COMPANY REGISTRATION NUMBER: 06418951

ORTAC RESOURCES (UK) LIMITED

Financial Statements

31 March 2016

CONTENTS

CORPORATE INFORMATION

Company registration number	**06418951**
Directors	**Anthony Balme** **Vassilios Carellas** **Paul Heber**
Company Secretary	**Hugo Green**
Registered Office	3rd Floor 97 Jermyn Street London SW1Y 6JE
Auditor	**PKF Littlejohn LLP (Statutory Auditor)** 1 Westferry Circus Canary Wharf London E14 4HD
Solicitor	**Kerman & Co LLP** 200 The Strand London WC2R 1DJ
Principal Bankers	**Bank of Scotland** 33 Old Broad Street The City London, EC2N 1HW

DIRECTORS' REPORT

The Directors are pleased to present their report together with the financial statements for the year ended 31 March 2016.

Principal Activities

The principal activity of Ortac Resources (UK) Limited ("the Company") is the management and supervision of the activities of its subsidiaries in Slovakia in developing the Šturec resource in Kremnica and elsewhere exploring for base and precious metals in Slovakia.

Business Review and future developments

The Company's principal focus during the year was to continue to progress the Šturec resource in Kremnica though Bankable Feasibility stage. The Company will continue to seek to achieve this aim over the next year.

Results and Dividends

Loss on ordinary activities after taxation amounted to £(360,933) (2015: £(711,611)). The Directors do not recommend payment of a dividend (2015: £nil).

Post Balance Sheet events

These financial statements were approved on 8 December 2016 and the Directors were not aware of any significant post balance sheet events other than those set out in the notes to the financial statements.

Directors

The names of the Directors who served during the year are set out below:

Director	Date of Resignation
Anthony Balme	
Vassilios Carellas	
David Paxton	21 October 2015
Paul Heber	

Principal risks and uncertainties

The principal risks and uncertainties are integrated with the principal risks and uncertainties of the Group and are not managed separately. Accordingly the principal risks and uncertainties of Ortac Resources Limited, which include those of the Company, are discussed in the Group's 2016 Annual Report.

Statement of Disclosure of Information to Auditor

As at the date of this report the serving Directors confirm that:

- So far as each Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- The Directors have taken all the steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

DIRECTORS' REPORT (continued)

Auditor

PKF Littlejohn LLP has signified its willingness to continue in office as auditor.

Going Concern

The Company made a loss during the year and is reliant on its parent, Ortac Resources Limited, for support. While Ortac Resources Limited has recently raised funds, further funding will be required within 12 months of the date of signing the financial statements for the Company's Parent to have sufficient funds to be able to provide the Company with financial support. Whilst there is no indication that this will not become available, the auditor has made reference to this by way of an emphasis of matter paragraph.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with the applicable law and regulations.

The Directors are required to prepare financial statements for each financial year. The Directors have elected to prepare the Group and Company Financial Statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 of the profit or loss of the Company for that year. In preparing these Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable IFRSs as adopted by the European Union 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 Company will continue in business.

The Directors are responsible for keeping adequate 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 2006. 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.

Status of the Directors Report

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

Approved by the Board and signed on its behalf by:

Anthony Balme

8 December 2016

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ORTAC RESOURCES (UK) LIMITED

We have audited the Financial Statements of Ortac Resources (UK) Limited for the year ended 31 March 2016 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Cash Flow Statement, the Statement of Changes in Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As explained more fully in the Directors' Responsibilities Statement, 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 and express an opinion on 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 Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL ACCOUNTS

An audit involves obtaining evidence about the amounts and disclosures in the Financial Statements sufficient to give reasonable assurance that the Financial Statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed the reasonableness of significant accounting estimates made by the Directors, and the overall presentation of the Financial Statements.

In addition, we read all the financial and non-financial information in the Directors Report to identify material inconsistencies with the audited Financial Statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ORTAC RESOURCES (UK) LIMITED (continued)

OPINION ON FINANCIAL STATEMENTS

In our opinion the Financial Statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

EMPHASIS OF MATTER – GOING CONCERN

In forming our opinion on the Financial Statements, which is not modified, we have considered the adequacy of the disclosure made in note 1e to the Financial Statements concerning the Company's ability to continue as a going concern. The Company incurred a loss of £360,933 during the year ended 31 March 2016 (2015: £711,611) and as at that year end date, it had net liabilities of £2,845,844 (2015: £2,484,911). The Company is reliant on receiving funding from its Parent, Ortac Resources Limited, which is itself dependent on the ability to raise funds on the open market. These conditions, indicate the existence of a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern. The Financial Statements do not include the adjustments that would result if the Company was unable to continue as a going concern.

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.

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, or returns adequate for our audit have not been received, from branches not visited by us; or
- the 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; or

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ORTAC RESOURCES (UK) LIMITED (continued)

- the Directors were not entitled to take advantage of the small companies' exemption in preparing the Directors' Report and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.

Joseph Archer

Joseph Archer (Senior statutory auditor)
For and on behalf of PKF Littlejohn LLP
Statutory auditor
14 December 2016

1 Westferry Circus
Canary Wharf
London E14 4HD

FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2016

	Note	Year ended 31 March 2016 £	Year ended 31 March 2015 £
Revenue		-	-
Other operating income		31,750	58,866
Administrative expenses	2	(291,641)	(770,477)
Impairment of assets	3	(101,042)	-
Operating loss		(360,933)	(711,611)
Loss before income tax		(360,933)	(711,611)
Income tax expense	5	-	-
Loss after income tax		(360,933)	(711,611)
Loss for the financial year		(360,933)	(711,611)
Other comprehensive income for the year		-	-
Total comprehensive income for the year		(360,933)	(711,611)

The notes on pages 12 to 24 form part of these financial statements

FINANCIAL STATEMENTS (continued)

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2016

Registered Number: 06418951

	Note	31 March 2016 £	31 March 2015 £
ASSETS			
Non-current assets			
Investment in subsidiaries	7	1,327,400	1,402,400
Property, plant and equipment	6	6,588	9,405
Trade and other receivables	8	14,042,411	13,935,446
Total non-current assets		15,376,699	15,347,251
Current assets			
Trade and other receivables	8	39,534	79,199
Cash and cash equivalents		25,502	5,611
Total current assets		65,036	84,810
TOTAL ASSETS		15,441,435	15,432,061
EQUITY			
Share capital	10	560,993	560,993
Share premium		1,311,861	1,311,861
Retained earnings - deficit		(4,718,698)	(4,357,765)
TOTAL EQUITY		(2,845,844)	(2,484,911)
LIABILITIES			
Current Liabilities			
Trade and other payables	9	18,287,279	17,916,972
TOTAL LIABILITIES		18,287,279	17,916,972
TOTAL EQUITY AND LIABILITIES		15,441,435	15,432,061

These financial statements were approved by the Board of Directors and authorised for issue on 8 December 2016 and signed on its behalf by:

Anthony Balme
Director

Vassilios Carellas
Director

The notes on pages 12 to 24 form part of these financial statements.

FINANCIAL STATEMENTS (continued)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2016

	Note	Year to 31 March 2016 £	Year to 31 March 2015 £
Cash flows from operating activities			
Loss before income tax		(360,933)	(711,611)
Impairment of assets	3	101,042	-
Depreciation		2,817	11,563
Decrease in trade and other receivables	8	39,664	16,335
Decrease in trade and other payables	9	(52,416)	(9,023)
Net cash outflow from operating activities		(269,826)	(692,736)
Cash flows from investing activities			
Increase in Loans from parent and group companies	9	422,721	894,905
Increase in loans to subsidiaries	8	(133,004)	(205,481)
Net cash inflow from investing activities		289,717	689,423
Net increase/(decrease) in cash and cash equivalents		19,891	(3,313)
Cash and cash equivalents at beginning of year		5,611	8,924
Cash and cash equivalents at end of year		25,502	5,611

The notes on pages 12 to 24 form part of these financial statements.

FINANCIAL STATEMENTS (continued)

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2016

	Attributable to equity shareholders			
	Called up share capital	Share premium reserve	Retained earnings	Total equity
	£	£	£	£
As at 1 April 2014	560,993	1,311,861	(3,646,154)	(1,773,300)
Loss for the year	-	-	**(711,611)**	**(711,611)**
Total comprehensive income for the year	-	-	**(711,611)**	**(711,611)**
As at 31 March 2015	560,993	1,311,861	**(4,357,765)**	**(2,484,911)**
As at 1 April 2015	560,993	1,311,861	**(4,357,765)**	**(2,484,911)**
Loss for the year	-	-	**(360,933)**	**(360,933)**
Total comprehensive income for the year	-	-	**(360,933)**	**(360,933)**
As at 31 March 2016	560,993	1,311,861	**(4,718,698)**	**(2,845,844)**

Share capital: This represents the nominal value of the equity shares in issue.
Share premium: When shares are issued, any premium paid above the nominal value is credited to the share premium reserve.
Retained earnings: This records the accumulated losses of the Company since the inception of the business.

The notes on pages 12 to 24 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

a. General information and authorisation of financial statements

Ortac Resources (UK) Limited is a private limited company incorporated and domiciled in England & Wales, with a registered number 06418951. The Company's Financial Statements for the year ended 31 March 2016 were authorised for issue by the Board on 8 December 2016 and the Statement of Financial Position was signed on the Board's behalf by Mr. Anthony Balme and Mr. Vassilios Carellas.

b. Statement of Compliance with IFRS and new standards, amendments and interpretations adopted during the year

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Financial Statements are listed below. The Company intends to adopt these standards, if applicable, when they become effective. Unless stated below, there are no IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

Standard		**Effective Date**
IAS 1 (Amendments)	Presentation of Financial Statements: Disclosure Initiative	1 January 2016
IAS 7 (Amendments)	Results of the Disclosure Initiative	*1 January 2017
IAS 12 (Amendments)	Recognition of Deferred tax assets for Unrealised Losses	*1 January 2017
IAS 16 (Amendments)	Clarification of Acceptable methods of Depreciation and Amortisation	1 January 2016
IAS 27 (Amendments)	Separate Financial Statements	*1 January 2016
IAS 28 (Amendments)	Investment Entities: Applying the Consolidation Exception	*1 January 2016
IFRS 2 (Amendments)	Clarification of Measurement of Share Based Payment Transactions	*1 January 2018
IFRS 9 (Amendments)	Financial Instruments	1 January 2018
IFRS 10 (Amendments)	Investment Entities: Applying the Consolidation Exception	*1 January 2016
IFRS 12 (Amendments)	Investment Entities: Applying the Consolidation Exception	*1 January 2016
IFRS 15	Revenue from Contracts with Customers	*1 January 2018
IFRS 16	Leases	1 January 2019
Annual Improvements	2012 – 2014 Cycle	*1 January 2016

**Subject to EU endorsement*

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Company.

Whilst the Directors do not anticipate the adoption of these standards and interpretation in future reporting periods will have a material impact on the Group's financial statements, they have yet to complete their full assessment in relation to the impact of IFRS 9, IFRS 15 and IFRS 16.

c. Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and IFRS Interpretation Committee ("IFRIC") as adopted by the European Union and the Companies Act 2006 applicable to companies reporting under IFRS.

The financial statements have been prepared on the historical cost basis, except for the measurement to fair value of assets and financial instruments as described in the accounting policies below, and on a going concern basis.

The financial information is presented in pounds sterling and all values are rounded to the nearest pound (£) unless otherwise stated.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied unless otherwise stated.

d. Consolidated Financial Statements

The Company has taken advantage of the exemption available under S401 of the Companies Act 2006 not to present consolidated financial statements in respect of Ortac Resources (UK) Limited and its subsidiaries, as Ortac Resources Limited (which is listed on the Alternative Investment Market) has prepared consolidated financial statements which include those of the Company and its subsidiaries.

e. Going concern

The Company's business activities are set out in the Directors' Report on pages 3 and 4; in addition, note 11 to the Financial Statements includes the Company's objectives, policies and processes for managing its capital, its financial risk management objectives and its exposure to credit, market and liquidity risk.

Whilst the Directors have prepared cashflow forecasts for the Company, it remains reliant on its Parent (Ortac Resources Limited) for the funding of its operations to be able to provide this support. Having considered all information available, the Directors believe that such funding will be forthcoming and that the Parent will provide finance as required. The amount of funding is unforeseen at the point of approval of these Financial Statements and the Company's Parent will be required to raise additional funds either via an issue of equity or through the issuance of debt.

The Financial Statements have been prepared on a going concern basis. Although the Company's assets are not generating revenue and an operating loss has been reported, the Directors are of the opinion that the Parent Company will have sufficient funds to finance the Company's operating activities for a period of at least the next 12 months following approval of these Financial Statements.

Attention is drawn to this section of the Notes on going concern in the auditor's report as an Emphasis of Matter, without any modification of the audit opinion given.

f. Contingent consideration

Any contingent consideration to be transferred is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity. See note 13 below.

g. Taxation

Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

There has been no tax credit or expense for the period relating to current or deferred tax.

h. Significant accounting judgments, estimates and assumptions

The carrying amounts of certain assets and liabilities are often determined based on estimates and assumptions of future events. The key estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of certain assets and liabilities within the next annual reporting period are:

- **Impairment of investment in, and loans to, subsidiaries**

  Management tests annually whether the investment in, and loans to, subsidiaries have a recoverable value greater than their carrying value. Where there are indications that a subsidiary may be impaired, the Company is required to estimate the Company's recoverable amount, which is the greater of value in use and fair value less costs to sell.

  The impairment review in the current year assessed that exploration projects carried out by the subsidiaries, whilst at an early stage of development, are all connected with projects for which a JORC compliant resource estimate is available (previously there were certain projects which were not JORC compliant); however, impairment provisions have been raised against these projects and no further material investments made in such projects.

  A reclassification of resource estimates for those Projects for which a JORC compliant resource estimate is available was undertaken in 2012 by a leading firm of mining consultants and led to the announcement of maiden JORC Ore Reserves for the Šturec Deposit with 13.97Mt of ore at a grade of 1.70g/t Au and 14.22g/t Ag (1.90g/t Au Equivalent) classified in the Proven and Probable categories, giving an open pit Ore Reserve of 873,000oz of gold equivalent (28 tonnes). Subsequently, a third party Pre-Feasibility Study of the Šturec Project announced in April 2013 further confirmed the economic feasibility of the Šturec project: which based upon a metals price of (at US$1,343/oz Au Eq net price) and a discount rate of 8% gave an NPV of US$195 million (post tax US$145 million) and Internal Rate of Return ('IRR') of 30%. Gold prices at present are at close to this price.

Subject to the above, the Directors are of the opinion that no further impairment provisions are required, but if this proves to be incorrect and the subsidiaries do not have any value, the investment and loans will be written off.

- **Contingent consideration**

  The Company is required to pay vendor royalties which will become payable within 60 days of all required permits being obtained to allow commercial production at the Kremnica property. On the basis of updated resource studies, the Directors are confident that vendor royalties will, if all the required permits are secured, become payable. However, until it is clear that the required permits will be secured no provision can be determined. Disclosure and further details are at note 15 below.

i. Revenue

The Company had no revenue in the year ended 31 March 2016 or 31 March 2015. However, the Company sub-let its premises during the year, which is treated as other operating income.

j. Cash and cash equivalents

Cash and short-term deposits comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

k. Trade and other receivables

Trade receivables, which generally have 15-day terms, are recognised initially at cost, being their initial fair value, less an allowance for uncollectible amounts. These are classified as loans and receivables, and so are subsequently carried at cost using the effective interest method. The Directors are of the view that such items are collectible and therefore no provisions are required.

l. Investments

Investments in subsidiary undertakings are stated at cost less any provision for impairment in value.

m. Financial instruments

The Company's financial instruments are classified as loans and receivables. The classification depends on the purposes for which the financial instruments were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, and comprise trade and other receivables and cash and cash equivalents (see separate accounting policies for these items).

Trade and other payables are classified as financial liabilities, and are initially recognised at cost, being their fair value, and are subsequently measured at amortised cost using the effective interest method. Any interest is recognised as a finance cost within the Statement of Comprehensive Income.

There is no material difference between the carrying values and fair values of the Company's financial instruments.

n. Trade and other payables

Trade payables and other payables are carried at amortised cost and represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obligated to make future payments in respect of the purchase of these goods and services.

o. Operating leases

Leases of assets under which a significant amount of the risks and benefits of ownership are effectively retained by the lessor are classified as operating leases. Operating lease payments are charged to profit or loss on a straight-line basis over the period of the respective leases.

2. Expenses by Nature

Operating loss is arrived at after charging:	2016 £	2015 £
Directors' emoluments - salary and fees	70,870	75,608
Wages and salaries	82,720	109,535
Establishment expenses	98,766	85,194
Loss on foreign exchange	-	423,934
Travel and subsistence expenses	28,754	23,967
Professional fees - legal and consulting	5,607	22,573
Depreciation and amortisation	2,817	11,563
Other expenses	1,472	8,103
Total operating expenses	291,641	770,477

Auditors remuneration for the year ended 31 March 2016 was borne by the Parent Company. The Directors estimate the audit fee for the Company to be £10,000 (2015: £10,000).

3. Impairment of assets

During the year, the Company impaired its investment in, and receivable from, Bellmin s.r.o as it was merged into another subsidiary, St Stephens Gold s.r.o. The total amount impaired was as follows:

	2016 £	2015 £
Investment	75,000	-
Receivable	26,042	-
Total	101,042	-

4. Employee Information

	2016	2015
	£	£
Wages and salaries	**82,720**	116,961
Directors' remuneration	**70,870**	69,500
	153,590	186,461

The average number of employees during the period was made up as follows:

	2016	2015
	£	£
Operations	-	-
Administration	1	1
Management staff	1	1
	2	2

5. Taxation

The taxation charge of £nil on the Company's loss before taxation differs from the theoretical amount that would arise using the tax rate applicable to the loss of the Company as follows:

	2016	2015
	£	£
Tax on ordinary activities		-
Loss on ordinary activities before tax	**(360,933)**	**(711,611)**
Loss on ordinary activities multiplied by the standard rate of corporation tax of 20% (2015: 20%)	**(72,187)**	**(142,322)**
Effects of:		
Permanent differences	-	**10,028**
Fixed asset timing differences	-	**1,250**
Unutilised losses	**72,187**	**131,044**
Current tax charge	-	-

There are tax losses in the Company of £2.5m (2015: £2.4m) which are carried forward for relief against taxable profits in future periods. The potential deferred tax asset of £475k (2014: £465k) has not been recognised in respect of these losses as there is presently insufficient evidence of the timing of suitable future profits against which they can be recovered.

Factors that may affect future tax charges

Further reductions to the UK Corporation tax rates were substantively enacted as part of the Finance Bill 2015 on 26 October 2015. These will reduce the main rate of corporation tax to 19% from 1 April 2017 and to 17% from 1 April 2020.

6. Property, plant and equipment

	Office Leasehold Premises and Plant & Equipment £
Cost	
Opening cost at 1 April 2014	**85,013**
Additions	**-**
Closing cost at 31 March 2015	**85,013**
Opening cost at 1 April 2015	**85,013**
Additions	**-**
Closing cost at 31 March 2016	**85,013**
Depreciation	
Balance at 1 April 2014	**64,045**
Charge for the year	**11,563**
Closing balance at 31 March 2015	**75,608**
Balance at 1 April 2015	**75,608**
Charge for the year	**2,817**
Closing balance at 31 March 2016	**78,425**
Net book value	
At 31 March 2015	9,405
At 31 March 2016	**6,588**

Depreciation has been charged to "administrative expenses".

7. Investment in Subsidiaries

Shares in subsidiary undertakings	**£**
Cost	
At 1 April 2015 and at 31 March 2016	1,402,400
Provision for impairment	
At 1 April 2015	-
Charge for the year	75,000
At 31 March 2016	75,000
Carrying value	
At 31 March 2016	**1,402,400**
At 31 March 2015	**1,327,400**

Investments in group undertakings are recorded at cost, which is the fair value of the consideration paid. During the year ended 31 March 2016 the Company wrote off its investment in in Bellmin s.r.o amounting to £75,000 which was merged into St Stephens Gold s.r.o on 1 April 2015.

At 31 March 2016, the Company held more than 20% of the share capital of the following subsidiary companies:

Company	**Place of Business**	**Proportion held**	**Nature of business**
St. Stephans Gold s.r.o.	Slovak Republic	100%	Mineral Exploration
Ortac s.r.o (formerly Kremnica Gold Mining s.r.o.)	Slovak Republic	100%	Mineral Exploration

On 1 April 2015, Bellmin s.r.o and G.B.E. s.r.o were merged into St Stephans Gold s.r.o. On the same day Kremnica Gold s.r.o was merged into Ortac s.r.o.

8. Trade and Other Receivables

	2016	2015
	£	£
Current trade and other receivables		
Other receivables	31,571	10,803
Tax receivables	6,421	589
Prepayments	1,542	67,806
Total	39,534	79,199

	2016	2015
		£
Non-current trade and other receivables		
Loans due from subsidiaries	14,042,411	13,935,446
	14,042,411	13,935,446

Current trade and other receivables are all due within one year. The fair value of all remaining receivables is the same as their carrying values stated above.

Loans due from subsidiaries are unsecured, interest free and have no fixed repayment dates. During the year ended 31 March 2016 the Company wrote off its Loan of $26,042 to Bellmin s.r.o which was merged into Sr Stephens Gold s.r.o on 1 April 2014.

The carrying amounts of the Company's current trade and other receivables are denominated in the following currencies:

	2016	2015
	£	£
UK Pounds	39,534	79,199
Total	39,534	79,199

The carrying amounts of the Company's non-current trade and other receivables are denominated in the following currencies:

	2016	2015
	£	£
Euros	14,042,411	13,935,446
Total	14,042,411	13,935,446

Trade and other receivables do not contain any impaired assets. The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. The Company does not hold any collateral as security.

9. Trade and Other Payables

	2016	2015
	£	£
Amounts due to group companies	18,255,459	17,832,736
Trade payables	20,525	45,400
Other payables	-	8,480
Accruals	11,295	24,990
Tax payables	-	5,366
Total	**18,287,279**	**17,916,972**

Other payables include amounts payable to the Company's parent, arising as a consequence of the acquisition of Kremnica Gold s.r.o. and Kremnica Gold Mining s.r.o., and which liability is now owed by the Company to its parent, Ortac Resources Limited, but is eliminated in the preparation of consolidated accounts of Ortac Resources Limited.

The carrying values are considered a reasonable approximation of the fair values and are considered by the Directors as payable within one year.

10. Share Capital

	2016		2015	
Authorised share capital	**No.**	**£**	**No.**	**£**
Ordinary shares of £0.05 each	**40,000,000**	**2,000,000**	40,000,000	2,000,000
Redeemable preference shares of £1 each	**51,000**	**51,000**	51,000	51,000
		2,051,000		2,051,000

	2016		2015	
Allotted, called up and fully paid share capital	**No.**	**£**	**No.**	**£**
Ordinary shares of £0.05 each	**11,219,862**	**560,993**	11,219,862	560,993
At 1 April/31 March	**11,219,862**	**560,993**	11,219,862	560,993

11. Financial and Capital Risk Management

Financial risk management

The main financial risks to which the Company's activity is exposed are liquidity and capital risk.

Liquidity risk

Management of liquidity risk is achieved by monitoring budgets and forecasts and actual cash flows, and maintaining funding sources and back-up facilities.

Liquidity risk is managed at a Group level as the Company's Parent holds the cash to fund exploration activities. The Directors are confident that adequate funding will be forthcoming from the Company's Parent with which to finance operations although the Parent will need to raise funds on the open market to be able to provide such funding.

Market risk

The Company's main exposure to market risk is through foreign currency exchange rates and interest rates.

The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Euro and UK pound sterling.

Foreign exchange risk arises from recognised monetary assets and liabilities. The exposure to this risk is not considered material to the Company's operations and thus the Directors consider that, for the time being, no hedging or other arrangements are necessary to mitigate this risk.

The table below details the sensitivity to possible changes in the currency exchange rate, presuming all other variables remaining constant, on the Company's loss before tax.

Increase/decrease in foreign exchange rate	Effect on equity before tax for the year ended £
2016 Euros	
+10%	1,404,240
-10%	(1,404,240)
2015 Euros	
+5%	696,772
-5%	(696,772)

Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to enable the Company and its subsidiaries to continue their exploration and evaluation activities. The Company is dependent on its Parent for financing, and holds no external debt and, as such, capital risk management is monitored on a Group basis, ensuring the level of cash resources within the Group are in line with future planned exploration and evaluation activities. The Parent Company may issue new shares in order to raise further funds from time to time.

12. Commitments

Operating leases

Future aggregate minimum lease payments	2016 £	2015 £
Not later than one year	**14,437**	18,000
Later than one year but not later than five years	**-**	-
Total lease commitment	**14,437**	18,000

As at 31 March 2016 the Company had entered into only one material commitment, as follows:

On the 16 August 2011 the Company entered into a lease agreement which expired on 16 August 2016 to rent space located at 96-97 Jermyn Street, at a rent payable of £38,500 per year, payable in 4 equal instalments on a quarterly basis, with a break period after 3 years, subject to six months notice to the Landlord At 31 March 2016 the Company had a deposit of £21,480 to apply against the remaining contractual rent.

Other commitments

The Company's subsidiaries are required to incur exploration expenditure in order to maintain title to their mineral exploration permits. Funds to meet such payments are borrowed by the Company from Ortac Resources Limited and, in turn, are then lent to the Company's subsidiaries.

No provision has been made in the financial statements for future such transactions, as they are expected to be fulfilled in the normal course of operations, as and when they arise.

13. Contingent Liability

As part of its acquisition of Kremnica Gold s.r.o. and Kremnica Gold Mining s.r.o (now Ortac s.r.o), both of which having been merged into Ortac s.r.o. it was agreed that Ortac Resources Plc (now Ortac Resources (UK) Limited) would pay:

a) Vendor Royalties of up to US$3,750,000 in either shares or cash- being $15 per ounce on the first 250,000 ounces of gold equivalent (gold plus silver) resource defined as proven and probable reserve in the Bankable Feasibility Study. Said royalty will become payable within 60 days of all required permits being obtained to allow commercial production at the Kremnica property; and

b) A 2 per cent Net Smelter Royalty ("NSR") on gold and silver production from the Kremnica Gold Project to a limit of the first 1,000,000 ounces produced, reduced to a 1 per cent NSR on the next 1,000,000 ounces and zero per cent thereafter. At any time prior to the reduction of the NSR percentage to 1 per cent, Ortac may acquire half of the 2 per cent NSR for US$1,000,000. After the reduction of the NSR to 1 per cent, the Purchaser may acquire all of the Vendor NSR for US$1,000,000.

On the basis of the updated third party resource study, the Directors are confident that proven and probable reserves in the Bankable Feasibility Study will significantly exceed 250,000 ounces of gold equivalent (gold plus silver) resource.

Notwithstanding this, until such time as it is clear that all the required permits to achieve commercial production will be secured, no provision for such amounts can be determined.

The Directors estimate that the value of contingent consideration should be based on the maximum vendor royalties payable, as translated at the year end US$/£ Sterling exchange rates.

The maximum contingent consideration as at 31 March 2016 is £2,608,000 (2015 £2,437,000), in each case being the Pounds Sterling equivalent of US$3,750,000 at rates of exchange prevailing at the respective year ends.

14. Related Party Transactions

Key management compensations

Directors' fees included in the expenses of the Company include £19,500 (2015: £19,500) charged by Carter Capital Limited in respect of the services provided by payable to A.D.N. Balme.

A.D.N. Balme is materially interested in Carter Capital Limited as a director and shareholder.

Intra-Group transactions

Transactions between Ortac Resources (UK) Limited and its parent/subsidiaries may be summarised as follows:

Received from Parent		Paid to Subsidiaries (Movement after Exchange Differences)	
2016	2015	**2016**	2015
£	£	**£**	**£**
422,721	**894,905**	**133,004**	**205,480**

Liability to Parent		Receivable from Subsidiaries (Movement after Exchange Differences and Impairment)	
2016	2015	**2016**	2015
£	£	**£**	£
18,255,459	**17,832,736**	**14,042,411**	**13,935,446**

15. Events after the reporting period

There are no post balance sheet events to disclose.

16. Ultimate controlling party

The Company's Parent is Ortac Resources Limited, a company incorporated in the British Virgin Islands, whose shares are traded on the Alternative Investment Market of the London Stock Exchange with the symbol OTC.

No person or entity controls Ortac Resources Limited; as such there is no ultimate controlling party.