

13 December 2011

## **Ortac Resources Limited ('Ortac' or 'the Company') Interim Results**

Ortac Resources Limited, the AIM listed exploration and development company focussed on natural resource projects in Europe, is pleased to announce its unaudited results for the six months ended 30 September 2011.

### **Chairman's Statement**

This has been a highly active period for Ortac, characterised by our continued focus on building value across our portfolio of assets in Slovakia. The process of developing projects through the value curve necessitates a comprehensive approach. We have initiated a robust strategy to ensure the development of our projects, through the value curve, are aligned with investment criteria set out by all stakeholders.

With the above in mind, Ortac is now addressing key sustainable development opportunities associated with our assets for the benefit of all stakeholders, including the local community. Regional development integration and strategic local investments in partnership with community projects and programmes, with short, medium and long-term returns, are key elements. By implementing this multi-faceted investment strategy, the Company is approaching its resource development objectives in a proactive manner in line with EU, market and local community requirements.

To implement this approach, Ortac has mobilised a highly experienced team of natural resources, environmental and sustainability experts, headed by AstonEco Management, and is currently identifying and addressing community needs. The team's primary aim is to ensure that the options for the development of the Šturec deposit are communicated in a sustainable manner. This has prompted various connected initiatives, such as the evaluation of a potential sustainable energy source through the harnessing of local geothermal energy. Not only would a low cost and green energy source be beneficial to the successful development of our operations, but this could also provide clean energy to the local community. This process of engagement, evaluation and partnership is a long-term commitment from Ortac, and the Company looks forward to communicating further developments in due course.

On the ground at the Šturec deposit, our technical, economic and environmental focus has been centred on the advancement of a Scoping Study, and I am pleased to report that this is now largely complete, with an anticipated release date in the second week of January 2012. Initial indications from the Scoping Study have proved extremely encouraging, and in line with this, the board has suspended drilling at Šturec following the completion of

over 2,750 metres. Further drilling results are in the pipeline and once all the data has been collated, Ortac will be working with its consultants to assess the overall results and to see how they might impact the proposed development options outlined in the Scoping Study. We believe that any impact will be positive and enable us to consider, for instance, underground options at depth.

Overall, this approach is being driven by the twin objectives of maximising the value of the existing resource of 1.1Moz and maintaining cash reserves. It is our intention to remain well funded as the Company continues its appraisal of further projects through which Ortac can expand its global resource inventory.

Activities post period end have been marked by new exploration initiatives away from the Šturec deposit and surrounding area. October was a busy month for Ortac as we commenced exploration programmes at two additional assets within our portfolio, Cejkov and Zlatá Bana. These exploration programmes mark the start of our assessment of the prospective precious and base metals licences in Eastern Slovakia, which cover a combined area of 200 sq km across nine exploration licences.

Cejkov, situated approximately 200km east of Kremnica, and located in the Trebišov District of the Košice Region of Eastern Slovakia, has had several exploration campaigns conducted on it dating back to 1966, which delivered encouraging results. The initial stage of our exploration programme has been the drilling of four diamond drill holes and a ground based geophysics survey.

Two weeks after starting the Cejkov drilling programme, exploration commenced at Zlatá Bana, a licence that the Board believes to be one of the most prospective precious and base metal deposits in Eastern Slovakia. The licence area contains a non-compliant resource of 0.5Moz of gold equivalent which has demonstrated potential high grade gold and silver mineralisation in an exploration programme carried out in the 1970s and 1980s, with grades reported up to 48.5 grams per tonne of gold and 1,220 grams per tonne of silver. A 1,200m drilling programme has recently been completed with the aim of verifying previous results and the possible occurrence of gold mineralisation in the northern part of the licence.

The cores from both the Cejkov and the Zlatá Bana drilling campaigns are currently being processed in the Company's sample preparation laboratory, following which they will be sent for external assay.

Outside of Slovakia, we are continuing to assess other projects, targeting acquisitions and strategic partnerships as we aim to build our portfolio of natural resource assets. In regards to our interests in the Rio Paranaíba iron ore project in Brazil, the Board has been

unable to find third party investment interest and as a result will be making no further investment in the project. The value of Ortac's holding in Vatukoula Gold Mines plc, has declined during the past period and its current value is approximately £385,000.

## **Financial & Corporate Overview**

During the period under review, we were delighted to welcome Mr. Hugo Green to the Ortac team as our Chief Financial Officer. Hugo, who has extensive experience across Central and Eastern Europe, is leading our corporate team based in the new Bratislava office. We were also delighted to appoint Mr. Owen Mihalop, who has over 15 years broad based experience in the mining sector, most recently with Wardall Armstrong, to the team as Group Mining Engineer. Owen's appointment has further strengthened our technical team and his extensive experience of overseeing Feasibility Studies has been invaluable finalising the Scoping Study.

For the six months ended 30 September 2011, Ortac is reporting a loss on ordinary activities of £595,000 (2010: £1,157,000), this loss is before providing for a £596,000 impairment provision in respect of the carrying value of Ortac's investment in the Rio Paranaíba project; which was acquired by Ortac as part of the reverse takeover of Templar Minerals Ltd.

The retained loss for the financial period was £ 1,118,000 (2010: £314,000) and the loss per share was £0.08 (2010: £0.03).

## **Outlook**

The past six months have been highly active for Ortac, and it seems that this momentum will continue. We have a strong pipeline of news, with key announcements such as the publication of our Scoping Study at the Šturec deposit, due within weeks. Following the publication of the Scoping Study, the Company can move forward with additional elements of its sustainable development plan, such as the initiation of a baseline Environmental Impact Assessment at Šturec and the surrounding area, in addition with the evaluation of partnership opportunities within the local community.

Looking forward, Ortac remains focussed on building value for the Company and the Board remains confident in its ability to advance its Slovakian assets through the development stages. In addition, Ortac benefits from a healthy balance sheet, which places the Company favourably during the challenging market conditions which prevail at present. With £8.65 million in cash and investments as at 6 December 2011 we remain well positioned to fund further acquisitions and to further build value within the Company.

I would like to take this opportunity to thank our dedicated staff and partners in Slovakia and around the world, in addition to our valued shareholders as we work together and

move into Ortac's next phase of development as an emerging natural resources company focussed on sustainable development within Europe.

Anthony Balme

Chairman

13 December 2011

For further information please visit [www.ortacresources.com](http://www.ortacresources.com) or contact:

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# CONSOLIDATED FINANCIAL STATEMENTS

## Group Income Statement for the Interim Period Ended 30 September 2011

|  | Notes | Six Months to<br>30<br>September<br>2011<br>(Unaudited)<br>£ 000's | Six Months to<br>30<br>September<br>2010<br>(Unaudited)<br>£ 000's |
|--|-------|--|--|
| Administrative expenses                                |       | (595)  | (219)  |
| Share based payments                                   |       | -  | (939)  |
| <b>Group operating loss</b>                            |       | <b>(595)</b>   | <b>(1,157)</b>   |
| Interest received                                      |       | 73   | -  |
| Negative Goodwill written off                          |       | -  | 844  |
| Impairment Provision                                   | 1     | (596)  | -  |
| Gain on sale of investments                            |       | -  | -  |
| <b>Loss on ordinary activities before<br/>taxation</b> |       | <b>(1,118)</b>   | <b>(314)</b>   |
| Income tax expense                                     |       | -  | -  |
| Loss for the period                                    | 2     | (1,118)  | (314)  |
| Retained loss for the period attributable<br>to:       |       |  |  |
| Equity holders of the parent company                   |       | (1,118)  | (314)  |
| Loss per share expressed in pence per<br>share         |       |  |  |
| - Basic and diluted                                    | 3     | (0.08)   | (0.03)   |

## Group Statement of Comprehensive Income for the Interim Period Ended 30 September 2011

|   | Six Months to<br>30<br>September<br>2011<br>(Unaudited)<br>£ 000's | Six Months to<br>30<br>September<br>2010<br>(Unaudited)<br>£ 000's |
|---|--|--|
| Loss for the period   | (1,118)  | (314)  |
| Currency translation differences                                | (103)  | 343  |
| (Loss)/Gain on revaluation of available for sale<br>investments | (293)  | 374  |
| <b>Total comprehensive income</b>                               | <b>(1,513)</b>   | <b>404</b>   |
| <b>Attributable to:</b>   |  |  |
| Equity holders of the parent company                            | (1,513)  | 404  |

**Group Balance Sheet as at 30 September 2011**

|  | Notes | Six Months to<br>30th September<br>2011<br>(Unaudited)<br>£ 000's | Year to<br>31st March<br>2011<br>(Audited)<br>£ 000's |
|--|-------|---|---|
| <b>ASSETS</b>                            |       |   |   |
| <b>Non-current assets</b>                |       |   |   |
| Intangible assets                        | 7     | 9,920   | 9,700   |
| Property, plant and equipment            | 8     | 343   | 258   |
| <b>Total non-current assets</b>          |       | <b>10,263</b>   | <b>9,958</b>  |
| <b>Current assets</b>                    |       |   |   |
| Inventories                              |       | 11  | 8   |
| Trade and other receivables              |       | 180   | 61  |
| Available for sale investments           |       | 384   | 676   |
| Cash                                     |       | 8,945   | 10,586  |
| <b>Total current assets</b>              |       | <b>9,519</b>  | <b>11,331</b>   |
| <b>TOTAL ASSETS</b>                      |       | <b>19,782</b>   | <b>21,289</b>   |
| <b>LIABILITIES</b>                       |       |   |   |
| <b>Current liabilities</b>               |       |   |   |
| Trade and other payables                 |       | (272)   | (266)   |
| <b>TOTAL LIABILITIES</b>                 |       | <b>(272)</b>  | <b>(266)</b>  |
| <b>NET ASSETS</b>                        |       | <b>19,510</b>   | <b>21,023</b>   |
| <b>SHAREHOLDERS' EQUITY</b>              |       |   |   |
| Called up share capital                  | 5     | -   | -   |
| Share premium                            |       | 29,994  | 29,994  |
| Share based payments reserve             |       | 1,888   | 1,888   |
| Available for sale investment<br>reserve |       | (9)   | 284   |
| Foreign exchange reserve                 |       | 360   | 463   |
| Retained earnings                        |       | (12,724)  | (11,606)  |
| <b>TOTAL EQUITY</b>                      |       | <b>19,510</b>   | <b>21,023</b>   |

**Group Statement of Changes in Equity for the Interim Period Ended 30 September 2011**

|   | Called up<br>share<br>capital | Share<br>premium<br>reserve | Available<br>for sale<br>investment<br>reserve | Foreign<br>exchange<br>reserve | Share<br>based<br>payment<br>reserve | Retained<br>earnings | Total<br>equity |
|---|-------------------------------|-----------------------------|--|--------------------------------|--------------------------------------|----------------------|-----------------|
|   | £ 000's                       | £ 000's                     | £ 000's  | £ 000's                        | £ 000's                              | £ 000's              | £ 000's         |
| <b>As at 31 March 2010 –<br/>previously stated</b>        |                               | <b>10,901</b>               | <b>309</b>                                     |                                | <b>494</b>                           | <b>(9,946)</b>       | <b>1,758</b>    |
| Correction of valuation<br>2009/10                        |                               |                             | 57   |                                |                                      | (57)                 |                 |
| <b>As at 31 March 2010 – as<br/>restated</b>              |                               | <b>10,901</b>               | <b>366</b>                                     |                                | <b>846</b>                           | <b>(10,355)</b>      | <b>1,758</b>    |
| Loss for the year   | -                             | -                           | -  | -                              | -                                    | (1,466)              | (1,466)         |
| Loss on market value of<br>available for sale investments | -                             | -                           | (82)   | -                              | -                                    | -                    | (82)            |
| Currency translation<br>differences                       | -                             | -                           | -  | 463                            | -                                    | (8)                  | 455             |
| <b>Total comprehensive income</b>                         | -                             | -                           | <b>(82)</b>                                    | <b>463</b>                     | -                                    | <b>(1,474)</b>       | <b>(1,093)</b>  |
| Share capital issued                                      | -                             | 20,133                      | -  | -                              | -                                    | -                    | 20,133          |
| Cost of share issue                                       | -                             | (936)                       | -  | -                              | -                                    | -                    | (936)           |
| Cost of share issue - issue of<br>warrants                | -                             | (104)                       | -  | -                              | 104                                  | -                    | -               |
| Reserves transfer on exercise<br>of options               | -                             | -                           | -  | -                              | (223)                                | 223                  | -               |
| Share based payments                                      | -                             | -                           | -  | -                              | 1,161                                | -                    | 1,161           |
| <b>As at 31 March 2011</b>                                | -                             | <b>29,994</b>               | <b>284</b>                                     | <b>463</b>                     | <b>1,888</b>                         | <b>(11,606)</b>      | <b>21,023</b>   |
| Loss for the period                                       | -                             | -                           | -  | -                              | -                                    | (1,118)              | (1,118)         |
| Loss on market value of<br>available for sale investments | -                             | -                           | (293)  | -                              | -                                    | -                    | (293)           |
| Currency translation<br>differences                       | -                             | -                           | -  | (103)                          | -                                    | -                    | (103)           |
| <b>Total comprehensive income</b>                         | -                             | -                           | <b>(293)</b>                                   | <b>(103)</b>                   | -                                    | <b>(1,118)</b>       | <b>(1,513)</b>  |
| <b>As at 30 September 2011</b>                            | -                             | <b>29,994</b>               | <b>(9)</b>                                     | <b>360</b>                     | <b>1,888</b>                         | <b>(12,724)</b>      | <b>19,510</b>   |

## **Group Cash Flow Statement for the Interim Period Ended 30 September 2011**

|   | <b>Six Months to<br/>30<br/>September<br/>2011<br/>(Unaudited)<br/>£ 000's</b> | <b>Six Months to<br/>30<br/>September<br/>2010<br/>(Unaudited)<br/>£ 000's</b> |
|---|--|--|
| <b>Cash flows from operating activities</b>                 |  |  |
| Operating loss  | (595)  | (1,157)  |
| (Increase) in inventories                                   | (3)  | (7)  |
| (Increase)/ decrease in trade and other receivables         | (119)  | (221)  |
| Increase in trade and other payables                        | 6  | 214  |
| Share based payments  | -  | 939  |
| Depreciation & amortisation                                 | 10   | -  |
| <b>Net cash outflow from operating activities</b>           | <b>(701)</b>   | <b>(232)</b>   |
| <b>Cash flows from investing activities</b>                 |  |  |
| Interest received   | 73   | -  |
| Payments to acquire intangible assets                       | (918)  | (5)  |
| Payments to acquire tangible assets                         | (95)   | -  |
| Proceeds from sale of investments                           | -  | -  |
| <b>Net cash outflow from investing activities</b>           | <b>(939)</b>   | <b>(5)</b>   |
| <b>Acquisitions and disposals</b>                           |  |  |
| Cash on business combinations                               | -  | 52   |
| Payment to third party on acquisition of subsidiaries       | -  | (361)  |
| <b>Net cash outflow from acquisitions and disposals</b>     | <b>-</b>   | <b>(309)</b>   |
| <b>Cash flows from financing activities</b>                 |  |  |
| Issue of ordinary share capital                             | -  | 3,201  |
| Share issue costs   | -  | (498)  |
| <b>Net cash inflow from financing activities</b>            | <b>-</b>   | <b>2,703</b>   |
| <b>Net increase/(decrease) in cash and cash equivalents</b> | <b>(1,538)</b>   | <b>2,158</b>   |
| Foreign exchange differences on translation                 |  | (86)   |
| Cash and cash equivalents at beginning of period            | 10,586   | 13   |
| <b>Cash and cash equivalents at end of period</b>           | <b>8,945</b>   | <b>2,085</b>   |

# **NOTES TO THE INTERIM REPORT FOR SIX MONTHS ENDED 30 SEPTEMBER 2011**

## **1. Basis of preparation**

The financial information has been prepared under the historical cost convention and on a going concern basis and in accordance with International Financial Reporting Standards and IFRIC interpretations adopted for use in the European Union (“IFRS”) and those parts of the BVI Business Companies Act applicable to companies reporting under IFRS.

The financial information for the period ended 30 September 2011 has not been audited or reviewed in accordance with the International Standard on Review Engagements 2410 issued by the Auditing Practices Board. The figures were prepared using applicable accounting policies and practices consistent with those adopted in the statutory accounts for the period ended 31 March 2011.

The financial information contained in this document does not constitute statutory accounts. In the opinion of the directors, the financial information for this period fairly presents the financial position, result of operations and cash flows for this period.

The Board of Directors approved this Interim Financial Report on 1st December 2011.

### **Statement of compliance**

The condensed consolidated interim financial statements have been prepared in accordance with the requirements of the AIM Rules for Companies. As permitted, the Company has chosen not to adopt IAS 34 “Interim Financial Statements” in preparing this interim financial information. The condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 March 2011, which have been prepared in accordance with IFRS as adopted by the European Union.

### **Basis of consolidation**

The consolidated financial statements comprise the financial statements of Ortac Resources Limited and its controlled entities. The financial statements of controlled entities are included in the consolidated financial statements from the date control commences until the date control ceases.

The financial statements of subsidiaries are prepared for the same reporting period as the

parent company, using consistent accounting policies.

All inter-company balances and transactions have been eliminated in full.

### **Foreign currencies**

At present the Group's functional and presentational currency is pounds sterling (£), though in future the Group's functional currency may change once its investments become operational. 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 and as at the reporting date the assets and liabilities of these subsidiaries are translated into the presentation currency of Ortac Resources Limited, which is pounds sterling.

### **Accounting Policies**

The same accounting policies, presentation and methods of computation have been followed in these condensed interim financial statements as were applied in the preparation of the Group's financial statements for the year ended 31 March 2011, except for the impact of the adoption of the Standards and interpretations described below:

- (a) New and amended standards, and interpretations mandatory for the first time for the financial year beginning 1 April 2011 but not currently relevant to the Group.

The following standards and amendments to existing standards have been published and are mandatory for the Group's accounting periods beginning on or after 1 April 2011 or earlier periods, but are not currently relevant to the Group, or are not currently effective.

- A revised version of IAS 24 "Related Party Disclosures" simplified the disclosure requirements for government-related entities and clarified the definition of a related party. This revision was effective for periods beginning on or after 1 January 2011.
- An amendment to IFRS 1 "First-time Adoption of International Financial Reporting Standards" relieved first-time adopters of IFRSs from providing the additional disclosures introduced in March 2009 by "Improving Disclosures about Financial Instruments" (Amendments to IFRS 7). This amendment was effective for periods beginning on or after 1 July 2010.
- Amendments to IFRS 7 "Financial Instruments: Disclosures" were designed to help users of financial statements evaluate the risk exposures relating to transfers of financial assets and the effect of those risks on an entity's financial position. These amendments were effective for periods beginning on or after 1 January 2011 but are still subject to EU endorsement.

- Amendments to IAS 32 “Financial Instruments: Presentation” addressed the accounting for rights issues that are denominated in a currency other than the functional currency of the issuer. These amendments were effective for periods beginning on or after 1 February 2010.
- IFRIC 19 “Extinguishing Financial Liabilities with Equity Instruments” clarified the treatment required when an entity renegotiates the terms of a financial liability with its creditor, and the creditor agrees to accept the entity’s shares or other equity instruments to settle the financial liability fully or partially. This interpretation was effective for periods beginning on or after 1 July 2010.
- An amendment to IFRIC 14 “IAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction”, on prepayments of a minimum funding requirement, applies in the limited circumstances when an entity is subject to minimum funding requirements and makes an early payment of contributions to cover those requirements. The amendment permitted such an entity to treat the benefit of such an early payment as an asset. This amendment was effective for periods beginning on or after 1 January 2011

(b) New standards, amendments and interpretations issued but not effective for the financial year beginning 1 April 2011.

The Group is assessing the possible impact of these new standards on the Group’s Financial Statements and hence they have not been early adopted. The Group’s interpretation of these amendments is detailed below.

- IFRS 10 “Consolidated Financial Statements” builds on existing principles by identifying the concept of control as the determining factor as to whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. This standard is effective for periods beginning on or after 1 January 2013, subject to EU endorsement.
- IFRS 11 “Joint Arrangements” provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form (as is currently the case). The standard addresses inconsistencies in the reporting of joint arrangements by requiring a single method to account for interests in jointly controlled entities. This standard is effective for periods beginning on or after 1 January 2013, subject to EU endorsement.
- IFRS 12 “Disclosure of Interests in Other Entities” is a new and

comprehensive standard on disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. This standard is effective for periods beginning on or after 1 January 2013, subject to EU endorsement.

- IFRS 13 “Fair Value Measurement” improves consistency and reduces complexity by providing, for the first time, a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. It does not extend the use of fair value accounting, but provides guidance on how it should be applied where its use is already required or permitted by other standards. This standard is effective for periods beginning on or after 1 January 2013, subject to EU endorsement.
- IAS 27 “Separate Financial Statements” replaces the current version of IAS 27 “Consolidated and Separate Financial Statements” as a result of the issue of IFRS 10 (see above). This revised standard is effective for periods beginning on or after 1 January 2013, subject to EU endorsement.
- IAS 28 “Investments in Associates and Joint Ventures” replaces the current version of IAS 28 “Investments in Associates” as a result of the issue of IFRS 11 (see above). This revised standard is effective for periods beginning on or after 1 January 2013, subject to EU endorsement.
- Amendments to IAS 1 “Presentation of Financial Statements” require items that may be reclassified to the profit or loss section of the income statement to be grouped together within other comprehensive income (OCI). The amendments also reaffirm existing requirements that items in OCI and profit or loss should be presented as either a single statement or two consecutive statements. These amendments are effective for periods beginning on or after 1 July 2012, subject to EU endorsement.
- Amendments to IAS 19 “Employment Benefits” eliminate the option to defer the recognition of gains and losses, known as the “corridor method”; streamline the presentation of changes in assets and liabilities arising from defined benefit plans, including requiring remeasurements to be presented in other comprehensive income; and enhance the disclosure requirements for defined benefit plans, providing better information about the characteristics of defined benefit plans and the risks that entities are exposed to through participation in those plans. These amendments are effective for periods beginning on or after 1 January 2013, subject to EU endorsement.

## 2. Segmental analysis

Segment information is presented in respect of the Group's management and internal reporting structure. As currently the Group is not producing, no revenue is being generated other than interest, and the main business segment is that of a corporate administrative entity. Segment information includes items directly attributable to a segment, as well as those that can be allocated on a reasonable basis.

| <b>By geographical area</b>             |                |                 |                |                |
|---|----------------|-----------------|----------------|----------------|
| <b>Six Months to 30 September 2011</b>  | <b>UK/BVI</b>  | <b>Slovakia</b> | <b>Brazil</b>  | <b>Total</b>   |
|   | <b>£ 000's</b> | <b>£ 000's</b>  | <b>£ 000's</b> | <b>£ 000's</b> |
| <b>Result</b>                           |                |                 |                |                |
| Operating loss                          | (506)          | (89)            | -              | <b>(595)</b>   |
| Impairment Provision                    | -              | -               | (596)          | <b>(596)</b>   |
| Investment revenue                      | 73             | -               | -              | <b>73</b>      |
| <b>Loss before &amp; after taxation</b> | <b>(433)</b>   | <b>(89)</b>     | <b>(596)</b>   | <b>(1,118)</b> |
| <b>Other information</b>                |                |                 |                |                |
| Depreciation and impairment             | (4)            | (6)             | -              | <b>(10)</b>    |
| Capital additions                       | 64             | 816             | 31             | <b>910</b>     |
| <b>Assets</b>                           |                |                 |                |                |
| Segment assets                          | 75             | 10,188          | -              | <b>10,263</b>  |
| Financial assets                        | 497            | 77              | -              | <b>574</b>     |
| Cash and short term investments         | 8,729          | 216             | -              | <b>8,945</b>   |
| <b>Consolidated total assets</b>        | <b>9,301</b>   | <b>10,481</b>   | -              | <b>19,782</b>  |
| <b>Liabilities</b>                      |                |                 |                |                |
| Segment liabilities                     | -              | -               | -              | -              |
| Financial liabilities                   | (209)          | (64)            | -              | <b>(272)</b>   |
| <b>Consolidated total liabilities</b>   | <b>(209)</b>   | <b>(64)</b>     | -              | <b>(272)</b>   |
| <b>By geographical area</b>             |                |                 |                |                |
| <b>Six Months to 30 September 2010</b>  | <b>UK/BVI</b>  | <b>Slovakia</b> | <b>Brazil</b>  | <b>Total</b>   |
|   | <b>£ 000's</b> | <b>£ 000's</b>  | <b>£ 000's</b> | <b>£ 000's</b> |
| <b>Result</b>                           |                |                 |                |                |
| Operating loss                          | (1,153)        | (4)             | -              | <b>(1,157)</b> |
| Gain on sale of investments             | -              | -               | -              | -              |
| Investment revenue                      | -              | -               | -              | -              |
| <b>Loss before &amp; after taxation</b> | <b>(1,153)</b> | <b>(4)</b>      | -              | <b>(1,157)</b> |
| <b>Other information</b>                |                |                 |                |                |
| Depreciation and impairment             | -              | -               | -              | -              |
| Capital additions                       | -              | -               | 5              | <b>5</b>       |
| <b>Assets</b>                           |                |                 |                |                |
| Segment assets                          | -              | 9,538           | 648            | <b>10,186</b>  |
| Financial assets                        | 1,808          | -               | -              | <b>1,808</b>   |
| Cash and short term investments         | 2,077          | 8               | -              | <b>2,085</b>   |
| <b>Consolidated total assets</b>        | <b>3,885</b>   | <b>9,546</b>    | <b>648</b>     | <b>14,079</b>  |

|   |                |                 |                |                |
|---|----------------|-----------------|----------------|----------------|
| <b>Liabilities</b>                      |                |                 |                |                |
| Segment liabilities                     | -              | -               | -              | -              |
| Financial liabilities                   | (288)          | (45)            | -              | (333)          |
| <b>Consolidated total liabilities</b>   | <b>(288)</b>   | <b>(45)</b>     | -              | <b>(333)</b>   |
| <b>By geographical area</b>             |                |                 |                |                |
| <b>Year to 31 March 2011</b>            | <b>UK/BVI</b>  | <b>Slovakia</b> | <b>Brazil</b>  | <b>Total</b>   |
|   | <b>£ 000's</b> | <b>£ 000's</b>  | <b>£ 000's</b> | <b>£ 000's</b> |
| <b>Result</b>                           |                |                 |                |                |
| Operating loss                          | (1,819)        | (78)            | (150)          | (2,047)        |
| Gain on sale of investments             | 566            | -               | -              | 566            |
| Investment revenue                      | 15             | -               | -              | 15             |
| <b>Loss before &amp; after taxation</b> | <b>(1,238)</b> | <b>(78)</b>     | <b>(150)</b>   | <b>(1,466)</b> |
| <b>Other information</b>                |                |                 |                |                |
| Depreciation and impairment             | -              | (14)            | (150)          | (164)          |
| Capital additions                       | -              | 249             | 72             | 321            |
| <b>Assets</b>                           |                |                 |                |                |
| Segment assets                          | -              | 9,393           | 565            | 9,958          |
| Financial assets                        | 732            | 13              | -              | 745            |
| Cash and short term investments         | 10,580         | 6               | -              | 10,586         |
| <b>Consolidated total assets</b>        | <b>11,312</b>  | <b>9,412</b>    | <b>565</b>     | <b>21,289</b>  |
| <b>Liabilities</b>                      |                |                 |                |                |
| Segment liabilities                     | -              | -               | -              | -              |
| Financial liabilities                   | (223)          | (43)            | -              | (266)          |
| <b>Consolidated total liabilities</b>   | <b>(223)</b>   | <b>(43)</b>     | -              | <b>(266)</b>   |

### 3. Impairment Provision

As previously reported, Ortac retains a 77% interest in the Rio Paranaíba Iron Ore Project in Brazil, through its subsidiary company, Paranaíba Minerals Ltd and the intention was to seek further external funding to develop and derisk the asset.

Having exhaustively pursued available avenues to implement this strategy and having failed to raise further external funding, Ortac has concluded that given present market conditions and its redefined focus, it is not appropriate to invest more of its own funds in this venture for the time being, and is prudent to raise an impairment provision against this asset.

### 4. Loss per share

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

|                      |                      |                 |
|----------------------|----------------------|-----------------|
| <b>Six Months to</b> | <b>Six Months to</b> | <b>Year to</b>  |
| <b>30 September</b>  | <b>30 September</b>  | <b>31 March</b> |
| <b>2011</b>          | <b>2010</b>          | <b>2011</b>     |

|  | (Unaudited)<br>£ 000's | (Unaudited)<br>£ 000's | (Audited)<br>£ 000's |
|--|------------------------|------------------------|----------------------|
| Net loss after taxation  | (1,118)                | (314)                  | (1,466)              |
| Weighted average number of ordinary shares used in calculating basic earnings per share (millions) | 1,413.5                | 943.0                  | 1,413.5              |
| Basic loss per share (expressed in £ pence)  | (0.08)                 | (0.03)                 | (0.10)               |

As the inclusion of the potential ordinary shares would result in a decrease in the loss per share, they are considered to be anti-dilutive, and as such, a diluted loss per share is not included.

## 5. Share capital

The authorised share capital of the Company and the called up and fully paid amounts at 30 September 2011 were as follows:

|  |                         |                                  |
|--|-------------------------|----------------------------------|
| <b>a) Authorised</b>   | <b>Number of shares</b> | <b>Nominal value<br/>£ 000's</b> |
| Ordinary shares of no par value                              | Unlimited               | -                                |
| <b>b) Called up, allotted, issued and fully paid</b>         | <b>Number of shares</b> | <b>Nominal value<br/>£ 000's</b> |
| As at 1 July 2009  | 583,050,000             | -                                |
| 23 April 2010 for cash at 1p per share                       | 300,037,976             | -                                |
| 26 April 2010 for cash at 1p per share                       | 15,000,000              | -                                |
| 15 September 2010 for non-cash consideration at 1p per share | 836,187,511             | -                                |
| 9 February 2011 for cash at 1.5p per share                   | 561,403,533             | -                                |
| 10 February 2011 at 1p per share on exercise of options      | 10,000,000              | -                                |
| 18 February 2011 at 1p per share on exercise of options      | 10,000,000              | -                                |
| <b>As at 30 September 2011</b>                               | <b>2,315,679,020</b>    | <b>-</b>                         |

### Total share options in issue

During the period ended 30 September 2011, no options were granted and none lapsed or were cancelled.

As at 30 September 2011 unexercised options in issue were:

| Exercise Price   | Vesting Date | Expiry Date | Options in Issue<br>30 Sept 2011 | Options in Issue<br>31 March 2011 |
|------------------|--------------|-------------|----------------------------------|-----------------------------------|
| 5p               | -            | 04-May-12   | 10,000,000                       | 10,000,000                        |
| 1p (2010: 1.7p)  | -            | 22-Apr-19   | 6,800,000                        | 6,800,000                         |
| 1p (2010: 1.7p)  | 22-Apr-10    | 22-Apr-19   | 16,800,000                       | 16,800,000                        |
| 1p (2010: 2.35p) | -            | 04-Jun-19   | 5,600,000                        | 5,600,000                         |
| 1p (2010: 2.35p) | 04-Apr-10    | 04-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 | 10,000,000         | 10,000,000         |
|    |           |           | <b>164,800,000</b> | <b>164,800,000</b> |

### Total share warrants in issue

During the period ended 30 September 2011, no warrants were granted and none lapsed or were cancelled.

As at 30 September 2011 unexercised warrants in issue were:

| Exercise Price | Vesting Date | Expiry Date | Warrants in Issue<br>30 Sept 2011 | Warrants in Issue<br>31 March 2011 |
|----------------|--------------|-------------|-----------------------------------|------------------------------------|
| 1p             | 15-Sep-10    | 31-Dec-15   | <b>16,500,000</b>                 | <b>16,500,000</b>                  |

## 6. Investment in group companies

At 30 September 2011, the Group holds more than 20% of the share capital of the following subsidiary companies:

| Company                           | Country of Registration | Proportion held | Nature of business  |
|-----------------------------------|-------------------------|-----------------|---------------------|
| Ortac Resources plc               | England and Wales       | 100%            | Holding Company     |
| 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 |
| Templar Georgia Ltd**             | BVI                     | 100%            | Holding Company     |
| Paranaíba Minerals Ltd***         | BVI                     | 100%            | Holding Company     |

\* Wholly owned subsidiary of Ortac Resources plc, acquired as part of the acquisition of Ortac Resources plc group, which transaction was completed on 15<sup>th</sup> September 2010

\*\* In the process of being dissolved with a full provision made against the cost of the investment.

\*\*\* Now the subject of a full impairment provision

## 7. Intangible assets

During the period the Group incurred development expenditure with an aggregate value of £918k. As explained in Note 3, an impairment provision of £596k was made in respect of the Group's investment in the Rio Paranaíba project.

## **8. Tangible assets**

During the period the Group purchased tangible assets with an aggregate value of £95k. There were no disposals during the period.

## **9. Contingent liability**

As part of the purchase agreement for Kremnica Gold s.r.o. and Kremnica Gold Mining s.r.o., Ortac Resources plc agreed to pay 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. This will become payable within 60 days of all required permits being obtained to permit commercial production at the Šturec deposit. No provision has been made for this potential liability.

## **10. Post balance sheet events**

There are no post balance sheet events to disclose.

## **11. Other Matters**

The financial information set out above does not constitute the Group's statutory accounts for the period ended 31 March 2010, but is derived from those accounts.

A copy of this interim statement is available on the Company's website: [www.ortacresources.com](http://www.ortacresources.com).