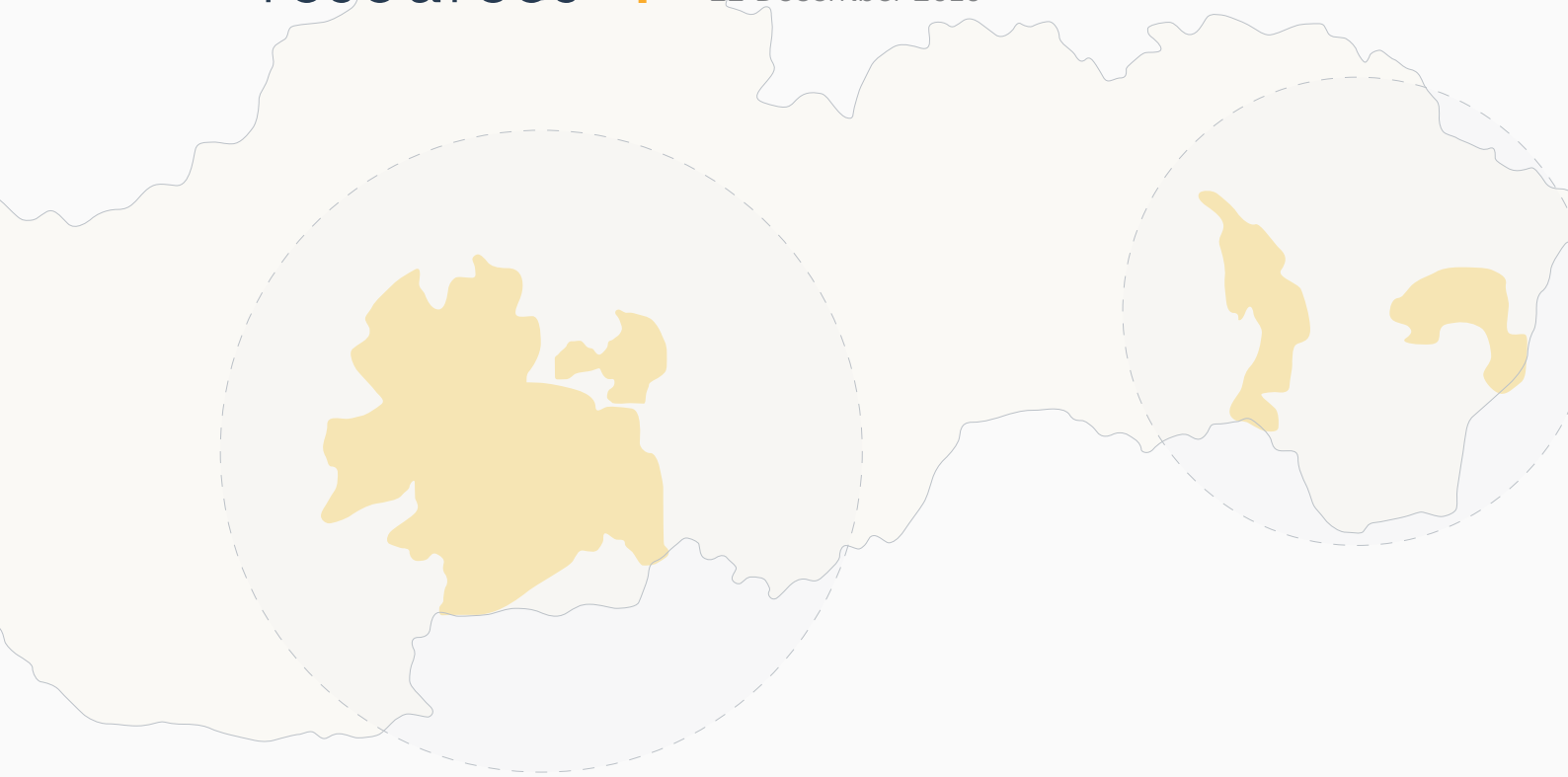




## Intermin Results

22 December 2010



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

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

Ortac Resources Limited, the AIM listed exploration and development company focussed on the development of precious metal projects in Europe, is pleased to announce its results for the six months ended 30 September 2010.

**Chairman's Statement**

This has been a transformational period for the Company following our acquisition of Ortac Resources PLC, which saw your Company emerge with a new name, Ortac Resources Limited, and a new strategy, focussing on gold exploration and development in Europe.

The acquisition equipped the Company with nine licences totalling c.200sq km in Slovakia at various stages of development, however we are focussed on one particular project initially, the Kremnica Gold Project ('Kremnica') which has a current JORC compliant resource of 760,000oz of gold ('Au') equivalent and we intend to fast track this towards bankable feasibility study. The first step along this development process will be the publication of an updated resource statement for which we have appointed Snowden Mining Industry Consultants, which we expect to be able to conclude in early January 2011 to be followed by a preliminary scoping study. There remains strong potential for future resource delineation as the current resource at Kremnica has only been calculated along 1.1km of the 6.5km known strike length, which is open in both directions and at depth, and there are multiple targets present on the Kremnica licence area, so we expect that we can upgrade the resource considerably following additional drilling campaigns and resource re-modelling.

In tandem with the development of our Kremnica project and exploratory work on the associated exploration licences, we are also evaluating the potential of our exploration licenses in Eastern Slovakia. The improvement in the precious metal market this year leads us to believe that there should be value to be extracted from these licenses. In addition some research is being conducted on other opportunities in the region to add to its resources, but the Company is mindful of the risks of diluting its strong position in the Central Slovakian Volcanic Field where past and present production and resources exceed 9 million oz Au.

In conjunction with the assets that the Company acquired during the period, several of the key board members from the acquired company joined the Board of Ortac to ensure a seamless transfer of the assets and to facilitate the accelerated development of the Company's new portfolio of interests. This restructuring process provided the Company with a strong technical, operational and corporate team to manage

development on the ground in Slovakia, and a highly-experienced board with extensive knowledge of resource development and the Central European mining industry. In addition to my own appointment as Chairman, Vassilios Carellas, Dorian Nicol and David Paxton were appointed as Chief Executive Officer and Non-executive Directors respectively, joining Charles Wood on the new Board.

In terms of the Company's non-European portfolio, Ortac retains a 77% interest in the Rio Paranaiba Iron Ore Project in Brazil, through our subsidiary company, Paranaiba Minerals Ltd. The Board is currently considering a preliminary exploration programme for early 2011 as a first step in seeking a third party funder and/or development partner.

Ortac also retains 500,000 shares in Vatukoula Gold Mines plc ('Vatukoula'), which owns 100% of the Vatukoula Gold Mine in Fiji, a producing gold mine which contains 680,000 ounces of Au Reserves and 4.3 million ounces of Au Resources. This is following the sale of Vatukoula shares after the reporting period end, raising some £960,000 of additional working capital. The Board continues to closely follow Vatukoula's development and remains committed to extracting maximum value out of this investment for the benefit of shareholders. The current value of these shares is £1 million.

### **Financial Overview**

For the six months ended 30 September 2010, Ortac is reporting an operating loss of US\$1.760m (2009: US\$0.2m) before crediting negative goodwill arising on the acquisition of Ortac Resources plc of US\$1.3m (2009: Nil) and after a charge in respect of share based payments of US\$1.4 million (2009: Nil). The retained loss for the financial period was US\$477,000 (2009: US\$148,000) and the loss per share was US0.05c (2009: US0.02c).

### **Outlook**

Following the acquisition of Ortac Resources Plc, we have successfully realigned our strategy to focus on precious metal exploration and development in Central Europe. With one flagship project already secured and approaching its next phase of development, I believe that Ortac has the foundation for a portfolio of projects of various stages of development across this highly prospective region.

I look forward to announcing the updated resource at our Kremnica project in the coming weeks, and also the publication of a preliminary scoping study in Q1 2011 in addition to keeping shareholders abreast of our other operational and corporate developments.

I would also like to take this opportunity to thank our valued shareholders for their support during the period, in addition to my fellow board members and the rest of the Ortac team.

Anthony Balme  
Chairman  
21 December 2010

**\*\*ENDS\*\***

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

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Lottie Brocklehurst	St Brides Media & Finance Ltd	Tel: +44 (0) 20 7236 1177

## Consolidated Financial Statements

### GROUP INCOME STATEMENT FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2010

	Notes	Six months ended 30 September 2010 (Unaudited) \$'000	Six months ended 31 December 2009 (Unaudited) \$'000	Nine months ended 31 March 2010 (Audited) \$'000
Administrative expenses		(332)	(198)	(453)
Share based payments		(1,428)	-	(425)
Group operating loss		(1,760)	(198)	(878)
Negative goodwill written off		1,283	-	-
Profit on sale of investments		-	50	71
Loss before taxation		(477)	(148)	(807)
Income tax expense		-	-	-
Loss for the financial period	2	(477)	(148)	(807)
Retained loss for the period attributable to: Equity holders of the parent company		(477)	(148)	(807)

Loss per share (US cents)				
Basic	3	(0.05)	(0.02)	(0.14)
Diluted	3	(0.05)	(0.02)	(0.14)

**GROUP STATEMENT OF COMPREHENSIVE INCOME  
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2010**

	Notes	Six months ended 30 September 2010 (Unaudited) \$' 000	Six months ended 31 December 2009 (Unaudited) \$' 000	Nine months ended 31 March 2010 Audited \$' 000
Loss for the period		(477)	(148)	(807)
Currency translation differences		522	(83)	(255)
Gain on revaluation of available for sale investments		569	280	1,052
<b>Total comprehensive income</b>		<b>614</b>	<b>49</b>	<b>(10)</b>
Attributable to:				
Equity holders of the parent company		614	49	(10)

**GROUP BALANCE SHEET  
AS AT 30 SEPTEMBER 2010**

	Notes	As at 30 September 2010 (Unaudited) \$'000	As at 31 December 2009 (Unaudited) \$'000	As at 31 March 2010 (Audited) \$'000
<b>Assets</b>				
<b>Non-current assets</b>				
Property, plant and equipment	6	417	-	-
Intangible assets	7	15,686	1,029	970
<b>Total non-current assets</b>		<b>16,103</b>	<b>1,029</b>	<b>970</b>
<b>Current assets</b>				
Inventories		10	-	-
Trade and other receivables		457	-	112
Available for sale investments		2,392	1,130	1,737
Cash		3,296	123	19
<b>Total current assets</b>		<b>6,155</b>	<b>1,253</b>	<b>1,868</b>
<b>Total assets</b>		<b>22,258</b>	<b>2,282</b>	<b>2,838</b>
<b>Liabilities</b>				

**Current liabilities**

Trade and other payables		(526)	-	(190)
Total liabilities		(526)	-	(190)
<b>Net assets</b>		<b>21,732</b>	<b>2,282</b>	<b>2,648</b>

**Shareholders' equity**

Called up share capital	4	-	-	-
Share premium		34,653	17,441	16,425
Share based payment reserve		2,209	368	744
Available for sale investment reserve		1,058	(268)	466
Foreign exchange reserve		2,013	1,806	2,737
Retained earnings		(18,201)	(17,065)	(17,724)
<b>Equity attributable to equity holders of the parent</b>		<b>21,732</b>	<b>2,282</b>	<b>2,648</b>

**GROUP STATEMENT OF CHANGES IN EQUITY  
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2010**

	Called up share capital	Share premium reserve	Available for sale investment reserve	Foreign currency translation reserve	Share based payment reserve	Retained earnings	Total equity
	\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$ 000's	\$ 000's
<b>Group</b>							
<b>As at 1 Jul 2009</b>	-	18,024	(566)	1,311	381	(16,917)	2,233
Loss for the period	-	-	-	-	-	(807)	(807)
Gain on market value of available for sale investments	-	-	1,052	-	-	-	1,052
Currency translation differences	-	(1,599)	(20)	1,426	(62)	-	(255)
<b>Total comprehensive income</b>	-	(1,599)	1,032	1,426	(62)	(807)	(10)
Share based payments	-	-	-	-	425	-	425
<b>As at 31 March 2010</b>	-	16,425	466	2,737	744	(17,724)	2,648
Loss for the period	-	-	-	-	-	(477)	(477)
Gain on market value of available for sale investments	-	-	569	-	-	-	569
Currency translation differences	-	1,186	23	(724)	37	-	522
<b>Total comprehensive income</b>	-	1,186	592	(724)	37	(477)	614
Share capital issued	-	17,800	-	-	-	-	17,800
Cost of share issue	-	(758)	-	-	-	-	(758)
Share based payments	-	-	-	-	1,428	-	1,428
<b>As at 30 September 2010</b>	-	34,653	1,058	2,013	2,209	(18,201)	21,732

**GROUP CASH FLOW STATEMENT  
FOR THE INTERIM PERIOD ENDED 30 SEPTEMBER 2010**

	<b>Six months to 30 September 2010 (Unaudited)</b>	<b>Six months to 31 December 2009 (Unaudited)</b>	<b>Nine months to 31 March 2010 (Audited)</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Cash flows from operating activities</b>			
Operating loss	(1,760)	(198)	(878)
(Increase)/decrease in trade and other receivables	(336)	111	(1)
Increase in inventories	(10)	-	-
Increase/(decrease) in trade and other payables	326	(57)	133
Foreign exchange translation	-	-	(2)
Share based payments	1,428	-	425
Impairment charge	-	-	-
Depreciation	-	-	-
<b>Net cash outflow from operating activities</b>	<b>(352)</b>	<b>(144)</b>	<b>(323)</b>
<b>Cash flows from investing activities</b>			
Interest received	-	-	-
Payments to acquire intangible assets	(7)	(330)	(330)
Payments to acquire subsidiaries	(550)	-	-
Cash on business combinations	81	-	-
Proceeds from sale of investments	-	165	238
<b>Net cash outflow from investing activities</b>	<b>(476)</b>	<b>(165)</b>	<b>(92)</b>
<b>Cash flows from financing activities</b>			
Issue of ordinary share capital	4,869	-	-
Share issue costs	(758)	-	-
<b>Net cash inflow from financing activities</b>	<b>4,111</b>	<b>-</b>	<b>-</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>3,283</b>	<b>(309)</b>	<b>(415)</b>
Foreign exchange differences on translation	(6)	(55)	(53)
Cash and cash equivalents at beginning of period	19	487	487
<b>Cash and cash equivalents at end of period</b>	<b>3,296</b>	<b>123</b>	<b>19</b>

## **NOTES TO THE INTERIM REPORT FOR SIX MONTHS ENDED 30 SEPTEMBER 2010**

### **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 2010 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 2010. The figures for the period ended 31 March 2010 have been extracted from these accounts, which have been delivered to the Registrar of Companies, and contained an unqualified audit report.

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.

This Interim Financial Report was approved by the Board of Directors on 21 December 2010.

### **Statement of compliance**

These condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard ('IAS') 34 – Interim Financial Reporting as adopted by the European Union. Accordingly the interim financial statements do not include all of the information or disclosures required in the annual financial statements and should be read in conjunction with the Group's 2010 annual financial statements.

### **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**

The functional currency of each entity is determined after consideration of the primary economic environment of the entity. The group's presentational currency is US Dollars (\$).



## 2. Segmental analysis

Segment information is presented in respect of the Group's management and internal reporting structure. As currently the Group is not in producing or exploring directly, there is no revenue being generated, and the main business segment is that of a corporate administrative entity.

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

	UK/BVI	Slovakia	Total
	\$'000	\$'000	\$'000
<b>Six months to 30 September 2010 (Unaudited)</b>			
Operating loss by geographical area			
Operating loss	(1,754)	(6)	(1,760)
Investment revenue	-	-	-
Negative goodwill written off	-	1,283	1,283
Loss before and after taxation	<u>(1,754)</u>	<u>1,277</u>	<u>(477)</u>
Other information			
Depreciation and impairment	-	-	-
Capital additions	<u>7</u>	<u>-</u>	<u>7</u>
Segment assets	1,477	15,093	16,570
Financial assets	2,392	-	2,392
Cash	3,283	13	3,296
Consolidated total assets	<u>7,152</u>	<u>15,106</u>	<u>22,258</u>
Segment liabilities	-	-	-
Trade and other payables	455	71	526
Consolidated total liabilities	<u>455</u>	<u>71</u>	<u>526</u>

	UK/BVI	Total
	\$'000	\$'000
<b>Six months to 31 December 2009 (Unaudited)</b>		
Operating loss by geographical area		
Operating loss	(148)	(148)
Investment revenue	-	-
Loss before and after taxation	<u>(148)</u>	<u>(148)</u>
Other information		
Depreciation and impairment	-	-
Capital additions	<u>330</u>	<u>330</u>
Segment assets	1,029	1,029

Financial assets	1,130	1,130
Cash	123	123
Consolidated total assets	<u>2,282</u>	<u>2,282</u>
Segment liabilities	-	-
Trade and other payables	-	-
Consolidated total liabilities	<u>-</u>	<u>-</u>
<b>Nine months to</b>		
<b>31 March 2010(Audited)</b>		
Operating loss by geographical area		
Operating loss	(878)	(878)
Gain on sale of investments	71	71
Investment revenue	-	-
Loss before and after taxation	<u>(807)</u>	<u>(807)</u>
Other information		
Depreciation and impairment	-	-
Capital additions	330	330
Segment assets	2,707	2,707
Financial assets	112	112
Cash	19	19
Consolidated total assets	<u>2,838</u>	<u>2,838</u>
Segment liabilities	-	-
Financial liabilities	(190)	(190)
Consolidated total liabilities	<u>(190)</u>	<u>(190)</u>

### 3. 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 30 September 2010 (Unaudited)</b>	<b>Six months to 31 December 2009 (Unaudited)</b>	<b>Nine months to 31 March 2010 (Audited)</b>
Net loss after taxation (\$'000)	(477)	(148)	(807)
Weighted average number of ordinary shares used in calculating basic earnings per share (millions)	943	583	583
Basic loss per share (expressed in US cents)	(0.05)	(0.02)	(0.14)

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

#### 4. Share capital

The authorised share capital of the Company and the called up and fully paid amounts at 30 September 2010 were as follows:

a) Authorised	\$'000	
Unlimited ordinary shares of no par value each		-
b) Called up, allotted, issued and fully paid	Number of shares	Nominal value \$000's
Incorporation	1	-
20 April 2007 for cash at 0.0437p per share	239,999,999	-
4 May 2007 for cash at 5p per share	182,750,000	-
11 May 2007 for non-cash consideration	300,000	-
7 September 2007 for non-cash consideration at 5.3p per share	25,000,000	-
21 November 2008 for cash at 0.3p per share	100,000,000	-
28 May 2009 for cash at 2p per share	35,000,000	-
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	-
<b>As at 30 September 2010</b>	<b>1,734,275,487</b>	<b>-</b>

#### Total share options in issue

During the period ended 30 September 2010, options over 121,500,000 ordinary shares were granted.

As at 30 September 2010 the options in issue were;

Exercise Price	Expiry Date	Options in issue 30 September 2010
5p	04-May-12	10,000,000
1p	22-Apr-19	33,600,000
1p	04-Jun-19	11,200,000
1p	31-Dec-15	16,500,000
1p	31-Dec-20	105,000,000
		<b>176,300,000</b>

No options lapsed or were cancelled and no options were exercised during the period ended 30 September 2010.

#### 5. Investment in group 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
Paranaiba Minerals Ltd	BVI	100%	Holding Company

## 6. Plant, property and equipment

Group	Six months to 30 September 2010 (Unaudited) \$ 000's	Six months to 31 December 2009 (Unaudited) \$ 000's	Nine months to 31 March 2010 (Audited) \$ 000's
<b>Cost</b>			
Balance brought forward	-	-	-
Currency translation adjustments	9	-	-
Additions	-	-	-
Additions from business combinations	408	-	-
	<hr/> 417	<hr/> -	<hr/> -
<b>Depreciation</b>			
Balance brought forward	-	-	-
Currency translation adjustments	-	-	-
Depreciation charge	-	-	-
<b>Balance Carried Forward</b>	<hr/> -	<hr/> -	<hr/> -
<b>Net book value</b>	<hr/> 417	<hr/> -	<hr/> -

## 7. Intangible assets

Group	Six months to 30 September 2010 (Unaudited) \$ 000's	Six months to 31 December 2009 (Unaudited) \$ 000's	Nine months to 31 March 2010 (Audited) \$ 000's
<b>Cost</b>			
Balance brought forward	970	699	699
Currency translation adjustments	367	-	(59)
Additions	7	330	330
Additions from business combinations	14,342	-	-
	<hr/> 15,686	<hr/> 1,029	<hr/> 970
<b>Impairment</b>			
Balance brought forward	-	-	-
Impairment charge	-	-	-
Disposal	-	-	-
	<hr/> -	<hr/> -	<hr/> -

<b>Balance Carried Forward</b>	-	-	-
<b>Net book value</b>	15,686	1,029	970
The cost is analysed as follows:			
Deferred exploration expenditure - Slovakia	14,662	-	-
Deferred exploration expenditure - Brazil	1,024	1,029	970
	15,686	1,029	970

### Impairment review

At 30 September 2010, the Directors have carried out an impairment review and are of the opinion that carrying value is now stated at fair value.

## 8. Acquisition of subsidiaries

On 15 September 2010 the Company completed its acquisition of the Ortac Resources plc group. The companies acquired as part of the Ortac Resources plc group are as follows:

<b>Company</b>	<b>Proportion acquired</b>	<b>Nature of Business</b>	
Ortac Resources plc	100%	Holding Company	
Anglo-Slovak Minerals Limited	100%	Mineral Exploration	
Bellmin s.r.o.	100%	Mineral Exploration	
G.B.E. s.r.o.	100%	Mineral Exploration	
St. Stephans Gold s.r.o.	100%	Mineral Exploration	
Kremnica Gold s.r.o.	100%	Mineral Exploration	
Kremnica Gold Mining s.r.o.	100%	Mineral Exploration	
		<b>Book Value</b>	<b>Fair Value</b>
		<b>\$ 000's</b>	<b>Adjustment</b>
			<b>\$ 000's</b>
			<b>Fair Value on</b>
			<b>Acquisition</b>
			<b>\$ 000's</b>
<b>Non-current assets</b>			
Property, plant and equipment		408	408
Goodwill		807	807
Exploration and evaluation		13,535	13,535
<b>Current assets</b>			
Inventories		10	10
Trade and other receivables		414	414
Cash and cash equivalents		81	81
<b>Current liabilities</b>			
Trade and other payables		(2,397)	1,906
			(491)

	12,858	1,906	14,764
Negative goodwill immediately recognised			(1,283)
<b>Consideration</b>			
Shares Issued (*)			12,931
Cash paid			550
Consideration			<u>13,481</u>

(\*) The company issued 836,187,511 shares, valued at 1 pence per share on 15 September 2010.

Included in the loss for the interim period is \$20,000 attributable to the Ortac Resources plc group. Had the acquisition of the Ortac Resources plc group been effected at 1 April 2010, the loss for the period would have been \$2.25m.

### **Contingent liability**

As part of the purchase agreement for Kremnica Gold s.r.o. and Kremnica Gold Mining s.r.o., completed on 31 March 2010, 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 feasible study. This will become payable within 60 days of all required permits being obtained to permit commercial production at the Kremnica property.

### **9. Post balance sheet events**

There are no post balance sheet events to disclose

- 10.** 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.
- 11.** A copy of this interim statement is available on the Company's website: [www.ortacresources.com](http://www.ortacresources.com).



Bratislava



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