

GTECH INTERNATIONAL RESOURCES LIMITED

INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTH PERIOD ENDING
31 JANUARY 2005

THE UNAUDITED INTERIM FINANCIAL STATEMENTS HAVE NOT BEEN
REVIEWED BY THE COMPANY'S AUDITORS

GTECH INTERNATIONAL RESOURCES LIMITED
BALANCE SHEET AS AT 31 JANUARY 2005
(UNAUDITED - PREPARED BY MANAGEMENT)

	<u>31</u> <u>JANUARY</u> <u>2005</u> \$	<u>30</u> <u>APRIL</u> <u>2004</u> \$	<u>31</u> <u>JANUARY</u> <u>2004</u> \$
Assets			
Current assets			
Cash	487,445	508,469	511,299
Sundry debtors	<u>164</u>	<u>269</u>	<u>-</u>
Total Current Assets	<u>487,609</u>	<u>508,738</u>	<u>511,299</u>
Total Assets	<u>487,609</u>	<u>508,738</u>	<u>511,299</u>
Current Liabilities			
Accounts payable and accrued liabilities	<u>226</u>	<u>3,237</u>	<u>-</u>
Net Assets	<u>487,383</u>	<u>505,501</u>	<u>511,299</u>
Shareholders Equity			
Authorised capital – Unlimited number of common shares without nominal or par value			
Issued capital – 5,009,667 shares	4,820,710	4,820,710	4,820,710
Deficit	<u>(4,333,327)</u>	<u>(4,315,209)</u>	<u>(4,309,411)</u>
Total Shareholder Equity	<u>\$487,383</u>	<u>505,501</u>	<u>\$511,299</u>

Original approved by the Directors:

Dr Mervyn Jacobson – Director

Ian Dennis – Director

GTECH INTERNATIONAL RESOURCES LIMITED

**STATEMENT OF INCOME (LOSS) AND DEFICIT FOR THE THREE MONTH
PERIOD ENDED 31 JANUARY 2005
(UNAUDITED – PREPARED BY MANAGEMENT)**

	<u>3 Months ended 31 January 2005</u>	<u>3 Months ended 31 January 2004</u>
	<u>\$</u>	<u>\$</u>
Revenue		
Interest received	2,441	1,804
Profit on sale of shares	<u>-</u>	<u>108,212</u>
	<u>2,441</u>	<u>110,016</u>
Expenses		
Audit and legal	450	787
Office, stock exchange fees and shareholder communications	3,788	(1,581)
Project generation	<u>-</u>	<u>-</u>
Total Expenses	<u>4,238</u>	<u>(794)</u>
Net profit (loss) for the period	(1,797)	110,810
Deficit at the beginning of the period	<u>(4,331,530)</u>	<u>(4,420,221)</u>
Deficit at the end of the period	<u>(4,333,327)</u>	<u>(4,309,411)</u>
Earnings (Loss) per share	(\$0.003)	\$0.022

GTECH INTERNATIONAL RESOURCES LIMITED
STATEMENT OF CASH FLOWS FOR THE THREE MONTH PERIOD ENDED
31 JANUARY 2005
(UNAUDITED - PREPARED BY MANAGEMENT)

	<u>3 Months</u> <u>Ended 31</u> <u>January</u> <u>2005</u>	<u>3 Months</u> <u>Ended 31</u> <u>January</u> <u>2004</u>
Cash provided by (used in)		
Operating activities		
Net profit (loss)	(1,797)	110,810
Items not affecting cash		
(Profit) on sale of shares	-	(108,212)
Changes in non-cash working capital		
Sundry debtors	1,652	1,731
Accounts payable and accrued liabilities	(379)	(1,669)
	<u>(524)</u>	<u>2,660</u>
Investing activities		
Proceeds from sale of shares	_____ -	<u>141,212</u>
Financing activities		
Proceeds from private placement	_____ -	_____ -
Net increase (decrease) in cash held	(524)	143,872
Cash, beginning of period	<u>487,969</u>	<u>367,427</u>
Cash, end of period	<u>487,445</u>	<u>511,299</u>

GTECH INTERNATIONAL RESOURCES LIMITED**Notes to the Financial Statements for the three month period ended 31 January 2005****1. Nature and Continuance of Operations**

The company was incorporated under the laws of the Yukon Territory and is registered extra-provincially in the Province of British Columbia, Canada.

The company was in the process of exploring its mineral properties and had not determined whether these properties contained ore reserves that were economically recoverable. The Company has written-off all amounts shown for mineral properties and their related deferred costs. The Company is currently considering opportunities in the biotechnology field.

2. Significant Accounting Policies**(a) Mineral Properties and Deferred Costs**

The Company has written-off all of its mineral property interests and retains a residual royalty entitlement in respect of its Aurex exploration property.

(b) Fair value of financial instruments

The carrying amount of cash and cash equivalents, accounts receivable and accounts payable and accrued liabilities approximate their fair value due to their short-term nature.

(c) Stock option plan

The company has no formal stock-based compensation plan. Options are granted periodically by the directors and compensation expense is recognized when stock or stock options are issued using the fair value method. Any consideration paid by directors, employees or consultants on exercise of stock options or purchase of stock is credited to share capital. No stock options were issued during the years ended 30 April 2003 and 2004 and the current interim period.

GTECH INTERNATIONAL RESOURCES LIMITED

Notes to the Financial Statements for the three month period ended 31 January 2005
(continued)

(d) Income taxes

Effective 1 January 2000, the company adopted the new recommendations of the Canadian Institute of Chartered Accountants with respect to accounting for income taxes, whereby income taxes are calculated using the liability method of accounting. Temporary differences arising from the difference between the tax basis of an asset or liability and its carrying amount on the balance sheet are used to calculate future income tax liabilities or assets. These new standards also require that the future income tax liabilities or assets are measured using tax rates and laws expected to apply in the periods that the temporary differences are expected to reverse. The Company has currently provided for a full valuation allowance against any potential tax assets.

The implementation of the new recommendation, which was applied retroactively, has had no effect on these consolidated financial statements.

(e) Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the period. Actual results may differ from these estimates.

(f) Investment

The Company's investments are carried at cost and are considered non-current assets as the Company intends to hold them for a period of greater than one year. If there is an aggregate loss in value that is other than temporary, defined as existing over two consecutive year ends, the component loss investments are written-down to their estimated market values.

3. Exploration Agreements

**CANADA
YUKON TERRITORY**

Aurex Property -Mayo Mining District

The Company had a 100% interest in this property, which consists of 155 mineral claims.

On 16 August 2001, the Company agreed with Expatriate Resources to accept \$84,000 to be paid by the issue of 600,000 common shares in Expatriate Resources Limited as final settlement for the property.

GTECH INTERNATIONAL RESOURCES LIMITED

Notes to the Financial Statements for the three month period ended 31 January 2005 (continued)

3. Exploration Agreements (continued)

Gtech International Resources Limited retains a 1.5% royalty on the project which Expatriate may purchase at any time for \$1 million.

Revenue Creek Area - Whitehorse Mining District

The Company owned 69 mineral claims, which it sold to ATAC Resources Limited (ATAC), a Canadian public company on January 16 2002, the Company agreed to accept 200,000 common shares in ATAC Resources Limited and a cash payment of \$5,000 in final settlement of the cash component for the transfer of the project.

Gtech International Resources Limited retains a 2% net smelter royalty (NSR) of which ATAC can purchase a 1.5% NSR from the Company for \$600,000.

4. Share Capital

Authorized

Unlimited number of common shares without nominal or par value

Issued and outstanding

	Number of shares	Amount
Balance, 31 January 2004	5,009,667	\$4,820,710
Balance, 31 January 2005	5,009,667	4,820,710

Stock Options Outstanding

At 31 January 2005, stock options are outstanding to purchase 158,500 shares at \$0.20 per share which expire on or before 3 February 2005 and 130,000 shares at \$0.38 per share which expire on 22 May 2006. The 158,500 options at \$0.20 were exercised on 3 February 2005 by Ian Dennis and Fred Bart and the Company received \$31,700.

Warrants Outstanding

As at 31 January 2005 there were no warrants outstanding.

GTECH INTERNATIONAL RESOURCES LIMITED

**Notes to the Financial Statements for the three month period ended 31 January
2005 (continued)**

5. Related Party Transactions

The Company is a subsidiary of Genetic Technologies Limited, which owns 3,918,499 shares of the Company representing 78.22% of the Company's outstanding shares. The following related party transactions occurred during the year:

6. Income Tax Benefits

For income tax purposes, unclaimed exploration and development expenses and capital cost allowances exceed the amounts recorded on the balance sheet by approximately \$693,798. These amounts are available to be deducted against future taxable income, the future benefit of which has not been recorded in the accounts. In addition, the company has non-capital loss carry-forwards of \$303,785 (2004 - \$603,331) which are available to reduce future taxable income and which expire as follows:

	2005	2004
2004	-	299,526
2005	103,871	103,871
2006	73,476	73,476
2007	68,695	68,695
2008	-	-
2009	32,439	32,439
2010	25,304	25,304
2011	-	-
	303,785	603,331

7. Earnings (Loss) per share

Earnings (Loss) per share is calculated using the weighted-average number of common shares outstanding during the year. Fully-diluted loss per share is not disclosed as it is anti-dilutive.

8. Subsequent Events

On 3 February 2005, 158,500 options at \$0.20 were exercised for cash of \$31,700 by Directors. Apart from this option exercise, there have been no significant events since the end of the financial period.

GTECH INTERNATIONAL RESOURCES LIMITED**Notes to the Financial Statements for the three month period ended 31 January 2005 (continued)****9. Segmented Information**

As at 31 January 2005 all the assets of the Company amounting to \$487,609 (2004: \$511,299) were in Canada. The revenue earned by the Company during the three-month period ended 31 January 2005 was interest received of \$2,441 (2004: \$1,804) and profit on sale of shares of Nil (2004: \$108,212) which was earned in Canada.