

ANGLO-SLOVAK MINERALS LIMITED
FINANCIAL STATEMENTS
31 MAY 2008

EDWARDS VEEDER (OLDHAM) LLP
Chartered Accountants & Registered Auditors
Block E, Brunswick Square
Union Street
Oldham
OL1 1DE

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ANGLO-SLOVAK MINERALS LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 MAY 2008

CONTENTS	PAGE
Officers and professional advisers	1
The directors' report	2
Independent auditor's report to the shareholders	4
Profit and loss account	6
Balance sheet	7
Notes to the financial statements	8
The following page does not form part of the financial statements	
Detailed profit and loss account and notes	15

ANGLO-SLOVAK MINERALS LIMITED
OFFICERS AND PROFESSIONAL ADVISERS

The board of directors	A.D.N. Balme R. de P. Lonsdale-Hands
Company secretary	Laytons Secretaries Limited
Registered office	Fifth Floor Carmelite 50 Victoria Embankment Blackfriars London EC4Y 0LS
Auditor	Edwards Veeder (Oldham) LLP Chartered Accountants & Registered Auditors Block E, Brunswick Square Union Street Oldham OL1 1DE
Bankers	National Westminster Bank Plc PO Box 12263 1 Princes Street London EC2R 8PH

ANGLO-SLOVAK MINERALS LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31 MAY 2008

The directors present their report and the financial statements of the company for the year ended 31 May 2008.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the year was that of mineral exploration.

The company has now undertaken geophysical and geochemical work on four of its licenses, Ruska Bystra, Bysta Skaros, Zlata Bana and Poruba Pod Vihorlatom. Subject to availability of funding, it plans drilling programs on two of the properties. In the course of renewing its licenses a decision was made to drop those located at Turcek and Dobsina.

RESULTS AND DIVIDENDS

The loss for the year amounted to £60,527. The directors have not recommended a dividend.

FINANCIAL INSTRUMENTS

Financial risk management objectives and policies:

- a) Interest rate risk - the company has no borrowings at present.
- b) Liquidity risk - the company is reliant on loans from the parent company.
- c) Foreign currency risk - assets and liabilities in subsidiaries are held in the local currency, and are therefore subject to future currency rate movements.

DIRECTORS

The directors who served the company during the year were as follows:

A.D.N. Balme
R. de P. Lonsdale-Hands

Directors' shareholdings in the parent company are disclosed in the accounts of that company.

DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual 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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to 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 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;

ANGLO-SLOVAK MINERALS LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 MAY 2008

- 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 proper accounting records that 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 1985. 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.

In 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 steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

AUDITOR

During the year Edwards Veeder (Oldham) LLP were appointed as first auditor of the company. A resolution to re-appoint Edwards Veeder (Oldham) LLP as auditor for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Registered office:
Fifth Floor
Carmelite
50 Victoria Embankment
Blackfriars
London
EC4Y 0LS

Signed by order of the directors


for
LAYTONS SECRETARIES LIMITED
Company Secretary

Approved by the directors on 23/3/2009

ANGLO-SLOVAK MINERALS LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
ANGLO-SLOVAK MINERALS LIMITED
YEAR ENDED 31 MAY 2008

We have audited the financial statements of Anglo-Slovak Minerals Limited for the year ended 31 May 2008 which comprise the Profit and Loss Account, Balance Sheet and the related notes. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

However the evidence available to us was limited because the company was not subject to an audit for the year ended 31 May 2007 and no audit opinion was formed on the opening balances for the current year or on comparative figures.

ANGLO-SLOVAK MINERALS LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
ANGLO-SLOVAK MINERALS LIMITED *(continued)*
YEAR ENDED 31 MAY 2008

Fundamental uncertainty - Going concern

In forming our opinion we have considered the adequacy of the disclosures made in the financial statements concerning the support of the parent company which would require the parent to raise additional finance. The financial statements have been prepared on a going concern basis, the validity of which depends on the ability of the parent company to raise future finance. The financial statements do not include any adjustments which would result from any inability to raise such finance. Details of this are disclosed in note 1 to the accounts. Our opinion is not qualified in this respect.

OPINION

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 May 2008 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Directors' Report is consistent with the financial statements.

Edwards Veeder (Oldham) LLP

Block E, Brunswick Square
Union Street
Oldham
OL1 1DE

EDWARDS VEEDER (OLDHAM) LLP
Chartered Accountants
& Registered Auditors

26.3.09.

ANGLO-SLOVAK MINERALS LIMITED
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 MAY 2008

	Note	2008 £	2007 £
TURNOVER		—	—
Administrative expenses		<u>60,527</u>	<u>93,666</u>
OPERATING LOSS	2	(60,527)	(93,666)
Interest receivable		—	1,285
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		<u>(60,527)</u>	<u>(92,381)</u>
Tax on loss on ordinary activities		—	—
LOSS FOR THE FINANCIAL YEAR		<u>(60,527)</u>	<u>(92,381)</u>
Balance brought forward		<u>(101,139)</u>	<u>(8,758)</u>
Balance carried forward		<u>(161,666)</u>	<u>(101,139)</u>

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

The notes on pages 8 to 13 form part of these financial statements.

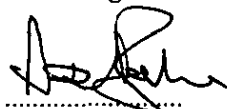
ANGLO-SLOVAK MINERALS LIMITED

BALANCE SHEET

31 MAY 2008

	Note	2008 £	2007 (Restated) £
FIXED ASSETS			
Investments	5	75,000	75,000
CURRENT ASSETS			
Debtors	6	264,523	189,392
Cash at bank		13,357	19,366
		<u>277,880</u>	<u>208,758</u>
CREDITORS: Amounts falling due within one year	7	<u>13,939</u>	<u>37,605</u>
NET CURRENT ASSETS		<u>263,941</u>	<u>171,153</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>338,941</u>	<u>246,153</u>
CREDITORS: Amounts falling due after more than one year	8	<u>105,000</u>	<u>—</u>
		<u>233,941</u>	<u>246,153</u>
CAPITAL AND RESERVES			
Called-up equity share capital	11	38,393	36,000
Share premium account	12	357,214	311,292
Profit and loss account		(161,666)	(101,139)
SHAREHOLDERS' FUNDS	13	<u>233,941</u>	<u>246,153</u>

These financial statements were approved by the directors and authorised for issue on 23/3/2009 and are signed on their behalf by:



A.D.N. BALME

The notes on pages 8 to 13 form part of these financial statements.

ANGLO-SLOVAK MINERALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MAY 2008

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

The financial statements have been prepared on a going concern basis which presumes the realisation of assets and discharge of liabilities in the normal course of business. The company has no operating revenues and during the year incurred losses of £60,527. The company's ability to continue as a going concern is dependent on the ability of the parent company to continue to support this company, and ultimately the attainment of profitable operations.

Consolidation

In the opinion of the directors, the company and its subsidiary undertakings comprise a small group. The company has therefore taken advantage of the exemption provided by Section 248 of the Companies Act 1985 not to prepare group accounts.

Cash flow statement

The directors have taken advantage of the exemption in FRS 1 from including a cash flow statement in the financial statements on the grounds that the company is a wholly owned subsidiary and its parent company publishes a consolidated cash flow statement.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

Provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

ANGLO-SLOVAK MINERALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MAY 2008

1. ACCOUNTING POLICIES *(continued)*

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Investments

Investments in subsidiaries held as fixed assets are stated at cost less provision for any permanent diminution in value.

2. OPERATING LOSS

Operating loss is stated after charging/(crediting):

	2008 £	2007 £
Auditor's remuneration		
- as auditor	3,000	—
Net profit on foreign currency translation	<u>(72,863)</u>	<u>—</u>

ANGLO-SLOVAK MINERALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MAY 2008

3. PARTICULARS OF EMPLOYEES

The average number of staff employed by the company during the financial year amounted to:

	2008	2007
	No	No
Number of management staff	<u>2</u>	<u>2</u>

The aggregate payroll costs of the above were:

	2008	2007
	£	£
Wages and salaries	–	16,000
Social security costs	<u>(867)</u>	<u>867</u>
	<u>(867)</u>	<u>16,867</u>

4. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were:

	2008	2007
	£	£
Emoluments receivable	<u>–</u>	<u>16,000</u>

5. INVESTMENTS

	Total £
COST	
At 1 June 2007 and 31 May 2008	<u>75,000</u>
NET BOOK VALUE	
At 31 May 2008	<u>75,000</u>
At 31 May 2007	<u>75,000</u>

The 2007 figures have been restated from £11,112 to £75,000 to reflect the actual cost of the investments.

ANGLO-SLOVAK MINERALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MAY 2008

5. INVESTMENTS *(continued)*

The company owns 100% of the issued share capital of the companies listed below, which are all incorporated in the Slovak Republic, and all undertake mineral exploration.

	2008 £	2007 £
Aggregate capital and reserves		
Bellmin s.r.o.	(176,820)	(87,300)
G.B.E. s.r.o.	(95,464)	(44,754)
St. Stephan Gold s.r.o.	(110,753)	(62,576)
Profit and (loss) for the year		
Bellmin s.r.o.	(63,236)	(55,674)
G.B.E. s.r.o.	(37,226)	(22,675)
St. Stephan Gold s.r.o.	(29,316)	(38,011)

Under the provision of section 248 of the Companies Act 1985 the company is exempt from preparing consolidated accounts and has not done so, therefore the accounts show information about the company as an individual entity.

6. DEBTORS

	2008 £	2007 (Restated) £
Amounts owed by group undertakings	263,738	180,449
VAT recoverable	785	8,943
	<u>264,523</u>	<u>189,392</u>

The debtors above include the following amounts falling due after more than one year:

	2008 £	2007 £
Amounts owed by group undertakings	<u>263,738</u>	<u>180,449</u>

The amounts owed by group undertakings for 2007 have been restated from £244,337 to £180,449 to adjust for the cost of investments incorrectly stated.

ANGLO-SLOVAK MINERALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MAY 2008

7. CREDITORS: Amounts falling due within one year

	2008		2007
	£	£	£
Trade creditors	5,698		19,737
Other creditors including taxation and social security:			
PAYE and social security	—	4,253	
Directors current accounts	—	12,615	
	—	—	16,868
Accruals and deferred income	8,241		1,000
	<u>13,939</u>		<u>37,605</u>

8. CREDITORS: Amounts falling due after more than one year

	2008		2007
	£		£
Amounts owed to group undertakings	<u>105,000</u>		—

9. TRANSACTIONS WITH THE DIRECTORS

At the year end the directors current account balances were as follows -

	2008		2007
	£		£
A.D.N. Balme	—		(8,615)
R. de P. Lonsdale-Hands	—		(4,000)
	—		<u>(12,615)</u>

Fees relating to 2007 of £12,000 were invoiced to the company in this year by Carter Capital Limited. A.D.N. Balme is a director of Carter Capital Limited.

10. RELATED PARTY TRANSACTIONS

The company was under the control of the directors Mr A.D.N. Balme and R. de P. Lonsdale-Hands throughout the previous year and in the current year until 19 March 2008 when the company became a wholly owned subsidiary of Ortac Resources Plc. There is no individual with ultimate control of Ortac Resources Plc.

During the year Carter Capital Limited paid expenses on behalf of Anglo-Slovak Minerals Limited, which were recharged. A.D.N. Balme is a director of Carter Capital Limited.

The balances with group companies at the year end were as follows:

Bellmin s.r.o.	168,554	95,029
G.B.E. s.r.o.	—	36,786
St. Stephan Gold s.r.o.	95,184	48,634
Ortac Resources Plc	<u>(105,000)</u>	—

Changes in amounts due relate to loans made to the subsidiaries and loans received from the parent company during the year, and in the case of G.B.E. s.r.o., a provision of £92,168 for loan written off.

ANGLO-SLOVAK MINERALS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MAY 2008

11. SHARE CAPITAL**Authorised share capital:**

	2008 £	2007 £
5,000,000 Ordinary shares of £0.01 each	<u>50,000</u>	<u>50,000</u>

Allotted, called up and fully paid:

	2008 No	£	2007 No	£
Ordinary shares of £0.01 each	<u>3,839,300</u>	<u>38,393</u>	<u>3,600,000</u>	<u>36,000</u>

During the year 239,300 ordinary shares were issued at a premium.

12. SHARE PREMIUM ACCOUNT

	2008 £	2007 £
Balance brought forward	311,292	102,292
Premium on shares issued in the year	<u>45,922</u>	<u>209,000</u>
Balance carried forward	<u>357,214</u>	<u>311,292</u>

13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2008 £	£	2007 £	£
Loss for the financial year		(60,527)		(92,381)
New equity share capital subscribed	2,393		11,000	
Premium on new share capital subscribed	<u>45,922</u>		<u>209,000</u>	
		<u>48,315</u>		<u>220,000</u>
Net (reduction)/addition to shareholders' funds		(12,212)		127,619
Opening shareholders' funds		<u>246,153</u>		<u>118,534</u>
Closing shareholders' funds		<u>233,941</u>		<u>246,153</u>

14. ULTIMATE PARENT COMPANY

On 19 March 2008 the company became a wholly owned subsidiary of Ortac Resources Plc, a company registered in England and Wales.