

# HELLAS GOLD S.A. OF MINES & GOLD INDUSTRY (Translated from the original in Greek)



VAT:999642840

BALANCE SHEET AS OF DECEMBER 31st 2013 (10th FINANCIAL YEAR 01/01/2013-31/12/2013)  
AP.M.A.E. 55750/01/B/03/72(2012) - AP. Γ.Ε.ΜΗ. 5552301000

	31-12-13			31-12-12			SHAREHOLDERS' EQUITY AND LIABILITIES	
ASSETS	Acquisition Value	Depreciation	Net Book Value	Acquisition Value	Depreciation	Net Book Value	31-12-13	31-12-12
<b>AMOUNTS IN EURO</b>								
<b>B. PRE-OPERATING COST</b>								
1. Formation and set-up expenses	3,242.59	3,242.59	0.00	3,242.59	3,242.59	0.00		
3. Interest expense capitalized (construction)	3,528,252.56	352,825.25	3,175,427.31	0.00	0.00	0.00		
4. Other pre-operating cost	1,546,902.29	352,379.66	1,194,522.63	252,293.35	251,963.27	310.08		
	<u>5,078,397.44</u>	<u>708,447.50</u>	<u>4,369,949.94</u>	<u>255,535.94</u>	<u>255,225.86</u>	<u>310.08</u>		
<b>C. FIXED ASSETS</b>								
<b>I. Intangible Assets</b>								
1. Research and Development Cost	7,637,328.43	6,588,665.38	1,048,663.05	6,522,350.48	6,522,350.48	0.00		
5. Other intangible assets	2,200,021.09	531,671.76	1,668,349.33	2,200,021.09	0.00	2,200,021.09		
	<u>9,837,349.52</u>	<u>7,120,337.14</u>	<u>2,717,012.38</u>	<u>8,722,371.57</u>	<u>6,522,350.48</u>	<u>2,200,021.09</u>		
<b>II. Tangible Assets</b>								
1. Land	4,433,549.88	0.00	4,433,549.88	4,406,957.44	0.00	4,406,957.44		
2. Mines, Farms, Forests	24,224,906.11	10,661,256.87	13,563,649.24	24,105,688.11	8,679,298.81	15,426,389.30		
3. Buildings and installations	24,357,847.11	3,978,219.91	20,379,627.20	23,833,411.35	2,932,307.72	20,901,103.63		
4. Machinery & Technical equipment	27,570,423.26	9,262,843.46	18,307,579.80	17,531,743.70	7,146,436.29	10,385,307.41		
5. Vehicles	2,552,151.20	1,454,397.53	1,097,753.67	2,257,455.70	1,336,953.68	920,502.02		
6. Furniture and other Equipment	2,045,265.76	1,150,557.57	894,708.19	1,440,209.98	1,059,919.66	380,290.32		
7. Payments on account and tangible assets under construction	139,213,321.75	0.00	139,213,321.75	68,428,428.23	0.00	68,428,428.23		
	<u>224,397,465.07</u>	<u>26,507,275.34</u>	<u>197,890,189.73</u>	<u>142,053,984.51</u>	<u>21,154,916.16</u>	<u>120,848,978.35</u>		
<b>III. Participations and other long term investments</b>								
1. Investments in subsidiaries			591,530.01			591,530.01		
6. Other titles in long-term investments			15,930.00			15,930.00		
7. Other long-term receivables			394,096.46			295,936.15		
			<u>1,001,556.47</u>			<u>903,396.16</u>		
<b>Total Fixed Assets (CII+CIII)</b>			<u>201,608,758.56</u>			<u>123,952,395.60</u>		
<b>D. CURRENT ASSETS</b>								
<b>I. Inventories</b>								
2. Finished & Semi-finished products			8,204,795.07			4,753,147.64		
4. Raw material - Consumable supplies - Spare parts			7,342,781.80			3,078,757.67		
			<u>15,547,576.87</u>			<u>7,831,905.31</u>		
<b>II. RECEIVABLES</b>								
1. Customers			4,972,126.00			4,788,801.05		
11. Sundry debtors			36,686,498.38			22,428,357.07		
12. Prepayments			1,261,299.89			58,451.57		
			<u>42,919,924.27</u>			<u>27,275,609.69</u>		
<b>IV. CASH ITEMS</b>								
1. Cash in hand			17,403.27			37,568.00		
3. Sight and time deposits			7,637,934.25			7,382,988.62		
			<u>7,655,337.52</u>			<u>7,420,556.62</u>		
<b>Total Current Assets (DII+DIII+DIV)</b>			<u>66,122,836.66</u>			<u>42,528,071.62</u>		
<b>E. ACCRUALS</b>								
1. Deferred expenses			1,097,377.67			486,877.23		
2. Accrued income receivable			168,000.80			545,694.79		
			<u>1,265,378.47</u>			<u>1,032,572.02</u>		
<b>TOTAL ASSETS (B+C+D+E)</b>			<u>273,366,925.65</u>			<u>167,513,349.32</u>		
<b>DEBIT MEMO ACCOUNTS</b>								
2. Debit accounts of guarantees and collateral securities			52,924,916.85			71,894,326.76		
4. Other memo accounts (ARO liability)			22,145,657.15			12,924,064.49		
			<u>75,070,574.00</u>			<u>84,818,391.25</u>		

	31-12-13	31-12-12
<b>A. SHAREHOLDERS' EQUITY</b>		
<b>I. Share capital</b>		
1. Paid up share capital	52,620,000.00	10,620,000.00
<b>II. Share premium</b>		
	31,999,200.00	31,999,200.00
<b>IV. Reserves</b>		
1. Statutory reserves	507,481.62	507,481.62
<b>V. Retained Earnings carried forward</b>		
Net income/(loss) - Current period	(17,957,647.15)	(13,116,786.99)
Retained earnings - Opening balance	(22,494,203.10)	(9,377,416.11)
	<u>(40,451,850.25)</u>	<u>(22,494,203.10)</u>
<b>Total shareholders' Equity (AI+All+AllI+AllV+AV)</b>	<u>44,674,831.37</u>	<u>20,632,478.52</u>
<b>B. PROVISIONS FOR CONTINGENCIES AND EXPENSES</b>		
1. Provision for staff retirement indemnities	1,029,139.56	668,558.42
2. Other provisions	12,231,345.78	3,658,461.66
	<u>13,260,485.34</u>	<u>4,327,020.08</u>
<b>C. LIABILITIES</b>		
<b>I. Long-term liabilities</b>		
1. Bond Loans	159,856,744.34	90,472,920.45
8. Other long-term liabilities	22,943,816.52	25,676,310.51
	<u>182,800,560.86</u>	<u>116,149,230.96</u>
<b>II. Short-term liabilities</b>		
1. Trade payables	14,627,851.75	11,432,404.79
4. Advances from customers	2,729,669.67	2,945,560.89
5. Tax and duties payable	1,590,210.21	524,329.01
6. Social Security funds payable	2,144,202.99	1,419,409.02
8. Liabilities to subsidiaries/affiliated companies	2,119,484.52	565,548.73
11. Sundry creditors	8,694,375.63	3,583,508.24
	<u>31,905,794.77</u>	<u>20,470,760.68</u>
<b>Total Liabilities (CI+CII)</b>	<u>214,706,355.63</u>	<u>136,619,991.64</u>
<b>D. ACCRUALS</b>		
2. Accrued expenses	213,541.97	5,770,319.32
3. Other accruals	511,711.34	163,539.76
	<u>725,253.31</u>	<u>5,933,859.08</u>
<b>TOTAL OWNERS EQUITY &amp; LIABILITIES (A+B+C+D)</b>	<u>273,366,925.65</u>	<u>167,513,349.32</u>
<b>CREDIT MEMO ACCOUNTS</b>		
2. Credit balances of guarantees and collateral securities	52,924,916.85	71,894,326.76
4. Other memo accounts (ARO liability)	22,145,657.15	12,924,064.49
	<u>75,070,574.00</u>	<u>84,818,391.25</u>

NOTES: 1. The Management of the Company estimates that there will be no significant impact on the Company's financial position from the outcome of the pending legal cases, as these are presented on note b), ii of paragraph 13 of the "Notes to financial statements". 2. Two of the Company's estates have been pledged for € 295,488.00 in favor of company's vendors. 3. Amounts from the previous financial year 2012 have been reclassified, to become comparable to those of current financial year, as referred in details in note a) of paragraph 1 of the "Notes to financial statements".

## INCOME STATEMENT FOR THE YEAR ENDED DECEMBER 31st 2013 (1st JANUARY 2013 - 31st DECEMBER 2013) (amounts in Euro)

	31-12-13	31-12-12
<b>I. OPERATING RESULTS</b>		
Net turnover (sales)	61,501,934.33	46,414,330.20
Less: Cost of goods sold	(59,246,495.58)	(37,668,986.21)
Gross operating results	2,255,438.75	8,745,343.99
PLUS: Other operating income	143,699.13	222,764.81
<b>TOTAL</b>	<u>2,399,137.88</u>	<u>8,968,108.80</u>
Less: 1. Administrative expenses	(10,878,632.14)	(13,236,655.20)
3. Distribution expenses	(3,815,962.96)	(1,835,412.81)
4. Idle cost	0.00	(671,951.41)
	<u>(14,694,595.10)</u>	<u>(15,744,019.42)</u>
Operating loss	(12,295,457.22)	(6,775,910.62)
PLUS (or minus)		
4. Interest and related income	11,891.51	53,368.95
Less: 3. Interest charges and related expenses	(4,361,635.88)	(2,634,284.36)
	<u>(4,349,744.37)</u>	<u>(2,580,925.41)</u>
<b>Net operating results (loss)</b>	<u>(16,645,201.59)</u>	<u>(9,356,636.03)</u>
<b>II. PLUS (or minus) EXTRAORDINARY ITEMS</b>		
1. Extraordinary and non-operating income (FX)	2,997,638.48	3,091,975.76
3. Prior period income	530,090.86	0.00
4. Income from unused provisions	191,922.50	12,054.08
Less: 1. Extraordinary and non-operating expenses (FX)	(3,708,436.80)	(2,924,580.28)
2. Extraordinary losses	(49,855.29)	0.00
3. Prior period expenses	(1,133,270.63)	(197.24)
4. Provisions for extraordinary contingencies	0.00	(3,669,467.71)
Net income before taxes and extra depreciation (loss)	(1,171,910.88)	(3,669,467.71)
LESS:		
Total depreciation recorded	5,671,600.31	9,271,179.47
Less: Depreciation included in the operating cost	(5,671,600.31)	(9,271,179.47)
<b>NET RESULTS (loss) FOR THE YEAR BEFORE TAXES</b>	<u>(17,817,112.47)</u>	<u>(13,026,303.74)</u>

## INCOME APPROPRIATION ACCOUNT (amounts in Euro)

	31-12-13	31-12-12
Net results (loss) for the period	(17,817,112.47)	(13,026,303.74)
Balance brought forward (loss)	(22,494,203.10)	(10,759,756.23)
Less: Fixed asset revaluation reserves	0.00	1,382,340.12
Total	<u>(40,311,315.57)</u>	<u>(22,403,719.85)</u>
Less: 2. Other nondeductible taxes and levies (Real Estate tax)	(140,534.68)	(90,483.25)
<b>Profit available for appropriation / Loss carried forward</b>	<u>(40,451,850.25)</u>	<u>(22,494,203.10)</u>
<b>Profit appropriation:</b>		
8. Loss carried forward	(40,451,850.25)	(22,494,203.10)
	<u>(40,451,850.25)</u>	<u>(22,494,203.10)</u>

THE CHAIRMAN OF THE BOARD OF DIRECTORS

VICE CHAIRMAN OF THE BOARD OF DIRECTORS AND CEO

Athens, April 30th 2014

THE FINANCIAL MANAGER

THE ACCOUNTING SUPERVISOR

EDUARDO MOURA  
PASS.NO. BA834444

STRATOUDAKIS PETROS  
I.C. No. AB 569079

ANALYTI VASILIKI  
LICENSE No: 28970 A' CLASS

VRANA LEFKIA  
LICENSE No: 15112 A' CLASS

### Independent Auditor's Report (Translated from the original in Greek) To the Shareholders of "HELLAS GOLD SA OF MINES AND GOLD INDUSTRY"

**Report on the Financial Statements**  
We have audited the above financial statements of HELLAS GOLD S.A. OF MINES & GOLD INDUSTRY (the "Company") which comprise the balance sheet as of 31 December 2013, the statement of income, the appropriation account and the notes thereon for the year then ended.  
Management's Responsibility for the Financial Statements  
Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Accounting Standards prescribed by Greek Law and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, 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 whether the financial statements are free from material misstatements. 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 and fair presentation of the financial statements 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 company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, 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.  
**Opinion**  
In our opinion, the above financial statements give a true and fair view of the financial position of HELLAS GOLD S.A. OF MINES & GOLD INDUSTRY as of 31 December 2013 and of its financial performance for the year then ended, in accordance with the Accounting Standards prescribed by Greek Law.  
**Emphasis of matter**  
Without qualifying our opinion we draw attention to note b (i) of paragraph 13 of the Notes which refers to the uncertainty related to the outcome of the court decision on the Company's appeal before the General Court of the European Union and the related act of payment of compensation by the Company. Our opinion is not qualified in respect of this matter.  
**Report on Other Legal and Regulatory Requirements**  
We verified that the contents of the Board of Directors' Report are consistent and correspond with the above financial statements within the scope set by articles 37 and 43a of C.L. 2190/1920.

Athens, June 5th 2014  
KPMG Certified Auditors AE