Ortac Resources Ltd / Epic: OTC / Market: AIM / Sector: Mining & Exploration
30 December 2015

ORTAC RESOURCES LIMITED ("ORTAC" OR "THE COMPANY")

Interim Results

Ortac Resources Limited, the AIM listed exploration and development company, is pleased to announce its unaudited financial results for the six months ended 30th September 2015, a period which saw progress made in controlling costs, resulting in significantly lower operating losses compared to the corresponding prior period, two successful placings and the continuing diversification of the Company's portfolio to manage commodity risk.

HIGHLIGHTS:

- 60% reduction in operating losses due to cost rationalisation programs in both Slovakia and London.
- £1,000,000 raised (gross of issuing costs) through two private placings (October and July 2015) to fund investment into Zambia (US$ 600,000 invested into Zamsort Ltd ("Zamsort") through secured loan notes) and general working capital requirements.
- In Zambia, Zamsort has secured US$ 2.6 million of financing in the last six months, renewed its Small Mining License for a further 10 years and started construction of a commercial scale demonstration plant to produce copper cement and cobalt hydroxide filter cake - expected to be commissioned in Q2 2016. Ortac's total investment now totals US$ 1.2 million via convertible loan notes which, if converted, would provide the Company with a 19.35% stake in Zamsort.
- Encouraging drilling results from Andiamo Exploration Limited ("Andiamo") Haykota License in Eritrea, especially at the Hoba target. Ortac holds a 25.37% stake in Andiamo.
- Ortac maintains its interests in Slovakia, and is currently in discussions with potential local partners and supporters in relation to investment in the project.

Anthony Balme, Chairman of Ortac, commented: "Work over the past six months has allowed us to further diversify our portfolio, mitigating country-specific and commodity risk. We are excited by recent developments at Zamsort, with the construction of the trial production plant, and hope for continued positive newsflow from that project over the next few months.

Exposure to Eritrean potential through Andiamo Exploration Ltd. and maintenance of our Slovakian asset continue to offer significant upside which the Company seeks to exploit in 2016."

The Interim Results are set out in full in the following pages.

For information:

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CHAIRMAN'S STATEMENT

The Company has made significant progress against a backdrop of an unfavourable macro-economic climate for commodities. Cost reduction and portfolio diversification measures, together with proactive development of its projects, have increased the Company’s ability to weather current conditions, mitigating the effects of specific commodity and country risk. Such pragmatism also leaves us prepared to effectively exploit a market upturn.

Accepting the diminishing marginal benefits to cost rationalisation measures and the point of inflection before organic growth capabilities are effected, we continue to press ahead with the development of our investments in Zambia and Eritrea. These projects have short-term production capabilities, offering responsiveness to a market upturn, and afford considerable exploration and development potential.

In response to the industry environment, the small-scale underground mining operation at our core Slovakian asset has been temporarily suspended. We continue to manage operations on a cost efficient basis whilst discussions with potential local partners and supporters continue.

In Eritrea, our investment into Andiamo Exploration Limited ("Andiamo") continues to make good progress. In particular, drilling restarted after the end of the rainy season to delineate the high grade core and extent of the Hoba target, a VMS system which was discovered earlier in 2015. The target is located in the northern part of Andiamo's Haykota License area, operated under a joint venture with Environminerals East Africa Ltd ("EEA"). Drilling is expected to be completed before the end of the year. Elsewhere in the Haykota license area, re-assessment of existing data and new geological work are expected to use a better understanding of known targets to identify new targets, following from the success at Hoba. We also expect that Andiamo will release a Maiden JORC compliant resource estimate and results from other technical studies at the Yacob Dewar gold deposit shortly.

In Zambia, Zamsort raised US$ 2.6 million of funding, comprising US$ 2 million of equity (securing a 20% equity stake in Zamsort for a third party investor) with the rest being secured convertible loan notes issued to Ortac. In aggregate Ortac’s total investment into Zamsort now totals US$ 1.2 million and, if our notes are converted, the Company’s stake in Zamsort will total 19.35%.

Operationally, the last six months have seen Zamsort renew its Small Mining License for a further 10 years, and commence the construction of a commercial scale demonstration plant expected to produce copper cement (precipitated copper) and cobalt hydroxide filter cake; this is scheduled to be commissioned in the second quarter of 2016. Zamsort expects that this plant will generate sufficient revenue to fund exploration at its Large Prospecting License (“LPL”). In preparation, Zamsort has already commenced an extensive geochemical sampling program covering the northern part of the LPL. The remainder will be covered after the end of the rainy season. The results from this program will be collated and analysed, after which identified targets will be subject to more detailed exploration.

Development of the Slovakian reserve remains viable at current metal prices using standard and EU compliant extraction technology. However, exploitation has been complicated by recent judicial challenges made against the Slovak Mining Bureau in connection with earlier decisions made in Ortac’s favour. Post the general election in March 2016, we are hopeful that the new government will provide a clear and supportive policy towards extractive industry which has the potential to produce significant economic and employment benefits to the country. Meanwhile, we continue to operate the mining museum where visitors are taken underground to appreciate the rich mining heritage of Kremnica.

Financial & Corporate Overview

In order to maintain liquidity and further develop our existing portfolio of mineral projects, the Company raised £400,000 in October at 0.05 pence per ordinary share, of which Directors contributed £25,000.

An earlier placing in July 2015 to finance the US$ 600,000 investment in Zamsort, Ortac raised £600,000 gross of costs at 0.085 pence per ordinary share, of which the Directors contributed £46,000. Following these placings, the Directors maintain holdings in the Company's equity of over 8.3 % in aggregate.

Reflecting ongoing successful cost reduction measures, for the six months ended 30 September 2015, Ortac reports that operational losses have been reduced by nearly 56% (£440,000) compared to the corresponding prior period. The pound value of operating losses for the six months ended 30 September 2015 was £342,000 (2014: £791,000). Losses per share as of 30 September 2015 were £0.0011 (2014: £0.0031).

Outlook

Even in these depressed markets, both Zamsort and Andiamo continue to obtain funding and develop their respective licenses. The Company expects to provide further updates for the ongoing work programs at their respective projects.

The Company hopes to be able to report a clearer outlook on Slovak government's position concerning natural resource development after the results of next year's Parliamentary elections in March 2016. Mining still remains a key employer in Central Slovakia, with major brown coal mines, a number of Bentonite mines and an underground gold and polymetallic mine, all operating in the region close to Šturec.

Anthony Balme

Chairman

30 December 2015

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Group Statement of Comprehensive Income for the Interim Period Ended 30 September 2015

	Notes	Six Months to 30 September 2015 (Unaudited) £ 000's	Six Months to 30 September 2014 (Unaudited) £ 000's
Other operating income		**86**	-
Administrative expenses		**(432)**	(774)
Share-based payments		**-**	(12)
Operating loss		**(346)**	(786)
Interest received		**20**	2
Share of (Loss) of associates	**10**	**(16)**	(7)
Loss before tax		**(342)**	(791)
Income tax expense		**-**	-
Loss for the period from continuing operations	**3**	**(342)**	(791)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Currency translation differences		**91**	(386)
Other comprehensive income for the period, net of tax		**(251)**	(1,177)
Total comprehensive loss for the period		**(251)**	(1,177)
Attributable to:			
Owners of the parent		**(251)**	(1,177)
Loss per share from continuing and discontinued operations attributable to the owners of the parent during the period (expressed in pence per share)			
- Basic and diluted	**4**	**(0.11)**	(0.31)

Group Statement of Financial Position as at 30 September 2015

	Notes	As at 30 September 2015 (Unaudited) £ 000's	As at 30 September 2014 (Unaudited) £ 000's
ASSETS			
Non-current assets			
Intangible assets	**8**	**11,761**	12,117
Property, plant and equipment	**9**	**210**	242
Investment in associates	**10**	**888**	903
Total non-current assets		**12,859**	13,262
Current assets			
Inventories		**33**	5
Trade and other receivables	**12**	**897**	156
Available for sale financial investments	**11**	**-**	-
Cash & cash equivalents		**182**	1,131
Total current assets		**1,112**	1,292
TOTAL ASSETS		**13,971**	14,554
LIABILITIES			
Current liabilities			
Trade and other payables		**(82)**	(259)
TOTAL LIABILITIES		**(82)**	(259)
NET ASSETS		**13,889**	14,295
SHAREHOLDERS' EQUITY			
Share capital	**5**	**-**	-
Share premium		**31,284**	30,411
Share based payments reserve		**2,266**	2,313
Foreign exchange reserve		**(956)**	(516)
Retained earnings		**(18,705)**	(17,913)
TOTAL EQUITY		**13,889**	14,295

Group Statement of Changes in Equity for the Interim Period Ended 30 September 2015

	Share capital	Share premium	Foreign exchange reserve	Share based payment reserve	Retained earnings	Total equity
	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's
As at 1 April 2014	-	30,411	(39)	2,301	(17,213)	15,460
Profit/ (Loss) for the period	-	-	-	-	(791)	(791)
Items that may be reclassified subsequently to profit or loss						
Currency translation differences	-	-	(477)	-	91	(386)
Other comprehensive income for the period	-	-	(477)	-	91	(1,177)
Total comprehensive income for the period	-	-	(477)	-	(700)	(1,177)
Share capital issued	-	-	-	-	-	-
Cost of share issue	-	-	-	-	-	-
Issue of warrants	-	-	-	-	-	-
Share based payments	-	-	-	12	-	12
Total transactions with owners, recognised directly in equity	-	-	-	12	-	12
As at 30 September 2014	-	30,411	(516)	2,313	(17,913)	14,295
As at 1 April 2015	**-**	**30,725**	**(1,043)**	**2,320**	**(18,414)**	**13,588**
Profit/ (Loss) for the period	-	-	-	-	(342)	**(342)**
Items that may be reclassified subsequently to profit or loss						
Currency translation differences	-	-	87	-	51	**138**
Other comprehensive income for the period	**-**	**-**	**87**	**-**	**51**	**(204)**
Total comprehensive income for the period	**-**	**-**	**87**	**-**	**(275)**	**(204)**
Share capital issued net of share issue costs	-	559	-	-	-	**559**
Share based payments	-	-	-	(54)	-	**(54)**
Total transactions with owners, recognised directly in equity	-	559	-	(54)	-	**505**
As at 30 September 2015	**-**	**31,284**	**(956)**	**2,266**	**(18,705)**	**13,889**

Group Cash Flow Statement for the Interim Period Ended 30 September 2015

	Six Months to 30 September 2015 (Unaudited) £ 000's	Six Months to 30 September 2014 (Unaudited) £ 000's
Cash flows from operating activities		
(Loss) before tax	**(342)**	(791)
Finance income	**(20)**	(2)
Share of (loss) from associates	**16**	7
Share based payments	**-**	12
Exchange differences	**(28)**	214
Depreciation	**7**	19
Operating loss before changes in working capital	**(367)**	(541)
Decrease in inventories	**(4)**	-
(Increase)/decrease in trade and other receivables	**(464)**	39
(Decrease)/increase in trade and other payables	**(105)**	35
Net cash used in operating activities	**(940)**	(467)
Cash flows used in investing activities		
Interest received	**20**	2
(Disposal)/purchases of intangibles	**45**	(352)
Purchases of property, plant and equipment	**-**	-
Investment in associates	**-**	(305)
Proceeds from disposal of available for sale financial assets	**-**	-
Net cash used in investing activities	**65**	(655)
Cash flows from financing activities		
Proceeds from issue of ordinary shares net of share issue costs	**559**	-
Net cash inflow from financing activities	**559**	-
Net decrease in cash and cash equivalents	**(316)**	(1,122)
Cash and cash equivalents at beginning of period	**498**	2,253
Cash and cash equivalents at end of period	**182**	1,131

NOTES TO THE INTERIM REPORT FOR SIX MONTHS ENDED 30 SEPTEMBER 2015

1. Basis of preparation

The condensed consolidated interim financial statements 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 condensed consolidated interim financial statements contained in this document do not constitute statutory accounts. In the opinion of the directors, the condensed consolidated interim financial statements 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 30 December 2015.

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 these interim condensed consolidated interim financial statements. The condensed interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 March 2015, which have been prepared in accordance with IFRS as adopted by the European Union.

Accounting policies

The condensed consolidated interim financial statements for the period ended 30 September 2015 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 annual financial statements for the year ended 31 March 2015.

Associates

Associates are entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognised at cost and the carrying amount is increased or decreased to recognise the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investment in associates includes any goodwill identified on acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of post-acquisition profit or loss is recognised in the statement of comprehensive income, and its share of post-acquisition movements in other comprehensive income is recognised in the other comprehensive income section of the statement of comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amounts of the associate and its carrying value and recognises the amount adjacent to 'share of profit/ (loss) of associates' in the statement of comprehensive income.

Gains and losses resulting from upstream and downstream transactions between the group and its associates are recognised in the Group's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

Dilution gains and losses arising in investments in associates are recognised in the statement of comprehensive income.

New and amended standards adopted by the Group

The following new IFRS standards and/or amendments to IFRS standards are mandatory for the first time for the Group:

Standard		Effective date
Annual Improvements	Annual Improvements to IFRSs 2010–2012 Cycle (Amendments to IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24, IAS 38)	1 July 2014
Annual Improvements	Annual Improvements to IFRSs 2011–2013 Cycle (Amendments to IFRS 1, IFRS 3, IFRS 13, IAS 40)	1 July 2014

The Directors believe that these new standards do not have a material impact on the Group's results or shareholders' funds.

New standards and interpretations not yet adopted

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

Standard		Effective date
IAS 39, IFRS 7 and IFRS 9 (amendment November 2013)	Hedge accounting	1 January 2018*1
IFRS 7 and 9 (amendment December 2011)	Mandatory effective date and transition disclosures	1 January 2018*1
IFRS 9	Financial instruments	1 January 2018*1
IAS 16 and IAS 38 (Amendments)	Clarification of acceptable methods of depreciation and Amortization	1 January 2016*1
IFRS 11 (Amendment)	Accounting for acquisition of interests in joint operations Financial Reporting Standards" – Government Loans	1 January 2016*1
IFRS 14	Regulatory deferral accounts	1 January 2016*1
IFRS 15	Revenue from contracts with customers	1 January 2018*1
IAS 1 (Amendment)	Disclosure initiative	1 January 2016*1
IAS 16 and IAS 41 (Amendments)	Property, plant and equipment and Agriculture: Bearer Plants	1 January 2016*1
IAS 27 (Amendment)	Equity method in separate financial statements	1 January 2016*1
IFRS 10 and IAS 28 (Amendments	Sale or contribution of assets between an investor and its associate or joint venture	1 January 2016*1
Annual improvements to IFRSs 2012-2014 Cycle	Separate financial statements – Investment entities	1 January 2016*1

1. Not yet endorsed by the EU.

The Group is evaluating the impact of the new and amended standards above. The Directors believe that these new and amended standards are not expected to have a material impact on the Group's results or shareholders' funds.

2. Financial risk management and financial instruments

Risks and uncertainties

The Board continually assesses and monitors the key risks of the business. The key risks that could affect the Group's medium term performance and the factors that mitigate those risks have not substantially changed from those set out in the Group's 2015 Annual Report and Financial Statements, a copy of which is available from the Group's website: www.ortacresources.com. The key financial risks are market risk (including currency risk), credit risk and liquidity.

3. 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.

There are no transactions occurring during the year, or comparative year, between reportable segments, that affect the Income Statement. 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 **Six Months to 30 September 2015**	**UK/BVI** **£ 000's**	**Slovakia** **£ 000's**	**Eritrea** **£ 000's**	**Zambia** **£ 000's**	**Total** **£ 000's**
Result					
Operating loss	(268)	(78)		-	**(346)**
Finance income	20	-	-	-	**20**
Share of (Loss) of associates	**-**	**-**	**(16)**	**-**	**(16)**
Loss before & after taxation	**(248)**	**(78)**	**(16)**	**-**	**(342)**
Other information					
Depreciation	4	3	-	-	**7**
Investment in associate	-	-	-	-	**-**
Capital additions	(45)	-	-	-	**(45)**
Assets					
Non-current assets	7	11,964	888	-	**12,875**
Current assets less cash and cash equivalents	47	72	-	811	**119**
Cash and cash equivalents	178	4	-	-	**182**
Consolidated total assets	**232**	**12,040**	**888**	**811**	**13,176**
Liabilities					
Non-current liabilities	-	-	-	-	**-**
Current liabilities	(52)	(30)	-	-	**(82)**
Consolidated total liabilities	**(52)**	**(30)**	**-**	**-**	**(82)**

By geographical area Six Months to 30 September 2014	UK/BVI £ 000's	Slovakia £ 000's	Eritrea £ 000's	Zambia £ 000's	Total £ 000's
Result					
Operating loss	(652)	(134)	-	-	(786)
Finance income	2	-	-	-	2
Share of (Loss) of associates	-	-	(7)	-	(7)
Loss before & after taxation	(650)	(134)	(7)	-	(791)
Other information					
Depreciation	11	8	-	-	19
Investment in associate	-	-	305	-	305
Capital additions	128	224	-	-	352
Assets					
Non-current assets	16	12,343	903	-	13,262
Current assets less cash and cash equivalents	83	78	-	-	161
Cash and cash equivalents	1,097	34	-	-	1,131
Consolidated total assets	1,196	12,455	903	-	14,554
Liabilities					
Non-current liabilities	-	-	-	-	-
Current liabilities	(189)	(70)	-	-	(259)
Consolidated total liabilities	(189)	(70)	-	-	(259)

By geographical area Year to 31 March 2015	UK/BVI £ 000's	Slovakia £ 000's	Eritrea £ 000's	Zambia £ 000's	Total £ 000's
Result					
Operating loss	(1,289)	(42)	-	-	(1,331)
Share of loss of associate	-	-	(6)	-	(6)
Finance income	4	-	-	-	4
Loss before & after taxation	(1,285)	(42)	(6)	-	(1,333)
Other information					
Depreciation and impairment	18	14	-	-	32
Investment into available for sale financial assets	-	-	(605)	-	(605)
Investment into associate	-	-	904	-	904
Capital additions	-	(590)	-	-	(590)
Assets					
Non-current Assets	-	11,903	904	-	12,807
Current assets less cash and cash equivalents	94	72	-	304	470
Cash and equivalents	490	8	-	-	498
Consolidated total assets	584	11,983	904	304	13,775
Liabilities					
Non-current liabilities	-	-	-	-	-
Current liabilities	(160)	(27)	-	-	(187)
Consolidated total liabilities	(160)	(27)	-	-	(187)

4. Loss per share

The calculation of earnings per share is based on the loss attributable to equity holders divided by the weighted average number of share in issue during the period:

	Six Months to 30 September 2015 (Unaudited) £ 000's	**Six Months to 30 September 2014 (Unaudited) £ 000's**
Net loss after taxation	**(342)**	(791)
Weighted average number of ordinary shares used in calculating basic loss per share (millions)	**3,179**	2,516
Basic & diluted loss per share (expressed in pence)	**(0.11)**	(0.31)

As the inclusion of the potential ordinary shares would result in a decrease in the earnings 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 2015 were as follows:

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

B) Called up, allotted, issued and fully paid	**Number of shares**	**Nominal value**
As at 1 April 2015	**2,826,329,020**	-
Additions:		
01 July 2015	705,882,353	-
As at 30 September 2015	**3,532,211,373**	-

6. Share based payments

During the six month period ended 30 September 2015 no options were granted, or exercised, though 8 million were forfeited. Movements on the number of share options and their exercise price are as follows:

	Weighted Average Exercise Price Pence	**6 months to 30 September 2015 (Unaudited) No of Options**	Weighted Average Exercise Price Pence	**Year to 30 March 2015 (Audited) No of Options**
Beginning of period	**0.94**	**279,300,000**	0.94	279,300,000
Cancelled	**1.35**	**(8,000,000)**	-	-
Modified	**-**	**-**	-	-
Lapsed	**-**	**-**	-	-
Granted	**-**	**-**	-	-
End of period	**0.93**	**271,300,000**	0.94	279,300,000

The parameters used to ascertain the fair value of share options, as found in the audited consolidated financial statements for the year ended 31 March 2015.

The fair value charged to the Group Statement of Changes in Equity for the six month period ended 30 September 2015 was (£54,000) (2014: £12,000).

Total share warrants in issue

During the six month period ended 30 September 2015 no warrants were granted, exercised or forfeited. There are no changes to unexercised warrants in issue, the details of which can be found in the audited consolidated financial statements for the year ended 31 March 2015.

7. Investment in group companies

At 30 September 2015, the Group 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	England and Wales	100%	Holding Company
St. Stephans Gold s.r.o.*	Slovak Republic	100%	Mineral Exploration
Ortac s.r.o.*	Slovak Republic	100%	Mineral Exploration

* Wholly owned subsidiary of Ortac Resources (UK) Limited

8. Intangible assets

	Six Months to 30 September 2015 (Unaudited) £ 000's	**Six Months to 30 September 2014 (Unaudited) £ 000's**
Balance brought forward	**11,688**	12,354
Additions	**(45)**	352
Currency translation adjustments	**118**	(588)
Amortisation	**-**	(1)
Balance carried forward	**11,761**	12,117
Net book value	**11,761**	12,117
The net book value is analysed as follows:		
Deferred exploration expenditure		
-Exploration and development costs- Slovakia	**11,491**	11,847
-Goodwill – Slovakia	**270**	270
	11,761	12,117

9. Tangible assets

	Six Months to 30 September 2015 (Unaudited) £ 000's	**Six Months to 30 September 2014 (Unaudited) £ 000's**
Cost		
Beginning of the period	**319**	375
Currency translation adjustment	**5**	(27)
End of the period	**324**	348

Depreciation		
Beginning of the period	**(104)**	(102)
Currency translation adjustment	**(3)**	14
Charge for the period	**(7)**	(18)
End of the period	**(114)**	(106)
Net book value at beginning of period	**215**	273
Net book value at end of period	**210**	242

10. Investment in associates

As previously reported, on the 20 April 2014, Ortac Resources Limited increased its investment in Andiamo Exploration Limited (which is a private company registered in the UK) from 18.47% to 25.37%, which resulted in the investment being reclassified from an available-for-sale holding to an associate.

The carrying value of the associate is £888,000 and it is determined as follows:

	Six months to 30 September 2015 (Unaudited) £ 000's	**Six months to 30 September 2014 (Unaudited) £ 000's**
Beginning of the period	**904**	-
Transfer from available for sale financial assets	-	910
Share of (loss) from associate	(16)	(7)
End of the period	**888**	**903**

Ortac's share of the results in Andiamo Exploration Limited are shown below*:*

	Six months to 30 September 2015 (Unaudited) £ 000's	**Six months to 30 September 2014 (Unaudited) £ 000's**
Revenues	-	-
Share of loss	**(16)**	(7)

Nature of investments in associates:

Name of entity	**Place of business/country of incorporation**	**% of ownership interest**	**Nature of the relationship**	**Measurement method**
Andiamo Exploration Limited	England	25.37%	Strategic partnership	Equity

As at the period end, the fair value of the Group's interest in Andiamo Exploration Limited equated to its carrying value. Andiamo Exploration Limited is a private company and there is no quoted market price available for its shares.

Summarised statement of financial position for associate:

	Six Months to 30 June 2015 (Unaudited) £ 000's	Six Months to 30 June 2014 (Unaudited) £ 000's
Current		
Cash and cash equivalents	**185**	528
Other current assets	**237**	139
Total current assets	**422**	667
Financial liabilities	**-**	(4)
Other current liabilities	**(81)**	(36)
Total current liabilities	**(81)**	(40)
Non-current		
Assets	**6,644**	5,911
Financial liabilities	**-**	-
Other liabilities	**-**	-
Total non-current liabilities	**-**	-
Net assets	**6,985**	6,538

Summarised statement of comprehensive income for associate:

	Six Months to 30 June 2015 (Unaudited) £ 000's	Six Months to 30 June 2014 (Unaudited) £ 000's
Loss before tax	**(63)**	(76)
Income tax expense	**-**	-
Post-tax loss from operations	**(63)**	(76)
Other comprehensive income	**-**	-
Total comprehensive income	**(63)**	(76)

The information above reflects the amounts presented in the financial statements of the associates (and not Ortac Resources Limited's share of those amounts) adjusted for differences in accounting policies between the Group and the associates.

Reconciliation of summarised financial information

Reconciliation of summarised financial information presented to the carrying amount of its interest in associates:

	Six Months to 30 June 2015 (Unaudited) £ 000's	Six Months to 30 June 2014 (Unaudited) £ 000's
Summarised financial information		
Opening net assets	**7,173**	5,621
Issue of shares	**-**	993
Loss for the period	**(63)**	(76)
Other comprehensive income	**-**	-
Foreign exchange differences	**(125)**	-
Closing net assets	**6,985**	6,538
Interest in associates (25.37%) –book value of assets acquired as recognised under equity accounting.	**1,772**	1,658
Exchange differences	**(107)**	22

Difference between book value of assets acquired and cost of the investment	**(777)**	(777)
Carrying value	**888**	903

11. *Available for sale financial assets*

	Six Months to 30 September 2015 (Unaudited) £ 000's	Six Months to 30 September 2014 (Unaudited) £ 000's
Beginning of the period	**-**	605
Additions	**-**	305
Disposals	**-**	-
Loss on disposals	**-**	-
Reclassification to investment in associates	**-**	(910)
End of the period	**-**	**-**

The available for sale financial asset refers to the Ortac's Pound Sterling denominated investment in Andiamo Exploration Limited. Due to Ortac Resources Limited increasing its investment in the company at a cost of £305,000 in April 2014, the investment has been treated as an associate since that time- see note 10 above.

12. *Trade and other receivables*

	Six Months to 30 September 2015 (Unaudited) £ 000's	Six Months to 30 September 2014 (Unaudited) £ 000's
Current trade and other receivables		
Other receivables and prepayments	**86**	156
Loans advanced to Zamsort	**811**	-
Total	**897**	156

Ortac's investment into Zamsort has been by way of a secured convertible loan note, attracting interest at a rate of 8%. During the period Ortac has charged Zamsort the sum of £21,000 interest and invested a further £486,000 by way of its secured convertible loan notes. As at 30 September 2015, the total principle investment by Ortac has been USD 1.2 Million, which on conversion would afford Ortac a 19.35% stake in the issued share capital of Zamsort.

13. *Contingent liability*

As part of its acquisition of Kremnica Gold s.r.o. and Kremnica Gold Mining s.r.o., Ortac Resources (UK) Limited (formerly 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 a third party resource study, updated in 2013, the Directors are confident that proven and probable reserves will significantly exceed 250,000 ounces of gold equivalent (gold) 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.

14. Post balance sheet events

On 21 October 2015 Ortac announced that it had raised £400,000 before share issue costs, via a placing of new ordinary shares issued at a price of 0.005 pence per ordinary share. The funds raised are to be used by Ortac to further develop its existing portfolio of mineral projects and for working capital purposes.

15. Other matters

The condensed consolidated interim financial statements set out above do not constitute the Group's statutory accounts for the period ended 30 September 2015 or for earlier periods, but is derived from those accounts where applicable.

A copy of this interim statement is available on the Ortac's website: www.ortacresources.com.