ORTAC RESOURCES LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS 2013

Ortac Resources Limited ("Ortac" or "the Company") is a BVI incorporated company quoted on the London Stock Exchange operated AIM Market. Its principal activities are the identification, evaluation, acquisition and development of natural resource projects.

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CHAIRMAN'S STATEMENT AND OPERATIONS AND FINANCE REVIEW

Introduction

The last 12 months have been perhaps the most active period for Ortac since it was founded. Our activities have been directed on three fronts: firstly, the technical advancement its Šturec Gold Deposit in Slovakia ('Šturec or 'the 'Deposit''), secondly the evolution of the Šturec Project to a win-win proposal for all stakeholders, and thirdly a sector wide review to seek out a new project to complement our Slovak portfolio.

Operations

On the technical front, during the financial year Ortac updated the Mineral Resource and completed a Pre-Feasibility Study (PFS) of the Šturec Deposit. The PFS builds upon the Scoping Study that we completed in January 2012 and demonstrates that Šturec can be developed with robust profitably, even below current metal prices, whilst still respecting the concerns of the local community and the environment.

The highlight of the PFS was at a straight line base case gold price of $1,350/oz, the project generates a post tax Net Present Value of US$145m (at an 8% discount rate) and an Internal Rate of Return of 30%. Equally importantly, given the decline in the gold price in recent months, there is a considerable buffer between the base case prices used and project break even levels.

In addition to the PFS, Ortac has commenced detailed baseline environmental surveys of the local and regional biodiversity, habitats and ecosystems. This work is being undertaken in association with some of Slovakia's most respected experts. It is planned that the results of this work will then be made publicly available, to enable the Company, the Slovak Authorities and the local communities to make informed decisions regarding the project and, it is envisaged that after a period of consultation, Ortac will be able to submit a Preliminary Environmental Report and begin the EIA process for the project.

Operationally, we have substantially added to Ortac's in country presence, with the appointment of a Slovak Managing Director for Slovakia in May 2012 and this has been followed by other key local appointments and partnerships.

In terms of project development and community engagement two key initiatives are now coming to fruition: namely Šturecland, and the foundation of Forum Kremnicko.

Firstly Šturecland, this is an interim name for a green energy, tourism development funded from the extraction of gold and silver in Šturec. At its heart, Šturecland is a vision based upon using the known precious metal and geothermal energy resources to support a sustainable economic future for the Company and the region, and it is one that uses future mining activity as an integral part of the project's construction process.

The elaboration of Šturecland has been an intensive piece of engagement work involving many different parties and experts over the last year. The concept has evolved as a result of our in-country teams efforts, and is being developed in line with both the Aarhus Convention and applicable Equator principles. Šturecland is the cornerstone on which the next steps of our project development process will proceed, and engagement on it by the local inhabitants and people in the surrounding region has now started.

Further information on the Šturecland concept can be obtained via the company's website or directly from www.sturecland.sk

Secondly, we are in the process of facilitating the creation of "Forum Kremnicko" as a response to the historic lack of dialogue around the potential natural resource developments linked to Šturec. Forum Kremnicko is a platform that caters for those who wish for better local decision-making processes on designs, alternatives and related local needs and opportunities. Within it, interested public, authorities and investors will be in a position to examine the evolution of the Šturecland concept as a serious and transformational proposition for the benefit of all stakeholders in the region.

The Company believes that a policy of proactive dialogue and engagement are key to project success. The Directors are of the view that the results to date suggest a discernible turnaround in the level of interest of the local communities, amongst which certain recent decisions in the Kremnica, Micro-Region and Regional Governments are encouraging. Taken together with a more general openness to engage, persuades us that our initiatives to design a win-win investment are working. Building on this momentum, we believe that the collaborative studies now released and underway, in conjunction with the PFS and our engagement program, will lead to the recognition that the Šturec project is indeed both achievable and sustainable, and that the path now being pursued is the appropriate way to develop a sensitive and economically viable project. At the same time it must be recognised that there will be on-going lack of trust with those who have been concerned with the locally termed 'destructive mining'. As a result of this, opposition may continue to be encountered and efforts made to frustrate, confuse and delay formal decision making processes until sufficient mutual trust has been earned. It is in this vein that opponents to the project have used the media and online and social networking sites to misrepresent facts and add confusion to the issue of Ortac's mining rights to the Kremnica Mining License Area.

Notwithstanding these actions, the Directors are confident in the status of the joint surface and underground mining rights. Indeed, they can confirm that the mining bureau have recently confirmed that Ortac s.r.o (formerly Kremnica Gold Mining s.r.o) continues to hold both underground and surface mining rights to the Kremnica Mining License Area, (they expire on 30 June 2014 at the earliest). It should however also be noted that the date limit above excludes any time taken up by environmental consideration processes and it can also be further extended by beginning an operation before the expiry date. As previously reported, an application for small scale surface mining that would satisfy the requirement to mine is with the Slovak Authorities and is in the environmental consideration stage of the permitting process. The Directors are also advised that an underground operation from the existing workings would equally satisfy the terms of the license extension, and are in the process of preparing such an application to be submitted for environmental consideration shortly. Indeed, Ortac is likely to submit further application(s) in the coming period.

Lastly, and concerning our initiatives to expand our project portfolio beyond Slovakia, this has been a matter of a considerable investment of time by your board, the Company's management and advisers. With a number of potential projects already assessed and a pipeline of projects waiting to be assessed, I am confident that the combination of our people, our expertise and our capital will lead to a transaction in due course.

Finance Review

Showing commitment to the company during the period the directors acquired approximately 17 million shares representing 0.7 % of the company.

In line with management expectations we report a pre tax loss of £1.746m (2012: loss of £1.987m) and a loss per share of £0.008 (2012: £0.009).

We remain well funded, and at the date of this report, we have cash of approximately £4.2m. The outflow of funds since 31 March 2013 was budgeted for and aside from normal operating outflows, is largely associated with the settlement of professional costs associated with the completion of the PFS, the release of the Šturecland project and the build up of our outreach activities in Slovakia.

Outlook

Despite the challenges of operating within the current volatile market, the progress we have made during the last year with the Šturec project together with our well founded financial position reassures us that we are positioned to generate value for shareholders over the medium term. At the same time we have recently implemented a number of measures to reduce costs, including a 25% cut in Directors remuneration, to ensure that the Company is in a position to not only advance the Šturec project but also actively search for other opportunities to add value for our shareholders.

Given the above, the key developmental milestones for the coming period are the satisfaction of our license terms, and progress towards the EIA process and feasibility study on the Šturec project, that will have the support of the local communities.

Finally, and to take advantage of the value we perceive to be available due to the current market conditions, and also to provide diversification beyond Slovakia, the board has made the decision to expand Ortac's project portfolio beyond Slovakia (and Europe). Against such a background we will therefore be restricting our Slovak activities to Kremnica and Šturec for the time being.

I would like to thank our valued shareholders for their support, and look forward to providing further updates on Ortac's progress.

Anthony Balme

Chairman

07 August 2013

DIRECTORS' REPORT

The Directors are pleased to present this year's annual report together with the consolidated financial statements for the year ended 31 March 2013.

Principal Activities

The principal activities of the Group are the identification, evaluation, acquisition and development of natural resource projects.

Business Review and Future Developments

A review of the current and future development of the Group's business is given in the Chairman's Statement, and Operations and Finance Review on pages 2 to 4.

Results and Dividends

The loss on ordinary activities of the Group after taxation amounted to £1.746m (2012: loss of £1.987m). The Directors do not recommend payment of a dividend.

Key Performance Indicators ("KPIs")

The Board monitors the activities and performance of the Group on a regular basis and uses both financial and non financial indicators to assess the Group's performance. The indicators set out below were used by the Board during the year ended 31 March 2013 and will continue to be used to assess performance during the year to 31 March 2014.

Financial KPIs

The principal financial KPIs monitored by the Board concern levels and usage of cash. Three main financial KPIs are used to monitor costs and plan future exploration and development activities. They are as follows:

Financial KPIs	**Measure**	2013	2012
Cash and cash equivalents	£ 000's	**5,165**	7,678
Administrative expenses as a % of total assets	%	**-9%**	-8%
Exploration costs capitalised	£ 000's	**1,390**	1,359

During the year, and in line with budget, cash decreased by £2,513,000; of this slightly more than half was associated with the financing of exploration work capitalised in connection with the Šturec project, as well as costs associated with early stage development projects elsewhere in Slovakia which, for the sake of prudence, were not capitalised.

Non-Financial KPIs

The Board monitors the following key non-financial KPIs on a regular basis:

Health and safety – number of reported incidents

Health & Safety	**Measure**	2013	2012
	No of Incidents	-	-

There were no reportable incidents in the current or prior year.

Operational performance

During the year a reclassification of resource estimates 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, on 8 April 2013 a Pre-Feasibility Study ("PFS") of the Šturec Project was announced and further confirmed the economic feasibility of the 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 Net Present Value of US$195m (post tax US$145m) and Internal Rate of Return of 30%.

In addition to the PFS, Ortac has commenced detailed baseline environmental surveys to study the local and regional biodiversity, habitats and ecosystems. This work is being undertaken by respected local biologists and habitat experts. It is intended that the results of the study will be used to enable Ortac, the Slovak Authorities and the local communities to make decisions regarding the Sturec project and begin the statutory permitting process for the project.

Post Balance Sheet Events

At the date these financial statements were approved, being 1 August 2013, the Directors were not aware of any significant post Balance Sheet events.

Substantial Shareholdings

At 28 June 2013 the following had notified the Company of disclosable interests in 3% or more of the nominal value of the Company's shares:

Shareholder	Number of Ordinary Shares	% of issued capital
Henderson Global Investors	267,319,508	11.54%
TD Direct Investing	221,418,816	9.56%
Barclays Stockbrokers Limited	204,848,198	8.85%
Halifax Share Dealing	196,833,528	8.50%
Balme A D Esq.	166,373,463	7.18%
Hargreaves Lansdown	132,027,300	5.70%
Interactive Investor Trading Limited	122,225,287	5.28%
HSBC Wealth Management (UK)	106,114,067	4.58%
Jarvis Investment Management Limited	85,731,837	3.70%

Directors

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

Director	Date of Appointment	Date of Resignation
Executive Directors:		
Anthony Balme	-	-
Vassilios Carellas	-	-
Charles Wood	-	-
Non-Executive Directors:		
David Paxton	-	-
Paul Heber	26-Jul-12	-

Directors' Remuneration

The Group remunerates the Directors at levels commensurate with its size and the experience of its Directors. The Remuneration Committee has reviewed the Directors' remuneration and believes the levels uphold these objectives. Details of the Directors' emoluments and payments made for professional services rendered are set out in note 8 to the financial statements.

Directors' Interests

The beneficial interests of the serving Directors in the shares and options of the Company during the year to 31 March 2013 were as follows:

	31 March 2013		1 April 2012	
Director	Shares	Options (1)	Shares	Options (1)
Anthony Balme	**163,373,463**	**28,000,000**	159,373,463	28,000,000
Charles Wood	**-**	**49,200,000**	-	49,200,000
David Paxton	**29,022,220**	**10,000,000**	29,022,220	10,000,000
Paul Heber	**2,600,000**	**-**	-	-
Vassilios Carellas	**33,355,983**	**40,000,000**	33,355,983	40,000,000

1) The Options issued to Directors are detailed in note 18 to the financial statements

2) Anthony Balme's shares are held as follows (a) Carter Capital Ltd holds 65,988,088 Ordinary Shares (b) Anthony Balme holds 53,878,158 Ordinary Shares (c) AMC Ltd holds 31,803,004 Ordinary Shares, (d) Anne Louise Balme (spouse) holds 5,204,213 Ordinary Shares, and Carter Capital Ltd Pension Scheme holds 6,500,000 Ordinary Shares.

3) 9,639,946 of David Paxton's shares are held by Adit Investment Ltd, a company controlled by Mr Paxton.

None of the Directors exercised any share options during the year.

Between 31 March 2013 and 1 August 2013 there have been changes in the interests set out above with certain of the Directors increasing their shareholdings as follows: Mr. Anthony Balme bought 5,000,000 ordinary shares, Mr. Charles Wood purchased 2,000,000 ordinary shares, Mr. Paul Heber, purchased 2,400,000 ordinary shares and Vassilios Carellas bought 2,644,017 ordinary shares.

Corporate Governance

A statement on Corporate Governance is set out on pages 10 to 15.

Principal Risks and Uncertainties

A Statement on Principal Risks and Uncertainties is set out as part of the report on Corporate Governance and is also addressed in note 20 to the financial statements.

Environmental Responsibility

The Group is aware of the potential impact that its subsidiary companies may have on the environment. Accordingly, the Company ensures that with regard to the environment, it and its subsidiaries at a minimum comply with applicable European Union and local regulatory requirements, as well as the revised Equator Principles.

Employment Policy

The Group is committed to promoting policies to ensure that high calibre employees are attracted, motivated and retained for the ongoing success of the business. Employees and those who seek to work within the Company are treated equally regardless of sex, marital status, creed, colour, race or ethnic origin.

Health and Safety

The Group's aim is to maintain a high standard of workplace safety. In order to achieve this, the Group provides training and support to employees and sets demanding standards for workplace safety.

Insurance

A Statement on Insurance and Uninsured Risks is set out on pages 10 to 14, as part of the report on Corporate Governance.

Payment to Suppliers

The Group's policy is to agree terms and conditions with suppliers in advance; payment is then made in accordance with the agreement, provided the supplier has met the terms and conditions. Trade payables as at 31 March 2013 were equivalent to 69 days costs (2012: 6 days). The quantum of trade payables as at 31 March 2013 is not representative of normal terms of trade with suppliers, but rather connected to the conclusion of the Šturec Project Pre-Feasibility Study announced shortly after year end and expenses accrued in connection with Ortac's social engagement program.

Political Contributions and Charitable Donations

During the year, the Group did not make any political contributions, but made charitable donations of £14,864 (2012: £6,058) in support of a number of local community causes in Slovakia.

Annual General Meeting ("AGM")

This report and financial statements will be presented to shareholders for their approval at the AGM. Notice of the AGM will be distributed to shareholders in the near future.

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 Group'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 Group's auditors is aware of that information.

Auditors

The auditor, PKF Littlejohn LLP (formerly named Littlejohn LLP), will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Going Concern

Notwithstanding the loss incurred during the year under review, the Directors are of the opinion that ongoing evaluations of the Group's interests, together with its cash resources, indicate that the preparation of the Group's accounts on a going concern basis is appropriate.

Statement of Directors' Responsibilities

The Directors prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the Company and the Group and of their profit or loss for that 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. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;

The Directors are responsible for keeping adequate accounting records, for safeguarding the assets of the Group and for taking reasonable steps for the prevention and detection of fraud and other irregularities. They are also responsible for ensuring that the annual report includes information required by the Alternative Investment Market.

Electronic Communication

The maintenance and integrity of the Company's website is the responsibility of the Directors: the work carried out by the auditor does not involve consideration of these matters and, accordingly, the auditor accepts no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

The Company's website is maintained in accordance with AIM Rule 26.

Legislation in the British Virgin Islands governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

By order of the Board:

Charles Wood

Executive Director Corporate

1 August 2013

CORPORATE GOVERNANCE STATEMENT

The Board is committed to maintaining high standards of corporate governance. The Listing Rules of the Financial Conduct Authority incorporate the UK Corporate Governance Code, which sets out the principles of Good Governance, and the Code of Best Practice for listed companies. Whilst the Company is not required to comply with the UK Corporate Governance Code, the Company's corporate governance procedures take due regard of the principles of Good Governance set out in the UK Corporate Governance in relation to the size and the stage of development of the Company.

Board of Directors

The Board of Directors currently comprises three Executive Directors and two Non-Executive Directors. The Directors are of the opinion that the Board composition contains a suitable balance and that the recommendations of the UK Corporate Governance have been implemented to an appropriate level. The Board maintains regular contact with its advisers and public relations consultants in order to ensure that the Board develops an understanding of the views of major shareholders about the Company.

Board Meetings

The Board meets regularly throughout the year. For the year ended 31 March 2013, the Board met five times in relation to normal operational matters. The Board is responsible for formulating, reviewing and approving the Company's strategy, financial activities and operating performance. Day to day management is devolved to the Executive Directors who are charged with consulting the Board on all significant financial and operational matters.

All Directors have access to the advice of the Company's solicitors. Necessary information is supplied to the Directors on a timely basis to enable them to discharge their duties effectively, and all Directors have access to independent professional advice, at the Company's expense, as and when required.

Board Committees

The Board has established the following committees, each of which has its own terms of reference:

Audit Committee

The Audit Committee considers the Group's financial reporting (including accounting policies) and internal financial controls. The Audit Committee comprises two Directors: Paul Heber (Chairman) and David Paxton, and is responsible for ensuring that the financial performance of the Group is properly monitored and reported on and in this capacity interacts as needed with the Group's External Auditors.

Remuneration Committee

The Remuneration Committee is responsible for making recommendations to the Board on the remuneration of the Directors and senior executives. It comprises two Directors: David Paxton (Chairman) and Paul Heber. Non-Executive Directors' remuneration and conditions are considered and agreed by the Board.

Financial packages for Executive Directors are established by reference to those prevailing in the employment market for executives of equivalent status both in terms of level of responsibility of the position and their achievement of recognized job qualifications and skills. The Committee also gives regard to the terms that may be required to attract equivalent experienced executives to join the Board from other companies.

Internal controls

The Directors acknowledge their responsibility for the Group's systems of internal controls and for reviewing their effectiveness. These internal controls are designed to safeguard the assets of the Group and to ensure the reliability of financial information for both internal use and external publication. Whilst they are aware that no system can provide absolute assurance against material misstatement or loss, in light of increased activity and further development of the Group, continuing reviews of internal controls will be undertaken to ensure that they are adequate and effective.

Risk Management

The Board considers risk assessment important in achieving its strategic objectives. There is a process of evaluation of performance targets through regular reviews by senior management who compare actual progress to forecasts. Project milestones and timelines are regularly reviewed.

Risks and uncertainties

Risk assessment and evaluation is an essential part of the Group's planning and an important aspect of the Group's internal control system.

The principal risks facing the Group are set out below:

General and Economic Risks

- Contractions in the world's major economies or increases in the rate of inflation in the United Kingdom and Slovakia;
- Movements in the equity and share markets in the United Kingdom and throughout the world and particularly the UK AIM Listed market and its natural resource sector;
- Weakness in global equity and share markets in the United Kingdom, and particularly the UK AIM Listed market and adverse changes in market sentiment towards the natural resource industry in general, and particularly gold exploration and companies in that sector;
- Currency exchange rate fluctuations and, in particular, the relative prices of the UK Pound, Euro and the US dollar;
- Exposure to interest rate fluctuations in the United Kingdom in particular and specifically those connected with Sterling deposits;
- Adverse changes affecting the success of exploration and development programmes in Slovakia such as: changes in government policy and further local regulation of the industry as well as emanating from the European Union);

- Operational issues such as: increases in expenses, the availability of skilled people with the appropriate skills in Slovakia; unforeseen major failure, breakdowns or repairs required to key items of plant and equipment resulting in significant delays, notwithstanding regular programmes of repair, maintenance and upkeep; variations in grades and unforeseen adverse geological factors or prolonged weather conditions.

Funding Risk

- The successful exploration of natural resources on any project will require very significant capital investment. The only sources of financing currently available to the Group are through the issue of additional equity capital in the Company or through bringing in partners to fund exploration and development costs. The Group's ability to raise further funds will depend on the success of its investment strategy and acquired operations. The Group, or the companies in which it has invested, may not be able to raise, either by debt or by further equity, sufficient funds to enable completion of planned exploration, investment and/or development projects.

Commodity Risk

- Commodities are subject to high levels of volatility in price and demand. The price of commodities depends on a wide range of factors, most of which are outside the control of the Group, including global demand and supply, international economic trends, currency exchange fluctuations, expectations for inflation, speculative activity, consumption patterns and global or regional political events. The aggregate effect of these factors is impossible to predict. Fluctuations in commodity prices, over the long term, may adversely impact the returns of the Group's exploration projects.
- A significant reduction in global demand for gold, leading to a fall in gold prices, could lead to a significant fall in the cash flow of the Group and/or a delay in exploration and production or even abandonment of a project should it prove uneconomical to develop, which may have a material adverse impact on the operating results and financial condition of the Group.
- Mining, processing and transportation costs also depend on many factors, including commodity prices, capital and operating costs in relation to any operational site.

Exploration and Development Risks

- Exploration and development activity is subject to numerous risks, including failure to achieve estimated mineral resource, recovery and production rates and capital and operating costs.
- Success in identifying economically recoverable reserves can never be guaranteed. The Group also cannot guarantee that the companies in which it has invested will be able to obtain the necessary permits and approvals required for development of their projects.

- Some of the countries in which the Group operates have native title laws that could affect exploration and development activities. The companies in which the Group has an interest may be required to undertake clean-up programmes on any contamination from their operations or to participate in site rehabilitation programmes that may vary from country to country. The Group's policy is to follow all applicable laws and regulations and the Group is not currently aware of any material issues in this regard.

Environmental risk

- The environmental impact of the Group's projects to date is largely limited to activities associated with exploration activities. The ultimate development of any project will inevitably impact considerably on the local landscape and communities. These projects sit in an area of considerable natural beauty; therefore, there is likely to be opposition to mining by some parties. This may impact on the cost and/or Group's ability to sell or move these projects into production.
- While the Group believes that its operations and future projects are currently, and will be, in compliance with all relevant material environmental and health and safety laws and regulations, there can be no assurance that new laws and regulations, or amendments to, or stringent enforcement of, existing laws and regulations will not be introduced.

Reserve and resource estimates

- The Group's future reported reserves and resources are only estimates. No assurance can be given that the estimated reserves and resources will be recovered or that they will be recovered at the rates estimated. Mineral and metal reserve and resource estimates are based on limited sampling and, consequently, are uncertain because the samples may not be representative. Mineral and metal reserve and resource estimates may require revision (either up or down) based on actual production experience.
- Any future reserve and/or resource figures will be estimates and there can be no assurance that the minerals are present, will be recovered or that they can be brought into profitable production. Furthermore, a decline in the market price for natural resources that the Group may discover or invest in could render reserves containing relatively lower grades of these resources uneconomic to recover.

Political, economic and regulatory regime

- The licences and operations of the Group are outside the United Kingdom and accordingly there will be a number of risks which the Group will be unable to control. Whilst the Group will make every effort to ensure it has robust commercial agreements covering its activities, there is a risk that the Group's activities will be adversely affected by economic and political factors such as the imposition of additional taxes and charges, cancellation or suspension of licences and changes to the laws governing mineral exploration and operations.

- The Group's activities will be dependent upon the grant of appropriate licences, concessions, leases, permits, and regulatory consents that may be withdrawn or made subject to limitations. There can be no assurance that they will be granted or renewed or, if so, on what terms. There is also the possibility that the terms of any licence may be changed or other than as represented or expected.
- The Slovak Republic, the current focus of the Group's activity, offers a stable political framework.

Dependence on key personnel

- The Group and Company is dependent upon its executive management team and various technical consultants. Whilst it has entered into contractual agreements with the aim of securing the services of these personnel, the retention of their services cannot be guaranteed. The development and success of the Group depends on their ability to recruit and retain high quality and experienced staff. The loss of the services of key personnel, or the inability to attract additional qualified personnel as the Group grows, could have an adverse effect on future business and financial conditions.

Uninsured risk

- The Group, as a participant in exploration and development programmes, may become subject to liability for hazards that cannot be insured against or third party claims that exceed the insurance cover. The Group may also be disrupted by a variety of risks and hazards that are beyond its control, including geological, geotechnical and seismic factors, environmental hazards, industrial accidents, occupation and health hazards and weather conditions or other acts of God.

Insurance

The Group maintains insurance in respect of its Directors and Officers against liabilities in relation to the Company and the Group. The Group maintains insurance in respect of its exploration and development and operational programs in the Slovak Republic.

Treasury Policy

The Group finances its operations through equity and holds its cash as a liquid resource to fund the obligations of the Group. Decisions regarding the management of these assets are approved by the Board. Please refer to note 20 to the financial statements below.

Securities Trading

The Board has adopted a Share Dealing Code that applies to Directors, senior management and any employee who is in possession of "inside information". All such persons are prohibited from trading in the Company's securities if they are in possession of "inside information". Subject to this condition and trading prohibitions applying to certain periods, trading can occur provided the relevant individual has received the appropriate prescribed clearance.

Relations with Shareholders

The Board is committed to providing effective communication with the shareholders of the Company. Significant developments are disseminated through stock exchange announcements and regular updates of the Company's website. The Board views the AGM as a forum for communication between the Company and its shareholders and encourages their participation in its agenda.

INDEPENDENT AUDITOR’S REPORT

INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF ORTAC RESOURCES LIMITED

We have audited the Financial Statements of Ortac Resources Limited for the year ended 31 March 2013 which comprise the Group and Company Statements of Comprehensive Income, the Group and Company Balance Sheets, the Group and Company Cash Flow Statements, the Group and Company Statements 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. 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 Auditor

As explained more fully in the Statement of Directors’ Responsibilities, 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 Statements

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 Group’s and the Parent 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 Annual Report to identify material inconsistencies with the audited Financial Statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on Financial Statements

In our opinion the Financial Statements:

- give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 March 2013 and of their 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 AIM Rules for Companies.

PKF Littlejohn LLP
Chartered Accountants and Registered Auditor

1 Westferry Circus
Canary Wharf
London E14 4HD

1 August 2013

FINANCIAL STATEMENTS

Group Statement of Comprehensive Income for the Year ended 31 March 2013

	Notes	Year to 31 March 2013 £ 000s	Year to 31 March 2012 £ 000s
Other Operating Income		**32**	16
Administrative expenses	**3**	**(1,463)**	(1,404)
Share-based payments	**8,18**	**-**	(49)
Group operating loss	**2**	**(1,431)**	(1,437)
Gain on sale of investments		**-**	-
Loss on available for sale investments	**14**	**(240)**	(82)
Impairment Provision	**4,11**	**(105)**	(596)
Interest received	**10**	**30**	128
Loss on ordinary activities before taxation		**(1,746)**	(1,987)
Taxation on loss on ordinary activities	**6**	**-**	-
Loss for the financial year from continuing operations		**(1,746)**	(1,987)
Other comprehensive income			
Currency translation differences		**-**	(521)
Loss on revaluation of available for sale investments	**14**	**-**	(284)
Other comprehensive income for the year		**-**	(805)
Total comprehensive income for the year		**(1,746)**	(2,792)
Attributable to:			
Equity holders of the parent Company		**(1,746)**	(2,792)
Earnings/(loss) per share expressed in pence per share			
- Basic & diluted	**9**	**(0.08)**	(0.09)

Company Statement of Comprehensive Income for the Year ended 31 March 2013

	Notes	Year to 31 March 2013 £ 000s	Year to 31 March 2012 £ 000s
Revenue		**-**	-
Administrative expenses	**3**	**(680)**	(532)
Share-based payments	**8,18**	**-**	(49)
Operating loss	**2**	**(680)**	(581)
Impairment provision	**4,11**	**-**	(596)
Loss on available for sale investments	**14**	**(240)**	(82)
Gain on sale of investments		**-**	-
Interest received	**10**	**30**	128
Loss before taxation		**(890)**	(1,131)
Income tax expense	**6**	**-**	-
Loss for the financial year		**(890)**	(1,131)
Other comprehensive income			
Loss on revaluation of available for sale investments	**14**	**-**	(284)
Other comprehensive income for the year		**-**	(284)
Total comprehensive income for the year		**(890)**	(1,415)

Group Balance Sheet as at 31 March 2013

	Note	31 March 2013 £ 000s	31 March 2012 £ 000s
ASSETS			
Non-current assets			
Intangible assets	**11**	**11,407**	10,024
Plant and equipment	**12**	**326**	321
Total non-current assets		**11,733**	10,345
Current assets			
Inventories	**15**	**9**	7
Trade and other receivables	**16**	**142**	139
Available for sale investments	**14**	**70**	310
Cash & cash equivalents	**20**	5,165	7,678
Total current assets		**5,386**	8,134
TOTAL ASSETS		**17,119**	18,479
LIABILITIES			
Current liabilities			
Trade and Other payables	**17**	**(487)**	(184)
TOTAL LIABILITIES		**(487)**	(184)
NET ASSETS		**16,632**	18,295
SHAREHOLDERS' EQUITY			
Share capital	**18**	**-**	-
Share premium		**29,994**	29,994
Share based payments reserve		**1,857**	1,857
Available for sale investment reserve		**-**	-
Foreign exchange reserve		**133**	(58)
Retained earnings		**(15,352)**	(13,498)
TOTAL EQUITY		**16,632**	18,295

These financial statements were approved by the Board of Directors on 1 August 2013 and signed on its behalf by:

Anthony Balme

Executive Chairman

Charles Wood

Executive Director Corporate

Company Balance Sheet as at 31 March 2013

	Notes	31 March 2013 £ 000s	31 March 2012 £ 000s
ASSETS			
Non-current assets			
Plant and Equipment		**12**	14
Investment in subsidiaries	**13**	**7,485**	7,485
Trade and other receivables	**16**	**6,013**	4,112
Total non-current assets		**13,510**	11,611
Current assets			
Trade and other receivables	**16**	**17**	4
Available for sale investments	**14**	**70**	310
Cash and cash equivalents		**5,006**	7,581
Total current assets		**5,093**	7,895
TOTAL ASSETS		**18,603**	19,506
LIABILITIES			
Current liabilities			
Trade and other payables	**17**	**(22)**	(35)
TOTAL LIABILITIES		**(22)**	(35)
NET ASSETS		**18,581**	19,471
EQUITY			
Share capital	**18**	**-**	-
Share premium		**29,994**	29,994
Share based payments reserve		**1,857**	1,857
Retained earnings		**(13,270)**	(12,380)
TOTAL EQUITY		**18,581**	19,471

These financial statements were approved by the Board of Directors on 1 August 2013 and signed on its behalf by:

Anthony Balme

Executive Director

Charles Wood

Executive Director Corporate

Group Cash Flow Statement for the Year ended 31 March 2013

	Notes	Year to 31 March 2013 £ 000s	Year to 31 March 2012 £ 000s
Cash flows from operating activities			
Operating Loss		**(1,431)**	(1,437)
(Increase)/decrease in inventories	**15**	**(2)**	1
(Increase) in trade and other receivables	**16**	**(3)**	(78)
Increase/(decrease) in trade and other payables	**17**	**303**	(82)
Share options expensed	**8,9**	**-**	49
Depreciation and amortisation	**11,12**	**79**	31
Net cash outflow from operating activities		**(1,054)**	(1,516)
Cash flows from investing activities			
Interest received	**10**	**30**	128
Payments for exploration and evaluation of mineral resources	**11**	**(1,390)**	(1,359)
Payments to acquire tangible assets	**12**	**(47)**	(106)
Net cash (outflow) from investing activities		**(1,407)**	(1,337)
Net (decrease)/increase in cash and cash equivalents		**(2,461)**	(2,853)
Foreign exchange differences on translation		**(52)**	(55)
Cash and cash equivalents at beginning of year		**7,678**	10,586
Cash and cash equivalents at end of year	**20**	**5,165**	7,678

Company Cash Flow Statement for the Year Ended 31 March 2013

	Notes	Year to 31 March 2013 £ 000s	Year to 31 March 2012 £ 000s
Cash flows from operating activities			
Operating loss		**(680)**	(581)
(Increase)/decrease in trade and other receivables	**16**	**(13)**	16
(Decrease) in trade and other payables	**17**	**(13)**	(37)
Share options expensed	**8,9**	**-**	49
Depreciation and amortisation	**12**	**5**	-
Net cash outflow from operating activities		**(701)**	(553)
Cash flows from investing activities			
Interest received	**10**	**30**	128
Payments to acquire tangible assets	**12**	**(3)**	(14)
Loans to subsidiaries		**(1,901)**	(2,554)
Net cash (outflow) from investing activities		**(1,874)**	(2,440)
Net (decrease)/increase in cash and cash equivalents		**(2,575)**	(2,993)
Cash and cash equivalents at beginning of year		**7,581**	10,574
Cash and cash equivalents at end of year	**20**	**5,006**	7,581

Group Statement of Changes in Equity for the Year ended 31 March 2013

	Called up share capital	Share premium reserve	Available for sale investment reserve	Foreign exchange reserve	Share based payment reserve	Retained earnings	Total equity
	£ 000s	£ 000s	£ 000s	£ 000s	£ 000s	£ 000s	£ 000s
As at 31 March 2011	**-**	**29,994**	**284**	**463**	**1,888**	**(11,606)**	**21,023**
Loss for the year	-	-	-	-	-	(1,987)	**(1,987)**
Loss on market value of available for sale investments	-	-	(284)	-	-	-	**(284)**
Currency translation differences	-	-	-	(521)	-	-	**(521)**
Total comprehensive income	**-**	**-**	**(284)**	**(521)**	**-**	**(1,987)**	**(2,792)**
Currency translation on opening balance	**-**	**-**	**-**	**-**	**-**	**15**	**15**
Reserves transfer on cancellation of options	-	-	-	-	(80)	**80**	**-**
Share based payments	-	-	-	-	49	-	**49**
As at 31 March 2012	**-**	**29,994**	**-**	**(58)**	**1,857**	**(13,498)**	**18,295**
Loss for the year	**-**	**-**	**-**	**-**	**-**	**(1,746)**	**(1,746)**
Currency translation differences	**-**	**-**	**-**	**191**	**-**	**-**	**191**
Total comprehensive income	**-**	**-**	**-**	**191**	**-**	**(1,746)**	**(1,555)**
Currency translation on opening balance	**-**	**-**	**-**	**-**	**-**	**(108)**	**(108)**
As at 31 March 2013	**-**	**29,994**	**-**	**133**	**1,857**	**(15,352)**	**16,632**

Share capital: represents the nominal value of the equity shares in issue.

Share premium reserve: When shares are issued, any premium paid above the nominal value is credited to the share premium reserve.

Available for sale (AFS) reserve: represents the temporary differences arising on the fair value of the available for sale investments.

Foreign exchange reserve: represents differences arising on the foreign exchange rates used to consolidate foreign subsidiaries.

Share based payment reserve: represents the fair value of options and performance share rights recognised as an expense. Upon exercise of options or performance share rights, any proceeds received are credited to share capital.

Retained earnings reserve: records the accumulated profits and losses of the Group since inception of the business and adjustments relating to options and warrants.

Company Statement of Changes in Equity for the Year ended 31 March 2013

	Called up share capital	Share premium reserve	Available for sale investment reserve	Share based payment reserve	Retained earnings	Total equity
	£ 000s	£ 000s	£ 000s	£ 000s	£ 000s	£ 000s
As at 31 March 2011	**-**	**29,994**	**284**	**1,888**	**(11,329)**	**20,837**
Loss for the period	-	-	-	-	(1,131)	**(1,131)**
Loss on market value of available for sale investments	-	-	(284)	-	-	**(284)**
Total comprehensive income	**-**	**-**	**(284)**	**-**	**(1,131)**	**(1,415)**
Reserves transfer on cancellation of options	-	-	-	(80)	80	**-**
Share based payments	-	-	-	49	-	49
As at 31 March 2012	**-**	**29,994**	**-**	**1,857**	**(12,380)**	**19,471**
Loss for the period	-	-	-	-	**(890)**	**(890)**
Total comprehensive income	**-**	**-**	**-**	**-**	**(890)**	**(890)**
As at 31 March 2013	**-**	**29,994**	**-**	**1,857**	**(13,270)**	**18,581**

Share capital: represents the nominal value of the equity shares in issue.

Share premium reserve: When shares are issued, any premium paid above the nominal value is credited to the share premium reserve.

Available for sale (AFS) reserve: represents the temporary differences arising on the fair value of the available for sale investments.

Foreign exchange reserve: represents differences arising on the foreign exchange rates used to consolidate foreign subsidiaries.

Share based payment reserve: represents the fair value of options and performance share rights recognised as an expense. Upon exercise of options or performance share rights, any proceeds received are credited to share capital.

Retained earnings reserve: records the accumulated profits and losses of the Group since inception of the business and adjustments relating to options and warrants.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. Summary of Significant Accounting Policies

a. General Information and Authorisation of Financial Statements

The Company is registered in the British Virgin Islands under the BVI Business Companies Act 2004 with registered number 1396532. The Company's ordinary shares are traded on the AIM Market operated by the London Stock Exchange. The Group Financial Statements of Ortac Resources Limited for the year ended 31 March 2013 were authorised for issue by the Board on 1 August 2013 and the Balance Sheets signed on the Board's behalf by Mr. Anthony Balme and Mr. Charles Wood.

b. Statement of Compliance with IFRS

The following new standards and amendments to standards are mandatory for the first time for the Group for the financial period 1 April 2013. Except as noted, the implementation of these standards did not have a material effect on the Group:

Standard	Impact on initial application	Effective date
IAS 12 (Amendment)	Deferred tax: recovery of underlying assets	1 January 2012*

Standards, amendments and interpretations that are not yet effective and have not been early adopted:

Standard		Effective date
IFRS 10	Consolidated financial statements	1 January 2013*1
IFRS 11	Joint arrangements	1 January 2013*1
IFRS 12	Disclosure of interest in other entities	1 January 2013*1
IFRS 13	Fair value measurement	1 January 2013
IAS 19 (Amendment 2011)	Employee benefits	1 January 2013*2
IAS 27 (Amendment 2011)	Separate financial statements	1 January 2013
IAS 28 (Amendment 2011)	Investments in associates and joint ventures	1 January 2013*1
IFRS 7 (Amendment 2011)	Disclosures – offsetting financial assets and financial liabilities	1 January 2013
IAS 32 (Amendment 2011)	Offsetting financial assets and financial liabilities	1 January 2014
IFRS 9	Financial instruments	1 January 2015*2

1 Effective date 1 January 2014 for the EU.
2. Not yet endorsed by the EU

The Group has not early adopted these revised standards and is currently assessing the impact that these standards will have on the consolidated financial statements.

c. Basis of Preparation

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

The financial information is presented in Pounds Sterling (£) and all values are rounded to the nearest thousand Pounds Sterling (£ 000's) unless otherwise stated.

d. Basis of Consolidation

The consolidated financial statements incorporate the results of the Company and its subsidiaries (the "Group") using the acquisition method. Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. In the Group Balance Sheet, the acquiree's identifiable assets and liabilities are initially recognised at their fair values at the acquisition date. The results of acquired or disposed operations are included in the Group Statement of Comprehensive Income from the date on which control is obtained, or up to the date of disposal. Inter-company transactions and balances between Group companies are eliminated in full.

e. Business combinations

The acquisition of subsidiaries in a business combination is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree, plus any costs directly attributable to the business combination. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 are recognised at their fair value at the acquisition date, except for non-current assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 *"Non Current Assets Held for Sale and Discontinued Operations*", which are recognised and measured at fair value less costs to sell.

Where there is a difference between the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities and the cost of the business combination, any excess cost is recognised in the Group Balance Sheet as goodwill and any excess net fair value is recognised immediately in the Income Statement as negative goodwill on acquisition of subsidiary.

The interest of minority shareholders in the acquiree is initially measured at the minority's proportion of the net fair value of the assets, liabilities and contingent liabilities recognised.

f. Contingent consideration

Contingent consideration is charged to the profit and loss in the period in which it is recognised as payable. See note 22 below.

g. Revenue

The Group had no revenue during the two years ended 31 March 2013.

h. Foreign currencies

The Group's functional currency is Pounds Sterling. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. As at the reporting date, the assets and liabilities of the subsidiaries are translated into the presentation currency of Ortac Resources Limited, which is Pounds Sterling, at the rate of exchange ruling at the reporting date and their Income Statements are translated at the average exchange rate for the year. The exchange differences arising on the translation are taken directly to a separate component of equity.

All other exchange differences are recognised in profit or loss with the exception of differences on foreign currency borrowings which, to the extent that they are used to finance or provide a hedge against foreign equity investments, are taken directly to reserves to the extent of the exchange difference arising on the net investment in these enterprises.

i. Exploration and Development Costs

Exploration and development costs are carried forward in respect of areas of interest where the consolidated entity's rights to tenure are current and where these costs are expected to be recouped through successful development and exploration, or by sale. Alternatively, these costs are carried forward while active and significant operations are continuing in relation to the areas of interest and it is too early to make reasonable assessment of the existence or otherwise of economically recoverable reserves. When the area of interest is abandoned, exploration and evaluation costs previously capitalised are written off to the profit or loss.

In accordance with the full cost method, costs incurred by the Company on behalf of its subsidiaries and associated with mining development and investment are capitalised on a project-by-project basis pending determination of the feasibility of the project. Costs incurred include appropriate technical and administrative expenses but not general overheads. If a mining development project is successful, the related expenditures will be written-off over the estimated life of the commercial ore reserves on a unit of production basis. Impairment reviews will be carried out regularly by the Directors of the Company. Where a project is abandoned, or is considered to be of no further commercial value, the related costs will be written off.

The recoverability of deferred mining costs and mining interests is dependent upon the discovery of economically recoverable reserves, the ability of the Group to obtain necessary financing to complete the development of reserves and future profitable production or proceeds from the disposal of recoverable reserves.

j. Significant Accounting Judgements, Estimates and Assumptions

Critical Accounting Estimates and Judgements

The preparation of financial statements using accounting policies consistent with IFRS requires the Directors to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities and the reported amounts of income and expenses. The preparation of financial statements also requires the Directors to exercise judgement in the process of applying the accounting policies. Changes in estimates, assumptions and judgements can have a significant impact on the financial statements.

Critical accounting estimates

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively from the period in which the estimates are revised. The following are the key estimate and assumption uncertainties that have a significant risk of resulting in a material adjustment within the next financial year:

i) Impairment of non-financial assets

Exploration and evaluation costs have a carrying value at 31 March 2013 of £11,408,000 (2012: £10,024,000). Management tests annually whether exploration projects have future economic value in accordance with the accounting policy stated in note t. below). Each exploration project is subject to an annual review. When there are indications that an asset may be impaired, the Group is required to estimate the asset's recoverable amount. Recoverable amount is the greater of value in use and fair value less costs to sell.

Determining the value in use requires the Group to estimate expected future cash flows associated with the asset and a suitable discount rate in order to calculate present value. If this proves to be incorrect and the project does not have any value, the exploration and evaluation costs will be written off.

Further information as to the impairment review carried out by the Directors can be found in notes 4 and 11.

ii) Stock-based compensation

The Directors are required to make certain estimates when determining the fair value of share options awards, and the number of awards that are expected to vest. These estimates affect the amount recognized as stock based compensation in the profit or loss in respect of share based payments. The assumptions made have been described in more detail in note v. below.

Were the actual number of options that vest to differ by 10% from management's estimates the overall option charge would increase/decrease by £nil (2012 £5,000).

iii) Contingent consideration

As referred to in note 22, the contingent consideration arrangement requires Ortac Resources PLC to pay vendor royalties of up to US$3,750,000 (£2,440,940 at 31 March 2013) 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. This will become payable within 60 days of all required permits being obtained to allow commercial production at the Kremnica property.

The fair value of the above have been determined on the basis that the Directors are confident that the resource threshold referred to above will be exceeded, and in which case the carrying value is the maximum vendor royalties payable, as translated at year end US$/ Sterling exchange rates.

The Directors estimate that the carrying value of contingent consideration would be £76,938 lower or £76,938 higher if the US$ exchange rate was to change by 5% from its year end rate.

k. Finance Revenue

Finance revenue consists of bank interest which is recognised as accruing on a straight line basis, over the period of the deposit.

l. Cash and Cash Equivalents

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

For the purposes of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above,

m. Inventories

Inventories largely consist of operational and maintenance consumables held and are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method, and the Directors are of the opinion that there is no significant difference between cost and net realisable value, and no provisions are required.

n. Trade and Other Receivables

Trade receivables, which generally have 15-day terms, are recognised and carried at original value. The Directors are of the view that such items are collectible and no provisions are required.

o. Investments

Investments in subsidiary undertakings are stated at cost less any provision for impairment in value, prior to their elimination on consolidation.

p. Financial Instruments

The Group's financial instruments are classified as loans and receivables and available for sale. The classification depends on the purpose for which the financial assets 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).

Available-for-sale financial assets are non-derivatives that are not included in any other category, and comprise current asset investments. They are initially recognised at fair value plus transaction costs, and are subsequently carried at fair value with changes in fair value being recognised in other comprehensive income.

The Group has overseas subsidiaries in the Slovak Republic whose expenses are denominated in Euros. Market price risk is inherent in the Group's activities and is accepted as such.

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

q. Available for sale investment reserve.

This reserve is used to record the fair value movements in available for sale investments.

r. Share-based payments reserve

This reserve is used to record the value of share-based payments provided to employees and Directors as part of their remuneration and provided to consultants and advisors hired by the Group from time to time as part of the consideration paid.

s. Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of foreign subsidiaries and the retranslation of monetary items forming part of the net investment in those subsidiaries.

t. Property, Plant and Equipment

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is provided on all tangible assets to write off the cost less estimated residual value of each asset over its expected useful economic life on a straight-line basis at the following annual rates:

- Property 20% or straight line over the period of the lease- whichever is the lesser;
- Plant and Equipment – between 5% and 25%

All assets are subject to annual impairment reviews.

u. Impairment of Assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of its fair value less costs to sell and its value in use. This is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, and the asset's value in use cannot be estimated to be close to its fair value. In such cases, the asset is tested for impairment as part of the cash-generating unit to which it belongs. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, it is considered impaired and is written down to its recoverable amount.

In assessing value in use, estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Impairment losses relating to continuing operations are recognised in those expense categories consistent with the function of the impaired asset, unless the asset is carried at revalued amount (in which case the impairment loss is treated as a revaluation decrease).

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount.

That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in profit or loss unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

v. Trade and Other Payables

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

w. Share-based payment transactions

The Group provides benefits to senior personnel, consultants and advisors of the Group in the form of share-based payments, whereby such parties render services in exchange for shares or rights over shares (equity-settled transactions).

The cost of these equity-settled transactions with such parties is measured by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using a Black-Scholes model.

In valuing equity-settled transactions, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Ortac Resources Limited (market conditions) if applicable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant party become fully entitled to the award (the vesting period).

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects:

(i) the extent to which the vesting period has expired and;

(ii) the Group's best estimate of the number of equity instruments that will ultimately vest.

No adjustment is made for the likelihood of market performance conditions being met, as the effect of these conditions is included in the determination of fair value at grant date. The charge to profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is only conditional upon a market condition.

The dilutive effect, if any, of outstanding options is reflected as additional share dilution in the computation of earnings/(loss) per share (see note 9).

x. 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.

y. Loss per share

Basic loss per share is calculated as total comprehensive income for the period attributable to members of the parent, adjusted to exclude any costs of servicing equity (other than dividends) and preference share dividends, divided by the weighted average number of ordinary shares, adjusted for any bonus element.

Diluted loss per share are calculated as total comprehensive income for the period attributable to members of the parent, adjusted for:

- Costs of servicing equity (other than dividends) and preference share dividends;
- The after tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and
- Other non-discretionary changes in revenues or expenses during the period that would result from the dilution of potential ordinary shares; divided by the weighted average number of ordinary shares and dilutive potential ordinary shares, adjusted for any bonus element.

2. Revenue and Segmental Analysis

Segment information has been determined based on the information reviewed by the Board, being the Group’s chief operating decision-maker, for the purposes of allocating resources and assessing performance. No revenue is currently being generated.

Head office activities are mainly administrative in nature and are located in the UK/BVI whilst the activities in Slovakia relate to exploration and evaluation work.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

By geographical area **31 March 2013**	UK/BVI	Slovakia	Brazil	Total
	£ 000's	£ 000's	£ 000's	£ 000's
Result				
Operating loss	(1,117)	(314)	-	**(1,431)**
Impairment Provision	-	(105)	-	**(105)**
Gain on sale of investments	-	-	-	**-**
Investment revenue	30	-	-	**30**
Loss on available for sale investments	(240)	-	-	**(240)**
Loss before & after taxation	**(1,327)**	**(419)**	**-**	**(1,746)**
Other information				
Depreciation	29	156	-	**185**
Capital additions	(6)	(1,431)	-	**(1,437)**

Assets				
Fixed assets	50	11,683	-	**11,733**
Non cash current assets	159	62	-	**221**
Cash and short term investments	5,019	146	-	**5,165**
Consolidated total assets	**5,228**	**11,891**	**-**	**17,119**
Liabilities				
Long term liabilities	-	-	-	**-**
Current liabilities	(237)	(250)	-	**(487)**
Consolidated total liabilities	**(237)**	**(250)**	**-**	**(487)**

31 March 2012	UK/BVI	Slovakia	Brazil	Total
	£ 000's	£ 000's	£ 000's	£ 000's
Result				
Operating loss	(991)	(416)	(30)	**(1,437)**
Impairment Provision	-	-	(596)	**(596)**
Investment revenue	128	-	-	**128**
Loss on available for sale investments	(82)	-	-	**(82)**
Loss before & after taxation	**(945)**	**(416)**	**(626)**	**(1,987)**
Other information				
Depreciation	(15)	(15)	-	**(30)**
Capital additions	73	1,392	-	**1,465**
Assets				
Fixed assets	324	10,021	-	**10,345**
Non cash current assets	349	107	-	**456**
Cash and short term investments	7,602	76	-	**7,678**
Consolidated total assets	**8,275**	**10,204**	**-**	**18,479**
Liabilities				
Long term liabilities	-	-	-	**-**
Current liabilities	(144)	(40)	-	**(184)**
Consolidated total liabilities	**(144)**	**(40)**	**-**	**(184)**

3. Expenses by nature

	Group	Company	Group	Company
	2013	2013	2012	2012
Operating Loss is arrived at after charging/(crediting):	£ 000's	£ 000's	£ 000's	£ 000's
Directors' fees	**320**	**201**	274	160
Wages and salaries	**231**	**88**	202	84
Establishment expenses	**125**	**17**	146	19
Loss/(gain) on foreign exchange	**(29)**	**-**	-	-
Travel and subsistence expenses	**158**	**25**	86	21
Professional fee's- legal, consulting, exploration	**216**	**133**	421	33
AIM related costs including Public Relations	**212**	**192**	188	188
Auditor's remuneration – audit	**42**	**18**	23	20
Depreciation and amortization	**185**	**5**	30	-
Other expenses	**3**	**1**	34	7
Total operating expenses	**1,463**	**680**	1,404	532

Establishment expenses includes £35,800 (2012: £16,380) relating to operating lease payments in connection with the Groups rental of office space in London.

Auditor's remuneration includes £24,000 (2012: £3,000) relating to the audit of the subsidiary companies. Professional fee's include £4,279 (2012: nil) relating to non Audit related fee's paid to Group Auditors.

4. Impairment

The Directors have concluded that given present market conditions and the fact that it has not proved possible to verify the recoverable amount or the value in use it was prudent to impair certain of the Group's Eastern Slovak Assets by £105,000 (2012: £596,000).

5. Employee Information

	2013	2012
Staff Costs comprised:	£ 000's	£ 000's
Wages and salaries	**458**	342
Less: capitalised exploration expenditure	**(227)**	(140)
Charge to the profit or loss	**231**	202

The average number of persons employed in the Group, including executive Directors, was:

	2013	2012
Average number of persons employed:	Number	Number
Operations	**14**	11
Administration	**4**	2
	18	13

6. Taxation

The taxation charge on the Group's loss before taxation differs from the theoretical amount that would arise using the weighted average tax rate applicable to the losses of the consolidated entities as follows:

	2013	2012
	£ 000's	£ 000's
Loss on ordinary activities before tax	**(1,745)**	(1,987)
Current tax at 12.21% (2012: 11%)	**(202)**	(219)
effects of:		
Permanent difference	**2**	84
Fixed asset timing differences	**5**	(9)
Unutilised losses	**195**	144
Total tax	**-**	**-**

No taxation has been provided due to losses in the year.

The weighted average applicable tax rate of 12.21% (2012: 11%) used is a combination of the 26% standard rate of corporation tax in the UK, 23% Slovakian corporation tax and 0% BVI corporation tax.

There are tax losses in the Group of £3,700,000 (2012: £3,200,000) which are carried forward for relief in future periods. The deferred tax asset of £877,000 (2012: £668,000) has not been provided 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:

The UK government legislated during 2012 to reduce the main rate of corporation tax to 23%, applicable from 1 April 2013, which has been reflected in the above unrecognised tax asset. Furthermore, the Government announced in March 2013 as part of the Budget a further reduction of 2% to 21% to apply from 1 April 2014, with an additional reduction of 1% to 20% with effect from 1 April 2015. These reductions have not been taken account in the disclosed deferred tax asset as they were not substantively enacted at the balance sheet date.

The directors estimate the further reduction would reduce the unrecognised deferred tax asset by £19K once the 23% rate is enacted.

No changes are foreseen to the future tax rates in the Slovak Republic or BVI.

7. Dividends

No dividends were paid or are proposed.

8. Directors' Remuneration

	2013 £ 000's	2012 £ 000's
Directors' remuneration	**319**	300

2013	Directors Fees £ 000's	Consultancy Fees £ 000's	Shares/ Options £ 000's	Total £ 000's
Executive Directors				
Anthony Balme	47	-	-	**47**
Charles Wood	84	-	-	**84**
Vassilios Carellas	151	-	-	**151**
Non-Executive Directors				
Paul Heber	16	-	-	**16**
David Paxton	21	-	-	**21**
	319	**-**	**-**	**319**

2012	Directors Fees £ 000's	Consultancy Fees £ 000's	Shares/ Options £ 000's	Total £ 000's
Executive Directors				
Anthony Balme	42	-	7	**49**
Charles Wood	85	-	7	**92**
Vassilios Carellas	121	-	8	**129**
Non-Executive Directors				
Dorian Nicol	11	-	-	**11**
David Paxton	15	-	4	**19**
	274	**-**	**26**	**300**

No pension benefits are provided for any Director.

9. Loss per share

The calculation of loss per share is based on the loss after taxation divided by the weighted average number of share in issue during the year.

	2013	2012
	£ 000's	£ 000's
Net loss after taxation	**(1,746)**	(1,987)
Weighted average number of ordinary shares used in calculating basic loss per share (millions)	**2,315.7**	2,315.7
Basic loss per share (expressed in pence)	**(0.08)**	(0.09)

As the inclusion of potential Ordinary shares would result in a decrease in the loss per share, they are considered to be anti-dilutive. As such, diluted and basic loss per share are the same.

10. Finance Revenue

	2013	2012
	£ 000's	£ 000's
Bank interest receivable	**30**	128

11. Intangible Assets

	Exploration Expenditure
Group	£ 000's
At 1 April 2011	**9,700**
Additions from business combinations	-
Development expenditure	1,359
Currency translation adjustments	(469)
Impairment	(566)
Net book value as at 31 March 2012	**10,024**
At 1 April 2012	**10,024**
Development expenditure	**1,390**
Currency translation adjustments	**131**
Amortisation	**(138)**
Net book value as at 31 March 2013	**11,407**

	2013	2012
The net book value is analysed as follows;	£ 000's	£ 000's
Deferred exploration expenditure - Slovakia	**11,408**	10,024
	11,408	10,024

Exploration projects carried out by the subsidiaries are at an early stage of development and can be split into two categories:

1. Those based upon JORC or JORC compliant resource estimates which enable value in use calculations to be prepared: A reclassification of resource estimates undertaken in 2012 by Snowdens 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, an SRK Consulting Pre-Feasibility Study of the Šturec Project announced on 8 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$195m (post tax US$145m) and Internal Rate of Return ('IRR') of 30%. Gold prices are presently close to this price.

As regards the status of the mining license, the relevant authorities have recently confirmed that Ortac s.r.o (formerly Kremnica Gold Mining) continues to hold both underground and surface mining rights to the Kremnica Mining License Area, (they expire on 30 June 2014). However, the Directors are advised that this may be extended by environmental impact consideration processes on foot, and can also be further extended by beginning a mining operation before the expiry date.

As previously reported an application for trial surface mining that would satisfy the license requirements has been lodged with the Slovak Authorities and is in the environmental consideration stage of the permitting process. As to a trial underground operation, the Directors are also advised that this would equally satisfy the terms of the license, and are in the process of preparing such an application to be submitted shortly, with further applications likely to be submitted in the coming period.

2. Those other projects, for which no JORC or non-JORC compliant resource estimates are available to enable value in use calculations to be prepared. Given that these projects are at an early stage, and are unlikely to be pursued and with preliminary results indicating modest returns, the Directors have continued with the policy of expensing the exploration costs incurred on these projects during the year.

Following their assessment the Directors concluded that no further impairment of exploration and evaluation assets was necessary during the year ended 31 March 2013.

12. Tangible Assets

Property, Plant and Equipment	Group £ 000's
Cost	
Opening Cost at 1 April 2011	271
Additions	106
Currency translation adjustment	(25)
Closing cost at 31 March 2012	**352**
Opening Cost at 1 April 2012	**352**
Additions	**47**
Currency translation adjustment	**7**
Closing cost at 31 March 2013	**406**

Depreciation	
Opening Balance at 1 April 2011	(13)
Charge for the period	(30)
Currency translation adjustment	12
Closing balance at 31 March 2012	**(31)**
Opening Balance at 1 April 2012	**(31)**
Charge for the period	**(46)**
Currency translation adjustment	**(3)**
Closing balance at 31 March 2013	**(80)**
Net book value	
At 31 March 2011	258
At 31 March 2012	321
At 31 March 2013	**326**

Depreciation charges for the year ended 31 March 2013 of £46,000 (2012: £30,000) have been charged to "administrative expenses".

13. Investment in Subsidiaries

At 31 March 2013 the Company held 100% of the share capital of the following wholly owned subsidiary companies:

Company	Country of Registration	Proportion held	Nature of business
Ortac Resources (UK) limited (formerly Ortac Resources PLC)	England and Wales	100%	Holding Company
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
Kremnica 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

* Wholly owned subsidiary of Ortac Resources (UK) Limited.

14. Available for Sale Investments

	2013	2012
Group and Company	£ 000's	£ 000's
At beginning of the period	**310**	676
Loss in market value of investments	**(240)**	(366)
As at end of the period	**70**	310

Available for sale investments comprise the United Kingdom listed equity securities in Vatukoula Gold Mines plc.

15. Inventories

	Group 2013	Company 2013	Group 2012	Company 2012
Inventories	£ 000's	£ 000's	£ 000's	£ 000's
Stocks and consumables	**9**	-	7	-
Total	**9**	-	7	-

16. Trade and Other Receivables

Current trade and other receivables	Group 2013 £ 000's	Company 2013 £ 000's	Group 2012 £ 000's	Company 2012 £ 000's
Other debtors	**61**	**-**	85	-
Prepayments	**81**	**17**	54	4
Total	**142**	**17**	139	4

Company **Non current trade and other receivables**	2013 £ 000's	2012 £ 000's
Loans due from subsidiaries	**6,013**	4,112

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

Loans due from subsidiaries are interest free and have no fixed repayment date.

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

Current trade and other receivables	Group 2013 £ 000's	Company 2013 £ 000's	Group 2012 £ 000's	Company 2012 £ 000's
UK Pounds	**110**	**17**	103	4
Euros	**32**	**-**	36	-
Total	**142**	**17**	139	4

Non current trade and other receivables	Group 2013 £ 000's	Company 2013 £ 000's	Group 2012 £ 000's	Company 2012 £ 000's
UK Pounds	-	-	-	-
Euros	-	**6,013**	-	4,112
Total	**-**	**6,013**	**-**	4,112

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 Group does not hold any collateral as security.

17. Trade and Other Payables

Current trade and other payables	Group 2013 £ 000's	Company 2013 £ 000's	Group 2012 £ 000's	Company 2012 £ 000's
Trade payables	**275**	**2**	26	3
Other payables	**50**	**3**	47	9
Accruals	**162**	**17**	111	23
Total	**487**	**22**	184	35

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

18. Share Capital

Authorised	£ 000's
Unlimited Ordinary shares of no par value	-

Called up, allotted, issued and fully paid	Number of shares	Nominal value
As at 31 March 2012	2,315,679,020	-
As at 31 March 2013	**2,315,679,020**	-

Total share options in issue

No options were granted over ordinary shares during the year ended 31 March 2013 (2012: 60,000,000).

As at 31 March 2013, the unexercised options in issue were:

Exercise Price	Vesting Date	Expiry Date	Options in Issue 31 March 2013	Options in Issue 31 March 2012
5p	04-May-07	04-May-12	**-**	10,000,000
1p (2010: 1.7p)	22-Apr-09	22-Apr-19	**6,800,000**	6,800,000
1p (2010: 2.35p)	08-Jun-09	08-Jun-19	**5,600,000**	5,600,000
1p (2010: 1.7p)	22-Apr-10	22-Apr-19	**16,800,000**	16,800,000
1p (2010: 2.35p)	08-Jun-10	08-Jun-19	**5,600,000**	5,600,000
1p	15-Sep-10	31-Dec-20	**95,000,000**	95,000,000
1p	08-Oct-10	31-Dec-20	**5,000,000**	5,000,000
1p	19-Oct-10	31-Dec-20	**10,000,000**	10,000,000
1p	13-Dec-10	31-Dec-20	**5,000,000**	5,000,000
1.1p	30-Jun-12	30-Jun-17	**30,000,000**	30,000,000
1.4p	31-Dec-12	30-Jun-17	**15,000,000**	15,000,000
1.8p	31-Dec-13	30-Jun-17	**15,000,000**	15,000,000
			209,800,000	**219,800,000**

No options were exercised during the year (2012: Nil).

10,000,000 options were cancelled during the year (2012: 5,000,000).

No options were repriced during the year (2012: Nil).

As at 31 March 2013 209,800,000 options were exercisable (2012: 219,800,000).

Total share warrants in issue

No share warrants over ordinary shares were granted during the year ended 31 March 2013 (2012: Nil).

As at 31 March 2013, the unexercised warrants in issue were:

Exercise Price	Vesting Date	Expiry Date	Warrants in Issue 31 March 2013	Warrants in Issue 31 March 2012
1p	15-Sep-10	31-Dec-15	**16,500,000**	16,500,000

Share Based Payments

Under IFRS 2 "Share-based Payments", the Company determines the fair value of options issued to Directors, Employees and other parties as remuneration and recognises the amount as an expense in the Income Statement with a corresponding increase in equity.

Name	Date Granted	Date Vested	Expiry Date	Exercise Price (pence)	Number 31-Mar-12	Granted in Year	Exercised in Year	Cancelled in Year	Number 31-Mar-13
David Lenigas	04-May-07	04-May-07	04-May-12	5.0	2,000,000			(2,000,000)	-
Former directors	04-May-07	04-May-07	04-May-12	5.0	8,000,000			(8,000,000)	-
Alastair Clayton	22-Apr-09	22-Apr-09	22-Apr-19	1.0*	5,600,000				**5,600,000**
Alastair Clayton	22-Apr-09	22-Apr-10	22-Apr-19	1.0*	5,600,000				**5,600,000**
Charles Wood	22-Apr-09	22-Apr-09	22-Apr-19	1.0*	5,600,000				**5,600,000**
Charles Wood	22-Apr-09	22-Apr-10	22-Apr-19	1.0*	5,600,000				**5,600,000**
Consultants	22-Apr-09	22-Apr-10	22-Apr-19	1.0*	1,200,000				**1,200,000**
Consultants	08-Jun-09	08-Jun-09	08-Jun-19	1.0*	5,600,000				**5,600,000**
Consultants	08-Jun-09	08-Jun-10	08-Jun-19	1.0*	5,600,000				**5,600,000**
Charles Wood	28-Jul-10	15-Sep-10	31-Dec-20	1.0	30,000,000				**30,000,000**
Vassilios Carellas	28-Jul-10	15-Sep-10	31-Dec-20	1.0	30,000,000				**30,000,000**
Anthony Balme	28-Jul-10	15-Sep-10	31-Dec-20	1.0	20,000,000				**20,000,000**
Alastair Clayton	28-Jul-10	15-Sep-10	31-Dec-20	1.0	5,000,000				**5,000,000**
Consultants	28-Jul-10	15-Sep-10	31-Dec-20	1.0	10,000,000				**10,000,000**
Consultants	08-Oct-10	08-Oct-10	31-Dec-20	1.0	5,000,000				**5,000,000**
Employees	19-Oct-10	19-Oct-10	31-Dec-20	1.0	10,000,000				**10,000,000**
David Paxton	13-Dec-10	13-Dec-10	31-Dec-20	1.0	5,000,000				**5,000,000**
Employees	07-Mar-12	30-Jun-12	30-Jun-17	1.1	14,500,000				**14,500,000**
Charles Wood	07-Mar-12	30-Jun-12	30-Jun-17	1.1	4,000,000				**4,000,000**
Anthony Balme	07-Mar-12	30-Jun-12	30-Jun-17	1.1	4,000,000				**4,000,000**
Vassilios Carellas	07-Mar-12	30-Jun-12	30-Jun-17	1.1	5,000,000				**5,000,000**
David Paxton	07-Mar-12	30-Jun-12	30-Jun-17	1.1	2,500,000				**2,500,000**
Employees	07-Mar-12	31-Dec-12	30-Jun-17	1.4	7,250,000				**7,250,000**
Charles Wood	07-Mar-12	31-Dec-12	30-Jun-17	1.4	2,000,000				**2,000,000**
Anthony Balme	07-Mar-12	31-Dec-12	30-Jun-17	1.4	2,000,000				**2,000,000**
Vassilios Carellas	07-Mar-12	31-Dec-12	30-Jun-17	1.4	2,500,000				**2,500,000**
David Paxton	07-Mar-12	31-Dec-12	30-Jun-17	1.4	1,250,000				**1,250,000**
Employees	07-Mar-12	31-Dec-13	30-Jun-17	1.8	7,250,000				**7,250,000**
Charles Wood	07-Mar-12	31-Dec-13	30-Jun-17	1.8	2,000,000				**2,000,000**
Anthony Balme	07-Mar-12	31-Dec-13	30-Jun-17	1.8	2,000,000				**2,000,000**

Vassilios Carellas	07-Mar-12	31-Dec-13	30-Jun-17	1.8	2,500,000				**2,500,000**
David Paxton	07-Mar-12	31-Dec-13	30-Jun-17	1.8	1,250,000				**1,250,000**
Totals					**219,800,000**	**-**	**-**	**(10,000,000)**	**209,800,000**

The total number of options in issue during the year has given rise to a charge to profit or loss for the year ended 31 March 2013 of nil (2012: nil) based on the fair values at the time the options were granted.

19. Analysis of Changes in Net Funds

	2013	2012
Group	£ 000's	£ 000's
Balance at beginning of period	**7,678**	10,586
Change during the period	**(2,513)**	(2,908)
Balance at the end of the period	**5,165**	7,678

20. Financial Instruments and Capital Risk Management

The Group holds cash as a liquid resource to fund its obligations. The Group's cash balances are held in Sterling and Euros. The Group's strategy for managing cash is to maximise interest income whilst ensuring its availability to match the profile of the Group's expenditure. This is achieved by regular monitoring of interest rates and monthly review of expenditure forecasts.

The Group has a policy of not hedging and therefore takes market rates in respect of foreign exchange risk; however, it does review its currency exposures on an ad hoc basis. Currency exposures relating to monetary assets held by foreign operations are included within the foreign exchange reserve in the Group Balance Sheet.

The Group considers the credit ratings of banks in which it holds funds in order to reduce exposure to credit risk.

To date the Group has relied upon equity funding to finance operations. The Directors are confident that adequate cash resources exist to finance operations for commercial exploitation but controls over expenditure are carefully managed. The currency and interest rate profile of the cash and short term deposits is as follows:

	2013	2012
Cash and short term deposits	£ 000's	£ 000's
Sterling	**5,019**	7,587
Euros	**146**	91
At end of period	**5,165**	7,678

On the assumption that all other variables were held constant, and in respect of the Group's cash position, the potential impact of a 5% increase/decrease in the UK Sterling/Euro foreign exchange rate would have increased the Group's loss for the year and on equity as at 31 March 2013 £8,651 (2012: £5,455).

Financial Risk Management

Financial Risk Factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk and price risk), credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

a) Market Risk

i) Foreign Exchange Risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the UK pound sterling and Euro. Foreign exchange risk arises from recognised monetary assets and liabilities. The exposure to this risk is not considered material to the Group's operations and thus the Directors consider that, for the time being, no hedging or other arrangements are necessary to mitigate this risk.

On the assumption that all other variables were held constant, and in respect of the Group and the Company's expenses the potential impact of a 5% increase/decrease in the UK Sterling/ Euro Foreign exchange rate on the Group's loss for the year and on equity is as follows:

Potential impact on euro expenses: 2013		Effect on loss before tax for the year ended		Effect on equity before tax for the year ended	
		Group	Company	Group	Company
Increase/(decrease) in foreign exchange rate		£ 000's	£ 000's	£ 000's	£ 000's
	5%	**34**	**11**	**34**	**11**
	-5%	**(34)**	**(11)**	**(34)**	**(11)**

Potential impact on euro expenses: 2012		Effect on loss before tax for the year ended		Effect on equity before tax for the year ended	
		Group	Company	Group	Company
Increase/(decrease) in foreign exchange rate		£ 000's	£ 000's	£ 000's	£ 000's
	5%	30	5	30	5
	-5%	(30)	(5)	(30)	(5)

ii) Price Risk

The Group is exposed to equity securities price risk because of investments held and classified in the Balance Sheet as available-for-sale. To manage its price risk arising from investments in equity securities, the Group could diversify its portfolio. However, given the size of the Group's operations, the costs of managing exposure to securities price risk exceed any potential benefits. The Directors will revisit the appropriateness of this policy should the Group's operations change in size or nature. The Group has exposure to commodity price risk as a result of changes in the price of gold, which impact on the valuation of the Groups mineral assets.

The Group has an investment in the equity of Vatukoula Gold Mines plc which is publicly traded and listed on the Alternative Investment Market of the London Stock Exchange. A part disposal of the shares held by the Group could have an impact on the realisable value of the remaining shares.

The table below summarises the potential impact of increases/decreases in the AIM quoted market price on the Group's loss for the year and on equity. The analysis is based on the assumption that the share prices have increased/decreased by 5% with all other variables held constant and all the Group's equity instruments moved according to the historical correlation with the market:

	Loss for the year		**Other components of equity**	
Potential impact on:	2013	2012	2013	2012
	£ 000's	£ 000's	£ 000's	£ 000's
Available-for-sale financial assets	**(4)**	(16)	**-**	-

b) Credit Risk

Credit risk arises from cash and cash equivalents.

The Group considers the credit ratings of banks in which it holds funds in order to reduce exposure to credit risk. The Group will only keep its holdings of cash and cash equivalents with institutions which have a minimum credit rating of 'A'.

The Group considers that it is not exposed to major concentrations of credit risk.

c) Liquidity Risk

To date the Group has relied upon equity funding to finance operations. The Directors are confident that adequate funding will be forthcoming with which to finance operations. Controls over expenditure are carefully managed.

The Group ensures that its liquidity is maintained by entering into financial instruments to support operational and other funding requirements. The liquidity and funding management process includes projecting cash flows and considering the level of liquid assets in relation thereto, monitoring Balance Sheet liquidity and maintaining funding sources and back-up facilities.

Fair Value Estimation

Fair value measurements are disclosed according to the following fair value measurement hierarchy:

- quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2);
- inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The following table presents the Group's assets and liabilities that are measured at fair value at 31 March 2013.

Items at fair value as at 31 March 2013	Level 1	Level 2	Level 3	Total
Assets	£ 000's	£ 000's	£ 000's	£ 000's
Available-for-sale financial assets	-	-	-	-
-Equity securities	**70**	**-**	**-**	**70**
Total Assets	**70**	**-**	**-**	**70**

The following table presents the Group's assets and liabilities that are measured at fair value at 31 March 2012.

Items at fair value as at 31 March 2012 **Assets**	Level 1 £ 000's	Level 2 £ 000's	Level 3 £ 000's	Total £ 000's
Available-for-sale financial assets	-	-	-	-
-Equity securities	310	-	-	310
Total Assets	310	-	-	310

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1.

Instruments included in Level 1 comprise AIM listed equity investments classified as available-for-sale.

Capital Risk Management

The Group's objectives when managing capital are to safeguard the Group's ability to position as a going concern and to continue its exploration and evaluation activities. The Group has no debt at 31 March 2013 and has capital, based on the total equity of the Group, of £16,632,000. The Group monitors its level of cash resources available against future planned exploration and evaluation activities and may issue new shares in order to raise further funds from time to time.

21. Commitments

Operating leases

Minimum lease payments under non-cancellable operating leases	Group 2013 £ 000's	Company 2013 £ 000's	Group 2012 £ 000's	Company 2012 £ 000's
Not later than one year	**36**		36	-
Later than one year but not later than five years	**13**		51	-
Total lease commitment	**49**	-	87	-

As at 31 March 2013, the Group has entered into only one material commitment, as follows:

- On the 16th August 2011, Ortac Resources (UK) Limited, at that time Ortac Resources plc entered into a 5-year lease agreement to rent space located at 96-97 Jermyn Street, at a rent payable of £38,500 per year, payable in 4 equal instalments in advance on a quarterly basis. The lease is terminable after 3 years, subject to six months notice.

Except for the disclosure above, no provision has been made in the Group financial statements for such commitments as they are expected to be met in the course of normal operations as and when they arise.

Exploration commitments

Ongoing exploration expenditure is required to maintain title to the Group's mineral exploration permits. No provision has been made in the Group financial statements for these amounts as the expenditure is expected to be fulfilled in the normal course of the operations of the Group.

22. Business Combinations and Contingent Liability

As previously reported, on 15 September 2010 the Company completed the acquisition of Ortac Resources plc (now renamed Ortac Resources (UK) Limited). The companies acquired as part of the Ortac Resources plc group were as follows:

Company	Country of Registration	Proportion held	Nature of business
Anglo- Slovak Minerals Limited*	England and Wales	100%	Mineral Exploration
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
Kremnica Gold s.r.o.	Slovak Republic	100%	Mineral Exploration
Kremnica Gold Mining s.r.o.	Slovak Republic	100%	Mineral Exploration

*Now dissolved

Consideration for the acquisition of the Ortac Resources plc group was satisfied by the issue of 748,498,981 shares valued at 1p per share.

	Book Value	Fair Value Adjustment	Fair Value on Acquisition
	£ 000's	£ 000's	£ 000's
Non-current assets			
Property, plant and equipment	255	-	**255**
Goodwill	522	(522)	**-**
Exploration and evaluation	8,197	270	**8,467**
Current assets			
Inventories	6	-	**6**
Trade and other receivables	267	-	**267**
Cash and cash equivalents	52	-	**52**
Current liabilities			
Trade and other payables	(1,562)	-	**(1,562)**
	7,737	(252)	**7,485**
Consideration			**7,485**
Goodwill arising			-

In addition, on 15 September 2010, to settle Ortac Resources plc's deferred purchase consideration for its purchase of Kremnica Gold s.r.o. and Kremnica Gold Mining s.r.o. (now Ortac s.r.o.) as completed by Ortac Resources plc on 31 March 2010, Ortac Resources Limited issued a further 87,688,530 shares valued at 1p each, and made a cash payment of US$550,000 to settle the newly acquired subsidiaries consideration commitments.

Contingent liability

As part of its acquisition of Kremnica Gold s.r.o. and Kremnica Gold Mining s.r.o., Ortac Resources plc agreed to 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 recently updated Snowdens resource study, the Directors are confident that proven and probable reserves 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 included in the Group financial statements.

The maximum contingent liability as at 31 March 2013 is £2,440,940 (2012: 2,345,612) in each case being the pounds sterling equivalent of US$3,750,000 at rates of exchange prevailing at the respective year ends.

Contingent consideration has a carrying value of £nil as at 31 March 2013 (2012: £nil).

23. Related Party Transactions

Transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

The following transactions took place with subsidiaries in the year:

Amounts totalling £1,901,000 (2012: £2,523,000) were lent by the Company to Ortac Resources (UK) Limited, which, in turn, and acting as an intermediary holding company for the Group's subsidiaries in Slovakia, provided funding to those companies.

Balances owed to the Company by Ortac Resources (UK) Limited as at 31 March 2013 were £6,013,000 (2012: £4,112,000).

Remuneration of Key Management Personnel

The remuneration of the Directors, and other key management personnel of the Group, is set out below in aggregate for each of the categories specified in IAS24 Related Party Disclosures:

	2013 £ 000's	2012 £ 000's
Short-term employee benefits	**478**	358
Share-based payments	**-**	26
	478	384

24. Ultimate controlling party

The Directors believe there to be no ultimate controlling party.

25. Post Balance Sheet Events

There have been no post balance sheet events to disclose.

CORPORATE INFORMATION

Registered number	**1396532 registered in British Virgin Islands**
Directors	**Anthony Balme** - Executive Chairman **Vassilios Carellas** – Chief Executive Officer **Charles Wood** – Executive Director Corporate **David Paxton** – Non Executive Director **Paul Heber**– Non Executive Director
Company Secretary	**H Green**
Registered Office	**Craigmuir Chambers** Road Town, Tortola British Virgin Islands VG 1110 Email: info@ortacresources.com Website: www.ortacresources.com
Auditors	**PKF Littlejohn LLP** 1 Westferry Circus Canary Wharf London E14 4HD United Kingdom
Solicitors	**Kerman & Co LLP** 200 The Strand Strand, London WC2R 1DJ United Kingdom
Nominated Advisor and Broker	**Cantor Fitzgerald Europe** 17 Crosswall London EC3N 2LB United Kingdom
Registrars	**Computershare Investor Services (Channel Islands) Ltd** PO Box 83 Ordnance House, 31 Pier Road St Helier JE4 8PW Channel Islands
Principal Bankers	**Bank of Scotland** 33 Old Broad Street London EC2H 1HZ United Kingdom