

COMPANY REGISTRATION NUMBER 6418951

ORTAC RESOURCES PLC
FINANCIAL STATEMENTS
31 MAY 2008



EDWARDS VEEDER (OLDHAM) LLP
Chartered Accountants & Registered Auditors
Block E, Brunswick Square
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Oldham
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ORTAC RESOURCES PLC
FINANCIAL STATEMENTS
PERIOD FROM 6 NOVEMBER 2007 TO 31 MAY 2008

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ORTAC RESOURCES PLC
OFFICERS AND PROFESSIONAL ADVISERS

The board of directors	A.D.N. Balme R.de P. Lonsdale-Hands D.K. Paxton
Company secretary	Laytons Secretarial 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
Solicitors	Laytons Carmelite 50 Victoria Embankment Blackfriars London EC4Y 0LS

ORTAC RESOURCES PLC
THE DIRECTORS' REPORT *(continued)*

PERIOD FROM 6 NOVEMBER 2007 TO 31 MAY 2008

The directors present their report and the financial statements of the group for the period from 6 November 2007 to 31 May 2008.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company during the period was that of a holding company. The company acquired its first subsidiary on 19 March 2008.

Ortac was launched in December 2007 to acquire Anglo-Slovak Minerals and put in place a suitable corporate structure for an IPO on AIM or PLUS markets. Once the directors can see a clear benefit in relation to the raising of capital and liquidity for the stock, this objective will be pursued.

Europe is the principal focus of the company's activities and the board continues to review new opportunities. At present the company is only operating in Slovakia and when looking at mineral projects elsewhere, will, apart from the geology, focus on regions with political stability, a favourable legislative framework and a positive attitude towards mining development.

Slovakia is a country with a long history of mining and in the days of the Austro-Hungarian Empire, produced much of the gold and silver for the coinage. During the Soviet period precious metals were largely ignored and the country was designated a producer of siderite (iron ore) and base metals. Though the country continues to have potential for base metals, we believe the more attractive opportunities lie in the area of precious metals.

The aim of the company is the discovery or acquisition of viable gold and silver deposits. All the properties in the company's portfolio have had exploration work undertaken on them or have been the subject of historic mining activities. Thus the primary aim is to advance the work on the licenses to establish a precious metal resource.

Zlata Bana

The property has a history of mining for gold, antimony, and opals dating back to the 11th century. The Czechoslovakian State conducted an extensive exploration campaign in the 1980s consisting of both drilling and the driving of declines into the mountain side. Though a base metal resource was outlined, Ortac have taken the view that from a commercial angle this is precious metal target.

Local consultants have recently digitised all the data and established a model for resource. The next step in the program is draw samples from the 1980s programme from the core shed to re-assay for gold and silver. It is believed that the original laboratory results did not accurately measure the gold and silver in the samples. At that time in the 1980s the State was endeavouring to establish a base metal deposit. Though there are some notable zinc and lead values, we believe the structure has much better potential for precious metals.

Following on from this, and assuming sufficiently encouraging results are obtained, we plan to establish an inferred resource, which should be possible with a minimal amount of further exploration work.

Ruska Bystra and Poruba pod Vihorlatom

The company has completed both geochemistry and geophysics programmes over these neighbouring targets and established that they are prospective for gold and molybdenum. The programme at Poruba, originally the site of surface siderite mine, has only recently been completed and was particularly encouraging. It is thought that the target depth is little more than 50m, a relatively shallow drill target.

This is a limb of the Carpathian mountain range that stretches south into the Ukraine and Romania and hosts a number of significant deposits.

ORTAC RESOURCES PLC

THE DIRECTORS' REPORT *(continued)*

PERIOD FROM 6 NOVEMBER 2007 TO 31 MAY 2008

Bysta Skaros

This license is located on the Hungarian border, 18km North East of the historical gold deposit of Telkibanya and has a common border with the Fuzerradvany concession being explored by Carpathian Gold and Electrum.

The target is epithermal gold and silver. An extensive geochemistry and geophysics has been conducted by the company and drill targets established.

Cejkov

This license was recently awarded to the company and has a number of possibilities. In particular we plan to follow up drilling by the State conducted in the 1990s which identified interesting polymetallic potential. The drilling intersected, over short intervals, values of up 896 g/t silver and 33% combined zinc/lead. In addition there are possible gold targets in the North East of the concession.

Cinobana

This license in the central area of the country is a vein hosted gold and antimony target. Drilling by the State intersected 5 g/t gold over 4m and we believe this warrants a follow up exploration programme.

RESULTS AND DIVIDENDS

The loss for the period amounted to £210,892. The directors have not recommended a dividend.

FINANCIAL INSTRUMENTS

Details of the group's financial risk management objectives and policies are included in note 12 to the accounts.

THE DIRECTORS AND THEIR INTERESTS

The directors who served the company during the period together with their beneficial interests, including family holdings, in the shares of the company were as follows:

		At 31 May 2008	At 6 November 2007 or later date of appointment
Class of share			
A.D.N. Balme	Ordinary	1,218,033	-
	Redeemable preference shares	-	17,000
R.de P. Lonsdale-Hands	Ordinary	634,533	-
	Redeemable preference shares	-	17,000
D.K. Paxton	Ordinary	198,333	-
	Redeemable preference shares	-	17,000

Included in the interests of A.D.N. Balme is 600,583 ordinary shares held by Carter Capital Limited and 322,750 ordinary shares held by AMC Limited. A.D.N. Balme is a director and shareholder of both companies.

A.D.N. Balme was appointed as a director on 6 November 2007.

R.de P. Lonsdale-Hands was appointed as a director on 6 November 2007.

D.K. Paxton was appointed as a director on 6 November 2007.

ORTAC RESOURCES PLC
THE DIRECTORS' REPORT *(continued)*

PERIOD FROM 6 NOVEMBER 2007 TO 31 MAY 2008

Substantial Interests

At the year end the following were interested in 3% or more of the issued share capital of the company:

	No. of Shares	% Held
Bellmin Limited	900,000	18.27
Delstar International Limited	150,000	3.05
Aneta Barnes	375,000	7.61

ORTAC RESOURCES PLC

THE DIRECTORS' REPORT *(continued)*

PERIOD FROM 6 NOVEMBER 2007 TO 31 MAY 2008

GOING CONCERN

These 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 Group has no operating revenues and during the period incurred losses of £210,892. The Group's ability to continue as a going concern is dependent on the ability to obtain additional financing and ultimately, the attainment of profitable operations.

POLICY ON THE PAYMENT OF CREDITORS

The group applies a policy of agreeing terms of payment with suppliers as part of the commercial arrangements and making payments in accordance with these arrangements subject to working capital considerations.

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 the group and of the profit or loss of the group 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 group 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 group 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 group'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.

ORTAC RESOURCES PLC

THE DIRECTORS' REPORT *(continued)*

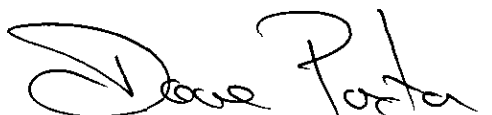
PERIOD FROM 6 NOVEMBER 2007 TO 31 MAY 2008

AUDITOR

During the period Edwards Veeder (Oldham) LLP were appointed first auditors 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.

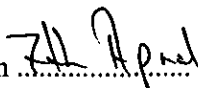
Registered office:
Fifth Floor
Carmelite
50 Victoria Embankment
Blackfriars
London
EC4Y 0LS

Signed by order of the directors



MR DAVID K. PAXTON
Director

Approved by the directors on

 2009

ORTAC RESOURCES PLC
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
ORTAC RESOURCES PLC

PERIOD FROM 6 NOVEMBER 2007 TO 31 MAY 2008

We have audited the group and parent company financial statements ("the financial statements") of Ortac Resources Plc for the period from 6 November 2007 to 31 May 2008 which comprise the Group Profit and Loss Account, Group Statement of Total Recognised Gains and Losses, Reconciliation of Group Shareholders' Funds, Group Balance Sheet and Company Balance Sheet, Group Cash Flow Statement 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 group's and 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.

ORTAC RESOURCES PLC
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
ORTAC RESOURCES PLC *(continued)*

PERIOD FROM 6 NOVEMBER 2007 TO 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 requirement to raise additional finance. The financial statements have been prepared on a going concern basis, the validity of which depends on the availability of future finance. The financial statements do not include any adjustments which would result from any inability to raise such finance. Details relating to this are described 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 group's and the parent company's affairs as at 31 May 2008 and of the group's loss for the period 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

17.4.09

ORTAC RESOURCES PLC
GROUP PROFIT AND LOSS ACCOUNT
PERIOD FROM 6 NOVEMBER 2007 TO 31 MAY 2008

	Note	Period from 6 Nov 07 to 31 May 08 £	£
GROUP TURNOVER			—
Net operating expenses	2		<u>211,082</u>
OPERATING LOSS:	3		
Continuing operations		(99,969)	
Acquisitions		<u>(111,113)</u>	
GROUP OPERATING LOSS			(211,082)
Interest receivable			190
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION			<u>(210,892)</u>
Tax on loss on ordinary activities			—
LOSS FOR THE FINANCIAL PERIOD	6		<u>(210,892)</u>

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

The company has taken advantage of section 230 of the Companies Act 1985
not to publish its own Profit and Loss Account.

The notes on pages 15 to 24 form part of these financial statements.

ORTAC RESOURCES PLC
GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
PERIOD FROM 6 NOVEMBER 2007 TO 31 MAY 2008

	Period from 6 Nov 07 to 31 May 08 £
Loss for the financial period attributable to the shareholders of the parent company	(210,892)
Exchange differences on retranslation of net assets of subsidiary undertakings	<u>17,894</u>
Total gains and losses recognised for the period	<u>(192,998)</u>

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Period from 6 Nov 07 to 31 May 08 £	£
Loss for the financial period		(210,892)
New equity share capital subscribed	246,360	
Premium on new share capital subscribed	<u>492,720</u>	
		739,080
Exchange differences on retranslation of net assets of subsidiary undertakings		<u>17,894</u>
Net addition to shareholders' funds		<u>546,082</u>
Closing shareholders' funds		<u>546,082</u>

The notes on pages 15 to 24 form part of these financial statements.

ORTAC RESOURCES PLC

GROUP BALANCE SHEET

31 MAY 2008

	Note	£	31 May 08 £
FIXED ASSETS			
Intangible assets	7		495,593
CURRENT ASSETS			
Debtors	9	57,313	
Cash at bank and in hand		38,531	
		95,844	
CREDITORS: Amounts falling due within one year	10	44,833	
NET CURRENT ASSETS			51,011
TOTAL ASSETS LESS CURRENT LIABILITIES			546,604
CREDITORS: Amounts falling due after more than one year	11		522
			546,082
CAPITAL AND RESERVES			
Called-up equity share capital	15		246,360
Share premium account	16		492,720
Foreign currency translation reserve	16		17,894
Profit and loss account	16		(210,892)
SHAREHOLDERS' FUNDS			546,082

These financial statements were approved by the directors and authorised for issue on 7/4/2009, and are signed on their behalf by:


A.D.N. BALME


D.K. PAXTON

The notes on pages 15 to 24 form part of these financial statements.

ORTAC RESOURCES PLC

BALANCE SHEET

31 MAY 2008

	Note	£	31 May 08 £
FIXED ASSETS			
Investments	8		575,895
CURRENT ASSETS			
Debtors	9	156,252	
CREDITORS: Amounts falling due within one year	10	<u>25,827</u>	
NET CURRENT ASSETS			<u>130,425</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>706,320</u>
CAPITAL AND RESERVES			
Called-up equity share capital	15		246,360
Share premium account	16		492,720
Profit and loss account	16		<u>(32,760)</u>
SHAREHOLDERS' FUNDS			<u>706,320</u>

These financial statements were approved by the directors and authorised for issue on 7/4/2009,
and are signed on their behalf by:


A.D.N. BALME


D.K. PAXTON

The notes on pages 15 to 24 form part of these financial statements.

ORTAC RESOURCES PLC
GROUP CASH FLOW STATEMENT
PERIOD FROM 6 NOVEMBER 2007 TO 31 MAY 2008

	Period from 6 Nov 07 to 31 May 08 £	£
NET CASH OUTFLOW FROM OPERATING ACTIVITIES		(112,779)
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
Interest received	190	
NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		190
ACQUISITIONS AND DISPOSALS		
Net cash acquired with subsidiary	32,786	
NET CASH INFLOW FROM ACQUISITIONS AND DISPOSALS		32,786
CASH OUTFLOW BEFORE FINANCING		(79,803)
FINANCING		
Issue of equity share capital	54,395	
Share premium on issue of equity share capital	108,790	
Net inflow from other short-term creditors	(44,851)	
NET CASH INFLOW FROM FINANCING		118,334
INCREASE IN CASH		38,531
RECONCILIATION OF OPERATING LOSS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES		

	Period from 6 Nov 07 to 31 May 08 £
Operating loss	(211,082)
Amortisation and impairment	67,209
Increase in debtors	(7,534)
Increase in creditors	20,734
Exchange difference on retranslation of subsidiary undertakings	17,894
Net cash outflow from operating activities	<u>(112,779)</u>

The notes on pages 15 to 24 form part of these financial statements.

ORTAC RESOURCES PLC
GROUP CASH FLOW STATEMENT *(continued)*

PERIOD FROM 6 NOVEMBER 2007 TO 31 MAY 2008

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	31 May 08	
	£	£
Increase in cash in the period	38,531	
Net inflow from other short-term creditors	<u>44,851</u>	
Change in net funds resulting from cash flows		83,382
Change in net debt due to acquisition of subsidiaries		<u>(522)</u>
Movement in net funds in the period		<u>82,860</u>
Net funds at 6 November 2007		—
Net funds at 31 May 2008		<u>82,860</u>

ANALYSIS OF CHANGES IN NET FUNDS

	At 6 Nov 2007 £	Cash flows £	Other changes £	At 31 May 2008 £
Net cash:				
Cash in hand and at bank	—	38,531	—	38,531
Debt:				
Debt due within 1 year	—	44,851	—	44,851
Debt due after 1 year	—	—	(522)	(522)
Net funds	<u>—</u>	<u>83,382</u>	<u>(522)</u>	<u>82,860</u>

The notes on pages 15 to 24 form part of these financial statements.

ORTAC RESOURCES PLC
NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 6 NOVEMBER 2007 TO 31 MAY 2008

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of financial instruments 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 Group has no operating revenues and during the period incurred net losses of £210,892. The Group's ability to continue as a going concern is dependent on the ability to obtain additional financing and ultimately, the attainment of profitable operations.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and all group undertakings. These are adjusted, where appropriate, to conform to group accounting policies. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over five years from the year of acquisition. The results of companies acquired or disposed of are included in the group profit and loss account after or up to the date that control passes respectively. As a consolidated group profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 230 of the Companies Act 1985.

Goodwill

Positive purchased goodwill arising on acquisitions is capitalised, classified as an asset on the Balance Sheet and amortised. Goodwill is reviewed for impairment at the end of the first full financial year following each acquisition and subsequently as and when necessary if circumstances emerge that indicate that the carrying value may not be recoverable.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

ORTAC RESOURCES PLC
NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 6 NOVEMBER 2007 TO 31 MAY 2008

1. ACCOUNTING POLICIES *(continued)*

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.

Foreign currencies

Company

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured at historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items and on the retranslation of monetary items are taken to the profit and loss account. Exchange differences arising on non-monetary items, carried at fair value, are included in the profit and loss account, except for the differences arising on the retranslation of non-monetary items in respect of which gains and losses are recorded in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

ORTAC RESOURCES PLC
NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 6 NOVEMBER 2007 TO 31 MAY 2008

1. ACCOUNTING POLICIES *(continued)*

Foreign currencies *(continued)*

Group

For the purposes of preparing consolidated financial statements, the assets and liabilities of foreign subsidiary undertakings are translated at the exchange rates ruling at the balance sheet date. Profit and loss items are translated at the average exchange rates for the year, unless exchange rates fluctuated significantly in the year, in which case the exchange rates ruling at the dates of the transactions are used. Exchange differences arising are taken to the Group's foreign currency translation reserve. Such exchange differences are recognised in the profit and loss account in the year in which a foreign subsidiary undertaking is disposed of.

Goodwill and fair adjustments arising on the acquisition of a foreign subsidiary undertaking are treated as assets and liabilities of the foreign subsidiary and translated at the closing rate.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Investments

All investments are initially recorded at cost, being the fair value of the consideration given and including acquisition costs associated with the investment. All purchases and sales of investments are recognised using trade date accounting.

After initial recognition, investments, which are classified as held for trading and available-for-sale, are measured at fair value. Gains or losses on investments held for trading are recognised in the profit and loss account. Gains or losses on available-for-sale investments are recognised as a separate component of equity until the investment is disposed of or until its value is impaired, at which time the cumulative gain or loss previously reported in equity is included in the profit and loss account.

Trade and other debtors

Trade and other debtors are recognised and carried forward at invoiced amounts less provisions for any doubtful debts. Bad debts are written off when identified.

ORTAC RESOURCES PLC
NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 6 NOVEMBER 2007 TO 31 MAY 2008

2. ANALYSIS OF NET OPERATING EXPENSES

	Continuing operations £	Acquired operations £	Total £
PERIOD FROM 6 NOVEMBER 2007 TO 31 MAY 2008			
Administrative expenses	<u>99,969</u>	<u>111,113</u>	<u>211,082</u>
Net operating expenses	<u>99,969</u>	<u>111,113</u>	<u>211,082</u>

3. OPERATING LOSS

Operating loss is stated after charging/(crediting):

	Period from 6 Nov 07 to 31 May 08 £
Amortisation	26,083
Impairment of intangible fixed assets	41,126
Auditor's remuneration	
- as auditor	3,608
Net profit on foreign currency translation	<u>(14,770)</u>

4. PARTICULARS OF EMPLOYEES

The average number of staff employed by the group during the financial period amounted to:

	Period from 6 Nov 07 to 31 May 08 No
Number of administrative staff	4
Number of management staff	3
	<u>7</u>

The aggregate payroll costs of the above were:

	Period from 6 Nov 07 to 31 May 08 £
Wages and salaries	16,035
Social security costs	1,899
	<u>17,934</u>

ORTAC RESOURCES PLC
NOTES TO THE FINANCIAL STATEMENTS
PERIOD FROM 6 NOVEMBER 2007 TO 31 MAY 2008

5. DIRECTORS' EMOLUMENTS

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

	Period from 6 Nov 07 to 31 May 08 £
Emoluments receivable	<u>9,000</u>

The directors emoluments relate to accrued fees payable to A.D.N. Balme which will be charged by Carter Capital Limited, a company in which A.D.N. Balme is interested as a director and shareholder.

6. LOSS ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

The loss dealt with in the accounts of the parent company was £32,760.

7. INTANGIBLE FIXED ASSETS

Group	Goodwill £
COST	
Additions	562,802
At 31 May 2008	<u>562,802</u>
AMORTISATION	
Charge for the period	26,083
Impairment for the period	41,126
At 31 May 2008	<u>67,209</u>
NET BOOK VALUE	
At 31 May 2008	<u>495,593</u>

Goodwill includes exploration costs which have been written off in the accounts of the subsidiaries amounting to £164,000. This expenditure relates to exploration licenses that were ongoing at the year end. Goodwill written off relates to G.B.E. s.r.o. where the licenses are not going to be renewed.

ORTAC RESOURCES PLC
NOTES TO THE FINANCIAL STATEMENTS

PERIOD FROM 6 NOVEMBER 2007 TO 31 MAY 2008

8. INVESTMENTS

Company	Group companies £
COST	
Additions	575,895
At 31 May 2008	<u>575,895</u>
NET BOOK VALUE	
At 31 May 2008	<u>575,895</u>

	Country of incorporation	Holding	Activity
Subsidiary undertakings			
Held by the company:			
Anglo Slovak Minerals Limited	England	100%	Mineral exploration
Held by Anglo Slovak Minerals Limited:			
Bellmin s.r.o.	Slovak Republic	100%	Mineral exploration
G.B.E. s.r.o.	Slovak Republic	100%	Mineral exploration
St. Stephans Gold s.r.o.	Slovak Republic	100%	Mineral exploration

On 19 March 2008 the group acquired Anglo Slovak Minerals Limited and its subsidiaries for a consideration of £575,895 satisfied by ordinary shares. Goodwill arising on the acquisition of Anglo Slovak Minerals Limited and its subsidiaries has been capitalised and will be amortised over 5 years. The investment in Anglo Slovak Minerals Limited has been included in the company's balance sheet at its fair value at the date of acquisition.

Analysis of the acquisition of Anglo Slovak Minerals Limited:
Anglo Slovak Minerals Limited and its subsidiaries made a loss of £183,766 in the year ended 2008, of which £71,413 arose in the period from 1 June 2007 to 19 March 2008, the date of acquisition.

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9. DEBTORS

	Group £	Company £
Amounts owed by group undertakings	–	105,000
VAT recoverable	8,212	2,151
Other debtors	44,851	44,851
Called up share capital not paid	4,250	4,250
	<u>57,313</u>	<u>156,252</u>

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

	Group £	Company £
Amounts owed by group undertakings	<u>–</u>	<u>105,000</u>

10. CREDITORS: Amounts falling due within one year

	Group £	Company £
Trade creditors	15,953	9,210
Directors' current accounts (note 13)	300	300
Other creditors including taxation and social security:		
PAYE and social security	1,733	–
Other creditors	2,289	–
Accruals and deferred income	24,558	16,317
	<u>44,833</u>	<u>25,827</u>

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

	Group £	Company £
Other creditors	<u>522</u>	<u>–</u>

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12. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The group holds or issues financial instruments in order to achieve three main objectives, being:

(a) to finance its operations;

(b) to manage its exposure to interest and currency risks arising from its operations and from its sources of finance; and

(c) for trading purposes.

In addition, various financial instruments (e.g. trade debtors, trade creditors, accruals and prepayments) arise directly from the group's operations.

Transactions in financial instruments result in the group assuming or transferring to another party one or more of the financial risks described below. The company holds or issues financial instruments in order to achieve three main objectives, being:

Credit risk

The company has no significant concentrations of credit risk. Amounts shown in the balance sheet best represent the maximum credit risk exposure in the event other parties fail to perform their obligations under financial instruments.

Currency risk

The group bears the market risks on assets and liabilities held in foreign currencies in overseas subsidiaries.

Fair values of financial assets and liabilities

The fair value of all the group's financial instruments was not materially different from their book values.

13. TRANSACTIONS WITH THE DIRECTORS

At the year end the director's current account balance was as follows -

	31 May 08	5 Nov 07
	£	£
A.D.N. Balme	<u>(300)</u>	<u>(300)</u>

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14. RELATED PARTY TRANSACTIONS

No individual party had overall control of the company during the period.

During the period Carter Capital Limited paid expenses on behalf of Anglo Slovak Minerals Limited which were reimbursed. A.D.N. Balme, a director of this company, is a director of Carter Capital Ltd.

15. SHARE CAPITAL

Authorised share capital:

	31 May 08
	£
40,000,000 Ordinary shares of £0.05 each	2,000,000
51,000 Redeemable Preference shares of £1 each	51,000
	<u>2,051,000</u>

Allotted and called up:

	No	£
Ordinary shares fully called of £0.05 each	<u>4,927,199</u>	<u>246,360</u>

On 6 November 2007 51,000 £1 redeemable preference shares were issued, 25p being paid on issue. On 19 March 2008 the shares were redeemed and converted into ordinary shares.

The amounts of unpaid called up share capital was as follows:

	31 May 08
	£
Ordinary shares	<u>4,250</u>

16. RESERVES

Group	Share premium account £	Foreign currency translation reserve £	Profit and loss account £
Loss for the period	–	–	(210,892)
Other movements:			
New equity share capital subscribed	492,720	–	–
Exchange differences on retranslation of net assets of subsidiary undertakings	–	17,894	–
Balance carried forward	<u>492,720</u>	<u>17,894</u>	<u>(210,892)</u>

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16. RESERVES *(continued)*

Company	Share premium account £	Profit and loss account £
Loss for the period	–	(32,760)
Other movements		
New equity share capital subscribed	<u>492,720</u>	–
Balance carried forward	<u>492,720</u>	<u>(32,760)</u>

17. ACQUISITIONS AND DISPOSALS

	Fair value and book value £
Cash	32,786
Other debtors	4,928
Trade creditors	(6,672)
Other creditors	<u>(17,949)</u>
	<u>13,093</u>
Goodwill on acquisition	<u>562,802</u>
Satisfied by:	
Consideration - shares issued	<u>575,895</u>