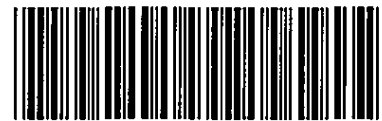


ORTAC RESOURCES PLC
FINANCIAL STATEMENTS
31 MAY 2009

SATURDAY



A25 *AG6UXEKL* 141
31/10/2009
COMPANIES HOUSE

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

ORTAC RESOURCES PLC
FINANCIAL STATEMENTS
YEAR ENDED 31 MAY 2009

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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 D.L. Nicol |
| Company secretary | Laytons Secretarial Limited |
| Registered office | Fifth Floor Carmelite 50 Victoria Embankment Blackfriars London EC4Y 0LS |
| Auditor | Edwards Veeder (Oldham) LLP Chartered Accountants & Statutory Auditor 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

YEAR ENDED 31 MAY 2009

The directors present their report and the financial statements of the group for the year ended 31 May 2009.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company and group during the year was that of exploration for base and precious metals in Slovakia

The group continues to undertake exploration work on its 6 licenses in the east of the country. Since the year end a joint venture has been concluded on the Bysta Skaros license with Caracal Gold, a subsidiary of Electrum, which gives them the right to earn up to 80% through the expenditure of US\$250,000.

Of more significance the company has signed a joint venture with Tournigan Energy to earn into 60% of the Kremnica Gold project by completing a feasibility study. A new 43-101 resource estimation was completed on the Sturec deposit (the principal target) in August which amounted to 617,000 oz. gold equivalent, to a measured and indicated status. Included within this figure is the gold equivalent of 4.5m oz. of silver.

The company's principal focus will now be to progress the Kremnica gold project through feasibility and permitting.

RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to £260,271. 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 year together with their beneficial interests, including family holdings, in the shares of the company were as follows:

| | | At | At | Warrants – At 31 May |
|------------------------|----------------|-------------|-------------|-------------------------|
| | Class of share | 31 May 2009 | 1 June 2008 | 2009 |
| A.D.N. Balme | Ordinary | 1,606,533 | 1,218,033 | 150,000 |
| R.de P. Lonsdale-Hands | Ordinary | 634,533 | 634,533 | 100,000 |
| D.K. Paxton | Ordinary | 270,333 | 198,333 | 200,000 |

Included in the interests of A.D.N. Balme is 936,583 ordinary shares held by Carter Capital Limited and 323,250 ordinary shares held by AMC Limited. A.D.N. Balme is a director and shareholder of both companies.

D.L. Nicol was appointed as a non-executive director on 8 June 2009.

ORTAC RESOURCES PLC
THE DIRECTORS' REPORT *(continued)*
YEAR ENDED 31 MAY 2009

Substantial Interests

At the date of the report the company had been notified that the following were interested in 3% or more of the issued share capital of the company:

| | No. of Shares | % Held |
|-------------------------------|----------------------|---------------|
| Carter Capital Limited | 936,583 | 12.60 |
| Richard Lonsdale-Hands | 634,533 | 8.60 |
| Peter Walker | 555,000 | 7.50 |
| AMC Limited | 434,250 | 5.90 |
| Anthony Balme | 420,200 | 5.70 |
| David Paxton | 414,000 | 5.60 |
| Aneta Barnes | 375,000 | 5.00 |
| El Oro + Exploration Co. Ltd. | 340,000 | 4.60 |

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 £260,268. 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 Directors' Report and the financial statements in accordance with applicable law and regulations.

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

ORTAC RESOURCES PLC
THE DIRECTORS' REPORT *(continued)*
YEAR ENDED 31 MAY 2009

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and 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 2006. 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.

AUDITOR

Edwards Veeder (Oldham) LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

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

Signed by order of the directors



LAYTONS SECRETARIAL LIMITED
Company Secretary

Approved by the directors on 20/10/09

ORTAC RESOURCES PLC

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

YEAR ENDED 31 MAY 2009

We have audited the group and parent company financial statements ("the financial statements") of Ortac Resources Plc for the year ended 31 May 2009 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. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's shareholders, as a body, in accordance with Sections 495 and 496 of the Companies Act 2006. 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

As explained more fully in the Directors' Responsibilities Statement set out on pages 3 to 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/UKNP.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent company's affairs as at 31 May 2009 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

ORTAC RESOURCES PLC

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

YEAR ENDED 31 MAY 2009

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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



L. LEDERBERG (Senior Statutory
Auditor)
For and on behalf of
EDWARDS VEEDER (OLDHAM) LLP
Chartered Accountants
& Statutory Auditor

Block E, Brunswick Square
Union Street
Oldham
OL1 1DE

28th October 2009

ORTAC RESOURCES PLC
GROUP PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 MAY 2009

| | Note | Year to 31 May 09 £ | Period from 6 Nov 07 to 31 May 08 £ |
|--|----------|---------------------------|--|
| GROUP TURNOVER | | — | — |
| Administrative expenses | | <u>261,575</u> | <u>211,082</u> |
| OPERATING LOSS | 2 | (261,575) | (211,082) |
| Interest receivable | | <u>1,307</u> | <u>190</u> |
| LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION | | (260,268) | (210,892) |
| Tax on loss on ordinary activities | 5 | <u>3</u> | <u>—</u> |
| LOSS FOR THE FINANCIAL YEAR | 6 | <u>(260,271)</u> | <u>(210,892)</u> |

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

The company has taken advantage of section 408 of the Companies Act 2006
not to publish its own Profit and Loss Account.

The notes on pages 13 to 22 form part of these financial statements.

ORTAC RESOURCES PLC
GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
YEAR ENDED 31 MAY 2009

| | Year to 31 May 09 £ | Period from 6 Nov 07 to 31 May 08 £ |
|---|---------------------------|--|
| Loss for the financial year attributable to the shareholders of the parent company | (260,271) | (210,892) |
| Exchange differences on retranslation of net assets of subsidiary undertakings | 736 | 17,894 |
| Total gains and losses recognised since the last annual report | <u>(259,535)</u> | <u>(192,998)</u> |

RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

| | Year to 31 May 09 £ | Period from 6 Nov 07 to 31 May 08 £ |
|---|---------------------------|--|
| Loss for the financial year | (260,271) | (210,892) |
| New equity share capital subscribed | 62,291 | 246,360 |
| Premium on new share capital subscribed | <u>94,661</u> | 492,720 |
| | 156,952 | |
| Translation difference on opening balance | (4,487) | — |
| Exchange differences on retranslation of net assets of subsidiary undertakings | (27,745) | 17,894 |
| Exchange difference on retranslation of subsidiary loans | <u>32,968</u> | — |
| Net (reduction)/addition to shareholders' funds | (102,583) | 546,082 |
| Opening shareholders' funds | <u>546,082</u> | — |
| Closing shareholders' funds | <u>443,499</u> | <u>546,082</u> |

The notes on pages 13 to 22 form part of these financial statements.

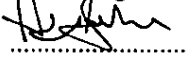
ORTAC RESOURCES PLC

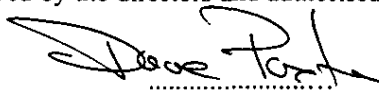
GROUP BALANCE SHEET

31 MAY 2009

| | Note | 2009 £ | 2008 £ |
|--|------|-----------|-----------|
| FIXED ASSETS | | | |
| Intangible assets | 7 | 391,258 | 495,593 |
| CURRENT ASSETS | | | |
| Debtors | 9 | 75,930 | 57,313 |
| Cash at bank and in hand | | 24,210 | 38,531 |
| | | 100,140 | 95,844 |
| CREDITORS: Amounts falling due within one year | 10 | 46,941 | 44,833 |
| NET CURRENT ASSETS | | 53,199 | 51,011 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 444,457 | 546,604 |
| CREDITORS: Amounts falling due after more than one year | 11 | 958 | 522 |
| | | 443,499 | 546,082 |
| CAPITAL AND RESERVES | | | |
| Called-up equity share capital | 15 | 308,651 | 246,360 |
| Share premium account | 16 | 587,381 | 492,720 |
| Foreign currency translation reserve | 16 | 23,117 | 17,894 |
| Profit and loss account | 16 | (475,650) | (210,892) |
| SHAREHOLDERS' FUNDS | | 443,499 | 546,082 |

These financial statements were approved by the directors and authorised for issue on 20/10/09, and are signed on their behalf by:


A.D.N. BALME


D.K. PAXTON

Co No. 6418951

The notes on pages 13 to 22 form part of these financial statements.


ORTAC RESOURCES PLC

BALANCE SHEET

31 MAY 2009

| | Note | 2009 £ | 2008 £ |
|---|------|-----------|-----------|
| FIXED ASSETS | | | |
| Investments | 8 | 575,895 | 575,895 |
| CURRENT ASSETS | | | |
| Debtors | 9 | 253,155 | 156,252 |
| CREDITORS: Amounts falling due within one year | 10 | 41,773 | 25,827 |
| NET CURRENT ASSETS | | 211,382 | 130,425 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 787,277 | 706,320 |
| CAPITAL AND RESERVES | | | |
| Called-up equity share capital | 15 | 308,651 | 246,360 |
| Share premium account | 16 | 587,381 | 492,720 |
| Profit and loss account | 16 | (108,755) | (32,760) |
| SHAREHOLDERS' FUNDS | | 787,277 | 706,320 |

These financial statements were approved by the directors and authorised for issue on 20/10/09, and are signed on their behalf by:


A.D.N. BALME


D.K. PAXTON

The notes on pages 13 to 22 form part of these financial statements.

ORTAC RESOURCES PLC
GROUP CASH FLOW STATEMENT
YEAR ENDED 31 MAY 2009

| | Year to 31 May 09 £ | Period from 6 Nov 07 to 31 May 08 £ |
|---|---------------------------|--|
| NET CASH OUTFLOW FROM OPERATING ACTIVITIES | (145,527) | (112,779) |
| RETURNS ON INVESTMENTS AND SERVICING OF FINANCE | | |
| Interest received | <u>1,307</u> | <u>190</u> |
| NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE | 1,307 | 190 |
| TAXATION | (3) | - |
| ACQUISITIONS AND DISPOSALS | | |
| Net cash acquired with subsidiary | <u>-</u> | <u>32,786</u> |
| NET CASH INFLOW FROM ACQUISITIONS AND DISPOSALS | - | 32,786 |
| CASH OUTFLOW BEFORE FINANCING | (144,223) | (79,803) |
| FINANCING | | |
| Issue of equity share capital | 62,291 | 54,395 |
| Share premium on issue of equity share capital | 94,661 | 108,790 |
| Net outflow from other short-term creditors | (27,486) | (44,851) |
| Net inflow from other long-term creditors | <u>436</u> | <u>-</u> |
| NET CASH INFLOW FROM FINANCING | 129,902 | 118,334 |
| (DECREASE)/INCREASE IN CASH | <u>(14,321)</u> | <u>38,531</u> |

The notes on pages 13 to 22 form part of these financial statements.

ORTAC RESOURCES PLC

GROUP CASH FLOW STATEMENT *(continued)*

YEAR ENDED 31 MAY 2009

RECONCILIATION OF OPERATING LOSS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES

| | Year to 31 May 09 £ | Period from 6 Nov 07 to 31 May 08 £ |
|---|---------------------------|--|
| Operating loss | (261,575) | (211,082) |
| Amortisation and impairment | 104,335 | 67,209 |
| Decrease/(increase) in debtors | 8,869 | (7,534) |
| Increase in creditors | 2,108 | 20,734 |
| Exchange difference on foreign currency retranslation of subsidiaries | 736 | 17,894 |
| Net cash outflow from operating activities | <u>(145,527)</u> | <u>(112,779)</u> |

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

| | 2009 £ | 2008 £ |
|---|---------------|---------------|
| (Decrease)/increase in cash in the period | (14,321) | 38,531 |
| Net outflow from other short-term creditors | 27,486 | 44,851 |
| Net cash (inflow) from other long-term creditors | <u>(436)</u> | <u>—</u> |
| Change in net funds resulting from cash flows | 12,729 | 83,382 |
| Change in net debt due to acquisition of subsidiaries | <u>—</u> | <u>(522)</u> |
| Movement in net funds in the period | 12,729 | 82,860 |
| Net funds at 1 June 2008 | <u>82,860</u> | <u>—</u> |
| Net funds at 31 May 2009 | <u>95,589</u> | <u>82,860</u> |

ANALYSIS OF CHANGES IN NET FUNDS

| | At 1 Jun 2008 £ | Cash flows £ | At 31 May 2009 £ |
|--------------------------|-----------------------|-----------------|------------------------|
| Net cash: | | | |
| Cash in hand and at bank | 38,531 | (14,321) | 24,210 |
| Debt: | | | |
| Debt due within 1 year | 44,851 | 27,486 | 72,337 |
| Debt due after 1 year | <u>(522)</u> | <u>(436)</u> | <u>(958)</u> |
| | 44,329 | 27,050 | 71,379 |
| Net funds | <u>82,860</u> | <u>12,729</u> | <u>95,589</u> |

The notes on pages 13 to 22 form part of these financial statements.

ORTAC RESOURCES PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MAY 2009

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 £260,268. 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 408 of the Companies Act 2006.

Goodwill

Positive purchased goodwill arising on acquisitions is capitalised, classified as an asset on the Balance Sheet and amortised over its estimated useful life up to a maximum of 20 years. This length of time is presumed to be the maximum useful life of purchased goodwill because it is difficult to make projections beyond this period. 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.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Goodwill - Over 5 years

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
YEAR ENDED 31 MAY 2009

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
YEAR ENDED 31 MAY 2009

1. ACCOUNTING POLICIES *(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
YEAR ENDED 31 MAY 2009

2. OPERATING LOSS

Operating loss is stated after charging/(crediting):

| | Year to 31 May 09 £ | Period from 6 Nov 07 to 31 May 08 £ |
|--|---------------------------|--|
| Amortisation of intangible assets | 104,335 | 26,083 |
| Impairment of intangible fixed assets | – | 41,126 |
| Net loss/(profit) on foreign currency translation | 21 | (14,770) |
| Auditor's remuneration - audit of the financial statements | <u>8,203</u> | <u>3,608</u> |

Auditor's remuneration:

Edwards Veeder (Oldham) LLP

| | 2009 £ | 2008 £ |
|--|--------------|--------------|
| Auditor's remuneration - audit of the financial statements | <u>5,515</u> | <u>3,608</u> |

AMK Audit s.r.o.

| | 2009 £ | 2008 £ |
|--|--------------|-----------|
| Auditor's remuneration - local statutory audit of subsidiaries | <u>2,688</u> | <u>–</u> |

ORTAC RESOURCES PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MAY 2009

3. PARTICULARS OF EMPLOYEES

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

| | Year to 31 May 09 | Period from 6 Nov 07 to 31 May 08 |
|--------------------------------|----------------------|---|
| | No | No |
| Number of administrative staff | 5 | 4 |
| Number of management staff | 3 | 3 |
| | <u>8</u> | <u>7</u> |

The aggregate payroll costs of the above were:

| | Year to 31 May 09 | Period from 6 Nov 07 to 31 May 08 |
|-----------------------|----------------------|---|
| | £ | £ |
| Wages and salaries | 43,688 | 16,035 |
| Social security costs | 10,085 | 1,899 |
| | <u>53,773</u> | <u>17,934</u> |

4. DIRECTORS' REMUNERATION

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

| | Year to 31 May 09 | Period from 6 Nov 07 to 31 May 08 |
|----------------------|----------------------|---|
| | £ | £ |
| Directors emoluments | <u>9,000</u> | <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.

5. TAXATION ON ORDINARY ACTIVITIES

Analysis of charge in the year

| | Year to 31 May 09 | Period from 6 Nov 07 to 31 May 08 |
|------------------------------------|----------------------|---|
| | £ | £ |
| Foreign tax | | |
| Current tax on income for the year | 3 | - |
| Total current tax | <u>3</u> | <u>-</u> |

ORTAC RESOURCES PLC
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MAY 2009

6. LOSS ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

The loss dealt with in the financial statements of the parent company was £75,995 (2008 loss - £32,760).

7. INTANGIBLE FIXED ASSETS

| Group | Goodwill |
|--------------------------------|-----------------|
| | £ |
| COST | |
| At 1 June 2008 and 31 May 2009 | <u>521,676</u> |
| AMORTISATION | |
| At 1 June 2008 | 26,083 |
| Charge for the year | <u>104,335</u> |
| At 31 May 2009 | <u>130,418</u> |
| NET BOOK VALUE | |
| At 31 May 2009 | <u>391,258</u> |
| 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.

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8. INVESTMENTS

| Company | Group companies £ |
|--------------------------------|-------------------------|
| COST | |
| At 1 June 2008 and 31 May 2009 | <u>575,895</u> |
| NET BOOK VALUE | |
| At 31 May 2009 and 31 May 2008 | <u>575,895</u> |

| | Country of incorporation | Holding | Nature of business |
|--|--------------------------|---------|---------------------|
| 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 |

9. DEBTORS

| | Group 2009 £ | 2008 £ | Company 2009 £ | 2008 £ |
|------------------------------------|--------------------|---------------|----------------------|----------------|
| Amounts owed by group undertakings | – | – | 178,609 | 105,000 |
| VAT recoverable | 3,593 | 8,212 | 2,209 | 2,151 |
| Other debtors | 72,337 | 44,851 | 72,337 | 44,851 |
| Called up share capital not paid | – | 4,250 | – | 4,250 |
| | <u>75,930</u> | <u>57,313</u> | <u>253,155</u> | <u>156,252</u> |

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

| | Group 2009 £ | 2008 £ | Company 2009 £ | 2008 £ |
|------------------------------------|--------------------|-----------|----------------------|----------------|
| Amounts owed by group undertakings | <u>–</u> | <u>–</u> | <u>178,609</u> | <u>105,000</u> |

ORTAC RESOURCES PLC
NOTES TO THE FINANCIAL STATEMENTS
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10. CREDITORS: Amounts falling due within one year

| | Group | | Company | |
|---|---------------|---------------|----------------|---------------|
| | 2009 | 2008 | 2009 | 2008 |
| | £ | £ | £ | £ |
| Trade creditors | 14,896 | 15,953 | 12,416 | 9,210 |
| Directors' loan accounts | – | 300 | – | 300 |
| Other creditors including taxation and social security: | | | | |
| PAYE and social security | 1,186 | 1,733 | – | – |
| Other creditors | 6,893 | 2,289 | 4,200 | – |
| Accruals and deferred income | 23,966 | 24,558 | 23,966 | 16,317 |
| | <u>46,941</u> | <u>44,833</u> | <u>41,773</u> | <u>25,827</u> |

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

| | Group | | Company | |
|-----------------|--------------|-------------|----------------|-------------|
| | 2009 | 2008 | 2009 | 2008 |
| | £ | £ | £ | £ |
| Other creditors | 958 | 522 | – | – |

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 company assuming or transferring to another party one or more of the financial risks described below.

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.

ORTAC RESOURCES PLC
NOTES TO THE FINANCIAL STATEMENTS
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13. TRANSACTIONS WITH THE DIRECTORS

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

| | 2009 | 2008 |
|--------------|----------|--------------|
| | £ | £ |
| A.D.N. Balme | <u>~</u> | <u>(300)</u> |

14. RELATED PARTY TRANSACTIONS

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

During the year Carter Capital Limited paid expenses on behalf of Ortac Resources Plc which were reimbursed, and invoiced £9,000 for directors fees relating to the previous year. A.D.N. Balme, a director of this company, is a director of Carter Capital Ltd.

15. SHARE CAPITAL

Authorised share capital:

| | 2009 | 2008 |
|--|------------------|------------------|
| | £ | £ |
| 40,000,000 Ordinary shares of £0.05 each | 2,000,000 | 2,000,000 |
| 51,000 Redeemable Preference shares of £1 each | 51,000 | 51,000 |
| | <u>2,051,000</u> | <u>2,051,000</u> |

Allotted and called up:

| | 2009 | | 2008 | |
|--|------------------|----------------|------------------|----------------|
| | No | £ | No | £ |
| Ordinary shares fully called of £0.05 each | <u>6,173,014</u> | <u>308,651</u> | <u>4,927,199</u> | <u>246,360</u> |

During the year the company raised additional finance by issuing 1,245,815 shares at a premium.

Warrants

On 3 June 2008 the company granted 450,000 warrants to directors, which can be exercised up to the fourth anniversary of the date of the grant at an exercise price of 20 pence per ordinary share.

ORTAC RESOURCES PLC
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16. RESERVES

| Group | Share premium account £ | Foreign currency translation reserve £ | Profit and loss account £ |
|---|--|---|--|
| Balance brought forward | 492,720 | 17,894 | (210,892) |
| Loss for the year | — | — | (260,271) |
| Translation difference on opening balance | — | — | (4,487) |
| New equity share capital subscribed | 94,661 | — | — |
| Exchange differences on retranslation of net assets of subsidiary undertakings | — | (27,745) | — |
| Exchange difference on retranslation of subsidiary loans | — | 32,968 | — |
| Balance carried forward | <u>587,381</u> | <u>23,117</u> | <u>(475,650)</u> |
| Company | | Share premium account £ | Profit and loss account £ |
| Balance brought forward | | 492,720 | (32,760) |
| Loss for the year | | — | (75,995) |
| Other movements | | | |
| New equity share capital subscribed | | 94,661 | — |
| Balance carried forward | | <u>587,381</u> | <u>(108,755)</u> |

17. POST BALANCE SHEET EVENTS

The company has raised additional finance after the year end amounting to £150,523 from the issue of 1,204,183 ordinary shares.

On 7 June 2009 the company entered into an option agreement with Tournigan Energy Ltd. relating to the exploration of Kremnica Properties in the Slovak Republic.