



Grant Thornton

Cotera y Asociados

VERITAS RESOURCE CR, S.A.

PREOPERATIVE STAGE

ANNUAL REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2009

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VERITAS RESOURCE CR, S.A.

DIRECTORS AND ADVISERS

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 RESOURCE CR, S.A.

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VERITAS RESOURCE CR, S.A.

CHAIRMAN'S STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2009

Business review

The company is continuing to develop operations in the contracted concession, 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. Despite challenging world-wide circumstances Veritas Resource, 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 Resource is well positioned to benefit from what is expected to be a strong and sustained market for Gold. Veritas Resource 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

On March 26, 2009 Veritas Resources signed an agreement with Auro Marga to develop the Toyota mine and to build 150 metric tons per day concentrator, starting with an initial capacity of 50 metric tons per day. Once the mine and mill are in operation, it is Veritas' obligation to expand the concentrator to 150 metric tons per day within two years.

In anticipation of the expansion most of the major equipment and machinery now at the proposed plant site is designed for a 150 ton per day plant. An estimated 90% of the needed machinery is either at the plant site or in protected storage.

At the La Toyota project, construction activities have been suspended due to current difficulties with the proposed JV partner (announcement 6 November). Until there is a satisfactory resolution no further investment in La Toyota will be made. Ascot is hopeful that these difficulties will be resolved quickly and development activities resumed.

Failing a satisfactory negotiated resolution the Company has instructed its lawyers to take immediate steps to recover its capital investment and equipment loaned to the project and to enforce its contractual rights. Ascot is in the comfortable position of being legally entitled to recover all of its costs and equipment supplied to the project.

Significant events

- ✓ Development of all the roads, including culverts.
- ✓ Almost all the machinery is in site (90%).
- ✓ Office and Lab building are ready.
- ✓ Creation of the Main Tunnel.
- ✓ All the plans were presented to the authorities to obtain the permits.
- ✓ Off site prefabrication of mill structure, to avoid assembly delays.

.....
David Jackson
Chairman
18 November 2009

VERITAS RESOURCE CR, S.A.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2009

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 Miramar, Puntarenas, Costa Rica.

Business review

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

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 £17,323. The directors do not recommend the payment of a dividend.

Directors

David Brian Jackson	Managing Director	(Appointed 15 April 2009)
Andrew von Kursell	Chief Operating Officer	(Appointed 15 April 2009)

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 RESOURCE CR, S.A.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2009

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

- Activities have been suspended due to current difficulties with the proposed JV partner.
- Veritas Resource CR, S.A. stopped all the investment, due to the contractual difficulties.

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 RESOURCE CR, S.A.

We have audited the accompanying financial statements of Veritas Resource CR, S.A., (in a preoperative stage) include the balance sheet as of September 30, 2009, and the income statement, statement of changes in equity and cash flows for the year then ended, as well as a 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.

The Financial Statements were prepared assuming that the company is an ongoing business, nevertheless in accordance with notes 11, 23 and 24 the company has material difficulties to reach their objectives, because it was created to fulfill a specific Joint Venture agreement which was settled unilaterally by the other party in the agreement.

In our opinion, except for the previous paragraph, the Financial Statements above mentioned, presents fairly, in all important aspects, the financial situation of VERITAS RESOURCE CR, S.A. as of September 30, 2009 and that its financial performance by the year 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 RESOURCE CR, S.A.

INCOME STATEMENT

FOR THE PERIOD ENDED 30 SEPTEMBER,

		2009
		£
Operating costs	Notes	
Operating loss	3	<u>(17,323)</u>
Loss before taxation		<u>(17,323)</u>
Taxation	5	<u>-</u>
Loss for the financial period	6	<u>(17,323)</u>

The accompanying notes are an integral part of these financial statements

VERITAS RESOURCE CR, S.A.

BALANCE SHEETS

AS AT 30 SEPTEMBER,

ASSETS		2009
	Notes	£
Non-Current Assets		
Computer equipment	7	982
Contingent Assets	8	<u>808,623</u>
Total Non-Current Assets		<u>809,605</u>
Total Assets		<u>809,605</u>
EQUITY AND LIABILITIES		
Capital and reserves		
Called up share capital	9	15
Accumulated losses	9	<u>(17,323)</u>
Total Equity		<u>(17,308)</u>
Non- Current Liabilities		
Borrowings	10	801,451
Current Liabilities	11	<u>25,462</u>
Total Liabilities		<u>826,913</u>
TOTAL EQUITY AND LIABILITIES		<u>809,605</u>

The accompanying notes are an integral part of these financial statements