

Sagamar CJSC

Financial Statements
for the year ended 31 December 2015

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'000 AMD	31 December 2015	31 December 2013
Assets		
Property, plant and equipment	12,052,751	12,759,954
Intangible assets	66,462	236,198
Mining property	1,287,449	1,287,449
Prepayments for non-current assets	413,722	205,826
Exploration and evaluation assets	-	170,211
Current tax asset	54,726	54,726
Trade and other receivables	-	837,973
Non-current assets	13,875,110	15,552,337
Inventories	1,816,854	1,776,276
Current tax asset	1,526,258	-
Prepayments for current assets	75,442	70,957
Trade and other receivables	1,339,416	1,652,163
Cash and cash equivalents	67,949	7,685
Current assets	4,825,919	3,507,081
Total assets	18,701,029	19,059,418
Equity		
Share capital	976,915	976,915
Additional paid-in capital	11,512,321	10,895,216
Accumulated losses	(25,132,181)	(18,810,911)
Total equity	(12,642,945)	(6,938,780)
Liabilities		
Loans and borrowings	24,052,988	20,153,325
Deferred tax liabilities	1,575,233	1,947,832
Non-current liabilities	25,628,221	22,101,157
Loans and borrowings	2,416,691	2,145,853
Trade and other payables	3,299,062	1,751,188
Current liabilities	5,715,753	3,897,041
Total liabilities	31,343,974	25,998,198
Total equity and liabilities	18,701,029	19,059,418

Sagamar CJSC
Statement of Changes in Equity for the year ended 31 December 2015

'000 AMD	Share capital	Additional paid-in capital	Accumulated losses	Total
Balance at 1 January 2014	976,915	1,924,481	(11,076,219)	(8,174,823)
Total comprehensive loss for the year				
Loss and total comprehensive loss for the year	-	-	(7,734,692)	(7,734,692)
Transactions with owners of the Company				
Contributions and distributions				
Initial discount on zero and low interest loans received from related parties net of deferred tax of AMD 481,120 thousand	-	8,970,735	-	8,970,735
Total transactions with owners of the Company	-	8,970,735	-	8,970,735
Balance at 1 January 2014	976,915	10,895,216	(18,810,911)	(6,938,780)
Balance at 1 January 2015	976,915	10,895,216	(18,810,911)	(6,938,780)
Total comprehensive loss for the year				
Loss and total comprehensive loss for the year	-	-	(6,321,270)	(6,321,270)
Transactions with owners of the Company				
Contributions and distributions				
Difference on substantial modification of loan terms and initial discount on zero and low interest loans received from related parties net of deferred tax of AMD 154,276 thousand	-	617,105	-	617,105
Total transactions with owners of the Company	-	617,105	-	617,105
Balance at 1 January 2015	976,915	11,512,321	(25,132,181)	(12,642,945)

Sagamar CJSC
Statement of Cash Flows for the year ended 31 December 2015

'000 AMD	2015	2014
Cash flows from operating activities		
Cash received from customers, inclusive of VAT	3,612,299	3,359,064
Cash paid to suppliers, inclusive of VAT	(4,610,087)	(3,645,157)
Cash paid to employees	(886,317)	(643,182)
Income tax paid	-	-
VAT received back from tax authorities	386,014	364,816
Payment of taxes other than on income	(428,339)	(562,666)
Other	(47,574)	(44,059)
Net cash used in operating activities	(1,926,430)	(1,171,184)
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	2,907	-
Acquisition of exploration and evaluation assets	-	-
Acquisition of mining property	(44,418)	(498,125)
Acquisition of property, plant and equipment	(482,591)	(11,872)
Net cash used in investing activities	(524,102)	(509,997)
Cash flows from financing activities		
Proceeds from borrowings	6,400,560	3,038,555
Repayment of borrowings	(3,977,258)	(1,497,987)
Interest paid	(34,704)	(351,989)
Advances received from related parties	484,333	471,546
Net cash from financing activities	2,572,931	1,660,125
Net decrease in cash and cash equivalents	122,399	(21,056)
Cash and cash equivalents at 1 January	7,685	6,992
Effect of exchange rate fluctuations on cash and cash equivalents	(62,135)	21,749
Cash and cash equivalents at 31 December	67,949	7,685