



Optiva Morning Comment

14 June 2011



Ortac Resources Limited is an AIM listed
exploration & development company
focused on global development of
natural resource projects



Morning Comment

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Ortac Resources PLC (OTC.L)#	1.13p (1.11p-1.15p)
Buy: 12mth Price Target: 3.39p	Market Cap:£26m

New Geophysical Survey Work

Ortac Resources has this morning announced the start of ground based geophysical survey work on its Lutila exploration licence in Slovakia. Lutila (63 sq km) lies immediately to the south of the main Kremnica gold project area (11.8 sq km), where the Group has already defined a resource of 1.1m ounces of gold equivalent. The results of the work will assist in identifying future drill targets and establish the potential for Lutila to host similar gold mineralisation to the Kremnica discovery. The management objective is to move the Group's resource base beyond 2m ounces of gold.

The stock has drifted over the last few months, but could soon rebound given the near term potential newsflow opportunities ahead such as scoping study results, drilling data and resource upgrade. The Group remains cash rich (est £10m) with a high quality asset that is near to production and yet the market is essentially valuing the stock at only \$23 per ounce, once cash and investments are deducted from the market cap. Against the background of a consistently high gold price that continues to trend upwards, we believe this figure is simply too low. We therefore continue to recommend **Ortac Resources** as a BUY with a price target of 3.39p as detailed in our 17 February 2011 research note.

Optiva Securities act as joint broker to Ortac Resources

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