

The Mining Company Arctic Amethyst Ltd

ANNUAL REPORT 1.6.2015 - 31.5.2016

The Mining Company Arctic Amethyst Ltd is a private company that owns the Lampivaara mining district located on top a fell in Pyhä-Luosto travelling area close to Luosto recreation center. The Mining Company operates under the mining laws and is enforced by the Safety Technology Authority. Even if the Mine is a real gem mine the operation model of the company differs from most mines. According to the strategic plan from year 1994 The Mining Company is not in raw-material business. Even if the amethyst deposit in Lampivaara is considered to be richest in Europe and even if there is demand for the stones as raw-material, unpolished stones are sold only in small quantities to collectors and travelers. The mining work is mainly manual, used tools are shovels and sieves. Big digging machines are used only occasionally to remove the side rocks in order to uncover the deposits. The disclosed amethyst stones are locally refined into jewelry and other amethyst objects.

All products of the company are based to the mining mineral defined in the documents of the mining right: gemstone amethyst. The main channel for product marketing and sales is experience travel. Annually about 20 000 national and international travelers visit the Amethyst Mine. The Mining Company Arctic Amethyst offers the visiting groups and individual tourists amethyst related experiences in authentic mine environment and sells its products either directly to clients or via tour operators and partner companies.

The Mining Company Arctic Amethyst Ltd is owned by about 2500 private persons or small companies. Most owners have one A-share. A-series share certificates are original graphics. About one hundred owners have K-shares with more voting power but no exquisite certificates. The board members together have been representing the voting majority in the company. According to company's decision A-shares are available to anyone who is interested to own a piece of the sustainable gem mine. In sale there are five etchings from four artists. There is also now an ongoing issue of K-shares for present shareholders.

During the fiscal year the turnover grew 17% compared to previous year. The main source was the growth of the number of international visitors during winter season. During the fiscal year a new strategic plan was made for the company. On basis of the plan started a development project that aims to improve the customer management, to focus the marketing communication and with service design methods to increase the unforgettable elements in company's experience products. The long pending project to build a new business center to Luosto started in summer. The Mining company will get the new premises in January 2017.

During the last fiscal period 1.6.2015-31.5.2016 the company made after depreciations and taxes a profit of 6 594,05” The board proposes that the financial result will be added to own capital and that no dividend will be paid.

At Luosto 20th September 2016

The Board

The Mining Company Arctic Amethyst Ltd

INCOME STATEMENT

	1.6.2015-31.5.2016		1.6.2014-31.5.2015	
<b>TURNOVER</b>		<b>532 943,63</b>		<b>456 762,76</b>
<b>OTHER INCOME</b>		<b>0,00</b>		<b>34 283,00</b>
<b>MATERIAL AND SERVICES</b>				
Purchases	-59 575,08		-45 369,20	
Variation in stocks	1 338,67	-58 236,41	-1 064,82	-46 434,02
External services		-4 899,08		-27 174,30
<b>MATERIAL AND SERVICES TOT</b>		<b>-99 135,49</b>		<b>-73 608,32</b>
<b>PERSONNEL COST</b>				
Wages and salaries		-190 02,40		-170 673,09
Pension expenses	-36 879,08		-38 986,34	
Other social security expenses	-6 080,24	-42 959,32	-2 848,07	-41 834,41
<b>PERSONNEL COST TOT</b>		<b>-233 761,72</b>		<b>-212 507,50</b>
<b>DEPRECIATION AND REDUCTION IN VALUE</b>				
Depreciation according to plan		-33 245,08		-33 474,78
<b>OTHER OPERATING EXPENSES</b>		<b>-151 245,60</b>		<b>-163 264,01</b>
<b>OPERATING PROFIT</b>		<b>15 555,74</b>		<b>8 191,15</b>
<b>Financial income and expenses</b>				
Interest income and other financial income	5,25		46,75	
Interest and other financial expenses	-7 068,49	-7 068,49	-6 939,21	-6 892,46
<b>PROFIT BEFORE TAXES</b>		<b>8 492,50</b>		<b>1 298,69</b>
<b>Income taxes</b>		<b>-1 898,45</b>		<b>-158,96</b>
<b>PROFIT OF THE FINANCIAL YEAR</b>		<b>6 594,05</b>		<b>1 139,73</b>

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<b>BALANCE SHEET</b>	<b>31.5.2016</b>		<b>31.5.2015</b>	
<b>ASSETS</b>				
<b>PERMANENT ASSETS</b>				
<b>Immaterial assets</b>				
Immaterial rights	84 093,96		84 093,96	
Other long term costs	<u>46 244,28</u>	130 338,24	<u>42 522,17</u>	126 516,13
<b>Material assets</b>				
Buildings and constructions	108 851,96		106 360,01	
Machines and equipments	<u>94 002,51</u>	202 854,47	<u>100 543,67</u>	206 903,68
Investments				
Shares		<u>31 449,10</u>		<u>31 061,90</u>
<b>PERMANENT ASSETS TOTAL</b>		<b><u>364 641,81</u></b>		<b><u>364 481,71</u></b>
<b>FLOATING ASSETS</b>				
<b>Current assets</b>				
Materials and supplies	217 835,00		226 300,00	
Unfinished products	16 395,20		14 122,96	
Finished products	<u>32 649,37</u>	<b>266 879,57</b>	<u>25 117,94</u>	<b>265 540,90</b>
<b>Current receivables</b>				
<b>Long term</b>				
Loan receivables		2 536,61		2 536,61
<b>Short term</b>				
Sales receivables	11 238,64		4 983,9	
Other receivables	9 118,10		9 227,58	
Accrued income	4 295,09	24 651,83	57 960,53	72 172,01
Receivables total		<u>27 188,44</u>		<u>74 708,62</u>
<b>Cash in hand and at bank</b>		<b><u>13 338,65</u></b>		<b><u>21 801,27</u></b>
<b>FLOATING ASSETS TOTAL</b>		<b>307 406,66</b>		<b>362 050,79</b>
<b>ASSETS TOTAL</b>		<b><u>672 048,47</u></b>		<b><u>726 532,50</u></b>
<b>LIABILITIES</b>				
<b>CAPITAL</b>				
Share capital		339 462,59		339 462,59
Share issue		4 000,00		0,00
Reserve fund		112 713,79		112 713,79
Other funds		17 663,39		17 663,39
Profit / loss previous periods	4 274,01		3 134,28	
Profit / loss current period	6 594,05	10 868,06	1 139,73	4 274,01
<b>TOTAL CAPITAL</b>		<b><u>484 707,83</u></b>		<b><u>474 113,78</u></b>
<b>BORROWED CAPITAL</b>				
<b>Long term</b>				
Loans from financial institutions		<b>103 446,00</b>		<b>133 718,00</b>
<b>Short term</b>				
Bank loans	30 272,00		30 272,00	
Accounts payable	4 960,01		18 674,79	
Other short term debts	35 789,03		55 540,70	
Accrued costs	<u>12 873,60</u>	<b>83 894,64</b>	<u>14 213,23</u>	<b>118 700,72</b>
<b>BORROWED CAPITAL TOTAL</b>		<b>187 340,64</b>		<b>252 418,72</b>
<b>LIABILITIES TOTAL</b>		<b><u>672 048,47</u></b>		<b><u>726 532,50</u></b>