Ichor Coal N.V.

Berlin

Annual Report

31 December 2011

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MINING THE FUTURE

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Director's report

To the Shareholder:

General information

I. Group structure and activities

Ichor Coal N.V., the parent of the Group, is a public limited liability company incorporated in Amsterdam, the Netherlands, as of 13 October 2011. As of 31 December 2011, the company's shares are publicly traded on the Open Market of the Berlin Stock Exchange and on the High Risk Market of the Hamburg Stock Exchange. The day of first listing was on 28 December 2011 and 30 December 2011, respectively. As of year-end 2011, the issued and paid in capital amounted to EUR 5,000,000 and is divided into 50,000,000 common shares, with a nominal value of EUR 0.10 each. Further, the authorised capital amounted to EUR 25,000,000 and is divided into EUR 250,000,000 shares, with a nominal value of EUR 0.10 each.

The company is an internationally operating mineral-resource-company specializing in investments in coal resources as well as in other projects in the field of coal logistics, coal handling and coal trading. As per 1 December 2011, Ichor Group was formed as a result of a transfer of shares of HMS Bergbau AG to Ichor by means of a contribution to capital reserves of Ichor Coal N.V. With this contribution, 86.53% of HMS Bergbau AG shares are attributable to Ichor Coal N.V., thus Ichor Coal N.V. obtained control of HMS Bergbau AG. As of year-end 2011, the company held interest in following entities.

HMS Bergbau AG	Germany
PT. HMS Bergbau Indonesia	Indonesia
HMS Niwka Coal Production Company Sp. z o.o.	Poland
HMS Bergbau AG Coal Division	Germany
HMS Bergbau AG Iron Ore & Metals Division	Germany
HMS Bergbau AG Oil & Gas Division	Germany

II. Financial review

The consolidated financial statements as at 31 December 2011 report a positive net equity position of EUR 15,042 thousand and a loss for the financial year of EUR 468 thousand.

The stand-alone financial statements as at 31 December 2011 report a positive net equity of EUR 14,607 thousand and a loss for the financial year of EUR 346 thousand.

Analysis of liquidity

The liquidity and financial flexibility of the Group is secured by the own liquidity, lines of credit from the parent company as well as, partially uncommited, credit lines, from German and other European bank institutes, in the amount of EUR 13,500 thousand and USD 24,000 thousand granted to the HMS group entities.

Result for the year

The Group reported a loss after tax of EUR 468 thousand for the year ended 31 December 2011. Due to the contribution of 86.53% of the shares of HMS Bergbau AG into Ichor Coal N.V. as per 1 December 2011, the result of the group has been materially affected by the result of HMS Bergbau AG and its subsidiaries.

Analysis of statement of comprehensive income

Revenues

The revenues account for the revenues from coal trading activities of HMS Bergbau AG for the period since inclusion in the Group.

Operating expenses

Purchased goods and services of EUR 3,035 thousand of the Group, similarly to revenues, reflect the expenses from coal trading activities of HMS Bergbau AG. In addition, purchased services of EUR 139 thousand were incurred by Ichor Coal in relation to acquisition activities.

The payroll and related costs of EUR 244 thousand result from the 22 employees of HMS Bergbau AG and its subsidiaries for the period since inclusion in the Group as well as the 6 employees of Ichor Coal N.V. for the financial year. Management expects an increase of head count as further management and operational capacities will be required for the investments in coal resources in South Africa and Indonesia.

The depreciation charges for the year amount to EUR 39 thousand.

Financial expenses

The net finance expense of EUR 33 thousand are primarily a result of interest on debts and borrowings of EUR 40 thousand, interest on the pension provision of EUR 17 thousand and an offsetting interest income of EUR 17 thousand on a Senior Secured Convertible Note, which was acquired in December 2011.

Income taxes

The income tax for the period of EUR 160 thousand is solely a result of movements in deferred income tax assets and liabilities. A detailed overview on deferred tax assets and liabilities and resulting charges is given in notes “XIV. Deferred tax assets and deferred tax liabilities” and “XXIX.Income tax and deferred tax” of the financial statement.

Analysis of consolidated balance sheet statement

Shareholder Equity

The shareholder’s equity as of 31 December 2011 amounts to EUR 15,042 thousand. The movements during the year are presented in the consolidated statement of changes in equity, attributable to the shareholder, as per attached financial statements.

Property, plant and equipment

The property, plant and equipment amounts to EUR 1,165 thousand as of year-end. It mainly comprises of machinery to operate a port in Indonesia of EUR 1,056 thousand and other operational and office equipment of EUR 106 thousand as presented in note “IX. Property, plant and equipment” of the attached financial statements.

Net working capital

The net working capital as used within the Group is calculated as follows: Total current assets, excluding cash and cash equivalents, less total current liabilities excluding interest bearing loans and borrowings.

The Group’s net working capital as of 31 December 2011 is EUR 5,000 thousand, which is mainly due to the acquired Senior Secured Convertible Note of EUR 3,232 thousand as well as a surplus of given advance payments over received advance payments of EUR 940 thousand. Further information on the individual items of net working capital is given in the notes attached to the financial statements.

III. Other matters

Management expectations of future operations

The Group will continue to operate in the mineral-resource-industry as well as it will continue to invest in coal resources and in other projects in the field of coal logistics, coal handling and coal trading. Specific investment activities relating to the South African and the Indonesian mining industry are further discussed in sections “Future developments” and “Subsequent events” of this management report. Based on the investment activities initiated subsequent to the balance sheet date, management expects further growth of the Group.

All information given on future developments in this director’s report are based on the current opinion of the directors. All information that reflect future intentions, assumptions, expectations and forecasts of the directors are future information and are valid at the time of this director's report. Future information is naturally subject to risks and uncertainties, which might lead to a deviation of actual developments from the assumptions made by the directors.

Future developments

The investment plan of Ichor Group proposes further acquisitions of shares in mining companies as well as the development of the mining companies either being in the acquisition process or which are envisaged of being purchased. Primarily, these capital expenditure investment activities aim at production ramp ups or the securitization of existing production levels.

In addition, drilling activities will continue under all acquired exploration and mining rights to verfiy resource information and provide a basis for future mining development activities.

Future research and development activities

The Group has not carried out any research and development activities during the year and does not expect, due to the nature of the busines, any research and development activities in 2012.

Financial risk management policy

The Group operates in an international environment and as such is exposed to various financial risks which arise out of its business activities. Among others, these risks include investment risks, financial market risks such as currency and interest rate risks, liquidity risks, credit risks and commodity price risks. The Group manages these risks in accordance to its risk strategy to mitigate any negative effects on the financial performance and to secure the financial position of Ichor Group. A detailed description of the Group's financial risk management is disclosed in note "XXXVI. Financial risk management" of the consolidated financial statement.

Subsequent events

On 15 February 2012 the conditions of the share purchase agreement between Ichor and the sellers of 20% of the shares in Vunene Mining (Pty) Ltd were fulfilled and as such the purchase contract became effective, which in turn stipulated the remaining portion of the contractually agreed upon payment. In addition, on 5 February 2012 Ichor signed a second share purchase agreement for further 40% of the shares in Vunene Mining (Pty) Ltd, for which the conditions have not been fulfilled until the date of this financial statements.

For the planned acquisition of a controlling stake in PT Perdana Maju Utama, an Indonesian based mining company, Ichor Coal N.V. signed a Conditional Share Purchase Agreement on 21 March 2012. The conditions precedent of the agreement have not been fulfilled until the signature date of this financial statements.

As per 16 February 2012, Ichor Coal N.V.'s main shareholder made available a long term loan totaling EUR 9,500 thousand. Another loan agreement of EUR 3,000 thousand has been signed by Ichor Coal N.V. as of 2 April 2012 with the same party.

Ichor Coal N.V. subscribed for 370.000 new shares in its subsidiary HMS Bergbau AG as of 3 April 2012. The total subscription price amounted to EUR 2,997 thousands.

All investments described above and which are either executed or signed subsequent to the financial statement date will materially impact the financial statements as presented. Due to the investments, the investment cash flow as well as the financing cash flow of the company will significantly increase. Further, the investments will call for development activities in accordance to the acquisition strategy, which in turn will further increase the financing requirements of the company.

As well, based on preliminary operating cash flow forecasts, the directors expect a significant increase resulting from the investment activities.

Berlin, 05 April 2012

Heinz Schernikau
Chief Executive Officer

Sebastian Giese
Chief Financial Officer

CONSOLIDATED STATEMENT OF BALANCE SHEET

FOR THE YEAR ENDED 31 DECEMBER 2011

Assets	**Note**	**31 Dec 2011 EUR**	**13 Oct 2011 EUR**
Non-current assets			
Fixed assets			
Intangible assets	VIII.	14,067,629.29	0.00
Property, plant and equipment	IX.	1,165,256.32	0.00
Non-current financial assets			
Other non-current financial assets	X.	945,198.44	0.00
Deferred tax assets	XIV.	1,228,596.25	0.00
		17,406,680.31	0.00
Current assets			
Trade and other receivables	XI.	2,047,590.41	0.00
Other current financial assets	XII.	3,783,962.39	0.00
Other assets	XIII.	2,043,267.51	0.00
Cash and cash equivalents	XV.	4,435,085.12	45,000.00
		12,309,905.43	45,000.00
Total Assets		29,716,585.73	45,000.00

Equity and liabilities			
Equity			
Issued capital	XVI.	5,000,000.00	45,000.00
Capital reserves	XVI.	9,953,000.00	0.00
Accumulated retained earnings	XVI.	-451,284.28	0.00
Accumulated other comprehensive income	XVI.	-41,856.20	0.00
Equity attributable to owners of the parent		14,459,859.52	45,000.00
Non-controlling interest	XVI.	582,487.75	0.00
Total equity		15,042,347.27	45,000.00
Non-current liabilities			
Provisions for pensions	XVII.	4,084,836.00	0.00
Deferred tax liabilities	XIV.	734,000.00	0.00
		4,818,836.00	0.00
Current liabilities			
Interest-bearing loans and borrowings	XVIII.	6,980,300.11	0.00
Trade and other payables	XX.	1,272,871.53	0.00
Liabilities from income taxes		407,858.00	0.00
Other liabilities	XXI.	1,194,372.81	0.00
		9,855,402.46	0.00
Total liabilities		14,674,238.46	0.00
Total equity and liabilities		29,716,585.73	45,000.00

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2011

	Note	13 October – 31 December 2011 EUR
Revenue	XXII.	3,111,976.60
Other operating income	XXIII.	241,529.32
Purchased goods and services	XXIV.	-3,173,991.42
Personnel expenses	XXV.	-243,892.92
Depreciation	XXVI.	-38,813.35
Other operating expenses	XXVII.	-491,511.75
Finance costs	XXVIII.	-56,948.94
Finance income	XXVIII.	23,512.45
Profit / loss before tax		-628,140.01
Income taxes	XXIX.	160,488.26
Profit / loss		**-467,651.75**
Other comprehensive income from currency translation differences	XXXI.	-48,371.89
Total comprehensive income for the year		**-516,023.64**

Profit / loss attributable to:	
Owners of the parent	-451.284,28
Non-controlling interest	-16.367,48
	-467.651,76

Total comprehensive income attributable to:	
Owners of the parent	-41,856.20
Non-controlling interest	-6,515.69
	-48,371.89

The accompanying notes form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2011

	Note	Equity attributable to owners of the parent: Issued capital – Ordinary shares	Capital reserves	Accumulated retained earnings	Accumulated other comprehensive income due to Currency translation	**Total**	**Non-controlling interest**	**Total equity**
		EUR k	**EUR k**	**EUR k**	**EUR k**	**EUR k**	**EUR k**	**EUR k**
13 Oct 2011	XVI.	**45**	**0**	**0**	**0**	**45**	**0**	**45**
Profit / loss	XVI.	0	0	-451	0	-451	-16	-468
Other comprehensive income	XVI.	0	0	0	-42	-42	-7	-48
Total comprehensive income		**0**	**0**	**-451**	**-42**	**-493**	**-23**	**-516**
Issue of shares	XVI.	4,955	0	0	0	4,955	0	4,955
Contribution of HMS Bergbau AG shares	XVI.	0	9,953	0	0	9,953	605	10,558
		4,955	9,953	0	0	14,908	605	15,513
31 Dec 2011	XVI.	**5,000**	**9,953**	**-451**	**-42**	**14,460**	**582**	**15,042**

The accompanying notes form part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2011

	Note	31 Dec 2011 EUR k
Profit / loss		-468
Reconciliation of profit / loss to the cash flow from operating activities		
Depreciation of fixed assets	XXVI.	39
Changes due to foreign currency changes		-344
Changes in non-current provisions	XVII.	45
Changes in deferred taxes	XIV.	-160
Changes in trade and other receivables	XI.	6,734
Changes in trade and other payables	XX.	-4,682
Changes in other financial assets and liabilities	XII.	-1,858
Changes in other assets and liabilities	XIII. / XXI.	804
Cash flow from operating activities		**110**
Purchases of intangible assets, property, plant, equipment and investment property		-1
Purchases of investments in non-current financial assets	X.	-945
Exploration expenditure	VIII.	-327
Cash flow from investing activities		**-1,273**
Proceeds from share capital increase	XVI.	4,955
Cash flow from financing activities		**4,955**
Cash flow-related changes in cash and cash equivalents		**3,792**
Changes in cash and cash equivalents due to exchange rates		19
Changes in cash and cash equivalents due to changes in companies included in consolidation		579
Cash and cash equivalents at beginning of period		45
Cash and cash equivalents at end of period	**XV.**	**4,435**
Cash flows contained in the cash flow from operating activities		
Interest paid		38

The accompanying notes form part of these financial statements.

Notes to the Consolidated Financial Statements

General Information

IV. Corporate information

Ichor Coal N.V., the parent of the Group, is a limited liability company incorporated in Amsterdam, Netherlands, and whose shares are publicly traded. The headquarter of Ichor Coal N.V. is located in An der Wuhlheide 232, 12459 Berlin, Germany.

Ichor and its subsidiaries ("Ichor Group" or the "Group") is an internationally operating mineral-resource-company specializing in investments in coal resources as well as in other projects in the field of coal logistics, coal handling and coal trading. The Group invests in coal resources in Southern Africa and Southeast Asia to secure own coal-resources, to gain control along the value chain and to sell the produced coal on the international markets. It mainly supplies European and Asian power generating companies, cement producers and other industrial consumers with steam coal, coking coal and coke products. The principal activities of the Group are described in Note "XXXII. Basic principles of segment reporting".

The consolidated financial statements of Ichor Coal N.V. for the year ended 31 December 2011 were authorised for issue in accordance with a resolution of the directors on 12 April 2012.

V. Basis of preparation

The consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB), the interpretations of the IFRS Interpretations Committee (IFRS IC) approved by the IASB, in effect and recognized by the European Union (EU) at the balance sheet date as well as with the provisions of Part 9, Book 2, of the Netherlands Civil Code.

The financial year of the Group and all companies included in the consolidated financial statements corresponds to the calendar year, i.e. from 1 January to 31 December. The consolidated financial statements comprise the period from 13 October 2011 until 31 December 2011, due to the fact that Ichor Coal N.V., the ultimate parent company of the Group, has been founded on 13 October 2011. Therefore, comparative period information are nil, if not stated otherwise. Further presentation of such comparative information has been limited in this financial statement notes only to sections were applicable.

The Group's consolidated financial statements are presented in Euro, which is also the parent company's functional currency. All figures are stated in thousands of Euro (EUR thousand) unless otherwise indicated. Amounts are rounded to the nearest thousand Euro which may cause rounding differences.

The consolidated statement of comprehensive income is classified using the nature of expense method.

VI. Consolidation

1. Basis of consolidation

The consolidated financial statements comprise Ichor Coal N.V. and its subsidiaries. Subsidiaries are entities in which Ichor Coal N.V. is able to control, directly or indirectly, the financial and operating policies. Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases.

The annual financial statements of the consolidated subsidiaries were prepared on 31 December 2011, the same balance sheet date as the parent company. The annual financial statements of the foreign subsidiaries were prepared in accordance with the applicable laws of each country. They were reconciled with the financial reporting standards of the parent company. The consolidated financial statements were prepared on the balance sheet date of the parent company.

The consideration transferred in business combinations is offset against the pro-rated fair value of the acquired assets and liabilities at the acquisition date. Any remaining positive difference allocated to our interests is capitalised as goodwill. Negative differences are immediately recognised as income. The date of acquisition is the date when the ability to control the net assets and the financial and operating activities of the acquired entity or business passes to the Group.

All intra-group balances, transactions, profits and losses are eliminated.

2. Companies included in the consolidated financial statements

The scope of consolidation, including Ichor Coal N.V. as parent company, comprises 7 fully consolidated companies. A list of material subsidiaries and participations is presented in note “XLII. Companies included in the consolidated financial statements and share property”.

Companies which were consolidated for the first time due to an acquisition were accounted for using the purchase method as of the date on which the company became a subsidiary.

Acquisitions

Ichor Group was formed as a result of a transfer of shares of HMS Bergbau AG to Ichor by means of a contribution to capital reserves of Ichor Coal N.V., effective 1 December 2011. With this contribution, 86.53% of HMS Bergbau AG shares are attributable to Ichor Coal N.V., thus Ichor Coal N.V. obtained control of HMS Bergbau AG.

To further support Ichor's intent to expand in the international coal market and to develop projects in the field of coal production, logistics and coal trading, HMS Bergbau AG, a globally operating corporation with operational expertise in just in time deliveries to international customers will serve as the exclusive distribution arm of Ichor. HMS Bergbau AG holds 100% of the shares of PT. HMS Bergbau Indonesia, HMS Niwka Coal Production Company Sp. z o.o., HMS Bergbau AG Iron Ore & Metals Division and HMS Bergbau AG Coal Division and a majority interest of 51% in HMS Bergbau AG Oil & Gas Division ("HMS Group").

Independent of Ichor management's views regarding furture business opportunities for HMS Group, resulting from the acquisition, a discounted cash flow valuation was used to determine the contribution value of the 86.53% shares in HMS Bergbau AG. The valuation in accordance to IFRS regulations resulted in a value of EUR 9,953 thousand at the time of the contribution.

Goodwill results due to the difference between the contribution value and the aggregate of the fair values of the acquired assets and liabilities as well as deferred taxes. The contribution value can be allocated to the purchased assets and liabilities at the contribution date as follows:

EUR k	Carrying amount before acquisition	Adjustment amount	Carrying amount after acquisition
Intangible assets	4,672	2,447	7,119
Property, plant, and equipment	1,132		1,132
Trade and other receivables	8,790		8,790
Other current financial assets	624		624
Other assets	2,048		2,048
Cash and cash equivalents	579		579
Provisions for pensions	-4,040		-4,040
Interest-bearing loans and borrowings	-5,678		-5,678
Trade and other payables	-5,959		-5,959
Liabilities from income taxes	-221		-221
Other non-financial liabilities	-587		-587
Deferred taxes	1,068	-734	334
Net assets	2,428	1,713	4,141
Non-controlling interests			-605
Acquisition cost			9,953
Goodwill			6,416

The allocation of the contribution value considers all knowledge and adjusting events about the conditions that existed at the contribution date. However, the initial accounting for the contribution had been done using provisional values only. This is due to the provisionally determination of the fair values to be assigned to the acquired assets and liabilities by the end of the financial year.

Of the acquired intangible assets, none except the brand name have indefinite useful lives. The non-taxdeductible goodwill is above all attributable values such as the "HMS" brand, supplier contracts and marketing agreements as well as customer relationships.

Since initial consolidation, HMS Group has contributed to consolidated revenues in the amount of EUR 3,112 thousand and to consolidated profit/loss in the amount of EUR -122 thousand. If the formation of Ichor Group had already occurred on 1 January 2011, HMS Group would have had contributed to consolidated revenues in the amount of EUR 106,669 thousand and to consolidated losses in the amount of EUR 988 thousand.

3. Foreign currency translation

a) Transactions in foreign currencies

Purchases and sales in foreign currencies are translated at the exchange rate on the date of the transaction. Assets and liabilities in foreign currencies are translated into the functional currency at the exchange rate on the balance sheet date. Any foreign exchange gains or losses resulting from such translations are recognised in the statement of comprehensive income.

b) Translation of separate financial statements denominated in foreign currency

Assets and liabilities of entities for which the functional currency is not the Euro are translated at the exchange rate prevailing at the balance sheet date.

Income and expenses of these entities are translated into Euro at the average exchange rate for the year. Equity components are translated at the historical exchange rate at the date of origination. Foreign exchange differences resulting from the translation are charged or credited directly to equity, i.e. to other comprehensive income.

The exchange rates of foreign currencies to Euro, that are relevant for Ichor Group, were subject to following changes:

1 EUR in foreign currency	Average exchange rate	Exchange rate at balance sheet date	
	2011	31 Dec 2011	1 Dec 2011
US Dollar	1.32	1.29	1.34
Polish Zloty	4.47	4.43	4.52
Singapore Dollar	1.71	1.68	1.72
Indonesian Rupiah	11,904.00	11,613.00	12,167.00
South African Rand	10.78	10.51	11.05

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VII. Significant accounting and valuation methods

The following significant accounting and valuation principles were applied uniformly across the Ichor Group to prepare the financial statements.

1. Recognition of income and expenses

Revenue is recognised at the time when the significant risks and rewards of ownership have passed to the buyer/ the services have been rendered, the amount of revenue can be measured reliably, and it is probable that the economic benefits will flow to the Group. Revenues are stated net of discounts allowed.

Where significant risks and rewards of business activities do not lie with the Ichor Group or the income is collected in the interest of third parties, only the corresponding commission income or proportion of revenue accruing to the Ichor Group are recognised as revenues.

Other income is recognised by the company during the reporting period when the future inflow of economic benefits from the transaction can be measured reliably and it is probable that the economic benefits will flow to the entity.

Operating expenses are recognised either when the corresponding goods or services are sold or rendered.

Interest income and expense are allocated to the period they relate to.

2. Intangible assets

Purchased intangible assets are measured at cost. Intangible assets that have a determinable useful life are amortised over their expected useful lives using the straight-line method, starting from the time when they become available for use by the Group or are amortised pro rata, as follow:

	Useful life in years	**Amortization method used**	**Internally generated or acquired**
Rights	20	straight line	Acquired
Goodwill	-	Impairment Test	Acquired
Exploration and Evaluation Asset	-	Impairment Test	Acquired
Marketing Agreements	Contract Period	Unit of Production	Acquired
Customer Relationships	Contract Period	Unit of Production	Acquired
Brand Name	-	Impairment Test	Acquired

Intangible assets with an indefinite useful life, which include goodwill and brand name, are not amortised. The Exploration and Evaluation Asset will be amortized over units of production after it becomes available for use by the group. At the reporting date, the use of these assets by the company is not limited by any economic or legal restrictions.

The right for the use of a port operation in Kintap, South Kalimantan, Indonesia, by transfer of economic risks and benefits, is granted for a period of 20 years and has been acquired in May 2010 by HMS Group. All other intangible assets have been acquired by Ichor Group in the course of the contribution of the HMS Bergbau AG shares into Ichor Coal N.V.

Exploration and evaluation activities involve the search for mineral resources, the determination of technical feasibility and the assessment of commercial viability of an identified resource. Exploration and evaluation assets acquired in a business combination are initially recognised at fair value.

An intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition are recognised in the income statement.

3. Property, plant and equipment

Property, plant, and equipment are measured at cost and are depreciated over their expected useful lives using the straight-line method. For purposes of depreciation, the following useful lives are applied:

	Useful life in years	**Depreciation method used**
Leasehold improvements	6 - 15	straight line
Technical equipment and machinery	8	straight line
Other operational and office equipment	3 - 20	straight line

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gains or losses on the disposal of property, plant, and equipment are recognised as other operating income or expenses.

4. Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date, whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Leased assets whose economic benefits are not attributable to the Group are classified as operating leases. Operating lease payments are recognised as an operating expense in the income statement on a straight-line basis over the lease term.

5. Recognition of impairment losses in intangible assets and in property, plant, and equipment

Impairment losses are recognised in intangible assets and in property, plant, and equipment when, as a result of certain events or changed circumstances, the carrying amount of the asset exceeds its recoverable amount (fair value less costs to sell or the value in use). If it is not possible to determine the recoverable amount of an individual asset, the recoverable amount for the next-higher group of assets is applied.

Goodwill and intangible assets with an indefinite useful life acquired in a business combination are not amortised, but will be tested for impairment annually. As the Group has been formed on 1 December 2011, the purchase price allocation has identified and valued the Goodwill near the balance sheet date and since then there was no indication of a triggering event. Therefore, no impairment test had been performed at the balance sheet date.

A previously recognised impairment loss for assets excluding goodwill will be reversed when the recoverable amount exceeds the carrying amount of the asset. The reversal is limited to the amount which would have resulted if previous impairment losses had not been recognised. A recognised impairment loss in goodwill will not be reversed.

6. Financial assets and liabilities

The Group's financial assets are mainly composed of cash and cash equivalents, trade and other receivables. Financial liabilities are mainly composed of trade and other payables and loans and borrowings.

Financial assets and liabilities are classified as current or non-current or separated into a current and non-current portion based on an assessment whether the Group will hold the financial asset or liability for a period beyond 12 months after the reporting date.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation are recognised on the settlement date. The settlement date is the date that an assets is delivered to or by the Group.

If reliably measurable, fair values of financial assets are determined on the basis of appropriate market prices or valuation methods. All financial liabilities are recognized initially at fair value plus, in the case of loans and borrowings, directly attributable transaction costs.

A financial asset is derecognised when the contractual rights to receive cash flows from the financial asset have expired or have been transferred to third parties, or when the Group has assumed a contractual obligation to pay the received cash flows immediately to a third party, under which substantially all the risks and rewards or the power of control were transferred.

A financial liability is derecognised when the obligation underlying the liability is discharged or cancelled or has expired.

a) Cash and cash equivalents

The cash and cash equivalents consist of short-term available cash in banks and cash on hand.

b) Loans, receivables and other financial assets

Upon initial recognition, loans, receivables, and other financial assets are measured at fair value plus transaction costs. Subsequently, they are measured at amortised cost, after deduction of any write-downs, using the effective interest method. A write-down is taken when objective indications suggest that the receivable may not be fully collectible. Such an indication might be the insolvency or other considerable financial problems of the debtor. The amount of the write-down is measured as the difference between the carrying amount of the receivable and the present value of the estimated future cash flows from this receivable, discounted by using the effective interest rate. Write-downs are charged against the statement of comprehensive income both in the form of an account for allowances on doubtful accounts and by means of direct write-downs. The account for allowances on doubtful accounts is used, in particular, for allowances on doubtful trade receivables and receivables due from related parties. If, in subsequent periods, the fair value has objectively risen, the write-downs are reversed and recognised in the statement of comprehensive income in the appropriate amounts.

c) Other financial liabilities

Other non-derivative financial liabilities are measured at amortised cost by application of the effective interest method.

7. Share Capital

Ordinary shares are classified as equity. Incremental cost directly attributable to the issuance of new shares are shown in equity as a deduction from the proceeds.

8. Pension provisions

The Group operates one defined benefit pension plan. The provision for the pension obligation under the defined benefit plan is calculated using the projected unit credit method under which future changes in compensation and benefits are taken into account. The following parameters were applied in the fiscal year ending 31 December 2011:

Information in %	31 Dec 2011	1 Dec 2011
Discount rate	5.0	5.0

Expected return on plan assets	5.0	5.0
Pension trend	2.0	2.0
Compensation trend	0.0	0.0

The expected life spans are determined based on the country-specific recognised actuarial tables. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows. The discount rate applied for this purpose is determined with reference to high-quality corporate bonds that match the underlying pension obligation with respect to currency and maturity.

For defined benefit schemes, management is required to make annual estimates and assumptions about the parameters applied. In making these estimates and assumptions, management considers advice provided by an external actuary. The carrying amount of the provision for the pension obligation may differ if these assumptions change. Actuarial gains and losses resulting from changes in actuarial parameters are recognised in full in the period in which they occur in other comprehensive income.

9. Other provisions

Other provisions are recognised when the Group has a present obligation (legal or constructive) to a third party as a result of a past event, provided that the settlement of the obligation is probable and the amount of the obligation can be reliably estimated.

The amount of each provision corresponds to the expected settlement amount. In the case of long-term provisions, the expected settlement amount is discounted to the present value at the balance sheet date by application of appropriate market rates of interest.

10. Current income tax

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted at the reporting date in the countries where the Group operates and generates taxable income.

11. Deferred taxes

Deferred taxes are recognised to account for the future tax effects of temporary differences between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements, and for tax loss carry-forwards, using the liability method. Deferred taxes are measured on the basis of the tax laws already enacted for those fiscal years in which it is probable that the differences will reverse or the tax loss carry-forwards can be utilised. Deferred tax assets are recognised for temporary differences or tax loss carry-forwards only when the ability to utilise them in the near future appears to be reasonably certain. Deferred taxes are also recognised for temporary differences resulting from the fair value measurement of assets and liabilities obtained through business combinations.

Deferred taxes relating to goodwill are recognised for temporary differences only when the goodwill can be utilised for tax purposes.

Management judgement is required to determine the amount of deferred taxes that can be recognised and with respect to changes in tax laws and the amount and timing of future taxable income. These judgements and assumptions are subject to risk and uncertainty, hence there is a possibility that changes in circumstances will alter expectations, which may impact the amount of deferred taxes recognised and the amount of other tax losses and temporary differences not yet recognised. In such circumstances the carrying amount of recognised deferred taxes may require adjustment.

12. Accounting estimates and assumptions

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the presentation of assets and liabilities, the disclosure of contingent liabilities at the balance sheet date, and the presentation of income and expenses. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Actual results may differ from these estimates under different assumptions and conditions.

Significant estimates and assumptions relate in particular to the actuarial parameters used to measure pension provisions, medium-term planning, discount rates and growth rates for the valuation of goodwill, and the ability to utilise deferred tax assets in the future. Assumptions are also used in the purchase price accounting concerning the measurement of intangible assets.

Information concerning the carrying amounts determined with the use of estimates can be found in the comments on the specific line items.

The application of the Group's accounting policy for exploration and evaluation expenditures requires judgement in determining whether it is likely that future economic benefits are likely either from future exploitation or sale or where activities have not reached a stage which permits a reasonable assessment of the existence of reserves. The determination of a SAMREC (South African Code for Reporting of Exploration Results, Mineral Resources and Mineral Reserves) resource is itself an estimation process that requires varying degrees of uncertainty depending on sub-classification and these estimates directly impact the point of deferral of exploration and evaluation expenditures. The deferral policy requires management to make certain estimates and assumptions about future events or circumstances, in particular, whether an economically viable extraction operation can be established. Estimates and assumptions made may change if new information becomes available. If, after an expenditure is capitalised, information becomes available suggesting that the recovery of expenditure is unlikely, the amount capitalised is written off in profit or loss in the period when the new information becomes available.

New and amended Standards and Interpretations

Standards and interpretations issued but not yet effective

Standards and interpretations issued but not yet effective up to the date of issuance of the Group's financial statements are listed below. This listing of standards and interpretations issued are those that the Group reasonably expects will have an impact on disclosures, financial position or performance when applied at a future date. The Group intends to adopt these standards and interpretations when they become effective.

IAS 1 *Presentation of Financial Statements*

In June 2011, the IASB published *Changes to IAS 1 – Presentation of Financial Statements*. The option to present the income statement and the other income/loss either in a continuous presentation or alternatively in two subsequent presentations is fundamentally preserved. In the future, however, the items of the other result must be grouped in such a way that a separate presentation is created showing whether or not these items will have to be reclassified later into the income statement. The related income tax items must be assigned accordingly. These changes are required to be applied to fiscal years that begin on or after 1 July 1 2012. These amendments have not yet been incorporated into European law. The application of the amended standard will lead to changes in the presentation of the statement of comprehensive income.

IAS 19 *Employee Benefits - Recognition and Disclosure - Defined Benefit Plans*

Changes to IAS 19 – Employee Benefits was published in June 2011. These changes lead to abolition of the corridor method and require the recognition of the actuarial gains and losses directly in other comprehensive income. In addition, the discount rate used for the obligation has to be used as expected return on plan assets, as well. In the future, the past service cost must be recognized entirely in the period of the plan change. The revised standard changes the rules for termination benefits and expands the disclosure obligations. These changes are required to be applied to fiscal years that begin on or after 1 January 2013. These amendments have not yet been incorporated into European law. The Group currently does not apply the corridor approach. The changes will not have a significant influence on our financial position, liquidity and financial performance.

IAS 27 *Separate Financial Statements (as revised in 2011)*

As a consequence of the new IFRS 10 and IFRS 12 (refer below), what remains in IAS 27 is limited to accounting for subsidiaries, joint arrangements, and associates in separate financial statements. The Group does not present separate financial statements under IFRS. The amendment becomes effective for annual periods beginning on or after 1 January 2013.

IAS 28 Investments in Associates

This standard is supplemented by IFRS 12 as part of the revision of the rules on accounting for interests in joint ventures. It is effective for fiscal years beginning on or after January 1, 2013. The effects on GASAG's consolidated financial statements are currently being investigated.

Amendments to IAS 32/IFRS 7 Disclosures – Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS 7)

The IASB issued amendments to IAS 32 and IFRS 7 on December 16, 2011. The amendments clarify certain details with regard to the offsetting of financial assets and liabilities and require entities to make additional disclosures. The revised IAS 32 is effective for fiscal years beginning on or after January 1, 2014. It has yet to be endorsed by the European Union.

IFRS 9 *Financial Instruments: Classification and Measurement*

IFRS 9 as issued reflects the first phase of the IASB's work on the replacement of IAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. In the future, financial assets must be assigned only to the two valuation categories "at amortized cost" and "at fair value" and measured accordingly. Due to an amendment published in December 2011, IFRS 9 is only required to be applied to fiscal years beginning on or after January 1, 2015. In subsequent phases, the IASB will address hedge accounting and impairment of financial assets. These amendments have not yet been incorporated into European law. The application of the new standard will lead to changes in the presentation and recognition of financial assets and liabilities.

IFRS 10 *Consolidated Financial Statements,* IFRS 11 *Joint Arrangements, and* IFRS 12 *Disclosure of Interests in Other Entities*

In May 2011, the IASB published three new and two revised standards, IFRS 10 *Consolidated Financial Statements*, IFRS 11 *Joint Arrangements*, IFRS 12 *Disclosure of Interests in Other Entities*, amendments to IAS 27 *Consolidated and Separate Financial Statements*, and amendments to IAS 28 *Investments in Associates*.

IFRS 10 supersedes the previous regulations on consolidated financial statements (parts of IAS 27 *Consolidated and Separate Financial Statements*) and special purpose entities (SIC-12 *Consolidation – Special Purpose Entities*) and prescribes a single consolidation model that identifies control as the basis for consolidation for all types of entities. The standard additionally includes guidelines for assessing control in cases of doubt. The currently applicable regulations for recognizing shares in joint ventures (IAS 31 *Interests in Joint Ventures* and SIC-13 *Jointly Controlled Entities – Non-monetary Contributions by Venturers*) will be replaced by IFRS 11 in the future. The disclosure obligations previously included in IAS 27, IAS 28, and IAS 31 are combined into IFRS 12 and expanded with additional particulars. Due to these amendments, IAS 27 only still contains regulations on the recognition of shares in subsidiaries, affiliates, and joint ventures in the separate financial statements of the parent company. IAS 28 is being expanded to include regulations on the recognition of shares in joint ventures and prescribes the use of the equity method for affiliates and joint ventures.

These changes are required to be applied to fiscal years that begin on or after 1 January 2013, with earlier application permitted. These amendments have not yet been incorporated into European law. We assume that the new and revised standards will have no material influence on our financial position, liquidity and financial performance.

IFRS 13 *Fair Value Measurement*

In May 2011, the IASB published IFRS 13. IFRS 13 defines fair value, sets out in a single IFRS a framework for measuring fair value and requires disclosures about fair value measurements. IFRS 13 applies when other IFRS require or permit fair value measurements. It does not introduce any new requirements to measure an asset or a liability at fair value, change what is measured at fair value in IFRS or address how to present changes in fair value. IFRS 13 is required to be applied to fiscal years that begin on or after 1 January 2013, with earlier application permitted. These amendments have not yet been incorporated into European law. The standard will have no material influence on our financial position, liquidity and financial performance.

IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine

This interpretation focuses on how to account for the costs of stripping activity that are incurred in the development phase of a surface mine. It is effective for fiscal years beginning on or after January 1, 2013. The effects on GASAG's consolidated financial statements are currently being investigated; no effects are expected.

Notes to the consolidated statement of financial position

VIII. Intangible assets

The changes in intangible assets were as follows:

	Purchased rights	Goodwill	Exploration and Evaluation Asset	Marketing Agreements	Customer Relationship	Brand Name	Total
	EUR k	EUR k	EUR k				EUR k
Acquisition or production cost							
13 Oct 2011	0	0	0	0	0	0	0
Contribution of HMS Bergbau AG shares	5,073	6,416	0	1,148	138	1,162	13,937
Additions	0	0	327	0	0	0	327
Currency effects	247	0	0	0	0	0	247
31 Dec 2011	**5,320**	**6,416**	**327**	**1,148**	**138**	**1,162**	**14,510**
Depreciation and impairments							
13 Oct 2011	0	0	0	0	0	0	0
Contribution of HMS Bergbau AG shares	402	0	0	0	0	0	402
Additions	22	0	0	0	0	0	22
Currency effects	20	0	0	0	0	0	20
31 Dec 2011	**444**	**0**	**0**	**0**	**0**	**0**	**444**
Carrying amounts							
31 Dec 2011	4,877	6,416	327	1,148	138	1,162	14,067
13 Oct 2011	0	0	0	0	0	0	0

The purchased right relates to a right for the use of a port operation in Kintap, South Kalimantan, Indonesia, by transfer of economic risks and benefits.

Effective 1 December 2011, Ichor Group was formed as a result of a transfer of shares in HMS Bergbau AG to Ichor by means of a contribution to capital reserves of Ichor Coal N.V. Goodwill resulted as the difference between the purchase price and the aggregate of the fair values of acquired assets and liabilities as well as deferred taxes.

IX. Property, plant and equipment

The following table shows the development of property, plant and equipment:

	Technical equipment and machinery EUR k	Other equipment, operational and office equipment EUR k	Advance payments and assets under construction EUR k	Total EUR k
Acquisition or production cost				
13 Oct 2011	0	0	0	0
Contribution of HMS Bergbau AG shares	1,281	117	4	1,402
Additions	0	1	0	1
Currency effects	62	1	0	63
31 Dec 2011	**1,343**	**119**	**4**	**1,466**
Depreciation and impairments				
13 Oct 2011	0	0	0	0
Contribution of HMS Bergbau AG shares	260	10	0	270
Additions	14	3	0	17
Currency effects	13	0		13
31 Dec 2011	**287**	**13**	**0**	**300**
Carrying amounts				
31 Dec 2011	1,056	106	4	1,166
13 Oct 2011	0	0	0	0

Property, plant and equipment mainly comprise machinery to operate a port in Indonesia. The Group has determined, based on an evaluation of the terms and conditions of lease arrangements on items of machinery to third parties, that it retains all the significant risks and rewards of ownership of these properties.

X. Non-current financial assets

Non-current financial assets consists of an advance payment of EUR 945 thousand for a purchase of shares in a South African based mining company.

XI. Trade and other receivables

The trade and other receivables amounted to EUR 2,048 thousand as of year-end. Allowances for doubtful trade receivables were not recorded. Furthermore, no utilization, reversals or additions have been recorded during the financial year.

As of 31 December 2011 receivables in the amount of EUR 276 were past due but not subject to valuation allowances. With regard to these receivables, there were no indications at the balance sheet date that would suggest that the customers would not fulfill their payment obligations.

The past-due trade receivables at the balance sheet date for which no valuation allowance has been charged are presented in the table below:

EUR thousand	31 Dec 2011	13 Oct 2011
up to 30 days	117	0
31 to 90 days	145	0
91 to 180 days	14	0
181 days and longer	0	0
Total trade receivables past due	**276**	**0**

XII. Other current financial assets

Other current financial assets are composed as follows:

	31 Dec 2011 EUR k	13 Oct 2011 EUR k
Senior Secured Convertible Note	3,232	0
Loan to Business Consulting Sp. z o.o.	516	0
Miscellaneous	36	0
Other current financial assets	**3,784**	**0**

The Senior Secured Convertible Note has been issued by Mbuyelo Coal (Pty) Ltd. and solely subscribed by Ichor Coal N.V. The subscription amount in original currency South African Rand is ZAR 34,000 thousand. The note will redeem on 30 November 2012 and bears an interest rate of 12% per annum. The loan to Business Consulting Sp. z o.o., Poland has been acquired by way of contribution of the HMS Bergbau AG shares as of 1 December 2011 into the Group.

XIII. Other assets

The following table summarises the components of other non-financial assets:

	31 Dec 2011 EUR k	13 Oct 2011 EUR k
Advance payments	1,792	0
Deferred income	60	0
Receivables from recharged expenses	45	0
Miscellaneous	146	0
Other non-financial assets	**2,043**	**0**

The advance payments have been solely made to coal suppliers for which delivery is expected in the first half of 2012. As of 31 December 2011, a valuation allowance of TEUR 159 thousand has been recorded against advanced payments. The development of the allowance is as follows:

	Total EUR k	Individually impaired EUR k
13 Oct 2011	0	0
Additions	0	0
Addition due to consolidation	159	159
Disposal due to deconsolidation	0	0
Utilisation	0	0
Reversals	0	0
31 Dec 2011	**159**	**159**

XIV. Deferred tax assets and deferred tax liabilities

Ichor Group's net deferred tax asset and liability recognised in the balance sheet is as follows. Ichor Group management assesses the future utilization of the tax loss carry-forward as given, based on the current Group forecasts of revenues and expenditures.

	31 Dec 2011	
	Deferred tax assets EUR k	Deferred tax liabilities EUR k
Intangible assets	0	734
Non-current financial assets	0	19
Other assets	18	0
Provisions for pensions	400	0
Temporary differences	**418**	**753**
Tax loss carry-forwards	**830**	**0**
Total	**1,248**	**753**
Offsetting	-19	-19
Amounts as per balance sheet	**1,229**	**734**

The Group's deferred tax balances were subject to following changes during the financial year.

	2011 EUR k
Deferred tax assets at the beginning of the period	0
Deferred tax liabilities at the beginning of the period	0
Net tax position at the beginning of the period	**0**
Deferred tax benefit/ (expense) of current year	160
Changes to deferred tax assets due to group consolidation	1,068
Changes to deferred tax liabilities due to group consolidation	734
Net tax position as of 31 December	**494**
Deferred tax assets at the end of the period	1,228
Deferred tax liabilities at the end of the period	734

XV.Cash and cash equivalents

As of 31 December 2011, Ichor Group's cash and cash equivalents split up as follows:

	31 Dec 2011 EUR k	13 Oct 2011 EUR k
Cash at banks	4,429	45
Cash on hand	6	0
Cash and cash equivalents	**4,435**	**45**

XVI. Equity

The components and changes in consolidated equity are summarised in the consolidated statement of changes in equity.

1. Issued capital

The issued capital of EUR 5,000,000 is divided into 50,000,000 common shares, with a nominal value of EUR 0.10 each. The issued capital as of 31 December 2011 consisted entirely of fully paid-up ordinary shares, any incremental cost have been borne by the shareholder.

As at 31 December of 2011 all of the shares were listed on the Open Market of the Berlin Stock Exchange and on the High Risk Market of the Hamburg Stock Exchange. The day of first listing was on 28 December 2011 and 30 December 2011, respectively.

The authorised capital amounted to EUR 25,000,000 and is divided into EUR 250,000,000 shares, with a nominal value of EUR 0.10 each.

2. Capital reserves

Effective 1 December 2011, the Ichor Group was formed as a result of transfer of the shares in HMS Bergbau AG to Ichor by means of a contribution to capital reserves of Ichor Coal N.V. With this contribution, 86.53% of HMS Bergbau AG shares are attributable to Ichor Coal N.V.

The valuation in accordance to IFRS regulations resulted in a fair value of EUR 9,953 thousand at the time of the contribution and is independent of furture business opportunities for HMS Group, resulting from the acquisition.

Capital reserves are not distributable to equity holders of the parent.

3. Accumulated retained earnings

The accumulated retained earnings include the income of the net loss of the year which is attributable to the owners of the parent company.

4. Accumulated other comprehensive income

The accumulated other comprehensive income comprises differences from currency translation.

5. Non-controlling interest

As per 31 December 2011 the following entities were consolidated in the Group's consolidated financial statements whereas non-controlling interest stakes were held by third parties:

	31 Dec 2011 EUR k
HMS Bergbau AG, Berlin, Germany	535
HMS Bergbau AG Oil & Gas Division, Germany	47
Non-controlling interest	**582**

XVII. Provision for pensions

A provision for pensions was recognised for the obligation arising from vested pension rights for an active director of the Group. The pension plan is organised in accordance with the legal, tax-related, and economic conditions of the respective country. The provision for defined benefit pension plan corresponds to the present value of the obligation at the balance sheet date net of the fair value of the plan assets. Plan assets solely consist of a liability insurance.

The amount of the provision was calculated as follows:

	31 Dec 2011 EUR k
Fair value of plan assets	-1,338
Present value of defined benefit obligations financed by provision	5,423
Provision	**4,085**
Reimbursement right	0
Net obligation	**4,085**

The present value of the pension obligation showed the following changes:

	2011 EUR k
Obligation at the beginning of the period	0
Contribution of HSM Bergbau AG shares	5,372
Current service cost	28
Interest expense	23
Obligation at the end of the period	**5,423**

The Group expects no further contributions to its defined benefit pension plan in 2012.

The changes in the fair value of the plan assets are presented in the table below:

	2011 EUR k
Plan assets at the beginning of the period	0
Contribution of HSM Bergbau AG shares	1,332
Expected income from plan assets	6
Plan assets at the end of the period	**1,338**

As of 31 December 2011, the actual income from plan assets amounts to EUR 3 thousand.

The expenses for defined benefit pension plans broke down as follows:

	2011 EUR k
Current service cost	28
Interest expense	23
Expected income from plan assets	-6
Pension expenses	**45**

XVIII. Interest-bearing loans and borrowings and other financial liabilities

At balance sheet date, the Group is liable to current interest-bearing loans and borrowings of EUR 5,480 thousand as a result of trade financing within the scope of current operating activities. Furthermore, the Group held a EUR 1,500 thousand promissory note loan, which matures in November 2012.

The interest rates on the short term loans range between 1% and 5.5% and are equivalent to the effective rates of interest. In the case of fixed-interest loans, the interest rates are fixed until the maturity date.

Furthermore, as of the balance sheet date trade finance credit facilities (mainly uncommited) of EUR 12,000 thousand and USD 24,000 thousand were available to Ichor Group.

XIX. Maturity analysis of financial and non-financial liabilities

The contractually agreed (undiscounted) payments relating to financial and non-financial liabilities are presented in the following table:

EUR k	Carrying amount 31 Dec 2011	Undiscounted cash outflows 2012	2013 - 2016	2017 ff.
Other current loans and borrowings	6,980	6,980	0	0
Trade and other payables	1,273	1,273	0	0
Other liabilities	1,194	1,194	0	0

XX. Trade and other payables

The trade and other payables of EUR 1,273 thousand solely relate to trade payables.

XXI. Other liabilities

The other liabilities broke down as follows:

	31 Dec 2011 EUR k	13 Oct 2011 EUR k
Advance payments	852	0
Accrued liabilities	240	0
Liabilities from other taxes	29	0
Miscellaneous	73	0
Other non-financial liabilities	**1,194**	**0**

Accrued liabilities comprise liabilities resulting from audit and accounting service and unused vacation, among others.

Notes to the consolidated statement of comprehensive income

XXII. Revenue

The revenues split up as follows:

	2011 EUR k
Sale of goods and services	3,079
Other revenues	33
Revenue	**3,112**

The revenues from sale of goods were generated from the trade and handling of coal products such as steam coal, coking coal and anthracite. Revenues generated from trading activities accounted for EUR 2,995 thousand, revenues generated from service agreements accounted for EUR 83 thousand. The other revenues result from recharged demurrage expenses of EUR 33 thousand.

XXIII. Other operating income

The following table provides an overview of the material items of other operating income:

	2011 EUR k
Foreign exchange gains	126
Income from recharged consulting expenses	45
Non-performance compensation supplier	28
Income from other recharged expenses	23
Miscellaneous	19
Other operating income	**241**

The foreign exchange gains were mainly generated on financial assets and liabilities of the Indonesian subsidiary. Please refer to Note “XXXII. 2. Other disclosures for financial assets and liabilities” for a further analysis.

XXIV. Purchased goods and services

The purchased goods and services broke down as follows:

	2011 EUR k
Raw materials, consumables and supplies and of purchased merchandise	3,018
Purchased services	156
Purchased goods and services	**3,174**

Costs of purchased goods resulted from the purchase of steam coal, coking coal and anthracite.

XXV. Personnel expenses

Personnel expenses are composed as follows:

	2011 EUR k
Wages and salaries	188
Social security	28
Pension expenses	28
Personnel expenses	**244**

XXVI. Depreciation, amortisation and impairments

The depreciation, amortisation and impairments split up as follows:

	2011 EUR k
Amortization of intangible assets	22
Depreciation of property, plant and equipment	17
Depreciation, amortisation and impairments	**39**

XXVII. Other operating expenses

The following table provides an overview of the material items of other operating expenses:

	2011 EUR k
Traveling expense	173
Legal and consulting costs	115
Audit and Accounting Service Expenses	85
Advertising expenses	21
Commissions	14
Vehicle costs	13
Miscellaneous	71
Other operating expenses	**492**

XXVIII. Financial result

The financial result broke down as follows:

	2011 EUR k
Interest on debts and borrowings	40
Interest expenses on provisions for pensions, less reimbursements	17
Total finance costs	**57**

	2011 EUR k
Interest income from bank accounts	6
Interest on other loans and borrowings, securities	17
Total finance income	**23**

The interest income on other loans, borrowings and interests was generated on the Senior Secured Convertible Note. Please refer to Note “VII. Non-current financial assets”.

XXIX. Income tax and deferred tax

Total taxation benefit/ (expense) comprises as follows:

	2011 EUR k
Current taxes	0
Deferred taxes	160
Income taxes	**160**

The factors affecting income tax expense for the period were as listed below:

	2011 EUR k
Income before income taxes	-628
Tax rate	30.18%
Expected tax (expense)/ benefit	**190**
Differing tax rates	-3
Adjustments to carrying amounts of deferred taxes	-19
Unrecognized Tax Losses	-12
Non-deductible expenses for tax purposes	-1
Other effects	5
Income taxes	**160**

XXX. Earnings per share

As of 31 December 2011, there was no reduction in earnings per share or an increase in loss per share resulting from the assumption that convertible instruments are converted, that options or warrants are exercised or that ordinary shares are issued upon the satisfaction of specified conditions.

The earnings per share were determined as follows:

		2011
Net income attributable to shareholders of Ichor Coal N.V.	EUR thousand	-468
Weighted average shares outstanding	000s	50,000
Net income attributable to shareholders of Ichor Coal N.V. per share basic	EUR	-0.01

XXXI. Other comprehensive income

The other comprehensive income broke down as follows. Due to the nature of the other comprehensive income, being consolidation currency translation differences, no tax effect has been considered.

	2011		
	Before tax EUR k	Tax effect EUR k	Net EUR k
Currency translation differences	-48	0	-48
Other comprehensive income	**-48**	**0**	**-48**

Notes to the consolidated statement of cash flows

The cash flow statement was prepared using the indirect method.

Ichor Group's cash and cash equivalents as of 31 December 2011 consist of cash at banks of EUR 4,429 thousand and cash at hand of EUR 6 thousand. Both positions totaling EUR 4,435 thousand are readily available without any restrictions.

As of 1 December 2011, 86.53% of the shares of HMS Bergbau AG were contributed to the capital reserves of the Ichor Coal N.V., and as such forming the Ichor Group. Through that transaction, significant investing and financing items were acquired by Ichor Group. Please refer to Note "XLII. 2. Companies included in the consolidated financial statements" for a detailed split up. Further, by that contribution Ichor Group received cash and cash equivalents of EUR 579 thousand.

Notes to the consolidated segment report

XXXII. Basic principles of segment reporting

The core business of the Group is the investment in coal resources as well as in other projects in the field of coal logistics, coal handling and coal trading. The Group focuses on the development of coal resources in Southern Africa as well as Southeast Asia. Through its investment in HMS Bergbau AG, the Group also engages in international coal trading, with main trading partners being major power plants and other industrial customers worldwide.

Ichor Coal N.V. is the parent company of Ichor Group, being responsible for all investments in coal resources. Responsible for the central control functions – strategy, finance, accounting/controlling – for all trading activities is HMS Bergbau AG. The majority of trade agreements are conducted via HMS Bergbau AG. For the reporting year, the activities of HMS Bergbau AG are a key factor for the development of profit and loss of the entire Ichor Group.

The geographic focus of the Groups investment and trading activities is Asia, Europe and Africa.

For management purposes, the Group is organised into reporting segments based on its products and services offered in geographical regions and has three reportable segments, as follows:

- Europe
- Asia
- Africa

The segment reporting reflects the internal management and reporting structures.

XXXIII. Segment information

Due to the short period of time between the contribution of HMS Bergbau AG shares into Ichor Coal and as such, the formation of the Ichor Group, the Group primarily generated revenues from coal trade activities on the European market with one customer and one supplier and experienced expenses in relation to the envisaged investments in the African segment.

	Europe k EUR	Asia k EUR	Africa k EUR	Other k EUR	Totals Consolidated k EUR
External revenue	2,908	193	0	11	3,112
Purchased goods and services	-2,819	-207	-139	-9	-3,174
Gross margin	89	-14	-139	2	**-62**
Other operating income					242
Personnel expenses					-244
Depreciation, amortisation and impairments					-39
Other operating expenses					-492
Finance costs					-57
Finance income					24
Profit / loss before tax					**-628**
Income taxes					160
Profit / loss					**-468**

The geographical allocation of Ichor Group's non-current assets, other than financial instruments, deferred tax assets, post-employment benefit assets and insurance contract rights in the country of Ichor Group's domicile and all other segments in which Ichor Group holds material assets is as follows:

	Europe k EUR	Asia k EUR	Africa k EUR	Other k EUR	Totals Consolidated k EUR
Non-current assets	96	5,946	0	0	6,042

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Other disclosures

XXXIV. Capital management

The Group aims on owning and operating medium sized coal assets which are expandable and promise upstream development potential. Group management selects assets in accordance to those criteria and continually reviews existing assets to identify whether they remain within set financial limits. The Group will further invest capital in assets which fit the strategy. The Group's objectives for investments are projects that carry required rates of return, generate consistent cash flows and which allow the Group to return excess capital to its shareholders.

Ichor Group management monitors capital in light of economic changes and significant transactions. Capital requirements are assessed and evaluated with the Supervisory Board for capital structure impacts. Ichor Group monitors capital using a gearing ratio, which is net debt divided by equity plus net debt. The Group's policy is to maintain the gearing ratio constant. The Group includes within its net debt, interest bearing loans and borrowings, trade and other payables, less cash and short term deposits.

	EUR k
Interest bearing loans and borrowings	6,980
Accounts payable and accrued liabilities	1,513
Less Cash and cash equivalents	(4,435)
Net Debt	**4,058**
Equity	15,042
Equity and Net Debt	19,100
Gearing Ratio	**21%**

Ichor Group is exposed to externally imposed capital requirements based on a credit facility agreement of an outside the Group entity for which one of the Group's entities is jointly and severally liable. The imposed financial covenants aim at a minimum level of equity, coverage of net debts and coverage of net interest of HMS Bergbau AG and have not been met as of 31 December 2011. However, based on the current level of repayments, covering assets and other performance criteria, the Group has been informed that the breach is waived.

XXXV. Financial assets and liabilities

1. Presentation by categories

The balance sheet items comprising financial assets and liabilities can be attributed to the measurement categories according to IAS 39 as follows:

31 December 2011

	Carrying amount EUR k	Loans and receivables EUR k	Financial liabilities measured at amortised cost EUR k
Assets			
Other non-current investments and securities	945	945	0
Other non-current financial assets	945	945	0
Trade receivables	2,048	2,048	0
Trade and other receivables	2,048	2,048	0
Other	3,784	3,784	0
Other current financial assets	3,784	3,784	0
Cash and cash equivalents	4,435	4,435	0
Liabilities			
Interest-bearing loans and borrowings	6,980	0	6,980
Trade payables	1,273	0	1,273
Trade and other payables	1,273	0	1,273

13 October 2011

	Carrying amount EUR k	Loans and receivables EUR k
Assets		
Cash and cash equivalents	45	45

2. Other disclosures for financial assets and liabilities

The financial assets and liabilities have mainly short terms to maturity. Therefore, carrying amounts at the reporting date approximate the fair value.

Ichor Group realized net gains and losses on “loans and receivables” and “financial liabilities”, of EUR 126 thousand solely resulting from currency translation differences of these financial assets and liabilities.

XXXVI. Financial risk management

The Group is exposed to various financial risks which arise out of its business activities. Main risks identified include investment risks, financial market risks such as currency and interest rate risks, liquidity risks, credit risks and commodity price risks. The Group manages these risks in accordance to its risk strategy to mitigate any negative effects on the financial performance and to secure the financial position of Ichor Group. The risk management system of Ichor Group is separated in the two main fields of the Groups operations, being investments in coal resources and coal trading activities. Further, the risk management system is two tier organized into an internal review process as well as a controlling activity scheme.

The Management Board of Ichor Coal N.V. is responsible for the investment activities risk management. Investment opportunities and associated risks are identified, classified, evaluated, controlled, monitored by management and presented to the Supervisory Board as part of the investment decision process. It is the policy to evaluate any identified risk for the magnitude of its financial impact and if necessary to mitigate or to back with securitization.

The Management Board of HMS Bergbau AG is responsible for the risk management associated to the Groups trading activities. It is integrated in all operational processes at HMS group. Future trading opportunities and risks are identified, classified, evaluated, controlled and monitored as part of the business operations. Any significant possible trading activity is also presented to the Supervisory Board of HMS Bergbau AG and evaluated for possible risk factors affecting the company. It is HMS Groups policy to only assume risks if they also bring with them significant opportunities for generating earnings. If possible, risks are minimised or transferred to third parties. Opportunities are assessed for their earnings potential.

The following sections describe opportunities and risks that could have a significant impact on the Group’s net assets, financial position and results of operations:

1. Investment risks

Ichor Group is exposed to investment risks, which originate in the selection of investment projects. On the one hand, investment capital might be missallocated. On the other hand, investments might not meet expected return rates in the future, hence, might influence the Groups financial results negatively. Ichor Coal's management board along with the Supervisory Board mitigates such risks by employing a thoroughly assessment and approval process, which is supported by detailled due diligence reports to examine for instance the size of the deposit, logistics infrastructure, financial situation, legal requirements, management and political situation. Final investment decisions above certain thresholds require the approval of the Ichor Coal N.V. Supervisory Board. Furthermore, significant cost and timeline overruns in production ramp ups subsequent to an acquisition also pose risks to Ichor Group. These risks are mitigated by Ichor Groups project controlling run by experienced inhouse staff.

2. Financial market risks

Because of its international activities the Group is exposed to a variety of financial market risks. Although, the effects of movements in foreign exchange and interest rates might have unwanted effects on the financial position of Ichor Group, the risk of underlying single transactions is considered insignificant due to the short term nature of all trading transactions.

The functional currency of Ichor Coal N.V. is Euro, thus most of the transactions are foreign currency transactions and therefore exposed to fluctuation risks. Revenue and expenditure transaction arise in a currency other than the functional currency and are translated in Euro at the time of the transaction. The resulting currency risk is included in the Group's risk management system. Ichor Coal considers entering into forward exchange contracts should the circumstances require securitization of revenue or expenditure streams subject to unwanted currency fluctuation. Further, in such instances, forward transactions will be presented to and approved by the Supervisory Board of Ichor Coal. Any financial asset or liability of Ichor Coal N.V., which is denominated in a currency other than the functional currency is periodically restated. Any associated gain or loss is taken to the income statement.

The Euro is also the functional currency of most operations within HMS Group and as a result currency exposures arise from transactions and balances in currencies other than the Euro. Exchange rate fluctuations can have a significant impact on earnings, especially arising out of trading activities. HMS Group's financial risk management therefore mainly aims at eliminating currency differences when financing, purchasing and selling coal. The group companies must evaluate all currency risks. As a result of the natural hedging relationship of “back to back” contracts the foreign currency transaction risk might only occur between the cash out-flow and the cash in-flow of the underlying business transaction and as such having an insignificant effect. As a further measure to offset the exchange rate transaction risk, the HMS Group has taken up financial debt denominated in US Dollar in a volume which generates interest payments and repayments in US Dollar, matching the cash inflows from its operating businesses.

The trade finance credit facilities are all based on fixed interest rates, which however may vary from transaction to transaction. Further interest rate risks may originate from variable interest rates on the Group's possible future borrowings for investments. Any such risk is evaluated within the Group and mitigated by interest derivatives, if deemed necessary.

3. Liquidity Risk

The Group's liquidity risk arises from the possibility that it may not be able to meet its financial obligations as they fall due and is managed as part of the risk management. Operational and capital cash requirements are monitored by Ichor Coal N.V.'s as well as by HMS Group's management taking forecast information into account and presenting them to the Supervisory Board. Main sources of liquidity are the operating business and external borrowings. Management continually monitors the availability of financial resources to fund the Group's operating activities and investments by means of a Group-wide liquidity planning. The liquidity and financial flexibility of HMS Group is secured by credit lines in the amount of EUR 13,500 thousand and USD 24,000 thousand. The monitoring also contains an analysis of the due dates of the Group's financial obligations. The payment obligations for financial obligations that have been contractually agreed but not yet recorded are presented in note "XXXIX. Other financial commitments". Neither Ichor Coal N.V. nor HMS Group defaulted on payment obligations during the financial period.

4. Credit Risk

Credit risks arise from HMS Group's business relationships with customers and suppliers. Financial assets may be impaired if business partners do not adhere to payment obligations. The maximum exposure to risk from financial assets, which are fundamentally subject to credit risk, is limited to the total carrying value of relevant financial assets on the balance sheet as at the reporting date. Significant risk items are contained in trade receivables and other assets and cash and cash equivalents. To reduce the credit risk on revenues, the Group's risk management aims to use secured payment mechanisms or risk mitigation instruments. For instance, by the use of letters of credit, payments are promised and secured prior to delivery. In addition, risks from performance failures or poor performance of deliveries may arise. These risks might not be completely passed on to customers. Attempts are made by HMS Group's risk management to face these risks appropriately by selecting creditworthy parties and by assessing individual conditions and structuring contracts accordingly. Prior to business relationships, HMS Group evaluates its customers using available financial information or its own trading records.

A further component of credit risk management is the constant monitoring of countries (and customers in the respective countries) with political instability and/or under financial distress. The expansion of the investments as well as the trade business to Africa and Asia means that the Group is more prone to legal or regulatory risks, such as from political influence, disruptions in the supply chain, riots, or disadvantageous economic policy strategies. Environmental and other geographical influences are also taken into account in these decisions. There are also uncertainties from the given legal condition that are and will be subject to change. In Asia in particular, above-average opportunities are associated with higher risks. To counter individual risks, the Group's risk management attempts to stipulate corresponding contractual rules or eliminate them completely by involving experienced local partners.

5. Commodity Price Risk

HMS Group's traditional business, coal trading using "back to back" contracts and index-based purchasing and sales agreements, by definition secures the contractually-agreed margins of individual transactions. If, on the other hand, fixed prices are agreed upon, like in the case of small numbers of spots, price risks could occur. HMS Group's management evaluates such risks on a daily basis as part of the risk management system, taking into account current forward prices and expected volatility. The HMS Group remains to stand by its principle of not assuming any significant risks when purchasing or selling goods and services and eliminate such risks before signing the contract. HMS Group's management will continue the attempt to realise genuine "back to back" transactions with top rated suppliers and customers.

XXXVII. Relationships with related parties

Related parties are defined as those persons and companies that control Ichor Group, or that are controlled or subject to significant influence by Ichor Group. Transactions between the Ichor Group combined businesses have been eliminated within the consolidated financial statements. Besides the business relationships with the consolidated subsidiaries, no business relationships existed with related parties.

Key management personnel are also related parties and comprise the directors of Ichor Coal N.V and HMS Bergbau AG. No transactions with key management personnel occurred in the financial year, beyond the short-term employee compensation of EUR 97 thousand. Further, the Group's defined benefit pension plan has been set up for a key management member of HMS Bergbau AG.

XXXVIII. Contingent liabilities

The Group is jointly and severally liable for a credit facility of an outside the Group entity of EUR 3,300 thousand as of 1 December 2011. The credit facility is optionally drawable in Euro, US Dollar or Polish Zloty. As per 31 December 2011, the credit facility amounted to USD 4,219 thousand with ofsetting cash balances of the outside the Group entity of PLN 800 thousand and EUR 20 thousand.

HMS Group management assesses the risk of availment of the joint liability as unlikely, given the financial base of the principal debtor as well as based on the recourse regulations as agreed in the sale of shares agreement.

XXXIX. Other financial commitments

As of 31 December 2011, the Group's purchase obligations from coal trade contracts amounted to EUR 20 million, all relating to 2012. Further, Ichor Group has payment obligations resulting from share purchase agreements in South African based mining companies amounting to approximately EUR 24.1 million.

The maturity of other financial obligations resulting from rental and lease agreements of EUR 189 thousand split up as follows:

	31.12.2011 EUR k
Due within one year	128
Due in one to five years	61
Due in more than five years	0
Total	**189**

The pension obligation of Ichor Group of EUR 5,423 thousand is offset by pledged plan assets. As of balance sheet date, the fair value of the plan assets was EUR 1,338 thousand.

XL. Treasury shares

At the time of initial consolidation, HMS Bergbau AG holds 248,307 treasury shares corresponding to 6.2 % of its issued capital. The treasury shares are fully consolidated as per 1 December 2011 and are not presented in the Equity statement of Ichor Group.

XLI. Events after the balance sheet date

As of 15 February 2012, the conditions to the share purchase agreement between Ichor and the sellers of 20% of the shares in Vunene Mining (Pty) Ltd were fulfilled and as such the purchase contract became effective, which in turn stipulated the remaining portion of the contractually agreed upon payment. In addition, on 5 February 2012 Ichor signed a second share purchase agreement for further 40% of the shares in Vunene Mining (Pty) Ltd, for which the conditions have not been fulfilled until the signature date of this financial statements.

For the planned acquisition of a controlling stake in PT Perdana Maju Utama, an Indonesian based mining company, Ichor Coal N.V. signed a Conditional Share Purchase Agreement on

21 March 2012. The conditions precedent of the agreement have not been fulfilled until the signature date of this financial statements.

As per 16 February 2012, Ichor Coal N.V.'s main shareholder made available a long term loan totaling EUR 9,500 thousand. Another loan agreement of EUR 3,000 thousand has been signed by Ichor Coal N.V. as of 2 April 2012 with the same party.

Ichor Coal N.V. subscribed for 370.000 new shares in its subsidiary HMS Bergbau AG as of 3 April 2012. The total subscription price amounted to EUR 2,997 thousands.

XLII. Companies included in the consolidated financial statements and share property

No.	Company	Country of incorporation	Share-holding in %
1	Ichor Coal N.V.	Netherlands	
Fully consolidated companies			
2	HMS Bergbau AG	Germany	86.53
3	PT. HMS Bergbau Indonesia	Indonesia	86.53
4	HMS Niwka Coal Production Company Sp. z o.o.	Poland	86.53
5	HMS Bergbau AG Coal Division	Germany	86.53
6	HMS Bergbau AG Iron Ore & Metals Division	Germany	86.53
7	HMS Bergbau AG Oil & Gas Division	Germany	44.13

Berlin, 05 April 2012

Heinz Schernikau
Chief Executive Officer

Sebastian Giese
Chief Financial Officer

STAND-ALONE BALANCE SHEET

AS AT 31 DECEMBER 2011

Assets	**Note**	**31 Dec 2011 EUR**	**13 Oct 2011 EUR**
Non-current assets			
Fixed assets			
Intangible assets	IV.	326,745.36	0.00
Property, plant and equipment		789.00	0.00
Non-current financial assets			
Other non-current financial assets	V.	10,898,196.93	0.00
Deferred tax assets	VIII.	149,585.50	0.00
		11,375,316.59	0.00
Current assets			
Other current financial assets	VI.	3,231,902.39	0.00
Other assets	VII.	60,347.53	0.00
Cash and cash equivalents	IX.	472,125.54	45,000.00
		3,764,375.46	45,000.00
Total Assets		15,139,692,25	45,000.00
Equity and liabilities			
Equity			
Issued capital	X.	5,000,000.00	45,000.00
Capital reserves	X.	9,953,000.00	0.00
Accumulated retained earnings	X.	-346,141.11	0.00
Total equity		14,606,858.89	45,000.00
Current liabilities			
Trade and other payables	XII.	468,713.21	0.00
Other liabilities	XIII.	64,120.15	0.00
		532,833.36	0.00
Total liabilities		532,833.36	0.00
Total equity and liabilities		15,139,692.25	45,000.00

The accompanying notes form part of these financial statements.

STAND- ALONE STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2011

	Note	13 October – 31 December 2011 EUR
Revenue		0.00
Other operating income	XIV.	46,152.45
Purchased services	XV.	-138,906.80
Personnel expenses	XVI.	-73,322.14
Depreciation		-42.84
Other operating expenses	XVII.	-346,679.08
Finance costs		0.00
Finance income	XVIII.	17,071.80
Profit / loss before tax		-495,726.61
Income taxes	XIX.	149,585.50
Profit / (loss) for the year		**-346,141.11**

The accompanying notes form part of these financial statements.

STAND- ALONE STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2011

	Note	Issued capital Ordinary shares	Capital reserves	Accumulated retained earnings	**Total equity**
		EUR k	**EUR k**	**EUR k**	**EUR k**
13 Oct 2011	X.	**45**	**0**	**0**	**45**
Profit / loss	X.	0	0	-346	-346
Total comprehensive income		**0**	**0**	**-346**	**-301**
Issue of shares	X.	4,955	0	0	4,955
Contribution of HMS Bergbau AG shares	X.	0	9,953	0	9,953
		4,955	9,953	0	14,908
31 Dec 2011	X.	**5,000**	**9,953**	**-346**	**14,607**

The accompanying notes form part of these financial statements.

STAND- ALONE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2011

	Note	31 Dec 2011 EUR k
Profit / loss		-346
Reconciliation of profit / loss to the cash flow from operating activities		
Changes in deferred taxes	VIII.	-150
Changes in trade and other payables	XII.	469
Changes in other financial assets and liabilities	VI.	-3,232
Changes in other assets and liabilities	VII./ XIII.	4
Cash flow from operating activities		**-3,255**
Purchases of intangible assets, property, plant, equipment and investment property		-1
Purchases of investments in non-current financial assets	V.	-945
Exploration expenditure	IV.	-327
Cash flow from investing activities		**-1,273**
Proceeds from share capital increase	X.	4,955
Cash flow from financing activities		**4,955**
Cash flow-related changes in cash and cash equivalents		**427**
Cash and cash equivalents at beginning of period		45
Cash and cash equivalents at end of period	**IX.**	**472**

The accompanying notes form part of these financial statements

The consolidated financial statements as at 31 December 2011 report a positive net equity position of EUR 15,042 thousand, the stand-alone financial statements as at 31 December 2011 report a positive net equity of EUR 14,607 thousand.

	Note	**31 December 2011 in k EUR**
Total consolidated equity		15,042
Difference in net result		
Individual result	1	-346
Consolidated result attributable to the shareholders	1	451
Non-controlling interest in the Group due to the contribution of HMS Bergbau AG shares	2	-605
Non-controlling interest in the Group due to the annual result and comprehensive income	3	23
Other comprehensive income on currency translation	4	42
Total stand-alone equity		14,607

(1) Ichor Coal's investment in its subsidiary is accounted for using the cost method. Under the cost method, the investment in the subsidiary is carried in the stand- alone financial statement at cost.

(2) The non- controlling interest or TEUR 605 thousand in the Group are due to the contribution of the shares in HMS Bergbau AG into Ichor Coal N.V. and the subsequent first time consolidation.

(3) The non- controlling interest in the Group due to the elimination to the annual result and comprehensive income represent the share of those items attributable to the minority shareholder.

(4) The comprehensive income on currency translation results from translation differences of other Group companies during the year-end consolidation.

Notes to the Stand- Alone Financial Statements

General Information

I. Corporate information

Ichor Coal N.V., is a limited liability company incorporated in Amsterdam, Netherlands, and whose shares are publicly traded. The headquarter of Ichor Coal N.V. is located in Berlin, Germany.

Ichor is an internationally operating mineral-resource-company specializing in investments in coal resources as well as in other projects in the field of coal logistics, coal handling and coal trading. The company invests in coal resources in Southern Africa and Southeast Asia to secure own coal-resources, to gain control along the value chain and to sell the produced coal on the international markets.

The financial statements of Ichor Coal N.V. for the year ended 31 December 2011 were authorised for issue in accordance with a resolution of the directors on 12 April 2012.

II. Basis of preparation

The stand-alone financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB), the interpretations of the IFRS Interpretations Committee (IFRS IC) approved by the IASB, in effect and recognized by the European Union (EU) at the balance sheet date as well as with the provisions of Part 9, Book 2, of the Netherlands Civil Code.

The same basis of preparation applies as described in the notes to the consolidated accounts. We therefore refer to note “V. Basis of preparation” of the consolidated financial statements.

Acquisitions

As of 1 December 2011, the shares of HMS Bergbau AG was contributed to Ichor Coal N.V. to capital reserves. With this contribution, 86.53% of HMS Bergbau AG shares are attributable to Ichor Coal N.V., thus Ichor Coal N.V. obtained control of HMS Bergbau AG.

Independent of Ichor management’s views regarding furture business opportunities for HMS Group, resulting from the acquisition, a discounted cash flow valuation was used to determine the contribution value of the 86.53% shares in HMS Bergbau AG. The valuation in accordance to IFRS regulations resulted in a value of EUR 9,953 thousand at the time of the contribution.

Foreign currency translation

Transactions in foreign currencies

Purchases and sales in foreign currencies are translated at the exchange rate on the date of the transaction. Assets and liabilities in foreign currencies are translated into the functional currency at the exchange rate on the balance sheet date. Any foreign exchange gains or losses resulting from such translations are recognised in income.

III. Significant accounting and valuation methods

The same accounting and valuation methods apply as described in the notes to the consolidated accounts. We therefore refer to note “VII. Significant accounting and valuation methods” of the consolidated financial statements. Participating interests, over which significant influence (including control) is exercised, are stated applying the cost method.

Notes to the stand- alone balance sheet

IV. Intangible assets

The changes in intangible assets were as follows:

	Exploration and Evaluation Asset	Total
	EUR k	EUR k
Acquisition or production cost		
13 Oct 2011	0	0
Additions	327	327
31 Dec 2011	**327**	**327**
Depreciation and impairments		
13 Oct 2011	0	0
Additions	0	0
31 Dec 2011	**0**	**0**
Carrying amounts		
31 Dec 2011	327	327
13 Oct 2011	0	0

The exploration and evaluation asset represents the recognized cost for a drilling program in South Africa for the determination of mineral resources. The drilling program will continue during the financial year 2012. During the reporting period, no facts and circumstances suggested that the carrying amount exceeds the recoverable amount.

V. Non-current financial assets

Non-current financial assets consists of the investment in HMS Bergbau AG of EUR 9,953 thousand and an advance payment on account of EUR 945 thousand for the acqusition of shares in a South African based mining company.

VI. Other current financial assets

Other current financial assets consist of a Senior Secured Convertible Note, which has been issued by Mbuyelo Coal (Pty) Ltd. and solely subscribed by Ichor Coal N.V. The subscription amount in original currency South African Rand is ZAR 34,000 thousand. The note will redeem on 30 November 2012 and bears an interest rate of 12% per annum.

VII. Other assets

Other assets of EUR 60 thousand mainly consist of a receivable from recharged expenses of EUR 45 thousand.

VIII. Deferred tax assets and deferred tax liabilities

The company's net deferred tax asset and liability recognised in the balance sheet is as follows. Management assesses the future utilization of the tax loss carry-forward as given, based on the current forecasts of revenues and expenditures.

	31 Dec 2011	
	Deferred tax assets EUR k	**Deferred tax liabilities EUR k**
Non-current financial assets	0	19
Temporary differences	**0**	**19**
Tax loss carry-forwards	**169**	**0**
Total	**169**	**19**
Offsetting	-19	-19
Amounts as per balance sheet	**150**	**0**

The Group's deferred tax balances were subject to following changes during the financial year.

	2011 EUR k
Deferred tax assets at the beginning of the period	0
Deferred tax liabilities at the beginning of the period	0

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Net tax position at the beginning of the period	**0**
Deferred tax benefit/ (expense) of current year	150
Net tax position as of 31 December	**150**
Deferred tax assets at the end of the period	150
Deferred tax liabilities at the end of the period	0

IX. Cash and cash equivalents

As of 31 December 2011, Ichor Group's cash and cash equivalents of EUR 472 thousand solely represents cash at banks.

X. Equity

1. Issued capital

The issued capital of EUR 5,000,000 is divided into 50,000,000 common shares, with a nominal value of EUR 0.10 each. The issued capital as of 31 December 2011 consisted entirely of fully paid-up ordinary shares.

As of 31 December of 2011 all of the shares were listed on the Open Market of the Berlin Stock Exchange and on the High Risk Market of the Hamburg Stock Exchange. The day of first listing was on 28 December 2011 and 30 December 2011, respectively.

The authorised capital amounted to EUR 25,000,000 and is divided into EUR 250,000,000 shares, with a nominal value of EUR 0.10 each.

2. Capital reserves

Effective 1 December 2011, 86.53% of the shares of HMS Bergbau AG were contributed to capital reserves of Ichor Coal N.V..

The valuation in accordance to IFRS regulations resulted in a value of EUR 9,953 thousand at the time of the contribution and is independent of furture business opportunities for HMS Group, resulting from the acquisition.

Capital reserves are not distributable to equity holders of the company.

3. Accumulated retained earnings

The accumulated retained earnings include the net loss of the year.

XI. Maturity analysis of financial liabilities

The contractually agreed (undiscounted) payments relating to financial liabilities are presented in the following table:

EUR k	Carrying amount 31 Dec 2011	Undiscounted cash outflows 2012	2013 - 2016	2017 ff.
Trade and other payables	469	469	0	0

XII. Trade and other payables

The trade and other payables of EUR 469 thousand solely relate to trade payables.

XIII. Other liabilities

The other liabilities mainly comprise liabilities resulting from audit and accounting service.

Notes to the stand- alone statement of comprehensive income

XIV. Other operating income

Other operating income primarily results from recharged consulting expenses.

XV.Purchased services

Purchased services occurred in relation to the investment activities in South Africa.

XVI. Personnel expenses

Personnel expenses are composed as follows:

	2011 EUR k
Wages and salaries	70
Social security	3
Personnel expenses	**73**

XVII. Other operating expenses

The following table provides an overview of the material items of other operating expenses:

	2011 EUR k
Travel expenses	167
Audit and accounting service Expenses	75
Legal and consulting costs	60
Advertising expenses	15
Tax Consulting	5
Miscellaneous	25
Other operating expenses	**347**

XVIII. Financial result

The interest income on other loans, borrowings and interests was generated on the Senior Secured Convertible Note.

XIX. Income tax and deferred tax

Total taxation benefit/ (expense) comprises as follows:

	2011 EUR k
Current taxes	0
Deferred taxes	150
Income taxes	**150**

XX. Earnings per share

As of 31 December 2011, there was no reduction in earnings per share or an increase in loss per share resulting from the assumption that convertible instruments are converted, that options or warrants are exercised or that ordinary shares are issued upon the satisfaction of specified conditions.

The earnings per share were determined as follows:

		2011
Net loss attributable to shareholders of Ichor Coal N.V.	EUR thousand	-346
Weighted average shares outstanding	000s	50,000
Net income attributable to shareholders of Ichor Coal N.V. per share		
basic	EUR	-0.01

XXI. Basic principles of segment reporting and segment information

For a further analysis and discussion on basic principles of segment reporting and segment information, please refer to note “XXXII. Basic principles of segment reporting” and “XXXIII. Segment information” of the notes to the consolidated accounts.

Other disclosures

XXII. Capital management

For a further analysis and discussion on capital management, please refer to note “XXXIV. Capital management” of the notes to the consolidated accounts.

XXIII. Financial risk management

For a further analysis and discussion on financial risk management, please refer to note “XXXVI. Financial risk management” of the notes to the consolidated accounts.

XXIV. Relationships with related parties

Related parties are defined as those persons and companies that control the company, or that are controlled or subject to significant influence by the company. No business relationships existed with related parties.

Key management personnel are also related parties and comprise the directors of Ichor Coal N.V. No transactions with key management personnel occurred in the financial year, beyond the short-term employee compensation of EUR 57 thousand.

XXV. Other financial commitments

The company has payment obligations resulting from share purchase agreements of South African based mining companies amounting to approximately EUR 24.1 million.

XXVI. Events after the balance sheet date

For a further analysis and discussion on events after the balance sheet date, please refer to note “XXXLI. Events after the balance sheet date” of the notes to the consolidated accounts.

Berlin, 05 April 2012

Heinz Schernikau
Chief Executive Officer

Sebastian Giese
Chief Financial Officer

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OTHER INFORMATION

I. Appropriation of result

Subject to the provisions under Dutch law that no dividends can be declared until all losses have been recovered, other reserves and unappropriated results are at the disposal of the shareholder in accordance with the Company's articles of association. Furthermore, Dutch law prescribes that any profit distribution may only be made to the extent that the shareholder's equity exceeds the amount of the issued capital and the legal and/or statutory reserves.

The management proposes to the Supervisory Board to add the result for the year to the retained earnings. This proposal has been reflected in the stand-alone financial statements and consolidated financial statements.

II. Independent Auditor's report

The auditor's report is included in the accounts.

ERNST & YOUNG

Independent auditor's report

To: the Shareholders of Ichor Coal N.V.

Report on the financial statements

We have audited the accompanying financial statements 2011 of Ichor Coal N.V., Amsterdam. The financial statements consist of the consolidated financial statements and the standalone financial statements. The consolidated financial statements comprise the consolidated balance sheet as at December 31, 2011, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement for the year then ended and the notes, comprising a summary of the accounting policies and other explanatory information. The standalone financial statements comprise the standalone balance sheet as at December 31, 2011, the standalone statement of comprehensive income, standalone statement of changes in equity and standalone cash flow statement for the year then ended and the notes, comprising a summary of the accounting policies and other explanatory information.

Management's responsibility
Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Dutch Civil Code, and for the preparation of the report of the management board in accordance with Part 9 of Book 2 of the Dutch Civil Code . Furthermore management is responsible for such internal control as it determines is necessary to enable the preparation of the 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 Dutch law, including the Dutch Standards on Auditing. This requires 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 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 entity'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 with respect to the financial statements
In our opinion, the consolidated and standalone financial statements give a true and fair view of the financial position of Ichor Coal N.V. as at December 31, 2011 and of its result for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

Pursuant to the legal requirement under Section 2:393 sub 5 at e and f of the Dutch Civil Code, we have no deficiencies to report as a result of our examination whether the directors' report, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of this Code, and whether the information as required under Section 2:392 sub 1 at b-h has been annexed. Further we report that the report of the management board, to the extent we can assess, is consistent with the financial statements as required by Section 2:391 sub 4 of the Dutch Civil Code.

Amsterdam, April 12, 2012

Ernst & Young Accountants LLP

signed by J.J. Vernooij