

GTECH INTERNATIONAL RESOURCES LIMITED

INTERIM FINANCIAL STATEMENTS

FOR THE PERIOD ENDED

JULY 31, 2006

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

GTECH INTERNATIONAL RESOURCES LIMITED

BALANCE SHEETS

(UNAUDITED)

	July 31, 2006	April 30, 2006
	\$	\$
Assets		
Current Assets		
Cash	486,683	490,784
Total Current Assets	486,683	490,784
Total Assets	486,683	490,784
Liabilities and Shareholders' Equity		
Liabilities		
Current Liabilities		
Accounts payable and accrued liabilities	5,346	5,234
Total Liabilities	5,346	5,234
Shareholders' Equity		
Authorised capital – unlimited number of common shares without par value		
Issued capital – 5,168,167 shares	4,852,410	4,852,410
Contributed surplus	24,300	16,200
Deficit	(4,395,373)	(4,383,060)
Total Shareholders' Equity	481,337	485,550
Total Liabilities and Shareholders' Equity	486,683	490,784

Original approved by the Directors

"Mervyn Jacobson"

DR. MERVYN JACOBSON
Chairman, Director and CEO

"Thomas G. Howitt"

THOMAS G. HOWITT
President, Director, Secretary and CFO

GTECH INTERNATIONAL RESOURCES LIMITED

STATEMENTS OF OPERATIONS AND DEFICIT

(UNAUDITED)

	Three-month period ended July 31,	
	2006	2005
	\$	\$
Revenue		
Interest received	2,999	2,521
Total revenue	<u>2,999</u>	<u>2,521</u>
Expenses		
Bank charges	125	145
Option valuation fees	1,651	-
Printing expenses	336	-
SEDAR filing fees	2,582	-
Share registry fees	1,181	1,509
Stock based compensation expense	8,100	-
Stock exchange listing fees	1,337	1,036
Total expenses	<u>15,312</u>	<u>2,690</u>
Net loss for the period	(12,313)	(169)
Deficit at the beginning of the period	<u>(4,383,060)</u>	<u>(4,338,380)</u>
Deficit at the end of the period	<u>(4,395,373)</u>	<u>(4,338,549)</u>
Loss per share (cents per share)	(0.24)	(0.003)

GTECH INTERNATIONAL RESOURCES LIMITED

STATEMENTS OF CASH FLOWS

(UNAUDITED)

	Three-month period ended	
	July 31,	
	2006	2005
	\$	\$
Cash provided by / (used in) operating activities		
Net loss	(12,313)	(169)
Items not affecting cash		
Stock based compensation expense	8,100	-
Changes in non-cash working capital		
Sundry debtors	-	-
Accounts payable/accrued liabilities	112	2,568
	<u>(4,101)</u>	<u>2,399</u>
Investing activities		
None	-	-
Financing activities		
None	-	-
Net increase/(decrease) in cash held	<u>(4,101)</u>	<u>2,399</u>
Cash at the beginning of period	<u>490,784</u>	<u>518,486</u>
Cash at the end of period	<u><u>486,683</u></u>	<u><u>520,885</u></u>

GTECH INTERNATIONAL RESOURCES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED JULY 31, 2006

(UNAUDITED)

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.

Previously, 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 investigating opportunities in the field of biotechnology.

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 payable and accrued expenses approximate their fair value due to their short-term nature.

(c) Stock option plan

Options are granted periodically by the Directors under the Company's stock option plan. The Company has elected to apply the fair value method of accounting for stock options on a prospective basis and, accordingly, the fair value of stock options granted is calculated using a Black-Scholes option-pricing model and included as a stock based compensation expense.

(d) Income taxes

Effective from January 1, 2000, the Company adopted the 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 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 recommendations, which were 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.

GTECH INTERNATIONAL RESOURCES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (cont.)

FOR THE PERIOD ENDED JULY 31, 2006

(UNAUDITED)

3. Exploration agreements

CANADA; YUKON TERRITORY

Aurex Property - Mayo Mining District

The Company previously had a 100% interest in this property, which consisted of 155 mineral claims. On August 16, 2001, the Company agreed with Yukon Zinc Corp. ("Yukon Zinc") to accept \$84,000, to be paid by the issue of 600,000 common shares in Yukon Zinc, as final settlement for the sale of the property. The property was subsequently sold to Stratagold Corporation. Gtech International Resources Limited retains a 1.5% royalty on the project which Stratagold Corporation may purchase from the Company for \$1,000,000.

Revenue Creek Area - Whitehorse Mining District

The Company previously 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 and a cash payment of \$5,000 in final settlement for the transfer of the project. Gtech International Resources Limited retains a 2% net smelter royalty which ATAC may purchase from the Company for \$600,000.

4. Related party transactions

The Company is a subsidiary of Genetic Technologies Limited ("GTG"), a public company listed on both the Australian Stock Exchange (code: GTG) and NASDAQ Global Market (ticker: GENE). As at July 31, 2006, GTG owned 3,918,499 shares of the Company, representing approximately 75.82% of the Company's issued shares.

There were no transactions between the Company and Genetic Technologies Limited during the quarter under review.

5. Share capital

Authorized

Unlimited number of common shares without nominal or par value.

Summary of shares issued and outstanding

	Number of shares	Amount \$
Balances as at April 30, 2006	5,168,167	4,852,410
Movements during the quarter	<u>-</u>	<u>-</u>
Balances as at July 31, 2006	<u><u>5,168,167</u></u>	<u><u>4,852,410</u></u>

GTECH INTERNATIONAL RESOURCES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (cont.)

FOR THE PERIOD ENDED JULY 31, 2006

(UNAUDITED)

5. Share capital (cont.)

Summary of options outstanding

Number outstanding	Exercise price	Expiry date
200,000	\$0.45	August 26, 2010

On May 22, 2006, a total of 130,000 options expired unexercised.

During the previous year ended April 30, 2006, the Company granted stock options to Directors to acquire up to an aggregate of 200,000 common shares at an exercise prices of \$0.45 per share with a fair value of \$48,600, of which \$16,200 was recognised as an expense during that year. A further expense amounting to \$8,100 has been recorded as an expense in these financial statements. The remaining expense as at July 31, 2006 of \$24,300 will be recorded as the options vest in the hands of the recipients.

The fair value of stock options used to calculate compensation expense is estimated using the Black-Scholes Option Pricing Model with the following assumptions: a risk-free interest rate of 3.54%, an expected life of 5 years, an expected volatility of 60%, and no expectation for the payment of dividends.

Option pricing models require the input of highly subjective assumptions, particularly as to the expected price volatility of the stock. Changes in these assumptions can materially affect the fair value estimate and therefore it is Management's view that the existing models do not necessarily provide a single reliable measure of the fair value of the Company's stock option grants.

Summary of warrants outstanding

As at July 31, 2006, there were no warrants outstanding.

6. Loss per share

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.

7. Subsequent events

There were no significant events which occurred subsequent to the end of the period under review.

8. Segmented information

As at July 31, 2006, all of the Company's assets, amounting to \$486,683, were located in Canada. The only revenue earned by the Company during the three-month period ended July 31, 2006 was interest received of \$2,999 (2005: \$2,521), which was earned in Canada.