

Corporate Information

Directors:

Prasun Kumar Mukherjee
Kishore Kumar
Alon Avdani
Atul Mittal

Registered Office:

H. G. Plaza Office Building Sekou Toure Avenue
U. N. Drive, Mamba Point P.O. Box 10-4603
1000 Monrovia 10, Liberia

Bankers:

Standard Chartered
UK Banking Standard Chartered Bank 1 Basinghall Avenue
London EC2V 5DD
Tel. No.: 02078858700

International Bank (Liberia) Ltd. 64 Broad Street
P. O. Box 10-0292
1000 Monrovia 10, Liberia

Auditors:

PKF Liberia
Lara Building, 4th Floor Randall Street
Lara Building
P. O. Box 10-3635
1000 Monrovia 10, Liberia

Board of Directors

as at March 31, 2012

The Board of Directors of Western Cluster Limited comprises four (4/) members. The Articles of Incorporation of the Western Cluster Limited provides that the number of Directors constituting the initial Board of Directors shall not be less than three.

Directors	Title
1. Prasun Kumar Mukherjee	Director
2. Alon Avdani	Director
3. Kishore Kumar	Director
4. Atul Mittal	Director
Registered Office:	H. G. Plaza Office Building Sekou Toure Avenue U. N. Drive, Mamba Point P.O. Box 10-4603 1000 Monrovia 10, Liberia
Bankers:	Standard Chartered UK Banking Standard Chartered Bank 1 Basinghall Avenue London EC2V 5DD Tel. No.: 02078858700 International Bank (Liberia) Ltd. 64 Broad Street P. O. Box 10-0292 1000 Monrovia 10, Liberia
Auditors:	PKF Liberia Lara Building, 4th Floor Randall Street Lara Building P. O. Box 10-3635 1000 Monrovia 10, Liberia

Auditors' Report

To the Board of Directors of Western Cluster Limited

We have audited the accompanying financial statements of Western Cluster Limited, which comprise the statement of financial position as at March 31, 2012, and the statement of cash flows for the period then ended, and a summary of significant accounting policies and other explanatory information.

Management responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards (IFRS) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' 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 of 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 Auditors' judgment, including the assessment of risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the Auditor considers internal controls 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 internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the 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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly in all material respects, the financial position of Western Cluster Limited as at March 31, 2012, and its financial performance and its cash flows for the eight months then ended in conformity with International Financial Reporting Standards (IFRS).

Report on other legal & Regulatory Requirements

The share of the Company have been issued to its stockholders, fifty one percent (51%) in one case and forty nine percent (49%) in the other case apparently without any transfer of value of Western Cluster Limited . Hence, no shareholders' equity is shown in the accompanying statement of financial position.

PKF Liberia

Monrovia

Accountants & Business advisers

Balance Sheet

as at March 31, 2012

	Note	Amount US\$
ASSETS		
Current assets		
Cash and bank balances	3	43,213
Travel advance		1,000
Prepayments	4	205,693
Total current assets		249,906
Non-current assets		
Capital work in progress	5	27,490,720
Long-term assets		7,819
Total non-current assets		27,498,539
Total assets		27,748,445
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable		22,370
Inter company payable		44,080
Salaries payable		47,414
Taxes payable	6	24,580
Total current liabilities		138,445
Long-term liabilities:		
Inter company payable		27,610,000
Total liabilities		27,748,445
Total liabilities and shareholders' equity		27,748,445
The accompanying notes are an integral part of the financial statements		

Place: Monrovia, Liberia
Date: April 17, 2012

For and on behalf of the Board of Directors

P. K. Mukherjee
Director

Atul Mittal
Director

Statement of Cash flows

for the Eight months ended March 31, 2012

	Amount US\$
Operating activities:	
Net operating profit/(loss) for the period	-
Adjustments required to present cash flow from operating activities (Appendix A):	
Changes in operating assets and liabilities	(68,249)
Net cash flows from operating activities	(68,249)
Investing activities:	
Capital work in progress	(27,490,720)
Purchase of long-term assets	(7,819)
Net cash flows from investing activities	(27,498,539)
Financing activities:	
Loan from Bloom Fountain Limited	27,610,000
Net cash flows from financing activities	27,610,000
Net change in cash and cash equivalent	43,213
Cash and cash equivalent beginning of period	-
Cash and cash equivalents at the end of the period	43,213

STATEMENT OF CASH FLOWS - APPENDIX A

	Amount US\$
Net cash used in operating activities	
Changes in operating assets and liabilities:	
Travel advance	(1,000)
Prepayments	(205,693)
Accounts payable	22,370
Inter company payable	44,080
Salaries payable	47,414
Taxes payable	24,580
Net cash used in operating activities	(68,249)
The accompanying notes are an integral part of the financial statements	

Place: Monrovia, Liberia
Date: April 17, 2012

For and on behalf of the Board of Directors

P. K. Mukherjee
Director

Atul Mittal
Director

Notes forming part of the financial statements

as at and for the year ended March 31, 2012

1. Establishment

Western Cluster Limited is a subsidiary of Bloom Fountain Limited, a Company formed under the laws of Mauritius. Bloom Fountain Limited owns 51% of the issued shares of Western Cluster Limited while Elenilto Minerals & Mining LLC., owns 49% of the issued shares of the Company. Incorporated in Liberia on October 18, 2010, the Company is a pre-operating Company newly established to explore investment opportunities in the iron ore sector in the western region of Liberia.

The operational activities of the Company are to prospect, explore and market iron ore and management of investments in other companies. The Company is also engaged in importing and exporting goods and services related to the exploitation and processing of iron ore in Liberia. The Company started its exploration and related activities post ratification of the Mineral Development Agreement on August 3, 2011.

The concession with the Government of Liberia gave exclusive prospecting and mining rights to iron ore deposits in the Western region of Liberia, specifically Bomi Hills, Bea Mountain and Mano River.

Although, the Company was incorporated on 18th October, 2010, it did not carry out any activities until after 3rd August, 2011, i.e. the date of ratification of its Mineral Development Agreement with the Government of Liberia.

2. Significant accounting policies

2.1 Basis of preparation

These financial statements are prepared in accordance with and comply with the International Financial Reporting Standards (IFRS), under the historical cost convention.

2.2 Currency of reporting

These financial statements are expressed in United States dollars, as shown. Cash and near cash assets as well as all liabilities denominated in other currencies are translated to United States dollars at the applicable year-end rates of exchange. Transactions occurring in other currencies during the period are brought into the books at the prevailing rates of exchange on the dates of the respective transactions.

The United States dollar is legal tender in Liberia and circulates freely in the Liberian economy alongside the Liberia. Rates of exchange applicable to these two currencies are market determined.

2.3 Related party disclosures

2.3.1 During the period ended March 31, 2012, consultancy services received from Bloom Fountain Limited, the holding Company, the transaction value was US\$ 44,080. The Company has taken an unsecured loan of US\$ 27,610,000 from Bloom Fountain Limited, the holding Company. The loan is repayable after 5 years, zero interest.

Notes forming part of the financial statements (contd.)

as at and for the year ended March 31, 2012

3. CASH AND BANK BALANCES

	Amount US\$
Petty cash	1,944
Standard Chartered Bank Account	6,132
International Bank Liberia	35,136
	43,213

4. PREPAYMENTS

	Amount US\$
Rent	204,083
Insurance	1,610
	205,693

5. CAPITAL WORK IN PROGRESS

	Amount US\$
Up front fees to GOL	25,000,000
Corporate Social Responsibility	1,850,000
Consultancy cost	247,434
Rent	100,917
Salaries and benefits	205,837
Audit fee	4,000
Other pre-operating cost	82,533
	27,490,720

Notes forming part of the financial statements (contd.)

as at and for the year ended March 31, 2012

The company along with Bloom Fountain Limited, Sesa Goa Ltd and Elenilto Minerals Inc. signed a Minerals Development Agreement (MDA) with the Government of Liberia (GOL) on August 3, 2011. The MDA defines the terms and conditions under which the GOL grants the Company Exploration rights for the Bomi Hills, Bea Mountain and Mano River iron ore deposits and terms and conditions that will govern the Company's transition to Class A Mining rights. In consideration of the rights granted the company is obliged to make certain payments as defined in the MDA. The company has made above noted payments under the MDA and has also incurred other expenses on the project. The company has obtained the exploration licenses for all the three leases and exploration activities have started. The company has capitalised above expenses as per company's accounting policy in accordance with IFRS - 6 "Exploration and Evaluation of Mineral Resources.

6. TAXES PAYABLES

	Amount US\$
Employees withholding taxes payable	14,710
Withholding taxes payable	9,870
	24,580