

Natural Resources Holdings Ltd.

Report of the Board of Directors

For the six-month period ending on June 30, 2017

The Board of the Company is pleased to present the Report of the Board of Directors about the activity of the Company (hereinafter in this report: “the Company”) for the six-month period ending on June 30, 2017 (hereinafter: “the Reporting period”) pursuant to the Security Regulations concerning Ad hoc and periodic reports) 5730-1970 (hereinafter: “Reports Regulations”), including Section 39 (a) of these provisions. The Report of the Board of Directors for the Reporting period is limited, it’s in scope and it is prepared on the assumption that the 2016 periodic report is available to its readers.

In the Report of the Board, the meanings given to terms in the Periodic Report shall be attributed to the terms appearing therein in the Periodic Report for the year 2016, as published by the Company on the date of March 31, 2017 (reference: 2017-01-034758, hereinafter: “**the Periodic Report**”), unless specifically stated otherwise.

1. Brief description of the Company and of the business environment

The Company is active in the field of natural resources, by investing in natural resources directly or through companies which they hold.

The Company is a small corporation, as defined by this term in Regulation 5C of the Reports Regulations. The Board of the Company examined the cumulative conditions mentioned in Regulation 5C of the Reports Regulations, and arrived at the opinion that these conditions for their qualification as “Small Corporation” apply, therefore deciding to apply for the Company all the reliefs which are included in the Reports Regulations, as long as they are relevant to the company.

2. Profit and Loss Reports

	For the two-month period that ended on June 30	For the year that ended on December 31,	
	2017	2016	2016
	Unaudited		Audited
	in thousands of US dollars		
Management and general expenses	82	76	133
Increase in the value of fixed assets - mineral assets	-	-	2,500
Operational Profit (Loss)	82	76	2,367
Net Financing Expenses	(16)	(10)	(22)
Profit (Loss)	(98)	(86)	2,345

Analysis of the business results

- **Administrative and general expenses** - The general and administrative expenses consist primarily of professional services (auditing and legal fees, and the Directors 'salaries) and of the remuneration of officers.
- **Net financing costs** - The financing costs during the Reporting period amounted to approximately \$16,000, as compared to \$10,000 for the same period last year. Most of the costs derive from the deduction of the discount of the Controlling Shareholder.
- **For the Reporting period**, a loss of \$98,000 resulted, which was caused mainly by the general and administrative expenses.

3. Financial status, liquidity and financing sources

Financial status - main data:

	for June 30		for December 31
	2017	2016	2016
	Unaudited		Audited
	in thousands of US dollars		
Current Assets:	121	19	9
Non - Current Assets	7,877	5,377	7,877
	7,998	5,396	7,886
CURRENT LIABILITIES	189	323	370
Capital	7,809	5,073	7,516
	7,998	5,396	7,886

The report sections concerning the financial status:

Below is a review of the main sections in the report regarding the financial status

- A. Current assets** - The current assets balance as of June 30, 2017 amounts to \$121,000, as compared to \$9,000 on December 31, 2017. Most of the current assets as of June 30, 2017 consist of cash in the amount of \$91,000. Most of the increase as of June 30, 2017 is due to the issuance of shares to a third party during this period, to the amount of \$271,000, minus the payments to service providers.
- B. Non-Current Assets** - the balance of non-current assets on June 30, 2017 and on December 31, 2016 amounts to \$7,877,000. The non-current assets on June 30, 2017 are investments in mineral assets. The main property is the iron deposit Suni, in the amount of \$7,500,000.

- C. **Current Liabilities** - The balance of current liabilities as of June 30, 2017 amounts to a total of \$189,000 as compared with \$370,000 on December 31, 2016. The current liabilities as at June 30, 2017 consist of the balance of payables and other payables \$189,000, mainly costs of professional services (legal fees and Directors' salaries). The decrease as of June 30, 2017 results from the payments made during the reporting period to service providers to the Company.

The General Assembly of Shareholders of the Company approved the receipt of a line of credit from the Controlling Shareholder in the amount of up to \$400,000 (hereinafter: "the Line of credit"), which will be used for the Company's current operations, as necessary.

A Line of credit will be provided for the Company's use, from time to time, in accordance with their current needs and subject to a decision to be made by the Company's auditing committee. The Line of credit, as well as any loan extended to the Company when this is exhausted, will be linked to the dollar and will not bear any interest. The Credit Line will be for the Company's use for a period of up to two years from the date of the general assembly's approval of the transaction.

The rest of the loans created through the line of credit will be subject to the following provisions:

- Against the repayment of the balance of the loans that were drawn within the line of credit, as will be from time to time (or any part thereof) the Company shall allot shares to the Controlling Shareholder at a conversion rate of 0.83 NIS per share. The dates for conversions of loans to shares and for the allotment of shares to the Controlling Shareholder will be determined by the Audit Committee of the Company at their sole discretion as stated herein. It should be clarified in this context that the Company will allot to the Controlling Shareholder the shares to which they are entitled and act so as they are listed for trading on the stock exchange in up to 7 phases. Accordingly, the Company will not be obligated to allot shares to the Controlling Shareholder and will not be required to turn to the Securities Stock Exchange with more than two requests for listing for the trading of the balance of shares to which the Controlling Shareholder is entitled following the use of the line of credit.
- To clarify, the right to make a decision about converting the rest of the loans that were deducted from the line of credit (as it is from time to time or part of thereof) to shares in the Company will not be given to the Controlling Shareholder (including to anyone to whom the Controlling Shareholder will assign the commitment to provide the Company with a line of credit), as this is a right granted to the Company, and any decision on this matter will be made by the Company's Audit Committee.
- Any balance remaining from the loans at the end of 24 months from the time of the approval by the shareholders' General Assembly will be converted at that date to Company shares at the conversion rate mentioned above.

For the purpose of calculating the conversion rate, a sum in dollars placed by the Controlling Shareholder will be calculated based on the representative dollar exchange rate, as it is known on the date of the resolution from the Board of Directors to approve the transaction (April 26, 2017), and which stands at 3.648 NIS per dollar.

In the event of a complete usage of the line of credit by the Company (\$400,000), and in accordance with the representative dollar rate as detailed above (3.648 NIS), the maximum amount of shares that can be allotted to the Controlling Shareholder of the Company in connection to the aforementioned line of credit is 1,758,072 regular shares of the Company.

If the Controlling Shareholder assigns to other parties their commitment to provide a line of credit as detailed above, they are allowed to transfer their rights to receive shares against the payment of the line of credit, as detailed above, as long as this does not prejudice what has been detailed above.

To remove any doubt, the allotment of shares to the Controlling Shareholder against a line of credit or any part thereof will not require an additional approval from the shareholders in a General Assembly; the shareholder's approval, if achieved by the required majority during an Assembly convened on this matter,

constitutes approval and agreement to allot the said shares up to the maximum ceiling of 1,758,072 shares (and under assumption of complete usage of the line of credit).

As of the approval date of the Financial Statements, the Company has not allotted shares for this line of credit.

D. The capital

The capital on June 30, 2017 amounts to \$7,809,000.

Below is the itemization of the changes in capital during the Reporting period:

- A loss for the six-month period ending on June 30, 2017 in the amount of \$98,000.
- Issuance of stock capital in the amount of \$271,000 in a private placement of securities - see Note 4 to the Financial Statements.
- Allotment of shares to the Controlling Shareholder in the amount of \$120,000 within the framework of usage of the balance of a previous line of credit, extended to the Company by the Controlling Shareholder - see Note 3 to the Financial Statements.

Liquidity and financing resources

On June 30, 2017 the company has a deficit in the working capital of approximately \$68,000. In addition, in the six-month period ending on June 30, 2017, the Company incurred a loss of approximately \$98,000 and a negative cash flow from operating activities in the amount of \$189,000. The company finances their operation by loans from their owners (on June 30, 2017 the cash balance and liquidity amounted to approximately \$91,000). As at the date of approval of the Financial Statements, the Company does not have the resources required for them to continue their current operations in the foreseeable future. For the approval of the Company's General Assembly of the receipt of a line of credit from the Company's Controlling Shareholder, see Note 6 to the Company's Financial Statements for June 30, 2017.

The Company's ability to repay their liabilities and the continuation of their operation is dependent on the realization of the plans drawn up by management and by the board of directors to strengthen the financial status of the Company through capital raised by merger and/or through loans from shareholders.

These factors raise significant doubts about the continued existence of the Company as a live business. The Financial Statements did not include all the adjustments related to the values of the assets, the liabilities and their classification that may be required if the Company will not be able to continue operating as a going concern.

On this matter, see also the remarks made in the auditor's review report of the Company's Financial Statements as at June 30, 2017.

4. Directors with accounting and financial expertise

Effective on the report date, there were no changes to decide the minimum number of required directors with financial and accounting expertise, as per the content of the periodic report. For further details regarding the appropriate minimum number determined by the Company's Board of Directors, please see the chapter on the Directors' Report in the Periodic Report of the Company for the year 2016.

5. Independent directors

At the report date the company has not adopted in their by-laws a provision regarding the number of directors who are independent, as defined in Section 219E of the Companies Law.

7. The Internal Auditor

There is no change as compared with the details in the Periodic report of the Board of Directors.

8. Compensation to interest owners and senior positions holders

There is no change as compared with the details in the Report of the Board of Directors from December 31, 2016.

9. Contributions

There were no material changes in the Reporting period on this matter in relation to the data included in the periodic report.

10. A qualitative report on the exposure to market risks and their management

There were no material changes regarding the exposure to market risks and their management, as compared to those detailed in the Periodic Report.

Eran Mazor
Director, CFO and Company
Secretary

Roy Sabag
CEO and Chairman of
the Board

Date: August 28, 2017.

Natural Resource Holdings Ltd.

Summary of Consolidated Interim Financial Statements

for June 30, 2017

(Unaudited)

in thousands of dollars

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Tel: + 972 (3) 623 7777
Fax: + 972 (3) 561 3824
Email: slcpa@slcpa.co.il
Web: www.slcpa.co.il

Report of the Auditor to the shareholders of Natural Resources Holdings Ltd.

Introduction

We have reviewed the accompanying financial information of Natural Resources Holdings Ltd. and of their subsidiaries (hereinafter "the Group"), which includes the summarized consolidated statement of financial status as of June 30, 2017, and the summarized consolidated statements of total income, the changes in shareholders' equity and the cash flows for the six-month period then ended on the same date.

The Board of Directors and Management are responsible for the preparation and presentation of this interim financial information, in accordance with "IAS34 Interim Financial Reporting" and are also responsible for the preparation of the interim financial information for this interim period pursuant to Chapter D of the Securities Regulations (Periodic and Ad hoc Reports) 5730 - 1970. Our responsibility is to formulate a conclusion on the financial information for this interim period based on our review.

Scope of the review

We conducted our review in accordance with Review Standard 1 of the Institute of Certified Public Accountants in Israel - "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of the interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and of applying analytical and other review procedures. A review has a substantially smaller scope than an audit conducted in accordance with generally accepted auditing standards in Israel, and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an opinion on the audit.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with IAS34.

In addition to the above and based on our review, nothing has come to our attention that causes us to believe that the accompanying financial information does not comply, in all material aspects, with the disclosure requirements of Chapter D of the Securities Regulations (Periodic and Ad Hoc Reports) 5730 - 1970.

Without prejudice to the above conclusion, we draw your attention to clarification 1B to the Financial Statements regarding the Company's financial status. On June 30, 2017 the company has a working capital deficit of approximately \$68,000. In addition, in the six-month period that ended on June 30, 2017, the Company incurred a loss of approximately \$98,000 and a negative cash flow from operating activities in the amount of \$189,000. In the opinion of the Company's management, and in view of the low expectations in terms of revenues to be obtained from the business operations by the Company in the normal course of business, the cash balance in the Company's accounts do not provide for a continuation of the ongoing operations of the Company in the foreseeable future. The ability of the Company to repay their liabilities and continue their operation is conditional upon the plans of the company to raise additional financial resources. These factors, along with additional factors detailed in Note 1B, raise significant doubts regarding the Company's continued existence as a going concern. The Financial Statements did not include all the adjustments related to the values of the assets, the liabilities and their classification that may be required if the Company will not be able to continue operating as a going concern.

Straus, Lazar and Assoc.
Accountants

Tel Aviv, August 28, 2017

Natural Resource Holdings Ltd.

Consolidated statements of the financial status

	June 30		December 31
	2017	2016	2016
	Unaudited		Audited
	in thousands of US dollars	in thousands of US dollars	in thousands of US dollars
<u>Current Assets:</u>			
Cash and cash equivalents	91	18	9
Receivables and debit balances	30	1	--
	121	19	9
<u>Non-current assets:</u>			
Fixed Assets - Mineral Assets	7,877	5,377	7,877
	7,998	5,396	7,886
	=====	=====	=====
<u>CURRENT LIABILITIES</u>			
Accounts Payable	189	221	267
Loan from Controlling Shareholder	--	102	103
	189	323	370
	-----	-----	-----
<u>Equity</u>			
Stock capital	3,387	3,383	3,383
Premium on shares	21,187	20,800	20,800
A fund in respect of a transaction with a Controlling Shareholder	133	121	133
Balance of loss	16,898	19,231	16,800
	7,809	5,073	7,516
	-----	-----	-----
	7,998	5,396	7,886
	=====	=====	=====

David Tomer
External
Director

Roy Sabag
CEO and Chairman of
the Board

Eran Mazor
Director, CFO and Company
Secretary

August 28, 2017

Date of approval of the Financial Statements

The accompanying notes are an integral part of the Financial Statements.

Natural Resource Holdings Ltd.
Consolidate statements about the total profit

	For the six-month period that on June 30		For the year ending on December 31
	<u>2017</u>	<u>2016</u>	<u>2016</u>
	<u>Unaudited</u>		<u>Audited</u>
	<u>in thousands of US dollars</u>	<u>in thousands of US dollars</u>	<u>in thousands of US dollars</u>
Management and general expenses	82	76	133
Increase in the value of fixed assets - mineral assets	==	==	<u>2,500</u>
Income (loss) from ordinary operations	82	76	2,367
Financing costs	<u>(16)</u>	<u>(10)</u>	<u>(22)</u>
Net profit (Loss)	(98)	(86)	2,345
Total of other profit	==	==	==
Total of Profit (loss)	(98)	(86)	2,345
	=====	=====	=====
Basic profit (loss) diluted per share (in US dollars)	(0.008)	(0.007)	0.19
	=====	=====	=====

The accompanying notes are an integral part of the Financial Statements.

Natural Resource Holdings Ltd.

Consolidated statements about the changes in equity

			Fund for		
	<u>Stock capital</u>	<u>Premium Shareholder</u>	<u>Deal with Controlling Shareholder</u>	<u>Balance of loss</u>	<u>Total Equity</u>
	<u>in thousands of US dollars</u>	<u>in thousands of US dollars</u>	<u>in thousands of US dollars</u>	<u>in thousands of US dollars</u>	<u>in thousands of US dollars</u>
For the six-month period that ended June 30, <u>2017 (Unaudited)</u>					
Balance as at January 1, 2017	3,383	20,800	133	16,800	7,516
Loss	--	--	--	(98)	(98)
Issuance of stock capital	3	268	--	--	271
Stock allocation to the Controlling Shareholder	1	119	--	--	120
Balance as at January 30, 2017	3,387	21,187	133	(16,898)	7,809
	=====	=====	=====	=====	=====
For the six-month period that ended June 30, <u>2016 (Unaudited)</u>					
Balance as at January 1, 2016	3,383	20,800	107	(19,145)	5,145
Loss	--	--	--	(86)	(86)
Capital benefit from a deal with a Controlling Shareholder	--	--	14	--	14
Balance as at June 30, 2016	3,383	20,800	121	19,231	5,073
	=====	=====	=====	=====	=====
For the year ending <u>on December 31, 2016 (Audited)</u>					
Balance as at January 1, 2016	3,383	20,800	107	(19,145)	5,145
Net Income	--	--	--	2,345	2,345
Capital benefit from a deal with a Controlling Shareholder	--	--	26	--	26
Balance as at December 31, 2016	3,383	20,800	133	16,800	7,516
	=====	=====	=====	=====	=====

The accompanying notes are an integral part of the Financial Statements.

Natural Resource Holdings Ltd.
Consolidated statements about cash flows

	For the six-month period that on June 30		For the year ending on December 31
	<u>2017</u>	<u>2016</u>	<u>2016</u>
	<u>Unaudited</u>		<u>Audited</u>
	<u>in thousands of US dollars</u>	<u>in thousands of US dollars</u>	<u>in thousands of US dollars</u>
<u>Cash flow from current operations</u>			
Net profit (Loss)	(98)	(86)	2,345
	-----	-----	-----
Adjustments required to current cash flows			
<u>Cash flow from current operations:</u>			
Adjustment for articles of profit or loss:			
Revaluation of a loan from a Controlling Shareholder	17	6	19
Increase in the value of fixed assets - mineral assets	--	--	<u>(2,500)</u>
	17	6	(2,481)
	-----	-----	-----
Changes in assets and liabilities items:			
Decrease (increase) in accounts receivable	(30)	--	1
Increase (decrease) in payables and credit balances	<u>78</u>	<u>15</u>	<u>61</u>
	(108)	15	62
	-----	-----	-----
Net cash used for current operations	(189)	(65)	(74)
	-----	-----	-----
<u>Cash flow from investments</u>			
Loan from Controlling Shareholder	--	75	75
Issuance of stock capital	<u>271</u>	--	--
Net cash from financing operations	271	75	75
	-----	-----	-----
Cash and cash equivalents	82	10	1
Balance of cash and cash equivalents at the start of the period	<u>9</u>	<u>8</u>	<u>8</u>
Balance of cash and cash equivalents at the end of the period	91	18	9
	=====	=====	=====
<u>Addendum A - substantial operations not in cash</u>			
Repayment of a loan from a Controlling Shareholder by allocation of shares	120	--	--
	=====	=====	=====

The accompanying notes are an integral part of the Financial Statements.

Natural Resource Holdings Ltd.

Clarifications to the Financial Statements

Clarification - 1 (general)

- A. These Financial Statements are prepared in a summarized format as of June 30, 2017 and for the six-month period that ended on this date, in accordance with generally accepted accounting principles for the preparation of the Financial Statements for Interim Financial Reporting, as prescribed in IAS34 Interim Financial Reporting, and in accordance with the provisions of disclosure under Chapter D (Periodic and Ad Hoc Reports) 5730 - 1970. These Financial Statements should be reviewed in conjunction with the Company's annual Financial Statements as of December 31, 2016 for the year that ended on the same date, and with the accompanying notes.
- B. On June 30, 2017 the company has a working capital deficit of approximately \$68,000. In addition, in the six-month period that ended on June 30, 2017 the Company incurred a loss of approximately \$98,000 and a negative cash flow from operating activities in the amount of \$189,000. In the opinion of the Company's management, and in view of the low expectations in terms of revenues to be obtained from the business operations by the Company in the normal course of business, the cash balance in the Company's accounts do not provide for a continuation of the ongoing operations of the Company in the foreseeable future.

The ability of the Company to repay their liabilities and the continuation of their business activity are conditional upon the realization of the plans drawn up by management and by the Board of Directors to strengthen the financial status of the Company by means of capital raising or by merger and/ or through shareholders' loans (for the approval of the Company's General Assembly to receive a line of credit from the Company's Controlling Shareholder - please see Clarification 6). These factors raise significant doubts regarding the continued existence of the Company as a going concern. The Financial Statements did not include all the adjustments related to the values of the assets, the liabilities and their classification that may be required if the Company will not be able to continue operating as a going concern.

- C. The Company did not attach to their Financial Statements separate financial information as of June 30, 2017 in accordance with Regulation 38D of the Securities Regulations (Periodic and Ad Hoc Reports) 5730 - 1970. The reason for which the Company did not include separate financial information is in view of the negligible effect of the Financial Statements of the subsidiaries on the consolidated Financial Statements, and since the separate financial information does not include the information contained in the Company's consolidated Financial Statements, the subsidiaries are inactive and hold mineral assets constituting less than 10% of the Company's total assets.

Clarification 2 - the basics in the accounting policy

The basics in the accounting policy applied in these summarized interim Financial Statements, are consistent with those applied in the preparation of the latest annual Financial Statements.

Natural Resource Holdings Ltd.

Clarifications to the Financial Statements

Clarification - 3 Loans from the Controlling Shareholder

- A. On November 30, 2016, the Board of Directors of the Company approved, following the approval of the Company's General Assembly, an allotment of 528,800 ordinary shares of the Company at 0.01 NIS par value to the Controlling Shareholder of the Company, Mr. Roy Sabag (hereinafter - "the Allocated Share"), against the balance of the line of credit provided by him to the Company in the amount of \$120,000. On March 13, 2017 the Allocated Shares were allotted to Mr. Sabag.
- B. Regarding the approval of the Company's General Assembly for the receipt of a line of credit from the Company's Controlling Shareholder, Mr. Roy Sabag, after the date of the report - please see Clarification 6.

Clarification - 4 Private allotment

On March 13, 2017 the Company completed a Private Offering of securities, in the framework of which the Company has allotted 1,000,000 ordinary shares at 0.01 NIS par value representing 7.34% of the issued and paid-up stock capital of the Company after their allotment (hereinafter: "the Allocated Shares") to the company Industrial Valores S.A. (hereinafter: "Valores"), which is a company that was traded in Argentina and, to the best of the Company's knowledge, and as informed by Valores, of which the Controlling Shareholder is Mr. Meta Andres Patricio. The shares were issued at a par value of 1 NIS and in a total of 1,000,000 NIS for all the Allocated Shares (approximately \$271,000).

In addition, at the same time, the Company allotted 200,000 non-negotiable option warrants to Mr. Andres Finkielsztain, an American citizen, following the decision of the Board of Directors of the Company to reward Mr. Finkelstein for the assistance he provided to the Company in establishing contact with Valores, with which they made a transaction. The options are exercisable at any time, and for a period of 5 years from the date of their allotment, against ordinary shares of the Company at a 0.01 ILS par value, in exchange for an exercising price of 1 NIS per option. Since the granting of the options to Mr. Finkelstein constitutes issuance costs incurred by the Company as part of the allotment of the shares to Valores, as detailed above, their allotment had no effect on the Company's equity.

Clarification 5 - Financial Instruments

The fair value of the company's financial instruments is identical or close to their book value.

Natural Resource Holdings Ltd.

Clarifications to the Financial Statements

Clarification 6 - events after the report date

On July 24, 2017 the General Assembly of the Company approved, including the approval as a framework transaction in accordance with the Companies Regulations ("Relief in Transactions with Vested Parties") 5760-2000, the receipt of a line of credit from the Controlling Shareholder of the Company in the amount of up to \$400,000 (hereinafter: "the Line of credit"). The Line of credit will be linked to the dollar, will not bear interest, and will serve the Company for their current operations, as needed. The Line of credit will be exercisable by the Company for a period of two years from the approval date of the General Assembly (hereinafter - "The Credit period"), subject to a resolution passed by the Company's Audit Committee.

Against the repayment of the balance of the loans received from the Controlling Shareholder in connection to the Line of credit, as may be from time to time (or part thereof), the Company shall allot to the Controlling Shareholder ordinary shares of the Company at 0.01 NIS par value, in accordance with a conversion rate of 0.83 NIS per share, at a time to be determined by the Company's Audit Committee at their discretion and without the Company being obligated to allot shares to the Controlling Shareholder. For the purpose of calculating the conversion rate, every amount in US dollars to be provided by the Controlling Shareholder will be calculated in accordance with a representative US dollar exchange rate that will be known on the date on which the Board of Directors made the decision to approve the transaction (April 26, 2017).

It should be clarified that the right to decide to convert the balance of the loans into shares of the Company shall not be given to the Controlling Shareholder, nor to the Company, unless the Company's Board of Directors is satisfied that after the repayment of the balance of the line of credit, as it will be from time to time (or part of thereof), will not impair the Company's ability to repay all of their liabilities which are known, and as expected for a period of at least 12 months. Only then will the Controlling Shareholder be entitled to demand repayment of the balance of the loans without time limitations. It is further determined that any balance that will actually be left from the loans at the end of the Credit Period will be converted at that time to the Company shares in accordance with the determined conversion ratio.

Assuming full usage of the line of credit by the Company and in accordance with the set conversion ratio, the maximum number of Company shares to be allotted to the Controlling Shareholder shall be of 1,758,072 ordinary shares of the Company at a 0.01 NIS par value, which constitutes 12.9% of the Company's issued and paid-up stock capital and voting rights prior to the allotment (12.72% on a fully diluted basis) and 11.43% after the allotment (approximately 11.28% on a fully diluted basis).

Appendix A

Declaration of the CEO pursuant to Regulation 38C(D)(1):

Declaration of the Director

CEO declaration

I, Roy Sabag declare that:

- (1) I reviewed the semiannual report of Natural Resources Holdings Ltd. (hereinafter: “**the Company**”) for the six-month period that ended on June 30, 2017 (hereinafter: “**the Reports**”);
- (2) To my knowledge, the statements do not contain any misrepresentation of material facts or omit a material fact that is necessary so that the information included herewith, in light of the circumstances in which such statements were included, is not misleading with respect to the reporting period;
- (3) To my knowledge, the Financial Statements and the other financial information included in the reports reflect adequately and in all material aspects the financial status, the results of operations, and the cash flows of the company for the dates to which the Financial Statements refer.
- (4) I have disclosed to the Company’s auditors, to the Board of Directors and to the Audit Committee of the Company’s Board of Directors any fraud, whether material or immaterial, in which the CEO or whoever is directly subordinate to them, or other employees that have a significant role in the financial reporting, disclosure and control, are involved.

There is nothing in what has been declared above to wave my responsibility or the responsibility of any other person under any law.

08/28/2017

Date

Signature
Roy Sabag CEO

Statement of the CFO pursuant to Regulation 83c (d): 2

Declaration of the Director

Director and CFO

I, Eran Mazor, declare

- (1) I have reviewed the semiannual report and the other financial information included in the reports for the six-month period that ended on June 30, 2017 of Natural Resources Holdings Ltd. (hereinafter: "the Company") for the six-month period that ended on June 30, 2017, (hereinafter: "**the Reports**" or "**the semiannual report**").
- (2) To my knowledge, the statements do not contain any misrepresentation of material facts or omit a material fact that is necessary so that the information included herewith, in light of the circumstances in which such statements were included, is not misleading with respect to the reporting period;
- (3) To my knowledge, the Financial Statements and the other financial information included in the reports reflect adequately and in all material aspects the financial status, the results of operations, and the cash flows of the company for the dates to which the Financial Statements refer.
- (4) I have disclosed to the Company's auditors, to the Board of Directors and to the Audit Committee of the Company's Board of Directors any fraud, whether material or immaterial, in which the CEO or whoever is directly subordinate to them, or other employees that have a significant role in the financial reporting, disclosure and control, are involved.

There is nothing in what has been declared above to wave my responsibility or the responsibility of any other person under any law.

08/28/2017

Date

Signature

Eran Mazor, CFO