

COMPANY REGISTRATION NUMBER: 06418951

**Ortac Resources (UK) Limited**

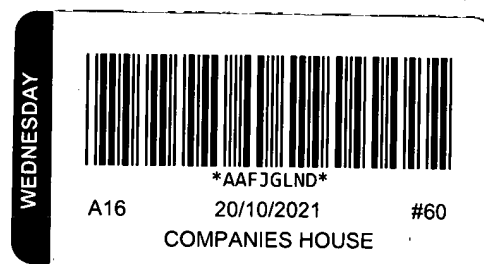
**Annual Report and Consolidated Financial  
Statements**

**For the Year Ended**

**31 March 2021**

**BEEVER AND STRUTHERS**

Chartered accountants & statutory auditor  
St. George's House  
215 - 219 Chester Road  
Manchester  
M15 4JE



# Ortac Resources (UK) Limited

## Financial Statements

Year Ended 31 March 2021

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# **Ortac Resources (UK) Limited**

## **Company Information**

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**The Board of Directors**

G D'Anna  
P Fromson

**Registered Office**

Hill Dickinson LLP 8th Floor  
The Broadgate Tower  
20 Primrose Street  
London  
EC2A 2EW

**Auditor**

Beever and Struthers  
Chartered accountants & statutory auditor  
St. George's House  
215 - 219 Chester Road  
Manchester  
M15 4JE

# Ortac Resources (UK) Limited

## Strategic Report

### Year Ended 31 March 2021

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The directors present their strategic report for the year ended 31 March 2021.

#### Principal activity

The principal activity of Ortac Resources (UK) Limited ("the Group") is the management and supervision of the activities of its subsidiaries in Slovakia in developing the Sturec gold project in Kremnica and elsewhere exploring for gold and precious metals in Slovakia.

#### Business Review

Loss on ordinary activities after taxation amounted to £8,275 (2020: £65,910). No dividends were paid in the year (2020: nil).

#### Future Developments

The Company expects to continue with exploration of gold and precious metals at the Sturec gold project in Kremnica, Slovakia.

#### Post balance sheet events

There were no post balance sheet events to be recorded.

#### Covid-19 Pandemic

The coronavirus pandemic has created global economic and social disruption. One of the impacts of the pandemic is a stronger gold price with strong interest in the gold sector worldwide. This in turn has increased the value of the Sturec gold project which contains a significant gold resource.

The immediate impact of the coronavirus pandemic has been the restriction on travel however the group has been successful in attracting local consultants and a drilling company to continue exploration at the Sturec gold project.

During these unprecedented times, Ortac is continually reviewing the existing and potential impact of the pandemic on all of our wider stakeholder groups.

The Board's priority is the welfare and safety of staff and partners and to safely navigate the current crisis.

#### Principal risks and uncertainties

The principal risks and uncertainties are integrated with the principal risks and uncertainties of the group undertaking and are not managed separately. Accordingly, the principal risks and uncertainties of MetalsTech Limited, which include those of the Ortac Resources (UK) Limited group are discussed in the MetalsTech Limited Annual Report

This report was approved by the board of directors on 22 September 2021 and signed on behalf of the board by:



Registered office:  
Hill Dickinson LLP 8th Floor  
The Broadgate Tower  
20 Primrose Street  
London  
EC2A 2EW

# Ortac Resources (UK) Limited

## Directors' Report

### Year Ended 31 March 2021

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The directors present their report and the financial statements of the group for the year ended 31 March 2021.

#### Directors

The directors who served the company during the year were as follows:

G D'Anna  
P Fromson  
V Carellas (Resigned 26 May 2020)

#### Going concern

The Group made a loss in the year and is reliant on its parent, MetalsTech Limited, for support. Further funding will be required within 12 months of signing of the financial statements. The Group's parent has demonstrated its ability to raise funds in equity markets.

The parent company MetalsTech Limited has had three recent significant fund raising events:

- It raised AUD\$3.3m via a placement of shares on 25 September 2020;
- It sold a royalty stream on 2 July 2021 on its lithium assets for USD\$5m; and
- On 21 September 2021 it raised a further AUD\$2m via the placement of shares.

MetalsTech Limited is therefore well funded and able to provide further funding.

The Directors believe that preparation of the Group's accounts on a going concern basis is appropriate and consistent with the basis of preparation of its ultimate parent undertaking MetalsTech Limited

#### Disclosure of information to the auditor

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

#### Indemnity of officers

During the financial year the Group insured the directors and officers of the Group against any liability incurred as a director or officer to the extent permitted.

The Group has not otherwise, during or since the financial year, indemnified or agreed to indemnify an officer or auditor of the Group against a liability incurred as such as an officer or auditor.

#### Indemnification of auditors

No indemnities have been given or insurance premiums paid, during or since the end of the period, for any person who is or has been an auditor of the Group.

The auditor is deemed to have been appointed in accordance with section 487 of the Companies Act 2006.

This report was approved by the board of directors on 22 September 2021 and signed on behalf of the board by:



Paul Fromson  
Director

# **Ortac Resources (UK) Limited**

## **Statement of Directors' Responsibilities**

**Year Ended 31 March 2021**

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The directors are responsible for preparing the strategic report, directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and 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 the company and of the profit or loss of the group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the European Union, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on a 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 company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# **Ortac Resources (UK) Limited**

## **Independent Auditor's Report to the Members of Ortac Resources (UK) Limited**

**Year Ended 31 March 2021**

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### **Opinion**

We have audited the financial statements of Ortac Resources (UK) Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the consolidated statement of profit and loss and comprehensive income, consolidated statement of financial position, company statement of financial position, consolidated statement of changes in equity, company statement of changes in equity, consolidated statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies.

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.

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 2021 and of the group's loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union;
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions Relating to Going Concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the entity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

## **Ortac Resources (UK) Limited**

### **Independent Auditor's Report to the Members of Ortac Resources (UK) Limited** *(continued)*

**Year Ended 31 March 2021**

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#### **Other Information**

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge gained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Opinions on Other Matters Prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

#### **Matters on Which We are Required to Report by Exception**

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



# **Ortac Resources (UK) Limited**

## **Independent Auditor's Report to the Members of Ortac Resources (UK) Limited** *(continued)*

**Year Ended 31 March 2021**

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### **Responsibilities of Directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- We identified the laws and regulations applicable to the group through discussions with the directors, and from our commercial knowledge and understanding of the business in which the group operates;
- We focused on specific laws and regulations which we considered may have a director material effect on the financial statements or the operations of the group, including the Companies Act 2006, taxation legislation, anti-bribery, employment and health and safety legislation;
- We assessed the extent of compliance with the laws and regulations identified above through making enquiries of directors and inspecting legal correspondence; and
- Identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- Making enquiries of directors as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

## Ortac Resources (UK) Limited

### Independent Auditor's Report to the Members of Ortac Resources (UK) Limited *(continued)*

#### Year Ended 31 March 2021

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To address the risk of fraud through management bias and override of controls, we:

- Performed analytical procedures to identify any unusual or unexpected relationships;
- Tested journal entries to identify unusual transactions;
- Assessed whether judgement and assumptions made in determining accounting estimates were indicative of potential bias; and
- Investigated the rationale behind significant or unusual transactions.

In response to the risk if irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- Agreeing financial statement disclosures to underlying supporting documentation; and
- Enquiring of directors as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and the inspection of regulatory and legal correspondence, if any. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 13 of Part 16 of the Companies Act 2006. 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.

*Beever and Struthers*

Jonathan Mather BA ACA (Senior Statutory Auditor)  
For and on behalf of Beever and Struthers, Statutory Auditor  
St. George's House  
215 - 219 Chester Road  
Manchester  
M15 4JE

Date : 22 September 2021

## Ortac Resources (UK) Limited

### Consolidated Statement of Profit and Loss and Comprehensive Income

Year Ended 31 March 2021

	Note	2021 £	2020 £
Revenue		-	-
Administrative expenses		<u>8,275</u>	<u>65,910</u>
<b>Operating loss</b>		<b>(8,275)</b>	<b>(65,910)</b>
<b>Loss before income tax</b>		<b>(8,275)</b>	<b>(65,910)</b>
Income tax expense		-	-
<b>Loss for the financial year</b>		<b>(8,275)</b>	<b>(65,910)</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>(8,275)</b>	<b>(65,910)</b>

The group has no recognised gains or losses for the year other than the results above.

The notes on pages 14 to 22 form part of these financial statements.

**Ortac Resources (UK) Limited**  
**Consolidated Statement of Financial Position**  
**31 March 2021**

	Note	2021 £	2020 £
<b>ASSETS</b>			
<b>Non-current assets</b>			
Deferred exploration expenditure	9	8,719,227	8,446,387
<b>Current assets</b>			
Trade and other receivables	9	2,304	942
Cash and cash equivalents		8,446	14,931
		<u>10,750</u>	<u>15,873</u>
<b>TOTAL ASSETS</b>		<b>8,729,977</b>	<b>8,462,260</b>
<b>LIABILITIES</b>			
Current liabilities: Trade and other payables	8	91,458	41,194
<b>TOTAL LIABILITIES</b>		<b>91,458</b>	<b>41,194</b>
<b>EQUITY</b>			
Called up share capital	10	19,693,993	19,693,993
Share premium reserve	11	1,311,861	1,311,861
Retained earnings - deficit	11	(12,367,335)	(12,584,788)
<b>TOTAL EQUITY</b>		<b>8,638,519</b>	<b>8,421,066</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>8,729,977</b>	<b>8,462,260</b>

These financial statements were approved by the board of directors and authorised for issue on 22 September 2021, and are signed on behalf of the board by:



Paul Fromson  
 Director

Company registration number: 06418951

The notes on pages 14 to 22 form part of these financial statements.

# Ortac Resources (UK) Limited

## Company Statement of Financial Position

31 March 2021

	Note	2021 £	2020 £
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investments in subsidiaries	7	1,327,400	1,327,400
Loans to subsidiaries	9	5,168,028	5,153,270
Deferred exploration expenditure	9	<u>1,585,769</u>	<u>1,585,769</u>
		8,081,197	8,066,439
<b>Current assets</b>			
Cash and cash equivalents		<u>3,270</u>	<u>2,487</u>
<b>TOTAL ASSETS</b>		<b>8,084,467</b>	<b>8,068,926</b>
<b>LIABILITIES</b>			
Current liabilities: Trade and other payables	9	<u>32,154</u>	<u>8,338</u>
<b>TOTAL LIABILITIES</b>		<b>32,154</b>	<b>8,338</b>
<b>EQUITY</b>			
Called up share capital	10	19,693,993	19,693,993
Share premium reserve	11	1,311,861	1,311,861
Retained earnings - deficit	11	<u>(12,953,541)</u>	<u>(12,945,266)</u>
<b>TOTAL EQUITY</b>		<b>8,052,313</b>	<b>8,060,588</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>8,084,467</b>	<b>8,068,926</b>

The loss for the financial year of the parent company was £8,275 (2020: £64,331).

These financial statements were approved by the board of directors and authorised for issue on 22 September 2021, and are signed on behalf of the board by:



Paul Fromson  
Director

Company registration number: 06418951

The notes on pages 14 to 22 form part of these financial statements.

## Ortac Resources (UK) Limited

### Consolidated Statement of Changes in Equity

Year Ended 31 March 2021

	Share capital £	Share premium £	Retained earnings £	Total £
<b>At 1 April 2019</b>	560,993	1,311,861	(12,362,453)	<b>(10,489,599)</b>
Foreign exchange adjustment	-	-	(156,425)	<b>(156,425)</b>
Issue of shares	19,133,000	-	-	<b>19,133,000</b>
Loss for the year	-	-	(65,910)	<b>(65,910)</b>
<b>Total comprehensive income for the year</b>	-	-	<b>(222,335)</b>	<b>(222,335)</b>
<b>At 31 March 2020</b>	19,693,993	1,311,861	(12,584,788)	<b>8,421,066</b>
<b>At 1 April 2020</b>	19,963,993	1,311,861	(12,584,788)	<b>8,421,066</b>
Loss for the year	-	-	(8,275)	<b>(8,275)</b>
Foreign exchange adjustment	-	-	225,728	<b>225,728</b>
<b>Total comprehensive income for the year</b>	-	-	<b>217,453</b>	<b>217,453</b>
<b>At 31 March 2021</b>	<u>19,693,993</u>	<u>1,311,861</u>	<u>(12,367,335)</u>	<u><b>8,638,519</b></u>

The notes on pages 14 to 22 form part of these financial statements.

## Ortac Resources (UK) Limited

### Company Statement of Changes in Equity

Year Ended 31 March 2021

	Share capital £	Share premium £	Retained earnings £	Total £
<b>At 1 April 2019</b>	560,993	1,311,861	(12,880,935)	(11,008,081)
Loss for the year			(64,331)	(64,331)
<b>Total comprehensive income for the year</b>	-	-	(64,331)	(64,331)
Issue of shares	19,133,000	-	-	19,133,000
<b>Total investments by and distributions to owners</b>	19,133,000	-	-	19,133,000
<b>At 31 March 2020</b>	19,693,993	1,311,861	(12,945,266)	<b>8,060,588</b>
Loss for the year			(8,275)	(8,275)
<b>Total comprehensive income for the year</b>	-	-	(8,275)	(8,275)
<b>At 31 March 2021</b>	<u>19,693,993</u>	<u>1,311,861</u>	<u>(12,953,541)</u>	<u><b>8,052,313</b></u>

The notes on pages 14 to 22 form part of these financial statements.

## Ortac Resources (UK) Limited

### Consolidated Statement of Cash Flows

Year Ended 31 March 2021

	Note	2021 £	2020 £
<b>Cash flows from operating activities</b>			
Loss for the financial year		(8,275)	(65,910)
<i>Workings capital adjustments:</i>			
(Increase) in trade receivables	8	(1,362)	85,036
Increase in trade payables	9	3,152	(11,739)
Other movements			(40)
Cash generated from operations		<u>1,790</u>	<u>73,257</u>
Income taxes paid	6	-	-
Net cash flow from operating activities		<u>1,790</u>	<u>73,257</u>
<b>Net increase in cash and cash equivalents</b>		<b>(6,485)</b>	<b>7,347</b>
<b>Cash and cash equivalents at beginning of year</b>		<b>14,931</b>	<b>7,584</b>
<b>Cash and cash equivalents at end of year</b>		<b><u>8,446</u></b>	<b><u>14,931</u></b>

The notes on pages 14 to 22 form part of these financial statements.



# Ortac Resources (UK) Limited

## Notes to the Financial Statements

Year Ended 31 March 2021

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### 1. Accounting policies for the group financial statements

#### Statement of Compliance

These group financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs and IFRIC interpretations) as endorsed by the European Union ("endorsed IFRS") and with those parts of the Companies Act 2006 applicable to companies preparing their accounts under endorsed IFRS.

The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to all the periods presented unless the Group has exercised any exemptions arising following the adoption of new or revised IFRSs allowing the Group to not restate the comparative information.

The financial statements are presented in Sterling, the functional currency of the Group.

#### Accounting Policies

##### Going concern

At 31 March 2021, Ortac Resources (UK) Ltd had incurred a loss of £0.1m. The company however maintained a net asset position of £8.7m.

The Directors have reviewed the cash flow requirements in the next 12 months and recognise that the ability of the Group to continue as a going concern is dependent on financial support from the parent entity MetalsTech Limited, a company listed on the Australian Securities Exchange.

These conditions indicate a material uncertainty that may cast a significant doubt about the Group's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

The Directors believe there are sufficient funds to meet the Group's working capital requirements as at the date of this report.

The financial statements have been prepared on the basis that the Group is a going concern, which contemplates the continuity of normal business activity, realisation of assets and settlement of liabilities in the normal course of business for the following reasons:

- The Group has a history of successfully raising capital;
- The gold price has strengthened significantly over an extended period and the gold sector worldwide is attracting investors;
- The share price of the parent company MetalsTech Limited has improved as a result of the stronger gold sector and this has improved its ability to raise further funds to support the Company;
- The Directors believe that there is sufficient cash available for the Group to continue operating until it can raise sufficient further capital to fund its ongoing activities;
- The fact that future exploration and evaluation expenditures are generally discretionary in nature and may be slowed or suspended as part of the management of the Group's working capital and other forecast commitments.

# Ortac Resources (UK) Limited

## Notes to the Financial Statements *(continued)*

### Year Ended 31 March 2021

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#### **Accounting Policies** *(continued)*

##### **Going Concern** *(continued)*

Should the Group not be able to continue as a going concern, it may be required to realise its assets and discharge its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in the financial statements and that the financial report does not include any adjustments relating to the recoverability and classification of recorded asset amounts or liabilities that might be necessary should the company not continue as a going concern.

##### **Basis of consolidation**

The financial statements consolidate the financial statements of the Company and each of its 100% subsidiary undertakings; Ortac s.r.o and St. Stephan Gold s.r.o, both of which are incorporated in Slovakia.

The results of subsidiaries acquired or disposed of are included from or to the date that control passes. The financial statements of the subsidiaries are prepared for the same reporting period as the parent Company, using consistent accounting policies. All intra-group balances, transactions, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

The parent Company has applied the exemption contained in section 408 of the Companies Act 2006 and has not included its individual statement of comprehensive income.

The loss in the year for the parent Company was £8,275 (2020: £64,331).

##### **Significant accounting judgements and estimates**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses.

Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial period are discussed below.

# Ortac Resources (UK) Limited

## Notes to the Financial Statements *(continued)*

### Year Ended 31 March 2021

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#### Accounting Policies *(continued)*

##### Foreign currency transactions and balances

The presentational currency is sterling.

Transactions entered into by group entities in a currency other than the currency of the primary economic environment in which they operate (the "functional currency") are translated at the rates ruling at the dates of transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated at the rates ruling at that date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are similarly recognised immediately in the income statement.

On consolidation, results of overseas subsidiaries are translated using the average exchange rate for the period. The balance sheets of overseas subsidiaries are translated using the closing period end rate. Exchange differences arising, if any, are taken to a separate component in equity (the translation reserve). Such translation differences are recognised as income or as expenses in the period in which the operation is disposed of.

Exchange differences recognised in the income statement of group entities' separate financial statements on the translation of long-term monetary items forming part of the group's net investment in the overseas operation concerned are reclassified to the translation reserve on consolidation.

##### Tax

The tax expense for the period comprises current tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits,
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met, and
- Where timing differences relate to interests in subsidiaries, associates and joint ventures and the Group can control their reversal and such reversal is not considered probable in the foreseeable future.

##### Revenue recognition

Revenue is recognised when or as the Group transfers control of goods or services to a customer at the amount to which the Group expected to be entitled. If the consideration promised includes a variable amount, the Group estimates the amount of consideration to which it will be entitled.

The Group had no revenue in the years ended 31 March 2021 and 31 March 2020.

# Ortac Resources (UK) Limited

## Notes to the Financial Statements *(continued)*

### Year Ended 31 March 2021

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#### Accounting Policies *(continued)*

##### Investments

Investments in subsidiary undertakings are stated at cost less any provision for impairment in value.

##### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

##### Trade receivables

Trade receivables are amounts due from customers for services performed in the ordinary course of business.

Trade receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables

##### Deferred exploration expenditure

Exploration and evaluation expenditure incurred is accumulated in respect of each identifiable area of interest. These costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area or where activities in the area have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves.

Accumulated costs in relation to an abandoned area are written off in full against profit in the year in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

Costs incurred on identifiable areas of interest where the Company has not been granted rights to tenure as at reporting date are capitalised when the Company are confident that it is probable the Company will be granted rights in the near future. If the Company is subsequently not granted rights to tenure, costs capitalised to affected areas of interest are written off in the Statement of Profit or Loss and Other Comprehensive Income.

Exploration and evaluation expenditure is assessed for impairment if sufficient data exists to determine technical feasibility and commercial viability or facts and circumstances suggest that the carrying amount exceeds the recoverable amount.

# Ortac Resources (UK) Limited

## Notes to the Financial Statements *(continued)*

### Year Ended 31 March 2021

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#### **Accounting Policies *(continued)***

##### **Deferred exploration expenditure *(continued)***

Exploration and evaluation expenditure is tested for impairment when any of the following facts and circumstances exist:

- The term of exploration licence in the specific area of interest has expired during the reporting period or will expire in the near future, and is not expected to be renewed;
- Substantive expenditure on further exploration for and evaluation of mineral resources in the specific area are not budgeted nor planned;
- Exploration for and evaluation of mineral resources in the specific area have not led to the discovery of commercially viable quantities of mineral resources and the decision was made to discontinue such activities in the specified area; or
- Sufficient data exist to indicate that, although a development in the specific area is likely to proceed,

##### **Trade payables**

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the payable for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

##### **Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

# Ortac Resources (UK) Limited

## Notes to the Financial Statements *(continued)*

### Year Ended 31 March 2021

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#### 2. Impairment of Assets

In the year ended 31 March 2021, the group impaired its investment in the Sturec project in the amount of £nil (2020: £Nil)

#### 3. Operating loss

Arrived at after charging :

	2021	2020
	£	£
Salaries and benefits	-	48,275
Establishment expenses	375	14,646
Travel and subsistent expenses	-	1,509
Professional fees	7,900	814
Others	-	666

Auditor's remuneration (excl. VAT) for the year ended 31 March 2021 is borne by the ultimate parent undertakings, MetalsTech Ltd of £7,900 (2020: £6,800).

#### 4. Employee Information

The aggregate payroll costs (including directors' remuneration), were as follows:

	2021	2020
	£	£
Wages and salaries	-	41,666
Social security costs	-	6,609
	<u>-</u>	<u>48,275</u>

The average number of persons employed by the group during the year, including the directors, amounted to:

	2021	2020
	£	£
Management	<u>2</u>	<u>2</u>

#### 5. Directors' Remuneration

The directors' remuneration for the year was as follows:

	2021	2020
	£	£
Remuneration of key management personnel	<u>-</u>	<u>44,109</u>

# Ortac Resources (UK) Limited

## Notes to the Financial Statements *(continued)*

### Year Ended 31 March 2021

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#### 6. Taxation

Tax charged/(credited) in the income statement

	2021	2020
	£	£
<b>Current taxation</b>		
UK corporation tax	—	—
Loss on ordinary activities	(8,275)	(65,910)
Loss carried forward at 19%	(1,572)	(12,523)
<b>Deferred taxation</b>		
Origination and reversal of timing differences	—	—

The tax assessed in the year is lower than the standard rate of corporation tax in the United Kingdom at 19% (2020: 19%).

There are tax losses of £3,764,849 (2020: £3,756,574) for Ortac Resources (UK) Ltd which are carried forward for relief in against taxable profits in future periods.

Following the acquisition of all the issued capital of Ortac Resources (UK) Ltd by Metalstech Ltd, the group is reviewing the tax records of the group and in particular the tax losses available to carry forward in its Slovakian subsidiaries. This review of Slovakian tax losses has not been concluded at the time of signing this report, however the company has received advice that the quantum of losses is low as carry forward tax losses expire after 4 years. There is no impact on tax expense as losses have been incurred and no future income tax benefit has been booked due to uncertainty of losses available.

#### 7. Investments in subsidiaries

Ortac Resources (UK) Ltd holds an investment in St. Stephan Gold s.r.o and Ortac s.r.o (Formerly Kremnica Gold Mining s.r.o). The holding value of this investment as at 31 March 2021 is £1,327,400 (2020: £1,327,400).

# Ortac Resources (UK) Limited

## Notes to the Financial Statements (continued)

### Year Ended 31 March 2021

#### 8. Trade and Other Payables

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
<i>Due within one year:</i>				
Trade and other payables	59,320	33,606	16	749
Amounts owed to group undertakings	32,138	7,588	32,138	7,589
	<u>91,458</u>	<u>41,194</u>	<u>32,154</u>	<u>8,338</u>

#### 9. Deferred exploration expenditure, trade and other receivables

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
<i>Amounts due within one year:</i>				
Other receivables	2,304	942	-	-
	<u>2,304</u>	<u>942</u>	<u>-</u>	<u>-</u>
<i>Amount due after one year:</i>				
Deferred exploration expenditure	8,719,227	8,446,387	1,585,769	1,585,769
Loans due from subsidiaries	-	-	5,168,028	5,153,270
	<u>8,719,227</u>	<u>8,446,387</u>	<u>6,753,797</u>	<u>6,739,039</u>

Loans due from subsidiaries are unsecured, interest free and have no fixed repayment date.

#### 10. Called Up Share Capital

##### Issued, called up and fully paid

	2021		2020	
	No.	£	No.	£
Ordinary shares of £0.05 each	<u>393,879,862</u>	<u>19,693,993</u>	<u>393,879,862</u>	<u>19,693,993</u>

##### Share movements

##### Ordinary £0.05 shares

	No.	£
At 1 April 2020	393,879,862	19,693,993
Issues of share	-	-
At 31 March 2021	<u>393,879,862</u>	<u>19,693,993</u>



# Ortac Resources (UK) Limited

## Notes to the Financial Statements *(continued)*

### Year Ended 31 March 2021

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#### 11. Reserves

All reserves are as stated in the Consolidated Statement of Changes in Equity.

Share premium account - This reserve records the amount above the nominal value received for shares sold, less transaction costs.

#### 12. Foreign Currency Translation

The Group undertakes transactions denominated in Euros; consequently, exposures to exchange rate fluctuations arise.

The Consolidated Statement of Financial Position has been translated at the 31 March 2021 £/€ spot rate of 1.17. The Consolidated Statement of Profit and Loss and Comprehensive Income has been translated using the average £/€ rate between 1 April 2020 and 31 March 2021 of 1.12.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the reporting date are as follows:

	Liabilities		Assets	
	31/03/2021	31/03/2020	31/03/2021	31/03/2020
	€	€	€	€
Ortac s.r.o	-	-	5,529	12,997
St Stephan Gold s.r.o	-	-	818	1,072

#### 13. Controlling Party

The ultimate controlling party is MetalsTech Limited.