



**Grant Thornton**

Cotera y Asociados

**VERITAS GOLD CR, S.A.**

**PREOPERATIVE STAGE**

**ANNUAL REPORT**

**FOR THE YEAR ENDED 30 SEPTEMBER 2009**

**VERITAS GOLD CR, S.A.**  
**PREOPERATIVE STAGE**  
**ANNUAL REPORT**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2009**

**VERITAS GOLD CR, S.A.**

**DIRECTORS AND ADVISERS**

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**Directors:** David Brian Jackson President  
Andrew von Kursell Chief Operating Officer

**Lawyer:** Lic. Adolfo Garcia Baudrit – Lex Counsel

**Company ID Number:** 3-101-468793 (Costa Rica)

**Registered Office:** Edificio Terraforte  
150 South from Multiplaza  
Escazú, San José

**Auditors** Grant Thornton Cotera & Asociados  
Avenue 10 y Street 29  
San José, Costa Rica

**Bankers:** Banco Nacional de Costa Rica  
Avenue 1 y 3, Street 4  
San José, Costa Rica

**VERITAS GOLD CR, S.A.**

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**VERITAS GOLD CR, S.A.**

**CHAIRMAN'S STATEMENT**

**FOR THE YEAR ENDED 30 SEPTEMBER 2009**

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**Business review**

The company is continuing to develop operations in the contracted concessions, located in San Ramon, Alajuela.

**Management Discussion and Analysis**

We are pleased to have this opportunity of providing you with an update on your Company's activities over the past months. We are pleased to have this opportunity of providing you with an update on your Company's activities over the past months. Despite challenging world-wide circumstances Veritas Gold, has continued to move at a fast pace and expects to meet its objective of producing gold at its wholly owned Costa Rican projects in 2009.

The price of Gold has reached, and maintained, new highs. Management believes Veritas Gold is well positioned to benefit from what is expected to be a strong and sustained market for Gold. Veritas Gold continues to be presented with opportunities to acquire additional concessions in Costa Rica and elsewhere and will be aggressively pursuing this course of action once its existing projects are fully operational and stabilized.

We look to 2010 and beyond with confidence and would like to thank its shareholders for their continued support.

**Operations Update**

Since initial commissioning of the Chassoul Mill on 29 September the Company is pleased to advise that it is stepping up its mining and milling operations. Ascot is focusing all of its immediate efforts on its wholly owned Chassoul project by undertaking an immediate expansion of its mine and mill facilities.

Production will be increased from 50 to 150 tonnes per day (tpd). This is a larger expansion than originally planned due to there being an opportunity to very quickly and cost effectively enhance ore processing at this facility. The addition of a secondary crusher after the screen and a second larger ball mill both of which are on site will be installed next to the original ball mill will allow the processing capacity to effectively be trebled. The flow of ore will now be from the crusher to the large ball mill, to the small ball mill and then to the leach tanks.

This will require the addition of two large leach tanks to obtain an overall capacity throughput of 150 tpd. The steel for the tanks has been purchased and fabricated on site to follow pouring of the footings. Once erected the leach tanks will be connected to the processing circuit. As previously announced the completed tailings pond has ample capacity to absorb this expansion as well as future planned expansions. The time required to complete this expansion is estimated at around two months. Once completed daily production of gold will be in the range of 55 – 60 ounces (93 to 95% pure) per day.

**Significant events**

- ✓ Chassoul Mill Commissioned September 29, 2009.
- ✓ The liner has been installed on the Tailings Pond and now it is complete.
- ✓ Partial payment of debt to Ganadera Los Maizoles S.A \$750,000 USD.
- ✓ A track system has been installed in the Cajeta adit. The raise to the tunnel above is complete.

.....  
**David Jackson**  
**Chairman**  
**16 November 2009**

**VERITAS GOLD CR, S.A.**

**DIRECTORS' REPORT**

**FOR THE YEAR ENDED 30 SEPTEMBER 2009**

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The directors present their report and the financial statements for the year ended 30 September 2009.

**Principal activities**

The company was incorporated to rehabilitate and exploit mining concessions in the area of San Ramon, Alajuela, Costa Rica.

**Business review**

The company is continuing to develop operations in the contracted concession Chassoul.

**Financial risk management**

Details of the company's financial instruments and its policies with regard to financial risk management are given in notes to the financial statements.

**Results for the year and dividends**

The loss for the year was £222,873. The directors do not recommend the payment of a dividend.

**Directors**

David Brian Jackson	Managing Director	(Appointed 15 November 2007)
Andrew von Kursell	Chief Operating Officer	(Appointed 15 November 2007)

**Supplier payment policy and practice**

It is the Group's policy that payments to suppliers are made in accordance with those terms and conditions agreed between the Group and its suppliers, provided that all trading terms and conditions have been complied with.

**Auditors**

Grant Thornton Cotera & Associates were reappointed auditors on 2009.

A resolution to re-appoint the auditors, Grant Thornton Cotera & Associates, will be proposed at the next Annual General Meeting.

**VERITAS GOLD CR, S.A.**

**DIRECTORS' REPORT**

**FOR THE YEAR ENDED 30 SEPTEMBER 2009**

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**Directors' responsibilities**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the group and parent company financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the group and of the profit or loss of the group for that year. In preparing those financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the companies Act 1985. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Statement of disclosure of information to auditors**

In the case of each person who was a director at the time this report was approved:

- so far as the directors are aware there is no relevant audit information of which the group's auditors are unaware; and
- that the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the group's auditors are aware of that information.

**Post balance sheet events**

- Production started at the Chassoul Mine / Mill.

Approved by the board of directors and signed on behalf of the board

D Jackson  
Director  
16 November 2009

Stockholders and Board of Directors  
VERITAS GOLD CR, S.A.

We have audited the accompanying financial statements of Veritas Gold CR, S.A., which (in a preoperative stage) that include the balance sheets as of September 30, 2009 and 2008, and the income statements, statements of changes in equity and statements of cash flows for the years then ended, as well as the summary of the main accounting policies and other explanatory notes.

Company's management is responsible for the preparation and reasonable presentation of the financial statements according to the International Financial Reporting Standards (IFRS). This responsibility includes designing, implementing and maintaining the internal control related for the reasonable preparation and presentation of the financial statements so that they be free of significant errors, fraud or error and selecting and applying the appropriate accounting policies and making the accounting estimates that are reasonable under the circumstances.

Our responsibility is to express an opinion on those financial statements based on our audit. We make our review based on the International Standards on Auditing. These standards require that we comply with ethical requirements as well as to plan and execute the audit with the purpose of obtaining reasonable security that the financial statements are free of errors or significant omissions.

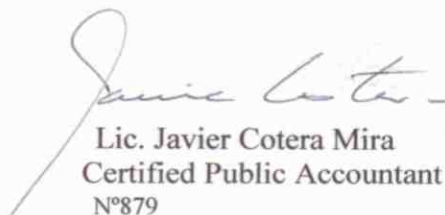
An audit implicates procedures to obtain evidence on amounts and revelations in the financial statements. The selected procedures depend on the auditor's judgment, including the evaluation of significant risks of errors in the financial statements, because of fraud or error. When making this evaluation, the auditor considers the relevant internal controls used by management in relation to the reasonable preparation and presentation of the financial statements, with the purpose of designing the audit procedures that are appropriate under the circumstances, but with the purpose of expressing an opinion on the internal controls of the Company. An audit also includes the evaluation of appropriate accounting policies and the reasonability of the significant estimates made by management, as well as an evaluation of the general presentation of the financial statements.

We consider that the evidence obtained for the audit is sufficient and appropriate to express our opinion.

In our opinion, the Financial Statements above mentioned, presents reasonably, in all important aspects, the financial situation of VERITAS GOLD CR, S.A. as of September 30, 2009 and 2008, and that its financial performance for the years then ended are in conformity to the International Financial Reporting Standards.

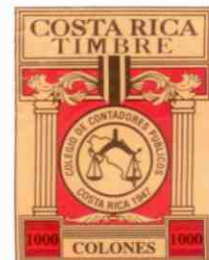
Fidelity policy N° R-1153  
with due date  
September 30, 2010

Law N°6663 stamp fax for ₡1,000  
Paid and attached  
to the original



Lic. Javier Cotera Mira  
Certified Public Accountant  
N°879

San José, Costa Rica  
November 16, 2009





**VERITAS GOLD CR, S.A.**  
**INCOME STATEMENT**  
**FOR THE PERIOD ENDED,**

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		<b>30 Sept 2009</b>	<b>30 Sept 2008</b>
		<b>£</b>	<b>£</b>
<b>Operating</b>	<b>Notes</b>		
Operating costs	3	<u>222,873</u>	<u>176,095</u>
<b>Operating loss</b>	3	222,873	176,095
<b>Loss before taxation</b>		222,873	176,095
Taxation	5	<u>          -</u>	<u>          -</u>
Losses brought forward			3,909
<b>Loss after taxation</b>		<u>222,873</u>	<u>180,004</u>
Deferred tax income	5	<u>120,863</u>	<u>          0</u>
<b>Loss for the period</b>		<u>102,010</u>	<u>180,004</u>

The accompanying notes are an integral part of these financial statements

