

Multiplex Resources (Kazakhstan) Limited

Company Number 03773661

**Annual Report and Financial Statements For The Year Ended 30
September 2012**

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Multiplex Resources (Kazakhstan) Limited

Annual report and financial statements for the year ended 30 September 2012

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Directors

The directors of the company who were in office during the year and up to the date of signing the financial statements were

Fabio Sampaio Masotti
José Anselmo Arielo
Joe Ariti

Registered office

The Clock House, 140 London Road, Guildford, Surrey, GU1 1UW

Company Number

03773661

Independent Auditors

PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
1 Embankment Place
London
WC2N 6RH

Multiplex Resources (Kazakhstan) Limited

Annual report and financial statements for the year ended 30 September 2012

Directors' report for the year ended 30 September 2012

The directors present their report and the audited financial statements of the company for the year ended 30 September 2012

Results and dividends

The profit and loss account is set out on page 9 and shows the loss for the year

The company's loss for the financial year is US \$213,699 (2011 US \$594,370)

The directors did not propose the payment of a dividend (2011 nil)

Principal activities

The company's principal activity is the exploration and evaluation of mineral resources. There has been no change in the company's principal activities in the year under review.

Business review, key performance indicators and future developments

The company holds the rights to the Contract for Subsoil Use for the Vostok copper project in southern Kazakhstan. The project covers an area of 60.2 square kilometres, which contains the Vostok 1, 2, 3, 4 and 5 prospects, all of which are located within an area of 6 kilometres by 2 kilometres.

Exploration

The major activities completed during the year comprised

- Completion of a 11 hole diamond drilling program (3679.3 metres, including 2449.4 metres of NQ core) and processing and assay of core received. The results of this program increased the extent of the known copper mineralisation within the global outline at Vostok 1. This outline was constrained by the drilling data reported in the 2011 financial year.
- Completion of two fully cored geotechnical drill holes (191.4 metres) that recovered material from the soft sediment cover on Vostok 1 for detailed geotechnical testing works to advance slope stability analyses,
- Processing and analyses of the samples of half NQ core from this drilling program.

The company has defined an Inferred Mineral Resource reported in accordance to the 2004 edition of the JORC Code for Vostok 1 of 211 million tonnes at 0.44% Cu (at a 0.2% Cu cutoff) and was working towards converting part of this to an Indicated Mineral Resource category.

The short extension to the resource envelope defined in the 2012 drilling program will not significantly affect this resource estimate, but will probably add resources to the current prefeasibility study conceptual open pit developed by SRK Consulting in 2010. No additional resource calculations have been completed to assess the validity of this speculation.

In accordance with the provisions of the group's contract with the government of Kazakhstan, the company lodged an application for the extension of the term of the Subsoil Use Contract No 1230 for an additional two years from 17th September, 2011. The Company received the draft agreement from the Kazakhstani government in writing on 2nd July, 2011, but the necessary agreements, despite constant representations by the company, have not yet been signed.

Multiplex Resources (Kazakhstan) Limited

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On 31 July, 2006, Scarborough Minerals PLC and Danae Resources NL signed a subscription and shareholders' agreement with Vale International S A (formerly known as CVRD International SA, "CVRDI"), one of the world's largest mining groups, under which, Vale International SA subscribed for new shares to give it an 85% interest in the company, with such subscription taking place on 12 June 2007

Following a search for potential investors over a period of more than 12 months, both shareholders entered into a binding agreement for the sale of all of their shares in the company with Sinobo Mining Investments Limited, a Chinese private company, and their subsidiary Mountain Thrive Limited in December, 2011

This agreement was conditional on a range of approvals from the Kazakhstani government and other matters. These approvals were not received during the period of this agreement

As a result, the board made a decision, on 3rd May, 2013

- to immediately cease operations of the Branch and proceed to liquidate the Branch in Kazakhstan
- the termination of the Subsoil Contract
- the liquidation of the Branch, disposal of the Branch's assets, and the performance of all actions necessary under the laws of Kazakhstan in order to effect the liquidation of the branch
- terminate the employment of the Branch's employees
- notification to all creditors
- and complete all legal, financial and tax requirements to liquidate the branch (the interim Balance Sheet, submission to the tax authority and settle the tax liabilities (if any), final liquidation balance sheet and close the bank accounts

In relation to these obligations, the company has informed the relevant Kazakhstani agencies and ministries of the board's decision (letters registered 23rd and 24th May, 2013)

As disclosed above the company is reliant on the principal shareholder, for funding in order to fund its working capital and future obligations. The Company's parent has offered to support the Company and the director's remain confident that additional funding will be obtained from its shareholders with regard to conditions of a letter agreement between the main shareholders signed on 25 November 2011

Competent person's statement

The information contained in this report that relates to mineralisation in relation to the Vostok copper projects is based on information compiled by Dr Steve Hancock, who is a member of the Australasian Institute of Mining and Metallurgy. Dr Hancock has sufficient experience to qualify as a Competent Person for the purposes of the JORC Code and has consented to the inclusion in this report of that information in the form and context in which it appears

The information in this report that relates to Mineral Resources is based on information compiled by Richard Hague who is a Member of The Australian Institute of Geoscientists. Mr Hague is a full-time employee of Vale Exploration PTY Ltd. Mr Hague has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Hague consents to the inclusion in the report of the matters based upon his information in the form and context in which it appears

Multiplex Resources (Kazakhstan) Limited

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Principal risks and uncertainties

Resource exploitation is an environmentally sensitive business. In general the company's view is that environmental factors should form part of the risk assessment and due diligence process prior to any investment and that afterwards the application of good environmental practices is essential to maximise the value of those investments.

Currency risk is also a key focus for the business, a large amount of expenditure is in US Dollars therefore the business seeks to keep the majority of its cash in US Dollars to match its obligation.

MRK Ltd is a subsidiary of Vale International SA. The reporting of risks and uncertainties is undertaken at a group level and discussed in the group's annual report (see note 15).

Directors

The directors who served during the year are set out below:

Fabio Sampaio Masotti	(appointed 30 April 2009)
José Anselmo Arielo	(appointed 2 July 2008)
Joe Ariti	(appointed 26 June 2009)

No director held any interest in the share capital of the company at any time during the year.

Statement of directors' responsibilities

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently,
- make judgements and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Multiplex Resources (Kazakhstan) Limited

Annual report and financial statements for the year ended 30 September 2012

Independent Auditors

Each of the directors in office at the date of approval of this report confirms that

- so far as the directors are aware there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant information and to establish that the company's auditor is aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 (1) to (4) of the Companies Act 2006

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office, and a resolution that they be re-appointed will be proposed at the annual general meeting

On behalf of the Board



Director

FABIO SAMPAIO MASOTTI

Date 24 July 2013

Multiplex Resources (Kazakhstan) Limited

Annual report and financial statements for the year ended 30 September 2012

Independent auditors' report

To the members of Multiplex Resources (Kazakhstan) Limited

We have audited the financial statements of Multiplex Resources (Kazakhstan) Limited for the year ended 30 September 2012 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the Statement of directors' responsibilities set out on page 5 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to give any other person to whom this report is shown or into whose hands it may come save where expressly agree by our prior consent in writing.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 30 September 2012 and of its loss and cash flows for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

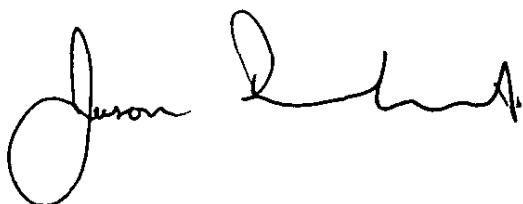
Multiplex Resources (Kazakhstan) Limited

Annual report and financial statements for the year ended 30 September 2012

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Jason Burkitt (Senior Statutory Auditor)
For and behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

29 July 2013

Multiplex Resources (Kazakhstan) Limited

Annual report and financial statements for the year ended 30 September 2012

Profit and Loss Account for the year ended 30 September

	Note	2012 US\$	2011 US\$
Administrative expenses		(212,130)	(587,766)
Foreign exchange loss		-	(4,820)
Operating loss	3	<u>(212,130)</u>	<u>(592,586)</u>
Interest payable and similar charges		(1,569)	(1,784)
Loss on ordinary activities before taxation		<u>(213,699)</u>	<u>(594,370)</u>
Tax on loss on ordinary activities		-	-
Loss for the financial year		<u>(213,699)</u>	<u>(594,370)</u>

All amounts refer to continuing activities

The notes on pages 12 to 18 form part of these financial statements

The company had no recognised gains or losses during the year other than those reflected in the profit and loss account above and therefore, no separate statement of total recognised gains and losses has been presented

There is no difference between the result as reported and its historical cost equivalent

Multiplex Resources (Kazakhstan) Limited

Annual report and financial statements for the year ended 30 September 2012

Balance Sheet as at 30 September

	Note	2012 US\$	2011 US\$
Intangible Fixed assets	5	11,173,136	10,043,801
Current assets			
Debtors	6	-	38,008
Cash at bank and in hand	7	240,591	186,179
Total current assets		240,591	224,187
Creditors amounts falling due within one year	8	(9,240,225)	(7,880,787)
Net current liabilities		(8,999,634)	(7,656,600)
Total assets less current liabilities		2,173,502	2,387,201
Capital and Reserves			
Called up Share Capital	10	79	79
Share premium account	11	6,104,644	6,104,644
Profit and loss account	11	(3,931,221)	(3,717,522)
Total shareholders' funds		2,173,502	2,387,201

The financial statements of Multiplex Resources (Kazakhstan) Limited, registration number 03773661 on pages 9 to 11 and accompanying notes on pages 12 to 18 were approved by the Board of Directors and authorised for use on 24 July 2013 and were signed on its behalf by



Fabio Sampaio Masotti
Director

Multiplex Resources (Kazakhstan) Limited

Annual report and financial statements for the year ended 30 September 2012

Cash flow statement for the year ended 30 September

	2012 US\$	2011 US\$
Operating activities		
Operating profit / (Loss)	(212,130)	(592,586)
<i>Adjustments to reconcile operating profit to net cash flow from operating activities</i>		
(Increase) / decrease in trade and other receivables	36,439	6,133
Increase / (decrease) in trade and other payables	(12,474)	(202,786)
Cash generated from operations and net cash flow from operating activities	(188,165)	(789,239)
Investing activities		
Exploration, evaluation and development costs capitalised	(1,005,461)	(1,027,391)
Net cash flow from capital expenditure	(1,005,461)	(1,027,391)
Financing activities		
Increase in loan from group undertaking	1,248,038	1,766,746
Net cash flow from financing activities	1,248,038	1,766,746
(Decrease) / increase in cash and cash equivalents	54,412	(49,884)
Cash and cash equivalents at the beginning of the period	186,179	236,063
Cash and cash equivalents at the balance sheet date	240,591	186,179

Multiplex Resources (Kazakhstan) Limited

Annual report and financial statements for the year ended 30 September 2012

Notes to the financial statements

1. Accounting policies

These financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year are set out below.

Going concern

The financial statements have been prepared on the going concern basis. In reaching their conclusion that it is appropriate to prepare the financial statements on this basis, the directors have considered the matters below.

On 31 July, 2006, Scarborough Minerals PLC and Danae Resources NL signed a subscription and shareholders' agreement with Vale International SA (formerly known as CVRD International SA, "CVRDI"), one of the world's largest mining groups, under which, Vale International SA subscribed for new shares to give it an 85% interest in the company, with such subscription taking place on 12 June 2007.

Following a search for potential investors over a period of more than 12 months, both shareholders entered into a binding agreement for the sale of all of their shares in the company with Sinobo Mining Investments Limited, a Chinese private company, and their subsidiary Mountain Thrive Limited in December, 2011.

This agreement was conditional on a range of approvals from the Kazakhstani government and other matters. These approvals were not received during the period of this agreement.

As a result, the board made a decision, on 3rd May, 2013

- to terminate exploration activities on the project, and
- to start the process of cancellation of the Subsoil Use Contract with the Kazakhstani Government, and
- to complete its obligations in relation to the rehabilitation of the site, disposal of core, samples and other physical assets, and
- to report all technical data to the government as required by its contract obligations, and
- to close the Almaty Branch Office, and then
- to wind up the company.

In relation to these obligations, the company has informed the relevant Kazakhstani agencies and ministries of the board's decision (letters registered 23rd and 24th May, 2013), and it has prepared a draft technical program for the necessary liquidation of activities completed on and around the Vostok prospects/deposits.

These rehabilitation works will be completed in accord with the requirements of the Subsoil Use Contract and the company expects that the completion of these works will take a considerable time and require significant on-going expenditures.

The final scope of these works will only be known after approval of the draft program with the Kazakhstani authorities.

The exploration data collected under the Subsoil Use Contract since 2003 will then be handed to the state, as required by legislation in Kazakhstan, and the branch in Kazakhstan, that operated the Vostok Copper Project since its inception in 2003, will be liquidated.

Multiplex Resources (Kazakhstan) Limited

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The settlement of these Kazakhstani obligations will clear the way for the board to de-register the company in London

As disclosed above the company is reliant on the principal shareholder, for funding in order to fund its working capital and future obligations. The Company's parent has offered to support the Company and the director's remain confident that additional funding will be obtained from its shareholders with regard to conditions of a letter agreement between the main shareholders signed on 25 November 2011

Cash flow statement

The Cash flow statement has been prepared as MRK Ltd is an 85% subsidiary of VALE group and as such, is not exempt from preparing a cash flow statement as per revised FRS 1(revised 1996 'cash flow statement')

Foreign currency

The functional currency of the company is in US Dollars

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction

Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date

Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the profit and loss account

Deferred taxation

The charge for taxation is based on the profit for the year and takes into account deferred taxation

Current tax is measured at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date except that the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences

Deferred tax balances are not discounted

Multiplex Resources (Kazakhstan) Limited

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Accounting policies (continued)

Exploration and evaluation expenditure

Costs arising from exploration and evaluation activities are defined as an intangible asset and are accumulated separately for each area of interest and are only carried forward where such costs are expected to be recouped through successful development, or through sale, or where exploration and evaluation activities have not, at the reporting date, reached a stage to allow a reasonable assessment regarding the existence of economically recoverable reserves. Such expenditure comprises net direct costs and an appropriate allocation of indirect expenditure. Accumulated costs in respect of areas of interest are written off in the income statement when the above criteria do not apply or when the directors assess that the carrying value may exceed the recoverable amount. Costs carried forward in respect of an area of interest that is abandoned are written off in the period in which the decision to abandon is made.

If it is decided to develop the area to which the intangible relates, exploration expenditure is transferred to tangible fixed assets.

Amortisation

Once production commences, carried forward expenditure in respect of an area of interest is amortised on a unit of production basis by reference to the reserves of that area of interest.

Rehabilitation costs

Where exploration and evaluation activity gives rise to a liability that meets appropriate recognition criteria, the cost is carried forward as described above. The capitalised cost is amortised upon commencement of production on a unit of production basis.

Impairment

The company determines whether the carried forward exploration, evaluation and development costs are impaired at least at each financial reporting date. This requires an estimation of the remaining reserves and mine life and assumptions about the success of the company's exploration pursuits in order to estimate the recoverable amount of the cash-generating unit.

Multiplex Resources (Kazakhstan) Limited

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2. Directors and employees

The directors were not directly remunerated for their services by the company. Of total staff costs 44% (2011 44%) were directly attributable to exploration activities and have been capitalised during the year.

	30 Sept 2012 US\$	30 Sept 2011 US\$
Staff costs consist of		
Wages and salaries	370,528	364,726
Social security costs	41,223	46,244
	<u>411,751</u>	<u>410,970</u>

The average number of employees, including directors, during the year was 8 (2011 – 8)

3. Operating loss

	30 Sept 2012 US\$	30 Sept 2011 US\$
This is arrived at after charging		
Auditors' remuneration	52,853	48,938
Exchange losses/(gains)	-	4,820
	<u>-</u>	<u>4,820</u>

4. Taxation on loss on ordinary activities

The tax assessed for the year is different than the standard rate of corporation tax in the UK. The differences are explained below.

	30 Sept 2012 US\$	30 Sept 2011 US\$
Loss on ordinary activities before tax	<u>(213,699)</u>	<u>(594,370)</u>
Loss on ordinary activities at the standard rate of corporation tax in the UK of 24.5% (2011 – 26.5%)	(52,356)	(159,584)
Effects of		
Losses carried forward	52,356	153,550
Expenses not deductible for tax purposes	-	6,034
Current tax charge for year	<u>-</u>	<u>-</u>

Multiplex Resources (Kazakhstan) Limited

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4. Tax on loss on ordinary activities (continued)

The main UK corporation tax rate was reduced from 26% to 24% with effect from 1 April 2012. A further reduction to 23% was enacted on 17 July 2012. On the basis the Company does not have any recognised deferred tax assets or liabilities at the balance sheet date, no remeasurement of these balances is necessary.

A further reduction to the UK corporation tax rate has been announced. The change proposes to reduce the rate to 22% from 1 April 2014. The change had not been substantively enacted at the balance sheet date and, therefore, is not recognised in these financial statements.

5. Intangible fixed assets

	2012 US\$	2011 US\$
Exploration and evaluation expenditure		
<i>Cost and net book value</i>		
Opening net book value	10,043,801	9,016,410
Additions	1,129,335	1,027,391
At 30 September	11,173,136	10,043,801

As stated in the Director's report on page 4, the decision through a board resolution to wind up the branch was made on 3rd of May 2013. This will result on an impairment of US\$11,173,136 in the Balance Sheet FY 2013. Refer to note 16 for further details.

6 Debtors

	30 Sept 2012 US\$	30 Sept 2011 US\$
Prepayments/ Advance on drillings	-	38,008
	-	38,008

All amounts shown under debtors fall due for payment within one year or are due on demand.

7. Cash at bank and in hand

	30 Sept 2012 US\$	30 Sept 2011 US\$
Cash at bank and in hand	240,591	186,179

8 Creditors: amounts falling due within one year

	30 Sept 2012 US\$	30 Sept 2011 US\$
Trade creditors	26,244	114,237
Amounts owed to group undertakings	7,489,436	6,241,395
Amounts owed to related parties	1,358,074	1,358,073
Accruals	344,471	167,082
Unused leave	22,000	-
	9,240,225	7,880,787

Amounts owed to group undertakings are interest free and unsecured.

Multiplex Resources (Kazakhstan) Limited

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9. Analysis of net debt

	As at 1 October 2011 US\$	Cash flow US\$	As at 30 September 2012 US\$
Cash at bank and in hand	186,179	54,412	240,591
Amounts owed to group undertakings	(6,241,395)	(1,248,038)	(7,489,433)
Amounts owed to related parties	(1,358,073)	-	(1,358,073)
Net debt	(7,413,289)	(1,193,626)	(8,606,915)

10 Called up share capital

	30 Sept 2012 Number	30 Sept 2011 Number	Authorised 30 Sept 2012 US\$	30 Sept 2011 US\$
Ordinary class A shares of £1 each	6	6	12	12
Ordinary class B shares of £1 each	34	34	67	67
	40	40	79	79

	30 Sept 2012 Number	30 Sept 2011 Number	Allotted and fully paid 30 Sept 2012 US\$	30 Sept 2011 US\$
Ordinary class A shares of £1 each	6	6	12	12
Ordinary class B shares of £1 each	34	34	67	67
	40	40	79	79

11. Reserves

	Share premium account US\$	Profit and loss account US\$
At 30 September 2010	6,104,644	(3,123,152)
Loss for the year	-	(594,370)
At 30 September 2011	6,104,644	(3,717,522)
Loss for the year	-	(213,699)
At 30 September 2012	6,104,644	(3,931,221)

12. Reconciliation of movements in shareholders' funds

	30 Sept 2012 US\$	30 Sept 2011 US\$
Loss for the financial year	(213,699)	(594,370)
Net (reduction) to shareholders' funds	(213,699)	(594,370)
Shareholders' funds at start of year	2,387,201	2,981,571
Shareholders' funds at end of year	2,173,502	2,387,201

Multiplex Resources (Kazakhstan) Limited

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13. Contingent liabilities

There were no contingent liabilities at 30 September 2012 (2011 – US \$Nil)

On 8 November 2010, the Company signed an agreement with the Government of Kazakhstan, for the extension of the Subsoil Use Contract No 1230 for an additional two years to 17 September 2011. As per terms of the extension, the company is committed to spend US\$2,000,000 during the extension period. The company has commenced the process of cancellation of the Subsoil Use Contract with the Kazakhstani Government. This may result in further liabilities, the amount of which is not yet determinable.

14. Transactions with related parties

VALE advanced US\$1,248,038 cash in the year to 30 September 2011 in order that the company could fund the branch operations in Kazakhstan (2011 US\$1,766,749)

VALE invoiced MRK CHF 12,279 00 (2011 CHF 15,742 25) for accounting services provided in the year

Mineral Securities (UK) Ltd invoiced MRK GBP £30,000 for accounting services provided in the year (2011 £30,000)

15. Ultimate parent undertaking

Vale International SA, a company registered in Brazil, is the parent undertaking of the largest group of undertakings to consolidate these financial statements. The consolidated financial statements of Vale International SA are available from the company's registered office at Route de Pallatex 29, 1162 St-Prex, Switzerland.

Vale SA, a company registered in Switzerland, is the parent undertaking of the smallest group of undertakings to consolidate these financial statements. The consolidated financial statements of Vale SA can be obtained from the company's registered office at Avenida Graça Aranha, 20005-900, Rio de Janeiro, Brazil.

16. Post balance sheet events

The decision through a board resolution to wind up the branch was made on 3rd of May 2013. This will result on an impairment of intangibles of US\$11,173,136 in the Balance Sheet for FY 2013 (see Director's report and note 5).