

**ORTAC RESOURCES LIMITED
ANNUAL REPORT AND
FINANCIAL STATEMENTS FOR
THE YEAR ENDED 31 MARCH
2016**

Ortac Resources Limited

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

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CHAIRMAN'S STATEMENT AND OPERATIONS AND FINANCE REVIEW

Chairman's Statement

Despite the continued challenging market conditions faced by junior exploration and development companies over the last five years and in particular this last period, your Company has continued to progress with its current portfolio of projects and has added a new exciting opportunity to the portfolio of investments in this period.

In Slovakia, whilst discussions with potential local partners and supporters continue, the emphasis has been to continue to secure our rights over the 873 koz Au Eq. reserve that we believe and the technical studies to date have demonstrated a potential low cost operation when measured against its peers.

In Eritrea, Andiamo Exploration Limited ("Andiamo"), in co-operation with its Joint Venture partner, Envirominerals East Africa Ltd ("EEA"), confirmed the Volcanogenic Massive Sulphide ("VMS") occurrence at the Hoba prospect, which is located along the same trend and approximately 15km to the south of Nevsun Mining's new Ashelli VMS discovery. At Jacob Dewar, Andiamo released its maiden JORC resource estimate for gold and copper, which provides a solid platform from which to explore and develop further resources in the southern part of the license area. Following the end of the reporting period, Andiamo has begun discussions in relation to a merger of interests with EEA, which has earned a 50% interest in the northern area of the Andiamo Licence by expenditure of \$2.3M. EEA has a strong shareholder base which could provide support to further funding in Andiamo to finance future exploration.

In Zambia, we are pleased with the progress Zamsort has made against the backdrop of a dull copper market. They are on the cusp of getting their commercial scale demonstration plant operational and which is anticipated will produce copper, cement and cobalt hydroxide cake. At the same time they continue to maintain interest from some of the larger copper players in their highly prospective exploration tenement located in the domes region in the western part of the copper belt.

Following the end of the reporting period, the Company exercised its right and issued a request to Zamsort Limited ('Zamsort') to convert the Secured Convertible Loan Notes and the No.2 Loan Notes into 19.35% of the issued share capital of Zamsort. Zamsort has advised the Company that they may wish to make changes to their share capital structure in order to facilitate further funding. Ortac has advised Zamsort that it would be cooperative should a reorganisation be of benefit to the financing of Zamsort, and in the best interests of Ortac.

Towards the end of the period, the Company announced its strategic investment into CASA Mining Limited ("CASA"), which holds the rights to three contiguous mining licenses totalling 133km² located in the South Kivu province in the eastern Congo gold belt of the Democratic Republic of Congo ("DRC"). CASA has an initial inferred resource of 1.2 Moz @1.7 g/t Au at its Akyanga Deposit, which is still open ended along strike and down dip and has had a scoping study completed on it that demonstrates the potential viability of a 100,000oz gold per year operation. Post the end of the period CASA provided an update to shareholders on an initial smaller operation requiring substantially lesser amount of upfront capital. Additionally, it provided a resource update that demonstrated the potential for its project to host a resource well in excess of 2 million ounces.

Chairman's Statement and Operations and Finance Review (continued)

On a more general note we are pleased to see a turn in the gold market towards the end of our financial year and to see its price increase by close to 25% from its low point of \$1,058 per oz in December 2015. We believe the outlook for the precious metal is positive and that it can continue to gently increase. Copper the other metal of note that we have a stake in has been less buoyant but we believe it has probably seen its low point at \$4,500 per ton.

On the matter of staff we have continued to reduce our head count. We should thank Hugo Green for his sterling efforts for the Company as CFO and we hope to continue to consult with him from time to time at his base in Bratislava. Owen Mihalop was also a great support for the Company in his role as Technical Director and we continue to call on his assistance as a consultant to the Company.

Chuck Forrest has now taken on the role of interim CFO and we would like to welcome him to the team.

Financial & Corporate Overview

During the year ended 31 March 2016 the Company issued the following shares for consideration of £1,350,000:

- (i) On 1 July 2015 705,882,353 ordinary shares of no par value were issued at a price of 0.085 pence per share for a cash consideration of £600,000 before share issue costs;
- (ii) On 21 October 2015 800,000,000 ordinary shares of no par value were issued at a price of 0.05 pence per share for a cash consideration of £400,000 before share issue costs;
- (iii) On 8 March 2016 1,400,000,000 ordinary shares of no par value were issued at a price of 0.025 pence per share for a cash consideration of £350,000 before share issue costs.

During the year ended 31 March 2016, the Directors acquired a further 233.0 million shares in the Company (2015: 98.8 million) with their holdings now representing 8.44% (2015: 9.76%) of the issued share capital of Ortac.

In line with expectations and reflecting cost cutting measures, we report a loss of £ 0.853m (2015: loss of £1.333m) and a loss per share of 0.02 pence (2015: 0.05 pence).

As at 31 August 2016, the Group held £140,000 in cash. As a result, the Company will need to raise money either through the additional issue of shares or through the sale of assets.

Outlook

Even though market conditions have improved in 2016, the Company will continue to run a tight ship in Slovakia and expects the companies it has invested in similarly to do the same.

Having completed the rationalisation of the business in Slovakia, the turn in the gold market has created positive interest from parties in the vicinity of Slovakia which it is hoped will develop into a constructive partnership.

Chairman's Statement and Operations and Finance Review (continued)

With respect to the investments in Andiamo, Zamsort and CASA, the Company expects this recent turn in optimism, particularly in the gold space, to enable these respective companies to obtain further investment and continue progressing with their projects.

Anthony Balme

Chairman

15 September 2016

DIRECTORS' REPORT

The Directors are pleased to present this year's annual report together with the audited consolidated financial statements for the year ended 31 March 2016.

Principal Activities

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

Business Review and Future Developments

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

Results and Dividends

The loss on ordinary activities of the Group after taxation amounted to £0.853m (2015: loss of £1.333m). The Directors do not recommend payment of a dividend (2015: nil).

Operations review

Despite the tight budget constraints and the challenging market conditions, the Company has continue to progress with its projects and investments.

Slovakia

Investigations into alternative processing routes continue with some promising developments being brought to the Company's attention that warrant further investigations. These are being reviewed and, where appropriate, the Company has sent samples off for test work using these novel technologies.

In addition to the test work, the main focus of activities has been working with the companies able advisors to secure the validity of the mining licence in the medium term. The regulation appertaining to mining in Slovakia is not straightforward and is further complicated by the fact the Company's mining licence dates back to the 1960's. Our advisors are confident in the ability to validate the continuity of the licence in the medium term.

Eritrea

In Eritrea, Andiamo has managed to keep work on the ground progressing in very difficult market conditions. At Yacob Dewar, Andiamo has generated a resource for the oxide cap of around 85,000 oz of Au and just over 20,000t of Cu, which should provide a platform from which to explore and develop further oxide resources in the area.

The conversion of the anomaly at Hoba into a discovery with over 2,000m drilled to date, bodes well for making further discoveries in the licence area as the other anomalies are targeted and worked on. Further, encouraging developments at the Bishas Ashelli discovery, just north of Andiamo's Haykota license area, is providing further support to proving a significant VMS belt in this part of the country.

Directors' Report (continued)

Zambia

Progress on the demonstration scale processing plant at Kalaba was hampered by the rainy season as well as the tight budget under which it is being constructed. Zamsort is in discussions with various groups to finance the completion of the processing plant as well as to commence exploratory works in their highly prospective large scale prospecting licence.

DRC

The various technical studies completed on CASA's Akyanga project has provided further support to the view that the project has the ability to be developed in a number of ways. Additionally, a further resource study has demonstrated the potential to almost double the ounces at Akyanga with further drilling works. Dialogue with the local community and regional stakeholders has commenced and will continue as the project moves forward towards commercial production.

Events after the reporting period

On 12 August 2016 Ortac announced that through a private placement carried out by CASA, Ortac has subscribed for 166,667 shares in CASA at a price of US\$0.30 per share for a total consideration of \$50,000 resulting in Ortac now holding a 13.1% interest in the enlarged share capital of CASA. In addition, for a period of two months, Ortac has the right to subscribe for a further 233,333 shares in CASA at US\$0.30 per share and to subscribe for any unallocated placing shares from CASA's current placing.

Directors

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

Director	Date of Resignation
Executive Directors:	
Anthony Balme	-
Vassilios Carellas	-
Non-Executive Directors	
David Paxton	21 October 2015
Paul Heber	-

Directors' Remuneration

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

Directors' Report

Directors' Interests

The beneficial interests of the Directors in the shares and options of the Company are as follows:

Director	31 March 2016		1 April 2015	
	Shares	Options (1)	Shares	Options (1)
Anthony Balme	382,593,763	26,000,000	196,169,250	26,000,000
David Paxton	Nil	17,500,000	34,022,220	17,500,000
Paul Heber	40,000,000	15,000,000	10,000,000	15,000,000
Vassilios Carellas	62,000,000	45,000,000	40,391,175	45,000,000

1) Anthony Balme's shares are held as follows (a) Carter Capital Ltd holds 108,223,382 shares (b) Anthony Balme holds 115,176,202 shares (c) AMC Ltd holds 90,929,473 shares, and (d) Carter Capital Ltd Pension Scheme holds 68,264,706 shares.

2) Mr Paxton resigned as a Director during the year ended 31 March 2016. 19,382,274 of his shares were held by Adit Investment Ltd, a company he controls. The balance of shares were held by him personally.

3) Vassilios Carellas' shares are held as follows (a) Vassilios Carellas holds 52,071,265 shares and (b) Mrs Carellas (spouse) holds 9,928,735 shares.

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

Corporate Governance

A statement on Corporate Governance is set out on pages 15 to 16.

Principal Risks and Uncertainties

A Statement on Principal Risks and Uncertainties is set out as part of Strategic report and is also addressed in note 22 to the financial statements.

Environmental Responsibility

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

Employment Policy

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

Health and Safety

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

Directors' Report (continued)

Insurance

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

Payment to Suppliers

The Group's policy is to agree terms and conditions with suppliers in advance; payment is then made in accordance with the agreement, provided the supplier has met the terms and conditions. Trade payables as at 31 March 2016 were equivalent to 37 days costs (2015: 17 days).

Statement of Disclosure of Information to the Auditor

As at the date of this report the serving Directors confirm that:

- So far as each Director is aware, there is no relevant audit information of which the Group's auditor is unaware, and
- The Directors have taken all the steps that they ought to have taken in order to make themselves aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

Auditor

PKF Littlejohn LLP has signified its willingness to continue in office as auditor.

Going Concern

Notwithstanding the loss incurred during the year under review, the Directors have a reasonable expectation that the Group will be able to raise funds to provide adequate resources to continue in operational existence for the foreseeable future. It will therefore continue to adopt the going concern basis in preparing the Annual Report and Financial Statements. Further details on their assumptions and their conclusion thereon are included in the statement on going concern included in note 1f to the Financial Statements. The auditor's report makes reference to going concern by way of an emphasis of matter, but their audit opinion is not modified.

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and the Financial Statements in accordance with applicable law and regulations.

The Directors are required to prepare financial statements for each financial year. The Directors have elected to prepare the Group and Company Financial Statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. The Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and of the profit or loss of the Group for that year. In preparing these Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;

Directors' Report (continued)

- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the Financial Statements; and
- prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company. They are also responsible for safeguarding the assets of the Group, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. The Group is compliant with AIM Rule 26 regarding the Group's website.

Other

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

This report was approved by the Board and was signed on its behalf:

Vassilios Carellas
Chief Executive Officer

15 September 2016

GROUP STRATEGIC REPORT

Ortac Resources Limited

Company number: 1396532

Registered office: Craigmuir Chambers, Road Town, Tortola, British Virgin Islands VG 1110

The Directors of Ortac Resources Limited present their strategic report on Ortac Resources Ltd and its subsidiaries (“the Group”) for the year ended 31 March 2016.

Organisation overview

The Board of Directors (“the Board”) is responsible for providing strategic direction for the Group, setting objectives and management policies and agreement on performance criteria. The Board monitors compliance with these through regular reporting, budget updates and operational reviews.

As at 31 March 2016 the Board comprises a Chief Executive Officer, an Executive Chairman, and one Non-Executive Director. The Board believes its present composition provides an appropriate mix to conduct the Group’s affairs.

The Group’s business is managed on a day to day basis by the Chief Executive Officer, based at the Company’s offices in London, United Kingdom. The Group’s exploration and development activities in Slovakia are managed by way of Slovak incorporated entities.

The Group’s investment in Andiamo is overseen through the appointment of the Executive Chairman to the board of Andiamo.

Subsequent to the year end, the Group’s Chief Executive Officer was appointed to the board of Zamsort, enabling him to oversee the investment in Zamzort.

Strategic Approach

Aim

The Group’s aim is to maximize shareholder value through the advancement of economic mineral deposits through the various stages of development.

Strategy

Having further diversified its portfolio of projects and country risk, the Group’s strategy is to continue to progress the evolution of its 100%-owned Šturec project, and work on the enhancement of its interests in Eritrea, Zambia and the Democratic Republic of Congo which arise out of its investments in Andiamo Exploration Limited, Zamsort Limited and Casa Mining Limited.

The Board will continuously monitor and review its investment strategies and will, in certain circumstances entertain the introduction of joint-venture partners to minimise risk, reduce Company costs and to take projects through to production.

Business Plans

The Board runs the Group with a low cost base, in order to maximise the amount that is spent on exploration and development, as this is where shareholder value can be added. To this

Group Strategic Report (continued)

extent, the corporate office is run by a small core team with specialist skills, with other activities outsourced as appropriate.

The Group finances its activities primarily through periodic capital raisings with share placings.

Review of business

A discussion of the Company's various projects is provided in the Operations Review within the Directors Report. In general no further funds were committed during the year in Eritrea but the Company loaned a further US\$600,000 to Zamsort. The Company also invested £44,000 to acquire a 12% equity interest in Casa Mining Limited which has an attractive gold project in the Democratic Republic of Congo with a JORC-compliant resource of 1.2M ounces at a grade of 1.7 g/t Au.

Financial review

Loss for the year

The results of the Group for the year ended 31 March 2016 are set out in the Financial Statements on pages 19 to 54). The loss for the year was £0.853 (2015: loss of £1.333m).

Cash flows

During the year ended 31 March 2016 the Company placed 2,905,882,353 shares for consideration of £1,350,000.

Total exploration costs in the year, excluding exchange differences, were £134,000 (2015: £590,000).

Cash and cash equivalents as at 31 March 2016 were £428,000 (2015: £498,000).

Balance sheet

Net assets at 31 March 2016 were £14,902,000 (2015: £13,588,000) an increase of £1,314,000, largely the result of the depreciation of the pound versus euro but also reflective of the Company's ability to manage its costs. Intangible assets increased by £828,000 from £11,688,000 to £12,516,000

Key performance indicators

The Group is not yet producing minerals and so has no income other than bank interest and from sundry activities. Consequently the Group is not expected to report profits until it disposes of, or is able to profitably develop or otherwise turn to account, its exploration and development projects.

The Board monitors the activities and performance of the Group on a regular basis and uses both financial and non-financial indicators to assess the Group's performance. The indicators set out below were used by the Board during the year ended 31 March 2016 and will continue to be used to assess performance during the year to 31 March 2017.

Group Strategic Report (continued)

Financial KPIs

The financial KPIs monitored by the Board concern levels and usage of cash. Three main financial KPIs for the Group allow it to monitor costs and plan future exploration and development activities.

Financial KPIs	Measure	2016	2015
Cash and cash equivalents	£ 000's	428	498
Administrative expenses as a % of total assets	%	-14%	-6%
Exploration costs capitalised	£ 000's	134	590

During the year cash decreased by £70,000 (2015: decrease of £1,755,000).

The Company raised more funds from share placements, £1,350,000 in 2016 versus £314,000 in 2015 but spent less in Slovakia and its investment in Andiamo was unchanged. An additional US\$600,000 was loaned to Zamsort (2015: US\$600,000).

The Group has a policy of only capitalising cost directly related to exploration and does not attempt to allocate the costs of its London based technical team to projects. Administration expenses are therefore those costs that do not directly relate to exploration, but rather the operations of the Group. Excluding foreign exchange losses in 2015, Administrative expenses decreased in 2016 by 41% from £1,386,000 to £ 821,000, savings of £565,000.

Exploration costs capitalised as intangible assets in the year were £134,000 (2015: £590,000) reflecting the Company's focus on the effort to secure a mining license.

At 31 March 2016 the Group's intangible assets had a carrying value of £12,516,000 (2015: £11,688,000).

Non-Financial KPIs

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

Health and safety – number of reported incidents

Health & Safety	Measure	2016	2015
	No of Incidents	-	-

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

Principal Risks and Uncertainties

Set out below are the principal risks and uncertainties facing the Group:

Exploration risks

- The exploration and mining business is controlled by a number of global factors, principally supply and demand which, in turn, is a key driver of global mineral prices; these factors are beyond the control of the Group. Exploration is a high-risk business and there can be no guarantee that any mineralisation discovered will result in proven and probable reserves or go on to be the basis for an operating mine. At every stage of the exploration process our projects are rigorously reviewed to determine if the results justify the next stage of exploration expenditure, thereby ensuring that funds are only applied to high priority targets.

Group Strategic Report (continued)

- The principal assets of the Group, comprising its mineral exploration licences, are subject to certain financial and legal commitments. If these commitments are not fulfilled the licences could be revoked. They are also subject to legislation defined by the respective governments of the countries in which the Group operates; if such legislation is changed it could adversely affect the value of the Group's assets.

Resource estimates

- The Group's reported resources are only estimates. No assurance can be given that the estimated resources will be recovered or that they will be recovered at the rates estimated. Mineral reserve and resource estimates are based on limited sampling and as a result are uncertain because the samples may not be fully representative of the full resource. Mineral resource estimates may require revision (either up or down) in future periods based on further drilling or actual production experience.
- Any future resource figures will also be estimates and there can be no assurance that the minerals are present, will be recovered or that they can be brought into profitable production. Furthermore, a sustained decline in the market price for natural resources, particularly gold, could render reserves containing relatively low grades of such resources uneconomic to recover.

Funding Risk

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

Environmental risk

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

Political and countries risk – EU Referendum

- The Company is listed in the United Kingdom (UK) whilst the Group operates both in the UK and European Union (EU). As a result of the Referendum, the Group may be

Group Strategic Report (continued)

subject to the impact of the UK leaving the European Union. As required, given the recent uncertainty surrounding the situation the Company is monitoring matters and seeking advice as to how to mitigate any risks arising.

This Strategic Report was approved by the Board of Directors on 15 September 2016.

Vassilios Carellas
Chief Executive Officer
15 September 2016

CORPORATE GOVERNANCE STATEMENT

The Board is committed to maintaining high standards of corporate governance. The Listing Rules of the Financial Conduct Authority incorporate the UK Corporate Governance Code, which sets out the principles of Good Governance, and the Code of Best Practice for listed companies. Whilst the Group is not required to comply with the UK Corporate Governance Code, the Group's corporate governance procedures take due regard of the principles of Good Governance set out in the UK Corporate Governance where the directors consider these are relevant and appropriate facilitating good governance principles in the group and appropriate to the size and the stage of development of the Group. However, it should not be considered that the Group has voluntarily complied with the Code.

Board of Directors

The Board of Directors currently comprises two Executive Directors and one Non-Executive Director. There is currently a vacancy at the Non-Executive Director level. The Board maintains regular contact with its advisers and public relations consultants in order to ensure that the Board develops an understanding of the views of shareholders.

Board Meetings

The Board meets regularly throughout the year. For the year ended 31 March 2016, the Board met twelve times in relation to normal operational matters. The Board is responsible for formulating, reviewing and approving the Group's strategy, financial activities and operating performance. Day to day management is devolved to the Executive Directors who are charged with consulting the Board on all significant financial and operational matters.

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

Board committees

Since the Board is comprised of two Executive Directors and only one Non-Executive Director the Company cannot maintain an Audit Committee which is in accordance with the UK Code of Corporate Governance. This situation will be rectified; in the interim there are no Committees other than the Board and therefore all decisions are made by the full Board. An Audit Committee will be established once the Board is expanded.

Internal controls

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

Corporate Governance Statement (continued)

Risk management

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

Risks and uncertainties

Risk assessment and evaluation is an essential part of the Group's planning and an important aspect of the Group's internal control system. The principal risks facing the Group are set out in the Group Strategic Report.

Risk management and treasury policy

The Board considers risk assessment to be important in achieving its strategic objectives, with the Board regularly reviewing its projects and activities in this regard.

The Group finances its operations through equity and holds its cash as a liquid resource to fund the obligations of the Group. Decisions regarding the management of these assets are approved by the Board. Please refer to note 22 for further detail on how the Board manages risk.

Securities trading

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

Relations with shareholders

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

INDEPENDENT AUDITOR'S REPORT

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

We have audited the financial statements of Ortac Resources Limited for the year ended 31 March 2016 which comprise the Group and Company Statements of Comprehensive Income, the Group and Company Statements of Financial Position, the Group and Company Statement of Cash Flows, the Group and Company Statements of Changes in Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the Company's members, as a body. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditor

As explained more fully in the Statement of Directors' Responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Group's and the Parent Company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Independent Auditor's Report to the Members of Ortac Resources Limited

Opinion on Financial Statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 March 2016 and of their respective losses for the year then ended; and
- have been properly prepared in accordance with IFRSs as adopted by the European Union.

Emphasis of Matter – Going Concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in Note 1f to the Financial Statements concerning the Company's ability to continue as a going concern. The Group incurred a net loss of £853,000 during the year ended 31 March 2016 and its operations are not yet cash generative. Whilst the Group has net current assets of £1,298,000 (2015: £781,000) its ability to continue as a going concern is dependent on its ability to raise funds on the open market. These conditions, along with the other matters explained in Note 1f to the financial statements, indicate the existence of a material uncertainty which may cast doubt on the Company's ability to continue as a going concern. The Financial Statements do not include the adjustments that would result if the Company was unable to continue as a going concern.



PKF Littlejohn LLP
Chartered Accountants and Registered Auditor

1 Westferry Circus
Canary Wharf
London E14 4HD

15 September 2016

FINANCIAL STATEMENTS

Group Statement of Comprehensive Income for the year ended 31 March 2016

	Notes	Year to 31 March 2016 £ 000s	Year to 31 March 2015 £ 000s
Revenue		-	-
Other Operating Income	3	45	74
Administrative expenses	4,11	(922)	(1,386)
Share-based payments	8, 20	-	(19)
Operating loss		(877)	(1,331)
Interest Income	10	54	4
Share of loss of associate accounted for using the equity method	14	(30)	(6)
Loss before income tax		(853)	(1,333)
Income tax expense	6	-	-
Loss for the year from continuing operations		(853)	(1,333)
Other comprehensive income:			
Items that may be subsequently reclassified to profit or loss			
Currency translation differences		817	(872)
Other comprehensive income for the year, net of tax		817	(872)
Total comprehensive income for the year attributable to owners of the parent		(36)	(2,205)
All operations are continuing			
Loss per share attributable to owners of the parent during the year			
- Basic & diluted (pence per share)		(0.02)	(0.05)

The notes on pages 27 to 54 are an integral part of these consolidated financial statements

Financial Statements

Company Statement of Comprehensive Income for the year ended 31 March 2016

	Notes	Year to 31 March 2016 £ 000s	Year to 31 March 2015 £ 000s
Revenue		-	-
Administrative expenses	4	(481)	(558)
Share-based payments	8, 20	-	(19)
Operating loss		(481)	(577)
Share of Loss of Associate		(36)	
Interest Income	10	54	4
Loss before income tax		(463)	(573)
Income tax expense	6	-	-
Loss for the year		(463)	(573)
Other comprehensive income			
Items that may be subsequently reclassified to profit or loss			
Currency translation differences		-	-
Other comprehensive income for the year		-	-
Total comprehensive income for the year		(463)	(573)

The notes on pages 27 to 54 are an integral part of these consolidated financial statements

Financial Statements (continued)

Group Statement of Financial Position as at 31 March 2016

	Note	31 March 2016 £ 000s	31 March 2015 £ 000s
ASSETS			
Non-current assets			
Intangible assets	11	12,516	11,688
Property, plant and equipment	12	214	215
Investment in associate	14	874	904
Total non-current assets		13,604	12,807
Current assets			
Inventories	16	34	37
Trade and other receivables	17	150	433
Available for sale financial assets	15	835	-
Cash & cash equivalents	22	428	498
Total current assets		1,447	968
TOTAL ASSETS		15,051	13,775
LIABILITIES			
Current liabilities			
Trade and Other payables	18	(149)	(187)
TOTAL LIABILITIES		(149)	(187)
NET ASSETS		14,902	13,588
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT			
Share Capital	19	-	-
Share premium	21	32,075	30,725
Share based payments reserve		2,320	2,320
Foreign exchange reserve		(226)	(1,043)
Retained earnings		(19,267)	(18,414)
TOTAL EQUITY		14,902	13,588

These financial statements were approved by the Board of Directors on 15 September 2016 and signed on its behalf by:

Anthony Balme

Executive Chairman

Vassilios Carellas

Chief Executive Officer

The notes on pages 27 to 54 are an integral part of these consolidated financial statements

Financial Statements (continued)

Company Statement of Financial Position as at 31 March 2016

	Notes	31 March 2016 £ 000s	31 March 2015 £ 000s
ASSETS			
Non-current assets			
Property, plant and equipment	12	-	-
Investment in subsidiaries	13	7,485	7,485
Investment in associate	14	874	910
Trade and other receivables	17	9,268	8,846
Total non-current assets		17,627	17,241
Current assets			
Trade and other receivables	17	68	320
Available for sale financial assets	15	835	-
Cash and cash equivalents	22	400	483
Total Current Assets		1,303	803
TOTAL ASSETS		18,930	18,044
LIABILITIES			
Current Liabilities			
Trade and other payables	18	(58)	(59)
TOTAL LIABILITIES		(58)	(59)
NET ASSETS		18,872	17,985
EQUITY ATTRIBUTABLE TO SHAREHOLDERS			
Share capital	19	-	-
Share premium	21	32,075	30,725
Share based payments reserve		2,320	2,320
Retained earnings		(15,523)	(15,060)
TOTAL EQUITY		18,872	17,985

These financial statements were approved by the Board of Directors on 15 September 2016 and signed on its behalf by:

Anthony Balme

Executive Chairman

Vassilios Carellas

Chief Executive Officer

The notes on pages 27 to 54 are an integral part of these consolidated financial statements

Financial Statements (continued)

Group Statement of Cash Flows for the Year ended 31 March 2016

	Notes	Year to 31 March 16 £ 000s	Year to 31 March 15 £ 000s
Cash flows from operating activities			
Loss before income tax		(853)	(1,333)
Interest Income		(54)	(4)
Share based payment	8, 20	–	19
Share of loss from associates		30	6
Foreign exchange differences		-	104
Impairment of Intangible assets		101	-
Depreciation and amortisation	11, 12	14	32
Operating loss before changes in working capital		(762)	(1,176)
Decrease/ (Increase) in inventories	16	3	(32)
Increase in trade and other receivables	17	(445)	(238)
Decrease in trade and other payables	18	(38)	(37)
Net cash used in operating activities		(1,242)	(1,483)
Cash flows from investing activities			
Purchase of intangible assets	11	(134)	(590)
Purchase of available-for-sale financial assets	15	(44)	-
Interest received	10	-	4
Net cash used in investing activities		(178)	(586)
Cash flows from financing activities			
Proceeds from issue of ordinary shares- net of share issue costs	19	1,350	314
Net cash from financing activities		1,350	314
Net decrease in cash and cash equivalents		(70)	(1,755)
Cash and cash equivalents at beginning of year		498	2,253
Cash and cash equivalents at end of the year	22	428	498

There were no material non-cash items.

The notes on pages 27 to 54 are an integral part of these consolidated financial statements

Financial Statements (continued)

Company Statement of Cash Flows for the Year Ended 31 March 2016

	Notes	Year to 31 March 16 £ 000s	Year to 31 March 15 £ 000s
Cash flows from operating activities			
Loss before income tax		(463)	(573)
Interest Income		(54)	(4)
Share-based payments	8, 20	-	19
Share of Loss of associate	14	36	-
Depreciation	11, 12	-	6
Operating loss before changes in working capital		(481)	(552)
Increase in trade and other receivables	17	(485)	(303)
(Decrease)/ Increase in trade and other payables	18	(1)	21
Net cash used in operating activities		(967)	(834)
Cash flows from investing activities			
Loans to subsidiaries	17	(422)	(895)
Purchase of available-for-sale financial assets	15	(44)	-
Investment in associates		-	(305)
Interest received	10	-	4
Net cash used in investing activities		(466)	(1,196)
Cash flows from financing activities			
Proceeds from issue of ordinary shares net of share issue costs	19	1,350	314
Net cash from financing activities		1,350	314
Net increase in cash and cash equivalents		(83)	(1,716)
Cash and cash equivalents at beginning of year		483	2,199
Cash and cash equivalents at end of the year		400	483

The notes on pages 27 to 54 are an integral part of these consolidated financial statements

Financial Statements (continued)

Group Statement of Changes in Equity for the year ended 31 March 2016

	Attributable to the owners of the parent					Total equity
	Share capital	Share premium	Foreign exchange reserve	Share based payment reserve	Retained earnings	
	£ 000s	£ 000s	£ 000s	£ 000s	£ 000s	£ 000s
Balance as at 1 April 2014	-	30,411	(39)	2,301	(17,213)	15,460
Loss for the year	-	-	-	-	(1,333)	(1,333)
Other comprehensive income for the year – currency translation differences	-	-	(1,004)	-	132	(872)
Total comprehensive income for the year	-	-	(1,004)	-	(1,201)	(2,205)
Share capital issued net of share issue costs	-	314	-	-	-	314
Share based payments	-	-	-	19	-	19
Total transactions with owners, recognised directly in equity	-	314	-	19	-	333
Balance as at 31 March 2015	-	30,725	(1,043)	2,320	(18,414)	13,588
Balance as at 1 April 2015	-	30,725	(1,043)	2,320	(18,414)	13,588
Loss for the year	-	-	-	-	(853)	(853)
Other comprehensive income for the year- currency translation differences	-	-	817	-	-	817
Total comprehensive income for the year	-	-	817	-	(853)	(36)
Share capital issued	-	1,350	-	-	-	1,350
Total transactions with owners, recognised directly in equity	-	1,350	-	-	-	1,350
Balance as at 31 March 2016	-	32,075	(226)	2,320	(19,267)	14,902

Share capital: This represents the nominal value of equity shares in issue and is nil as the shares have a nil par value.

Share premium: This represents the premium paid above the nominal value of shares in issue.

Foreign exchange reserve: This reserve represents exchange differences arising from the translation of the financial statements of foreign subsidiaries and the retranslation of monetary items forming part of the net investment in those subsidiaries.

Share-based payments reserve: This represents the value of share-based payments provided to employees and Directors as part of their remuneration and provided to consultants and advisors hired from time to time as part of the consideration paid. The reserve represents the fair value of options and performance share rights recognised as an expense. Upon exercise of options or performance share rights, any proceeds received are credited to share capital and share premium.

Retained earnings: This represents the accumulated profits and losses since inception of the business and adjustments relating to options and warrants.

The notes on pages 27 to 54 are an integral part of these consolidated financial statements

Financial Statements (continued)

Company Statement of Changes in Equity for the year ended 31 March 2016

	Attributable to equity shareholders				
	Share capital	Share premium	Share based payment reserve	Retained earnings	Total equity
Balance as at 1 April 2014	-	30,411	2,301	(14,487)	18,225
Loss for the year	-	-	19	(573)	(554)
Total comprehensive income for the year	-	-	19	(573)	(554)
Share capital issued net of share issue costs	-	314	-	-	314
Total transactions with owners, recognized directly in equity	-	314	-	-	314
Balance as at 31 March 2015	-	30,725	2,320	(15,060)	17,985
Balance as at 1 April 2015	-	30,725	2,320	(15,060)	17,985
Loss for the year	-	-	-	(463)	(463)
Total comprehensive income for the year	-	-	-	(463)	(463)
Share capital issued	-	1,350	-	-	1,350
Total transactions with owners, recognized directly in equity	-	1,350	-	-	1,350
Balance as at 31 March 2016	-	32,075	2,320	(15,523)	18,872

Share capital: This represents the nominal value of equity shares in issue and is nil as the shares have a nil par value.

Share premium: This represents the premium paid above the nominal value of shares in issue.

Share-based payments reserve: This represents the value of share-based payments provided to employees and Directors as part of their remuneration and provided to consultants and advisors hired from time to time as part of the consideration paid. The reserve represents the fair value of options and performance share rights recognised as an expense. Upon exercise of options or performance share rights, any proceeds received are credited to share capital and share premium.

Retained earnings: This represents the accumulated profits and losses since inception of the business and adjustments relating to options and warrants.

The notes on pages 27 to 54 are an integral part of these consolidated financial statements

NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

a. General Information and Authorisation of Financial Statements

The Company is registered in the British Virgin Islands under the BVI Business Companies Act 2004 with registered number 1396532. The Company's ordinary shares are traded on the AIM Market operated by the London Stock Exchange.

The principal activity of the Company during the year was that of a holding company for a group engaged in the identification, evaluation, acquisition and development of natural resource projects.

The Group Financial Statements of Ortac Resources Limited for the year ended 31 March 2016 were authorised for issue by the Board on 15 September 2016 and the Balance Sheets were signed on the Board's behalf by Mr. Anthony Balme and Mr. Vassilios Carellas.

b. Statement of Compliance with IFRS and new standards, amendments and interpretations adopted during the year

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Financial Statements are listed below. The Group and Company intend to adopt these standards, if applicable, when they become effective. Unless stated below, there are no IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the group.

Standard		Effective Date
IAS 1 (Amendments)	Presentation of Financial Statements: Disclosure Initiative	1 January 2016
IAS 7 (Amendments)	Results of the Disclosure Initiative	*1 January 2017
IAS 12 (Amendments)	Recognition of Deferred tax assets for Unrealised Losses	*1 January 2017
IAS 16 (Amendments)	Clarification of Acceptable methods of Depreciation and Amortisation	1 January 2016
IAS 27 (Amendments)	Separate Financial Statements	*1 January 2016
IAS 28 (Amendments)	Investment Entities: Applying the Consolidation Exception	*1 January 2016
IFRS 2 (Amendments)	Clarification of Measurement of Share Based Payment Transactions	*1 January 2018
IFRS 9 (Amendments)	Financial Instruments	*1 January 2018
IFRS 10 (Amendments)	Investment Entities: Applying the Consolidation Exception	*1 January 2016
IFRS 12 (Amendments)	Investment Entities: Applying the Consolidation Exception	*1 January 2016
IFRS 15	Revenue from Contracts with Customers	*1 January 2018
IFRS 16	Leases	1 January 2019
Annual Improvements	2012 – 2014 Cycle	*1 January 2016

**Subject to EU endorsement*

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group or the Company.

Whilst the Directors do not anticipate the adoption of these standards and interpretation in future reporting periods will have a material impact on the Group's or Company's financial statements, they have yet to complete their full assessment in relation to the impact of IFRS 9 and IFRS 15.

No additional standards were adopted by the Group or the Company during the year.

Financial Statements (continued)

c. Basis of Preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee (IFRIC) as adopted by the European Union.

The consolidated financial statements have been prepared on the historical convention, as modified by the measurement to fair value of available-for-sale financial assets as described in the accounting policies below.

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

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied unless otherwise stated.

d. Basis of Consolidation

The consolidated financial statements consolidate the financial statements of Ortac Resources Limited and the audited financial statements of its subsidiary undertakings made up to 31 March 2016.

Subsidiaries are entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

e. 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 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

Financial Statements (continued)

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 associate' in the group 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.

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

f. Going Concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Chairman's Statement on pages 2 and 3; in addition note 22 to the financial statements includes the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and its exposure to credit and liquidity risk.

The financial statements have been prepared on a going concern basis. The Group's assets are not generating revenues, an operating loss has been reported and an operating loss is expected in the 12 months subsequent to the date of these financial statements and as a result the Company will need to raise funding to provide additional working capital to finance their ongoing activities and non-discretionary expenditures.

Based on the Board's assessment that the cash flow budgets can be achieved and that the necessary funds will be raised, the Directors have a reasonable expectation that the Group and the Company has access to adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements for the year ended 31 March 2016.

Should the Group be unable to continue trading, adjustments would have to be made to reduce the value of the assets to their recoverable amounts, to provide for further liabilities which might arise and to classify fixed assets as current.

Going concern is referred to in the auditor's report as an emphasis of matter without any modification of their opinion.

g. Business combinations

The acquisition of subsidiaries in a business combination is accounted for using the acquisition method. The cost of the acquisition is measured at the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Group in exchange for control of the acquiree. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 are recognised at their fair value at the acquisition date, except for non-current assets (or

Financial Statements (continued)

disposal groups) that are classified as held for sale in accordance with IFRS 5 “*Non Current Assets Held for Sale and Discontinued Operations*”, which are recognised and measured at fair value less costs to sell.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred and the fair value of noncontrolling interest over the identifiable net assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss in the Income Statement.

Any interest of non-controlling interests in the acquiree is initially measured at the minority’s proportion of the net fair value of the assets, liabilities and contingent liabilities recognised. There are no non- controlling shareholders of subsidiaries.

h. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Board, being the Group’s chief operating decision-maker (“CODM”).

i. Contingent consideration

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with IAS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

j. Foreign currencies

The Group and Company’s functional and presentational currency is Pounds Sterling. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. At present the functional currency of all of the Slovakian subsidiaries is the Euro.

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- monetary assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each statement of comprehensive income presented are translated at average exchange rates during the accounting year; and
- all resulting exchange differences are recognised in other comprehensive income where material.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities, and of monetary items receivable from foreign subsidiaries for which settlement is neither planned nor likely to occur in the foreseeable future are taken to other comprehensive income. When a foreign operation is sold, such cumulative exchange differences are subsequently reclassified in the income statement as part of the gain or loss on sale.

k. Taxation

Financial Statements (continued)

Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled. Deferred tax assets and liabilities are not discounted.

There has been no tax credit or expense for the year relating to current or deferred tax.

Financial Statements (continued)

I. Intangible assets

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets, liabilities and contingent liabilities of the acquired subsidiary at the date of acquisition. Goodwill arising on the acquisition of subsidiaries is included in 'intangible assets'. Goodwill is tested annually for impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Exploration and evaluation assets

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

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

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

m. Significant accounting judgements, estimates and assumptions

Critical Accounting Estimates and Judgements

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

Financial Statements (continued)

Critical accounting estimates and judgements

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

i) Impairment of Intangible assets

Exploration and evaluation costs have a carrying value at 31 March 2016 of £12,347,000 (2015: £11,418,000). Management tests annually whether exploration projects have future economic value in accordance with the accounting policy stated in note u. below. Each exploration project is subject to an annual review. When there are indications that an asset may be impaired, the Group is required to estimate the asset's recoverable amount. Recoverable amount is the greater of value in use and fair value less costs to sell.

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

ii) Contingent Liability

As referred to in note 24, the contingent consideration arrangement requires Ortac Resources (UK) Limited to pay a vendor royalty to Tournigan Energy Limited of up to US\$3,750,000 (£2,611,000 at 31 March 2016 and 2015: £2,414,000) in either shares or cash, being \$15 per ounce on the first 250,000 ounces of gold equivalent resource defined as proven and probable reserve in the bankable feasibility study. This will become payable within 60 days of all required permits being obtained to allow commercial production at the Kremnica property.

The fair value of the royalty has been determined using year-end exchange rates on the basis that the resource threshold referred to above will be exceeded.

The contingent consideration would be £130,000 lower/higher if the US\$ exchange rate varies 5% from the rate at 31 March 2016.

n. Finance income

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

o. Cash and cash equivalents

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

p. Inventories

Inventories largely consist of operational and maintenance consumables held and are stated at the lower of cost and net realisable value ("NRV"). Cost is determined using the first-in, first-out ("FIFO") method. NRV is the estimated selling price in the ordinary course of business, less applicable selling expenses.

Financial Statements (continued)

q. Trade and other receivables

Receivables are recognised initially at cost, being their initial fair value. These are classified as loans and receivables, and so are subsequently carried at cost using the effective interest method. The Directors are of the view that such items are collectible and no provisions are required.

r. Investments

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

s. Financial instruments

The Group's financial instruments are classified as loans and receivables and available for sale financial assets. The classification depends on the purpose for which the financial instruments were acquired. Management determines the classification of its financial instruments at initial recognition.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, and comprise trade and other receivables and cash and cash equivalents (see separate accounting policies for these items).

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

Trade and other payables are classified as financial liabilities, and are initially recognised a cost, being their fair value, and subsequently measured at amortised cost using the effective interest method. Any interest is recognised as a finance cost within the statement of comprehensive income.

There is no material difference between the carrying values and fair value of the Group's financial instruments.

t. Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses.

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

- Office equipment 20% or straight line over the period of the lease- whichever is the lesser;
- Field equipment – between 5% and 25%.

All assets are subject to annual impairment reviews.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replacement part is derecognised. All other repairs and maintenance are

Financial Statements (continued)

charged to the Statement of Comprehensive Income during the financial period in which they are incurred.

The asset's residual value and useful economic lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying value is written down to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount and are recognised within the Statement of Comprehensive Income.

u. Impairment of assets

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

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

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

An assessment is also made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Comprehensive Income unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

v. Trade and other payables

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

Financial Statements (continued)

w. Share-based payments

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

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

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

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

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

- (i) the extent to which the vesting period has expired and;
- (ii) the Group's best estimate of the number of equity instruments that will ultimately vest.

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

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

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

x. Earnings per share

Basic Earnings per share is calculated as profit attributable to equity holders of the parent for the period, adjusted to exclude any costs of servicing equity (other than dividends), divided by the weighted average number of ordinary shares, adjusted for any bonus element.

2. Segmental analysis

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

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

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

31 March 2016

UK/BVI

Slovakia

Eritrea

Zambia

DRC

Total

Financial Statements (continued)

	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's
Result						
Operating loss	(847)	(35)	-	-	-	(882)
Share of loss of associate	-	-	(30)	-	-	(30)
Finance income	5	-	-	54	-	59
Loss before & after taxation	(842)	(35)	(30)	54	-	(853)
Other information						
Depreciation and impairment	-	19	-	-	-	19
Investment into available for sale financial assets	-	-	-	-	(44)	(44)
Investment in associate	-	-	-	-	-	-
Capital additions	-	(134)	-	-	(44)	(178)
Assets						
Non-current Assets	-	12,730	874	-	-	13,604
Current assets excluding cash and cash equivalents	52	78	-	845	44	1019
Cash and equivalents	425	3	-	-	-	428
Consolidated total assets	477	12,811	874	845	44	15,051
Liabilities						
Non-current liabilities	-	-	-	-	-	-
Current liabilities	(91)	(58)	-	-	-	(149)
Consolidated total liabilities	(91)	(58)	-	-	-	(149)
By geographical area						
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 in associate	-	-	910	-	910	
Capital additions	-	(590)	-	-	(590)	
Assets						
Non-current Assets	910	10,993	-	-	11,903	
Current assets excluding cash and cash equivalents	1,013	72	-	304	1,389	
Cash and equivalents	475	8	-	-	483	
Consolidated total assets	2,398	11,073	-	304	13,775	
Liabilities						
Non-current liabilities	-	-	-	-	-	
Current Liabilities	(160)	(27)	-	-	(187)	

Financial Statements (continued)

Consolidated total liabilities	(160)	(27)	-	-	(187)
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3. Other operating income

	2016	2015
	£ 000's	£ 000's
Rental income	32	36
Other sundry income	13	38
	45	74

4. Expenses by nature

	Group	Company	Group	Company
	2016	2016	2015	2015
	£ 000's	£ 000's	£ 000's	£ 000's
Directors' fees	167	97	182	106
Wages and salaries	171	88	229	98
Establishment expenses	116	7	92	2
Loss on foreign exchange	-	-	428	4
Travel and subsistence expenses	44	18	41	15
Professional fee's- legal, consulting, exploration	9	9	129	98
AIM related costs including Public Relations	228	228	209	209
Auditor's remuneration – audit	38	33	29	19
Slovakian costs	34	-	-	-
Depreciation and amortisation	14	-	32	6
Other expenses and impairment	101	1	15	1
Total operating expenses	922	481	1,386	558

Establishment expenses includes £46,731 (2015: £46,731) relating to operating lease payments in connection with the Group's rental of office space in London which expires August 2016.

Financial Statements (continued)

5. Employee information

	2016	2015
	£ 000's	£ 000's
Group Staff Costs comprised:		
Wages and salaries	242	360
Less: capitalised exploration expenditure	(71)	(131)
Charge to the profit or loss	171	229

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

	2016	2015
	Number	Number
Average number of persons employed:		
Operations	9	9
Administration	3	3
	12	12

6. Taxation

	2016	2015
	£'000	£'000
Current income tax charge	-	-
Deferred tax charge/ (credit)	-	-
Total taxation charge/ (credit)	-	-

Taxation reconciliation

The charge for the year can be reconciled to the loss per the consolidated statement of comprehensive income:

	2016	2015
	£'000	£'000
Loss before income tax	(853)	(1,333)
Tax on loss at the weighted average Corporate tax rate of 11.90% (2015: 11.90 %)	101	158
Effects of:		
Permanent differences	-	-
Tax losses carried forward	-	-
Non-taxable income/Non-deductible expenses for tax purposes	101	158
Total income tax expense	-	-

The deferred tax asset has not been provided for in accordance with IAS 12. The Group does not have a material deferred tax liability at the year end.

The weighted average applicable tax rate used is a combination of the rates used in the BVI, UK and Slovakia.

7. Dividends

No dividends were paid or are proposed (2015: nil).

Financial Statements (continued)

8. Directors' remuneration

	2016	2015
	£ 000's	£ 000's
Directors' remuneration	167	182
2016		
	Short term employee benefits	Share based payments
	£ 000's	£ 000's
Executive Directors		Total
Anthony Balme	36	-
Vassilios Carellas	104	-
Non-Executive Directors		£ 000's
Paul Heber	18	-
David Paxton	10	-
	167	167
2015		
	Short term employee benefits	Share based payments
	£ 000's	£ 000's
Executive Directors		Total
Anthony Balme	36	-
Vassilios Carellas	111	-
Non-Executive Directors		£ 000's
Paul Heber	17	-
David Paxton	18	-
	182	182

No pension benefits are provided for any Directors (2015: nil).

9. Earnings per share

The calculation of Earnings per share is based on the loss attributable to equity holders divided by the weighted average number of shares in issue during the year.

	2016	2015
	£ 000's	£ 000's
Loss	(853)	(1,333)
Weighted average number of ordinary shares per share (£millions)	3,814.8	2,610.4
Basic earnings per share (expressed in pence)	(0.02)	(0.05)

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

Financial Statements (continued)

10. Interest income

	2016	2015
	£ 000's	£ 000's
Interest Income	-	4
Income on Zamsort Loan	54	-

11. Intangible assets

Group	Total	Goodwill	Exploration and evaluation assets
	£ 000's	£ 000's	£ 000's
Cost			
At 1 April 2014	12,354	270	12,084
Additions	590	-	590
Currency translation adjustments	(1,255)	-	(1,255)
Amortisation	(1)	-	(1)
Net book value as at 31 March 2015	11,688	270	11,418
At 1 April 2015	11,688	270	11,418
Additions	134	-	134
Currency translation adjustments	795	-	795
Impairment	(101)	(101)	-
	-	-	-
Net book value as at 31 March 2016	12,516	169	12,347

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

1. Those based upon JORC or JORC compliant resource estimates which enable value in use calculations to be prepared: A reclassification of resource estimates undertaken in 2012 by a leading group of mining consultants led to the announcement of maiden JORC Ore Reserves for the Šturec Deposit with 13.97Mt of ore at a grade of 1.70g/t Au and 14.22g/t Ag (1.90g/t Au Equivalent) classified in the Proven and Probable categories, giving an open pit Ore Reserve of 873,000oz of gold equivalent (28 tonnes). Subsequently, a Pre-Feasibility Study, carried out by a leading practice of mining consultants, of the Šturec Project announced on 8 April 2013 further confirmed the economic feasibility of the Šturec project: which based upon a metals price of (at US\$1,343/oz Au Eq net price) and a discount rate of 8% gave an NPV of US\$195m (post tax US\$145m) and Internal Rate of Return ('IRR') of 30%. Gold prices are presently close to this price.

As regards the status of the mining license, as previously reported in

2014 and following an application which was approved by the Slovak Authorities, a program of trial underground mining was started, which plans to extract 4,000 tonnes of ore over the three year period till 2017, and this in the context of its Mining License Area, which remain valid until 2018 and confirmation from the relevant authorities that Ortac holds both underground and surface mining rights to the Kremnica Mining License Area.

Financial Statements (continued)

To date some 500 tonnes of ore has been successfully mined and from this, bulk samples have been extracted and tested using non cyanide processing technologies, with encouraging results. At the same time Ortac has paid royalties to the Slovak State on the ore extracted.

With the Slovak Republic having now banned the use of cyanide leaching technology in the processing of minerals, Ortac's work on alternative processing is opportune and indeed as previously announced, 20 tonnes of material mined from the Šturec Deposit was sent for pilot scale tests utilising a potential alternative gold recovery process, with encouraging results, that the Board believes will be economic. Ortac is therefore optimistic that a more eco-friendly process will be developed.

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

12. Property, plant and equipment

Group Property, Plant and Equipment	Office Equipment £ 000's	Field Equipment £ 000's	Total £ 000's
Cost			
As at 1 April 2014	102	273	375
Additions	-	-	-
Disposals	-	-	-
Currency translation adjustment	-	(56)	(56)
As at 31 March 2015	102	217	319
As at 1 April 2015	102	217	319
Additions	-	-	-
Disposals	-	-	-
Currency translation adjustment	-	36	36
As at 31 March 2016	102	253	355
Depreciation			
As at 1 April 2014	(75)	(27)	(102)
Charge for the year	(18)	(13)	(31)
Currency translation adjustment	-	29	29
As at 31 March 2015	(93)	(11)	(104)
As at 1 April 2015	(93)	(11)	(104)
Charge for the year	(3)	(11)	(14)
Currency translation adjustment	-	(21)	(21)
As at 31 March 2016	(96)	(43)	(139)
Net book value	Office Equipment £ 000's	Field Equipment £ 000's	Total £ 000's
At 31 March 2015	9	206	215
At 31 March 2016	6	208	214

Financial Statements (continued)

Depreciation charges for the year ended 31 March 2016 of £14,000 (2015: £32,000) have been charged to “administrative expenses”.

Company Office Equipment	Company £ 000's
Cost	
As at 1 April 2014	17
Additions	-
Disposals	-
Currency translation adjustment	-
As at 31 March 2015	17
As at 1 April 2015	17
Additions	-
Disposals	-
Currency translation adjustment	-
As at 31 March 2016	17
Depreciation	
As at 1 April 2014	(11)
Charge for the year	(6)
Currency translation adjustment	-
As at 31 March 2015	(17)
As at 1 April 2015	(11)
Charge for the year	(6)
Currency translation adjustment	-
As at 31 March 2016	(17)
Net book value	
At 31 March 2015	-
At 31 March 2016	-

13. Investment in subsidiaries

At 31 March 2016 the Company held 100% of the share capital of the following wholly owned subsidiary companies:

Company	Place of Business	% Ownership 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.

On 1 April 2014, the Bellmin s.r.o, and G.B.E s.r.o both previously 100% owned by Ortac Resources (UK) Limited were merged into St. Stephans Gold s.r.o. On the same day Kremnica Gold s.r.o also previously 100% owned by Ortac Resources (UK) Limited was merged into Ortac s.r.o.

Financial Statements (continued)

14. Investment in associate

Andiamo is involved in the exploration of gold and other minerals in Eritrea. The investment in this company is part of a move to diversify Ortac's project portfolio. In accordance with IAS 28 the figures used in respect of Andiamo relate to the 31 December 2015 as the year end is not co-terminous with that of Ortac. Subsequent to 31 December 2015 a third party has earned a 50% interest in the northern part of the Andiamo exploration licence by expenditure of US\$2,300,000 which is reflected in the Non-Current Assets of Andiamo in the table below.

The carrying value of the associate is £874,000 and it is determined as follows:

Group and Company	2016 £ 000's
1 April 2015	-
Transfer from available for sale financial assets	904
Share of loss from associates 2015-2016	(30)
31 March 2016	874

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

Group and Company	2016 £ 000's	2015 £ 000's
Revenues	-	-
Share of loss	(30)	(6)

Nature of investment in associate:

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

Financial Statements (continued)

Summarised statement of financial position for associate, as at 31 December 2015:

Group and Company	2015 £ 000's	2014 £ 000's
Cash and cash equivalents	321	239
Other current assets	499	154
Total current assets	820	393
Financial liabilities	-	-
Other current liabilities	886	12
Total current liabilities	886	12
Non-current		
Assets	7,456	6,792
Total non-current liabilities	-	-
Net assets	7,390	7,173

Summarised statement of comprehensive income for associate:

Group and Company	2015 £ 000's	2014 £ 000's
Loss before tax	(127)	(73)
Income tax expense	-	-
Post-tax loss from operations	(127)	(73)
Other comprehensive income	-	-
Total comprehensive income	(127)	(73)

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:

Group	2015 £ 000's	2014 £ 000's
Opening net assets	7,173	6,238
Issue of shares	-	1,008
Loss for the period	(127)	(73)
Other comprehensive income	-	-
Foreign exchange differences	344	-
Closing net assets	7,390	7,173
Interest in associates (25.37%) –book value of assets acquired as recognised under equity accounting.	1,874	1,820
Exchange differences	(87)	(138)
Difference between book value of assets acquired and cost of the investment	(913)	(778)
Carrying value	874	904

15. Available for sale financial assets

Group and Company	2016 £ 000's	2015 £ 000's
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Financial Statements (continued)

Opening Balance	-	605
Additions	44	305
Conversion of Secured loan into available-for-sale financial asset	791	-
Investments in associate	-	(910)
As at 31 March	835	-

The available for sale financial asset addition refers to the Company's 12% investment in Casa Mining Limited. From the date in 2015 that the Company increased its shareholding in Andiamo Exploration Limited to 25.37% at a cost of £305,000, Andiamo has been classified as an associate – see note 14 above.

Secured Loan

Current	Group		Company	
	2016	2015	2016	2015
	£ 000's	£ 000's	£ 000's	£ 000's
Secured Lendings at amortised cost				
8% secured convertible loan note	-	304	-	304

On 30 March 2015, Ortac Resources Limited announced that it had entered into a US \$600,000 (£405,405) 8% Secured Convertible Loan Note (the "Convertible Loan") and a one note for one share Call Option Agreement (the "Option") with Zamsort, a private company registered in Zambia that holds a prospective Cu-Co mining and exploration licence in the Zambian Copper Belt.

As at 31 March 2015, Ortac Resources Limited had advanced US\$ 450,000 (£304,000) to Zamsort as a first instalment of this loan, with the balance of US\$ 150,000 following due diligence, paid on 9 April 2015. On 25 August 2015 the Company exercised its Option to purchase a further US\$ 600,000 of the Convertible Loan and now has a total investment of US\$ 1,200,000 convertible into 19.35% of Zamsort. Available for sale financial assets are carried at its original cost of £791,000.

The loan notes are convertible at any time prior to the redemption date. The net proceeds received from the issue of the loan notes have been split between a receivable/liability element and an equity component, representing the fair value of the embedded option to convert the liability into equity.

16. Inventories

Group Inventories	2016	2015
	£ 000's	£ 000's
Stocks and consumables	34	37
Total	34	37

17. Trade and other receivables

	Group	Company	Group	Company
	2016	2016	2015	2015
	£ 000's	£ 000's	£ 000's	£ 000's
Current trade and other receivables				
Receivables, including Zamsort Loan interest	104	55	35	-

Financial Statements (continued)

Loan advanced to Zamsort	-	-	304	304
Prepayments	46	13	94	16
Total	150	68	433	320

Current trade and other receivables are all due within one year.

Company	2016	2015
Non-current trade and other receivables	£ 000's	£ 000's
Loans advanced to subsidiaries	<u>9,268</u>	<u>8,846</u>

Loans advanced to subsidiaries are unsecured, interest free and have no fixed repayment date.

The fair value of trade and other receivables is the same as their carrying values as stated above.

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

	Group	Company	Group	Company
	2016	2016	2015	2015
Current trade and other receivables	£ 000's	£ 000's	£ 000's	£ 000's
UK Pounds	52	14	94	16
US Dollars	54	54	304	304
Euros	44	-	35	-
Total	150	68	433	320

Company	2016	2015
Non-current trade and other receivables	£ 000's	£ 000's
UK Pounds	9,268	8,846
Euros	-	-
Total	9,268	8,846

Trade and other receivables do not contain any impaired assets.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above. The Group does not hold any collateral as security.

18. Trade and other payables

	Group	Company	Group	Company
	2016	2016	2015	2015
Current trade and other payables	£ 000's	£ 000's	£ 000's	£ 000's
Trade payables, other payables and accruals	149	58	187	59

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

19. Share capital

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

Financial Statements (continued)

Called up, allotted, issued and fully paid	Number of shares	Nominal value
As at 31 March 2014	2,515,679,020	-
Additions:		-
2 December 2014	265,000,000	-
6 January 2015	35,000,000	-
12 February 2015	10,650,000	-
Total additions	310,650,000	-
As at 31 March 2015	2,826,329,020	-
Additions:		-
1 July 2015	705,882,353	-
21 October 2015	800,000,000	-
8 March 2016	1,400,000,000	-
Total additions	2,905,882,353	-
As at 31 March 2016	5,732,211,373	-

On 1 July 2015 705,882,353 ordinary shares of no par value were issued at a price of 0.085 pence per share for a cash consideration of £600,000.

On 21 October 2015 800,000,000 ordinary shares of no par value were issued at a price of 0.05 pence per share for a cash consideration of £400,000.

On 8 March 2016 1,400,000,000 ordinary shares of no par value were issued at a price of 0.025 pence per share for a cash consideration of £350,000.

The funds raised are to be used by Ortac to further develop its existing portfolio of mineral projects, for working capital purposes and to enable the Group to exploit additional opportunities that may arise.

20. Share based payments

Total share options in issue

Movements on the number of share options and their exercise price are as follows:

	Weighted average price pence	2016 Number	Weighted average price pence	2015 Number
Outstanding as at 1 April	0.94p	279,300,000	0.94p	279,300,000
Modified during year	-	-	-	-
Granted during year	-	-	-	-
Outstanding at 31 March	0.94p	279,300,000	0.94p	279,300,000

No options were exercised or forfeited in the years ended 31 March 2016 or 31 March 2015.

The options outstanding as at 31 March 2015 had a weighted average remaining contractual life of 1.97 years (2015: 2.97years).

As at 31 March 2016 279,300,000 options were exercisable (2015: 279,300,000).

The fair value of the share options was determined using the Black-Scholes valuation model.

Total share warrants in issue

Financial Statements (continued)

No share warrants over ordinary shares were recognised as having been granted during the year ended 31 March 2016 (2015: £nil). During the year 36,500,000 warrants expired without being exercised.

As at 31 March 2016, the unexercised warrants in issue were: (nil)

Exercise Price	Vesting Date	Expiry Date	March 2016	March 2015
1p	15-Sep-10	31-Dec-15	16,500,000	16,500,000
1.25p	11-May-12	11-May-15	20,000,000	20,000,000
			36,500,000	36,500,000
		Expired	(36,500,000)	-
		Warrants in issue 31 March 2016	NIL	36,500,000

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

There were no options issued during the year.

21. Share premium

Group and Company	2016	2015
	£ 000s	£ 000s
As at 31 March	30,725	30,411
Additions		
1 st share issue (for current year: 1 July 2015)	600	
2 nd share issue (for current year: 21 October 2015)	400	
3 rd share issue (for current year: 8 March 2016)	350	
Total Additions	1,350	314
As at 31 March	32,075	30,725

See note 19 for a breakdown of share issues during the year.

22. Financial instruments and capital risk management

Financial Risk Management

Financial Risk Factors

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

Risk management is carried out by the Board of Directors under policies approved at Board meetings. The Board frequently discusses principles for overall risk management including policies for specific areas such as foreign exchange.

a) Market Risk

i) Foreign Exchange Risk

Financial Statements (continued)

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

On the assumption that all other variables were held constant, and in respect of the Group and the Company's expenses the potential impact of a 20% increase/decrease in the UK Sterling:Euro Foreign exchange rate on the Group's loss for the year and on equity is as follows:

Potential impact on euro expenses: 2016	Effect on loss before tax for the year ended		Effect on equity before tax for the year ended	
	Group £ 000's	Company £ 000's	Group £ 000's	Company £ 000's
Increase/(decrease) in foreign exchange rate				
	20%	(256)	(256)	(256)
	-20%	256	256	256

b) Credit Risk

Credit risk arises from cash and cash equivalents.

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

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

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

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

The currency profile of the Group's cash and cash equivalent is as follows:

	2016 £ 000's	2015 £ 000's
Cash and cash equivalents		
Sterling	425	487
Euros	3	11
At end of year	428	498

On the assumption that all other variables were held constant, and in respect of the Group's cash position, the potential impact of a 20% increase in the UK Sterling:Euro foreign exchange

Financial Statements (continued)

rate would have increased the Group's loss for the year and reduced equity as at 31 March 2016 as follows:

Potential impact on:	Loss for the year		Other components of equity	
	2016	2015	2016	2015
	£ 000's	£ 000's	£ 000's	£ 000's
Cash and cash equivalents	2	4	2	4

c) Liquidity Risk

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

The Group ensures that its liquidity is maintained by a management process which includes projecting cash flows and considering the level of liquid assets in relation thereto, monitoring Balance Sheet liquidity and maintaining funding sources and back-up facilities.

Fair Value Estimation

The following table presents the Group's financial assets and financial liabilities that are measured at fair value at 31 March 2016.

Items at fair value as at 31 March 2016	Level 1	Level 2	Level 3	Total
Assets	£ 000's	£ 000's	£ 000's	£ 000's
Investment in associate – shares (note 14)	-	-	874	874
Available for sale assets - shares (Note 15)			835	835
Total Assets			1,709	1,709

The following table presents the Group's financial assets and financial liabilities that are measured at fair value at 31 March 2015.

Items at fair value as at 31 March 2015	Level 1	Level 2	Level 3	Total
Assets	£ 000's	£ 000's	£ 000's	£ 000's
Investment in associates – shares			904	904
Total Assets	-	-	904	904

Fair value hierarchy

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets

Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly

Level 3: techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market

The movement in the levels during the year to 31 March 2016 are attributable to additional funds loaned to Zamsort Limited and the purchase of shares of Casa Mining Limited

Capital Risk Management

Financial Statements (continued)

The Group's objectives when managing capital are to safeguard the Group's ability to position as a going concern and to continue its exploration and evaluation activities. The Group has no debt at 31 March 2016 and has capital, defined as the total equity and reserves of the Group, of £14,902,000 (2015: £13,588,000).

The Group monitors its level of cash resources available against future planned exploration and evaluation activities and may issue new shares in order to raise further funds from time to time.

23. Commitments

Operating leases

Group	2016	2015
Future aggregate minimum lease payments	£ 000's	£ 000's
Not later than one year	13	18
Later than one year but not later than five years	-	-
Total lease commitment	13	18

As at 31 March 2016, the Group has entered into only one material commitment, as follows:

On 16 August 2011, Ortac Resources (UK) Limited, at that time Ortac Resources plc entered into a 5-year lease agreement to rent space located at 96-97 Jermyn Street, at a rent payable of £36,000 per year, payable in 4 equal instalments in advance on a quarterly basis. The lease expires in August 2016; at 31 March the Company has a Deposit of £21,000 to cover its remaining liability.

Exploration commitments

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

24. Contingent liability

As part of its acquisition of Kremnica Gold s.r.o. and Kremnica Gold Mining s.r.o. on 15 September 2010 (since 1 April 2014 both merged together and renamed Ortac s.r.o), the Company 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. Said royalty will become payable within 60 days of all required permits being obtained to allow commercial production at the Kremnica property; and
- 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.

Financial Statements (continued)

On the basis of the updated third party resource study, the Company is confident that proven and probable reserves will significantly exceed 250,000 ounces of gold equivalent 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 is included in the Group financial statements.

The contingent liability at 31 March 2016 is £ 2,611,000 (2015: £2,414,000) calculated using the foreign exchange rate at the year-end date.

25. Related party transactions

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

Balances owed to the Company by Ortac Resources (UK) Limited as at 31 March 2016 were £9,368,000 (2014: £8,846,000).

The following transactions took place with subsidiaries in the year to 31 March 2016 and 31 March 2015:

Amounts totalling £522,000 (2015: £895,000) were lent by the Company to Ortac Resources (UK) Limited, which, in turn and after meeting its own costs, then provided funding to the Group's subsidiaries in Slovakia.

Remuneration of Key Management Personnel

The remuneration of the Directors, and other key management personnel of the Group, is set out in note 8. A portion of the Directors remunerations is paid to them by way of service companies, wholly controlled by them: A Balme's invoices from Carter Capital Limited, V Carrellas's invoices from VC Resources Limited and P Heber's invoices from Pumba Consulting Limited.

26. Ultimate controlling party

There is no ultimate controlling party.

27. Events after the reporting period

On 12 May 2016 the Company announced that it had granted 150,000,000 stock options to Directors at an exercise price of 0.05 pence. The stock options which are equivalent to 2.6% of the issued share capital vest immediately and expire on 12 May 2021.

On 9 August 2016 the Company announced that it has exercised its right and issued a request to Zamsort Limited ('Zamsort') to convert the Secured Convertible Loan Notes into 19.35% of the issued share capital of Zamsort.

On 12 August 2016 the Company announced that it had purchased a further 166,667 shares of Casa Mining Limited at US\$0.30 for consideration of US\$ 50,000 to increase its interest to 13.1% and had a right to subscribe on or before 12 October 2016 for a further 233,333 shares at US\$0.30 for consideration of US\$70,000.

Following the statement of intent to convert the loans with Zamsort into shares on 30 March 2016, the shares due to Ortac Resources Limited have not yet been delivered. Ortac are in discussions with Zamsort in this respect.

Financial Statements (continued)

CORPORATE INFORMATION

Registered number	1396532 registered in British Virgin Islands
Directors	Anthony Balme - Executive Chairman Vassilios Carellas – Chief Executive Officer Paul Heber – Non Executive Director
Company Secretary	Craigmuir Chambers Road Town, Tortola British Virgin Islands VG 1110
Registered Office	Craigmuir Chambers Road Town, Tortola British Virgin Islands VG 1110 Email: info@ortacresources.com Website: www.ortacresources.com
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Solicitors	Kerman & Co LLP 200 The Strand Strand, London WC2R 1DJ United Kingdom
Nominated Advisor and Broker	SP Angel Corporate Finance LLP Prince Frederick House 35-39 Maddox Street London W1S 2PP United Kingdom
Joint Brokers	Peterhouse Corporate Finance Limited New Liverpool House 15 Eldon St London EC2M 7LD United Kingdom Beaufort Securities Limited 131 Finsbury Pavement London EC2A 1NT United Kingdom

Financial Statements (continued)

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