

PACIFIC ORES AND TRADING (CURAÇAO) N.V.

**CONSOLIDATED AND STATUTORY
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORTS
FOR THE YEAR ENDED
DECEMBER 31, 2012**

PACIFIC ORES AND TRADING (CURACAO) N.V.

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INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders of
Pacific Ores and Trading (Curaçao) N.V.

We have audited the accompanying consolidated and company balance sheet of Pacific Ores and Trading (Curaçao) N.V. and subsidiary (the "Company") as of December 31, 2012 and the related consolidated and company statements of income and comprehensive income, cash flow and shareholders' equity for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Pacific Ores and Trading (Curaçao) N.V. as of December 31, 2012 and the respective results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

For: Deloitte Dutch Caribbean
Curaçao, January 24, 2013



Ref.: R353/2013/RZ/bem

PACIFIC ORES AND TRADING (CURAÇAO) N.V.
AND SUBSIDIARY

**CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2012**

PACIFIC ORES AND TRADING (CURAÇAO) N.V.
AND SUBSIDIARY

CONSOLIDATED BALANCE SHEET
AS OF DECEMBER 31, 2012

	12-31-2012	12-31-2011
	<u>USD</u>	<u>Restated</u> <u>USD</u>
ASSETS		
CURRENT ASSETS		
Cash	43,576	75,388
Total current assets	<u>43,576</u>	<u>75,388</u>
TOTAL	<u><u>43,576</u></u>	<u><u>75,388</u></u>

The accompanying notes are an integral part of the consolidated financial statements.
See also independent auditor's report.

PACIFIC ORES AND TRADING (CURAÇAO) N.V.
AND SUBSIDIARY

CONSOLIDATED BALANCE SHEET
AS OF DECEMBER 31, 2012
(CONTINUED)

	<u>12-31-2012</u>	<u>12-31-2011</u>
	USD	Restated USD
LIABILITIES AND SHAREHOLDER'S EQUITY		
CURRENT LIABILITIES		
Accounts payable	5,265	8,841
Total current liabilities	<u>5,265</u>	<u>8,841</u>
 SHAREHOLDER'S EQUITY		
Common stock, authorized and issued		
110 A shares (\$55.50 par value each)	6,105	6,105
90 B shares (\$55.50 par value each)	4,995	4,995
Paid-in surplus	73	73
Retained earnings	27,138	55,374
Total shareholder's equity	<u>38,311</u>	<u>66,547</u>
TOTAL	<u><u>43,576</u></u>	<u><u>75,388</u></u>

The accompanying notes are an integral part of the consolidated financial statements.
See also independent auditor's report.

PACIFIC ORES AND TRADING (CURAÇAO) N.V.
AND SUBSIDIARY

CONSOLIDATED STATEMENT OF INCOME AND COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2012

	Dec 31 2012	Dec 31 2011
	USD	USD
INCOME		
Interest	102	53
Currency exchange differences	84	(5,024)
	186	(4,971)
 EXPENSES		
General expenses	4 50,441	57,654
 LOSS BEFORE TAXES	(50,255)	(62,625)
Income tax	2 22,019	33,437
NET LOSS	(28,236)	(29,188)

The accompanying notes are an integral part of the consolidated financial statements.
See also independent auditor's report.

PACIFIC ORES AND TRADING (CURAÇAO) N.V.
AND SUBSIDIARY

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2012

	<u>Dec 31 2012</u>	<u>Dec 31 2011</u>
	USD	USD
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	(28,236)	(29,188)
<i>Working capital changes:</i>		
(Increase)/decrease in current assets:		
Intercompany receivable from		
Compania Minera del Pacifico S.A.	--	94,952
Prepaid expenses	--	2,035
(Decrease) in current liabilities:		
Accounts payable	(3,576)	(20,098)
Cash flow (used in)/from operating activities	<u>(31,812)</u>	<u>47,701</u>
Net (decrease)/increase in cash	(31,812)	47,701
Cash at beginning of year	<u>75,388</u>	<u>27,687</u>
Cash at end of year	<u><u>43,576</u></u>	<u><u>75,388</u></u>

The accompanying notes are an integral part of the consolidated financial statements.
See also independent auditor's report.

PACIFIC ORES AND TRADING (CURAÇAO) N.V.
AND SUBSIDIARY

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2012

	Common Stock A Shares	Common Stock B Shares	Paid-in Surplus	Retained Earnings	Total
	USD	USD	USD	USD	USD
Balance at December 31, 2010	6,105	4,995	73	84,562	95,735
Net loss	--	--	--	(29,188)	(29,188)
Balance at December 31, 2011	6,105	4,995	73	55,374	66,547
Net loss	--	--	--	(28,236)	(28,236)
Balance at December 31, 2012	6,105	4,995	73	27,138	38,311

The accompanying notes are an integral part of the consolidated financial statements.
See also independent auditor's report.

PACIFIC ORES AND TRADING (CURAÇAO) N.V.
AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012
(CONTINUED)

1. GENERAL

Pacific Ores and Trading (Curaçao) N.V. (The “Company”) was incorporated on March 23, 1972 in Curaçao. The Company is a wholly-owned subsidiary of Compania Minera del Pacifico S.A. (CMP) since August 12, 1988 on which date Compania de Acero del Pacifico S.A. (CAP) transferred all shares to CMP. The Company acts as an agent for CMP for the sale of natural and processed iron ore and all secondary raw materials or minerals derived therefrom.

Under a sub-agency contract, a wholly-owned subsidiary of the Company, Pacific Ores and Trading B.V. (the “Subsidiary”), Amsterdam, in the Netherlands, acts as an agent for the Company for the sale of natural and processed iron ore and secondary raw material derived thereof.

Going concern

In 2008 CAP S.A., the ultimate parent company, decided to discontinue the operations of the Company and its subsidiary. The Company and its subsidiary will remain as a dormant company without any activities in the future. The discontinuation of the companies was effective July 31, 2008. The value of assets and liabilities approaches their net realizable value.

The Company has received a letter of support from its parent company (CMP) as per January 24, 2013, in which the parent confirmed to guarantee the liabilities of the company.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Financial Information.

The consolidated financial statements for the 12 months ended December 31, 2012 (“fiscal 2012”) are prepared in accordance with accounting principles generally accepted in the United States of America, which require management of the Company to make estimates and assumptions regarding matters that affect the consolidated financial statements and related disclosures. Management believes that the estimates utilized in the preparation of the consolidated financial statements are prudent and reasonable. Actual results could differ materially from these estimates.

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary. All material intercompany balances and transactions have been eliminated.

The consolidated financial statements of the Company and its Subsidiary are included in the consolidated financial statements of CAP S.A., the ultimate holding company.

PACIFIC ORES AND TRADING (CURACAO) N.V.
AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012
(CONTINUED)

The Board of directors has approved these financial statements on January 24, 2013.

1. Assets and liabilities are stated at nominal value unless mentioned otherwise. The value of assets and liabilities approaches their net realizable value.
2. Revenues and costs are recognized as they are earned or incurred, and recorded in the financial statements of the period to which they relate.
3. The financial statements have been prepared in US dollars, which is the functional currency of the Company and its Subsidiary.
4. Assets and liabilities originally not expressed in US dollars are translated on basis of the following principles:
 - All assets and liabilities not expressed in US dollars have been translated to US dollars at the current rates as at balance sheet date
 - Transactions in Euros have been translated to US dollars at the rate applicable on the date of payment. Exchange gains & losses are reflected in the statement of income.

Fair value of Financial Instruments

Fair value of financial instruments - The fair value of the Company's assets and liabilities which qualify as financial instruments under Accounting Standards Codification ("ASC") 825, Financial Instruments, approximates the carrying amounts presented in the statement of assets and liabilities.

ASC 820, Fair Value Measurement ("ASC 820") provides a framework for measuring fair value and requires specific disclosures about financial instruments. The Company's cash and accounts payable carrying value approaches their fair values considering their short term maturity.

Cash at banks - These include cash at banks and foreign cash, if any.

Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

PACIFIC ORES AND TRADING (CURAÇAO) N.V.
AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012
(CONTINUED)

Income Taxes – Income tax for the Company’s subsidiary is calculated at the applicable nominal tax rates. For the operations in Curaçao, a ruling granted by the Inspector of Taxes applies.

Recent accounting pronouncements

Fair value of financial instruments

In May 2011, the Financial Accounting Standards Board (the “FASB”) issued Accounting Standards Update (“ASU”) No. 2011-04 which provides amendments to ASC Subtopic 820-10, Fair Value Measurement. The amendments in this update result in common fair value measurement and disclosure requirements. The amendments change the wording used to describe many of the requirements in U.S. GAAP for measuring fair value and for disclosing information about fair value measurement. The amendments do not intend to result in change in the application of the requirements. The amendments in this update are to be applied prospectively. The amendments are effective for annual periods beginning after December 15, 2011. The adoption did not have a material impact on these financial statements.

In December 2011, the Financial Accounting Standards Board (the “FASB”) issued Accounting Standards Update (“ASU”) No. 2011 -11 which provides amendments to Topic 210, Balance Sheet Disclosures about Offsetting Assets and Liabilities. The amendments in this Update will enhance disclosures required by U.S. GAAP by requiring improved information about financial instruments and derivative instruments that are either (1) offset in accordance with either Section 210-20-45 or Section 815-10-45 or (2) subject to an enforceable master netting arrangement or similar agreement, irrespective of whether they are offset in accordance with either Section 210-20-45 or Section 815-10-45. This information will enable users of an entity’s financial statements to evaluate the effect or potential effect of netting arrangements on an entity’s financial position, including the effect or potential effect of rights of setoff associated with certain financial instruments and derivative instruments in the scope of this Update. The amendments are effective for annual reporting periods beginning on or after January 1, 2013, and interim periods within those annual periods. The adoption did not have a material impact on these financial statements.

PACIFIC ORES AND TRADING (CURAÇAO) N.V.
AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012
(CONTINUED)

3. CASH AND CASH EQUIVALENTS

Details of the cash and cash equivalents as of December 31:

	<u>2012</u>	<u>2011</u>
	USD	USD
Meespierson (Curaçao)	5,004	30,131
ABN-Amro (The Netherlands)	38,572	45,257
	<u>43,576</u>	<u>75,388</u>

4. GENERAL EXPENSES

Details of the general expenses:

	<u>2012</u>	<u>2011</u>
	USD	USD
Administrative expenses	34,447	41,232
Audit fees	8,334	6,090
Management fees	6,168	9,620
Bank charges	1,492	712
	<u>50,441</u>	<u>57,654</u>

5. SUBSEQUENT EVENTS

There were no material subsequent events that occurred after the balance sheet date.

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PACIFIC ORES AND TRADING (CURAÇAO) N.V.

**COMPANY
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2012**

PACIFIC ORES AND TRADING (CURAÇAO) N.V.

**COMPANY BALANCE SHEET
AS OF DECEMBER 31, 2012**

ASSETS	<u>12-31-2012</u>	<u>12-31-2011</u>
	USD	USD
CURRENT ASSETS		
Cash	5,004	30,131
Accrued interest receivable:		
Loan to Pacific Ores and Trading B.V.	<u>2,474</u>	<u>1,835</u>
Total current assets	<u>7,478</u>	<u>31,966</u>
FINANCIAL ASSETS		
Loans receivable from Pacific Ores and Trading B.V.	4 <u>61,835</u>	<u>60,000</u>
TOTAL	<u><u>69,313</u></u>	<u><u>91,966</u></u>
 LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable	<u>3,400</u>	<u>5,068</u>
Total current liabilities	<u>3,400</u>	<u>5,068</u>
SHAREHOLDERS' EQUITY		
Common stock, authorized and issued		
110 A shares (\$55.50 par value each)	6,105	6,105
90 B shares (\$55.50 par value each)	4,995	4,995
Paid in surplus	73	73
Retained earnings	<u>54,740</u>	<u>75,725</u>
Total shareholders' equity	<u>65,913</u>	<u>86,898</u>
TOTAL	<u><u>69,313</u></u>	<u><u>91,966</u></u>

The accompanying notes are an integral part of the financial statements.
See also independent auditor's report.

PACIFIC ORES AND TRADING (CURACAO) N.V.

**COMPANY STATEMENT OF INCOME
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>Dec 31 2012</u>	<u>Dec 31 2011</u>
	USD	USD
INCOME		
Interest income	2,474	1,835
EXPENSES		
General expenses	5 <u>23,459</u>	<u>20,335</u>
OPERATING (LOSS)	<u>(20,985)</u>	<u>(18,500)</u>
Result from participations	(7,251)	(7,575)
Income tax	6 --	(3,113)
NET LOSS	<u><u>(28,236)</u></u>	<u><u>(29,188)</u></u>

The accompanying notes are an integral part of the financial statements.
See also independent auditor's report.

PACIFIC ORES AND TRADING (CURAÇAO) N.V.

**COMPANY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>Dec 31 2012</u>	<u>Dec 31 2011</u>
	USD	USD
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	(28,236)	(29,188)
<i>Adjustments for:</i>		
Adjustment result from participations	7,251	7,575
<i>Working capital changes:</i>		
(Increase)/decrease in current assets:		
Intercompany receivable from		
Compania Minera del Pacifico S.A.	--	94,952
Pacific Ores and Trading B.V.	(639)	(1,835)
Decrease in prepaid expenses	--	2,035
(Decrease) in accounts payable	(1,668)	(6,160)
Net cash (used in)/from operating activities	<u>(23,292)</u>	<u>67,379</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
(Increase) in fixed loans receivable	(1,835)	(60,000)
Net cash (used in) financing activities	<u>(1,835)</u>	<u>(60,000)</u>
Net (decrease)/increase in cash	(25,127)	7,379
Cash at beginning of year	<u>30,131</u>	<u>22,752</u>
Cash at end of year	<u><u>5,004</u></u>	<u><u>30,131</u></u>

The accompanying notes are an integral part of the financial statements.
See also independent auditor's report.

PACIFIC ORES AND TRADING (CURAÇAO) N.V.

**COMPANY STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2012**

	Common Stock A Shares	Common Stock B Shares	Paid-in Surplus	Retained Earnings	Total
	USD	USD	USD	USD	USD
Balance at December 31, 2010	6,105	4,995	73	97,338	108,511
Net loss	--	--	--	(21,613)	(21,613)
Balance at December 31, 2011	6,105	4,995	73	75,725	86,898
Adjustment result participations	--	--	--	7,251	7,251
Net loss	--	--	--	(28,236)	(28,236)
Balance at December 31, 2012	6,105	4,995	73	54,740	65,913

The accompanying notes are an integral part of the financial statements.
See also independent auditor's report.

PACIFIC ORES AND TRADING (CURAÇAO) N.V.

**NOTES TO COMPANY FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**

1. GENERAL

Pacific Ores and Trading (Curaçao) N.V. (the “Company”) was incorporated on March 23, 1972 in Curaçao. The Company is a wholly-owned subsidiary of Compania Minera del Pacifico S.A. (CMP) since August 12, 1988 on which date Compania de Acero del Pacifico S.A. (CAP) transferred all shares to CMP. The Company acts as an agent for CMP for the sale of natural and processed iron ore and all secondary raw materials or minerals derived there from.

Under a sub-agency contract, a wholly-owned subsidiary of the Company, Pacific Ores and Trading B.V. (the “Subsidiary”), Amsterdam in the Netherlands, acts as an agent for the Company for the sale of natural and processed iron ore and secondary raw material derived there from.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Financial Information. The financial statements for the 12 months ended December 31, 2012 (“fiscal 2012”) are prepared in accordance with accounting principles generally accepted in the United States of America, which require management of the Company to make estimates and assumptions regarding matters that affect the financial statements and related disclosures. Management believes that the estimates utilized in the preparation of the financial statements are prudent and reasonable. Actual results could differ materially from these estimates.

The financial statements of the Company and its Subsidiary are included in the financial statements of CAP S.A., the ultimate holding company.

Going concern

CAP S.A., the ultimate parent company, decided to discontinue the operations of the company in 2008. The company will remain as a dormant company without any activities in future. The discontinuation of the company was effective July 31, 2008. The Company has received a letter of support from its parent company (CMP) as per January 24, 2013, in which the parent confirmed to guarantee the liabilities of the company.

Management believes that no further adjustments are required relating to the recoverability and classification of recorded asset amounts or to the amounts and classification of liabilities as of the balance sheet date due to the discontinuation of operations in 2008.

5. Assets and liabilities are stated at nominal value unless mentioned otherwise. The value of assets and liabilities approaches their net realizable value.

PACIFIC ORES AND TRADING (CURAÇAO) N.V.

**NOTES TO COMPANY FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012
(CONTINUED)**

6. Investment in subsidiary with a negative equity is recognized and valued at zero. The net results are adjusted in the retained earnings of the Company.
7. Revenues and costs are recognized as they are earned or incurred, and recorded in the financial statements of the period to which they relate.
8. The financial statements have been prepared in US dollars, which is the functional currency of the Company and its Subsidiary.
9. Assets and liabilities originally not expressed in US dollars are translated on basis of the following principles:
 - All assets and liabilities not expressed in US dollars have been translated to US dollars at the current rates as at balance sheet date
 - Transactions in Euros have been translated to US dollars at the rate applicable on the date of payment. Exchange gains & losses are reflected in the statement of income.

Fair value of Financial Instruments

Fair value of financial instruments - The fair value of the Company's assets and liabilities which qualify as financial instruments under Accounting Standards Codification ("ASC") 825, Financial Instruments, approximates the carrying amounts presented in the statement of assets and liabilities.

ASC 820, Fair Value Measurement ("ASC 820") provides a framework for measuring fair value and requires specific disclosures about financial instruments. The Company's cash and accounts payable carrying value approaches their fair values considering their short term maturity.

Cash at banks - These include cash at banks and foreign cash, if any.

Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes – Income tax for the Company's subsidiary is calculated at the applicable nominal tax rates. For the operations in Curaçao, a ruling granted by the Inspector of Taxes applies.

Recent accounting pronouncements

Fair value of financial instruments

PACIFIC ORES AND TRADING (CURAÇAO) N.V.

**NOTES TO COMPANY FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012
(CONTINUED)**

In May 2011, the Financial Accounting Standards Board (the “FASB”) issued Accounting Standards Update (“ASU”) No. 2011-04 which provides amendments to ASC Subtopic 820-10, Fair Value Measurement. The amendments in this update result in common fair value measurement and disclosure requirements. The amendments change the wording used to describe many of the requirements in U.S. GAAP for measuring fair value and for disclosing information about fair value measurement. The amendments do not intend to result in change in the application of the requirements. The amendments in this update are to be applied prospectively. The amendments are effective for annual periods beginning after December 15, 2011. The adoption did not have a material impact on these financial statements.

In December 2011, the Financial Accounting Standards Board (the “FASB”) issued Accounting Standards Update (“ASU”) No. 2011 -11 which provides amendments to Topic 210, Balance Sheet Disclosures about Offsetting Assets and Liabilities. The amendments in this Update will enhance disclosures required by U.S. GAAP by requiring improved information about financial instruments and derivative instruments that are either (1) offset in accordance with either Section 210-20-45 or Section 815-10-45 or (2) subject to an enforceable master netting arrangement or similar agreement, irrespective of whether they are offset in accordance with either Section 210-20-45 or Section 815-10-45. This information will enable users of an entity’s financial statements to evaluate the effect or potential effect of netting arrangements on an entity’s financial position, including the effect or potential effect of rights of setoff associated with certain financial instruments and derivative instruments in the scope of this Update. The amendments are effective for annual reporting periods beginning on or after January 1, 2013, and interim periods within those annual periods. The adoption did not have a material impact on these financial statements.

3. INVESTMENT IN SUBSIDIARY

	<u>Dec 31 2012</u>	<u>Dec 31 2011</u>
	USD	USD
Balance as of January 1		
Pacific Ores and Trading B.V., Amsterdam	--	--
Dividends Received from POT B.V.		
Interest in net income of subsidiary	(7,251)	(7,575)
Valuation adjustment	7,251	7,575
Balance as at December 31	<u> --</u>	<u> --</u>

PACIFIC ORES AND TRADING (CURAÇAO) N.V.

**NOTES TO COMPANY FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012
(CONTINUED)**

4. LOANS RECEIVABLE

Pacific Ores and Trading B.V., Amsterdam

	<u>Dec 31 2012</u>	<u>Dec 31 2011</u>
	USD	USD
Credit Facility at 4% p.a.	<u>61,835</u>	<u>60,000</u>
Balance as at December 31	<u><u>61,835</u></u>	<u><u>60,000</u></u>

On March 28th, 2011 Pacific Ores and Trading (Curaçao) N.V. entered into a loan facility agreement with Pacific Ores and Trading B.V. Amsterdam, for the amount of 500,000 USD, with an interest of 4% p.a. fully repayable on demand starting from January 1, 2016. As of December 31, 2012 only 60,000 USD has been transferred to Pacific Ores and Trading B.V. Amsterdam. This facility is unsecured.

5. GENERAL EXPENSES

Details of the general expenses:

	<u>2012</u>	<u>2011</u>
	USD	USD
Administrative expenses	8,497	3,913
Audit fees	8,334	6,090
Management fees	6,168	9,620
Bank charges	460	712
	<u><u>23,459</u></u>	<u><u>20,335</u></u>

6. TAXES

The Company has no positive taxable income in 2012. Consequently the tax expense is zero. In 2012 the Company's subsidiary has received a tax refund regarding income taxes over book year 2007 amounting to USD 22,019 (EUR 16,773). This refund has been recorded as a tax income in the income statement.

7. SUBSEQUENT EVENTS

There were no material subsequent events that occurred after the balance sheet date.

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