' REPORT

We have pleasure in submitting the consolidated as well as standalone financial statements of Facor Minerals (Netherlands) B.V. (the Company) for the period commencing from 01 April 2016 and ending at 31 March 2017.

1. GENERAL

Activities

The main activity of the Company is mine exploration in Turkey and in particular to trade products like Lumpy Chrome Ore, Chrome Ore Concentrate, Minerals, Metals, Rare Earth Metals and investment in Mining Companies.

Investments

The Company holds 51% of the Issued and Fully Paid Up Capital in Facor Turkkrom Mining (Netherlands) B.V. (formerly Dillenberg Bergen Realty B.V.), a Company registered in Alkmaar, The Netherlands. Facor Turkkrom Mining (Netherlands) B.V. in turn owns 100% Issued Share Capital of Cati Madencilik Ithalat ve Ihracat A.S., a Company incorporated and having registered office in Istanbul, Turkey which owns Chrome Ore Mining Licences. Aforementioned Company's financial data is consolidated in these financial statements and are referred to in these financial statements as the "Company" or "Group".

Legal Structure

The Company is a 93.5 % owned subsidiary of Facor Alloys Ltd., a Company incorporated in India and having its registered office at Shreeramnagar – 535101, Garividi, District – Vizianagram in the State of Andhra Pradesh in India. The remaining 6.5 % is owned by Rai Bahadur Shreeram & Co. Pvt. Ltd., which is also a Company incorporated in India.

2. FINANCIAL AND OPERATIONAL INFORMATION

Results for the period

During the financial year the Company incurred a net loss of USD 1,190,776. As on 31 March 2017 the Company had accumulated losses of USD 6,549,302.

Human Resources

The average number of employees of the Group for the financial year ended on 31 March 2017 is 3 (31 March 2016 : 3).

3. FUTURE OUTLOOK

Despite the current negative shareholders' equity, we are convinced that our shareholders, creditors and related parties will continue to provide adequate facilities and funding and other ongoing support to the Company. We expect the future mining operations in Turkey will benefit the Company's current financial position.

On behalf of the Board,



ASHIM SARAF
Director

ROHIT SARAF
Director

FACOR MINERALS (NETHERLANDS) B.V.

STATEMENT BY DIRECTORS

In the opinion of the directors : -

- i. The accompanying financial statements together with the notes thereto are drawn up so as to give a true and fair view of the state of affairs of the company as at 31 March 2017 and the results of the business, changes in equity and cash flows of the company for the year ended on that date; and
- ii. At the date of this statement, there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement authorised these financial statements for issue.

On behalf of the Board,



ASHIM SARAF
Director

ROHIT SARAF
Director

FACOR MINERALS (NETHERLANDS) B.V.

**STANDALONE
FINANCIAL STATEMENTS
2016 – 2017**