

Gtech International Resources Limited

Financial Statements

April 30, 2005

and

April 30, 2004

DE VISSER GRAY

CHARTERED ACCOUNTANTS

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AUDITORS' REPORT

To the Shareholders of Gtech International Resources Limited

We have audited the balance sheets of Gtech International Resources Limited as at April 30, 2005 and 2004, and the statements of operations and deficit, and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the company as at April 30, 2005 and 2004 and the results of its operations and cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

"DeVisser Gray"

CHARTERED ACCOUNTANTS

Vancouver, British Columbia
June 13, 2005

Gtech International Resources Limited
Statements of Operations and Deficit

For the years ended April 30,	2005	2004
	\$	\$
Revenue		
Interest	9,496	6,036
Gain on sale of securities	-	162,798
	<hr/> 9,496	<hr/> 168,834
Expenses		
Audit and legal	14,843	13,578
Office, stock exchange fees and shareholder communications	17,824	15,135
	<hr/> 32,667	<hr/> 28,713
Net income (loss) for the year	(23,171)	140,121
Deficit, beginning of year	(4,315,209)	(4,455,330)
	<hr/>	<hr/>
Deficit, end of year	(4,338,380)	(4,315,209)
Weighted average common shares	5,043,539	4,977,700
Earnings (loss) per share (note 7)	(0.004)	0.03

See notes to financial statements

Gtech International Resources Limited**Balance Sheets**

As at April 30, **2005** **2004**

Assets**Current**

Cash	\$ 518,486	\$ 508,469
Amounts receivable	-	269
	<hr/> \$ 518,486	<hr/> \$508,738

Liabilities**Current**

Accounts payable and accrued liabilities	\$ 4,456	\$ 3,237
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Shareholders' Equity

Share capital (note 4)	4,852,410	4,820,710
Deficit	(4,337,746)	(4,315,209)
	<hr/> 514,030	<hr/> 505,501
	<hr/> \$518,486	<hr/> \$508,738

Approved by the Directors

See notes to financial statements

Gtech International Resources Limited
Statements of Cash Flows

For the year ended April 30,	2005	2004
	\$	\$
Cash provided by (used in)		
Operating activities		
Net (loss) profit for the year	(23,171)	140,121
Items not affecting cash:		
(Gain) Loss on sale of shares	-	(162,798)
Changes in non-cash working capital:		
Amounts receivable	269	(206)
Accounts payable and accrued liabilities	1,219	1
	(21,683)	(23,348)
Investing activity		
Proceeds from sale of shares	-	246,798
Financing activity		
Exercise of options	31,700	-
Exercise of warrants	-	182,000
Increase (Decrease) in cash	(10,017)	405,952
Cash, beginning of year	508,469	102,517
Cash, end of year	518,486	508,469

See notes to financial statements

Gtech International Resources Limited

Notes to Financial Statements

April 30, 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 April 30, 2004 and 2005.

(d) Translation of foreign currency

The Company's Australian operations are considered to be integrated operations for the purposes of foreign currency translation. Amounts stated in Australian dollars are translated into Canadian dollars by translating monetary assets and liabilities at the exchange rate in effect at the balance sheet date and non-monetary items, revenue and expenses at the rate in effect on the date of the transaction. The net effect of the foreign currency translation is included in the statement of operations and deficit.

(e) Income taxes

Effective January 1, 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.

Gtech International Resources Limited

Notes to Financial Statements

April 30, 2005

2. Significant Accounting Policies (*continued*)

(f) 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.

(g) Investments

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

Gtech International Resources Limited retains a 1.5% royalty on the project which StrataGold 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.

Gtech International Resources Limited

Notes to Financial Statements

April 30, 2005

4. Share Capital

Authorized

Unlimited number of common shares without nominal or par value

Issued and outstanding

	Number of shares	Amount
Balance, April 30, 2003	3,709,667	\$ 4,638,710
Exercise of warrants on May 9, 2003	1,300,000	182,000
Balance, April 30, 2004	5,009,667	\$4,820,710
Exercise of options on February 3, 2005	158,500	31,700
Balance, April 30, 2005	5,168,167	4,852,410

Stock Options Outstanding

At April 30, 2005, stock options are outstanding to purchase 130,000 shares at \$0.38 per share which expire on May 22, 2006.

Warrants Outstanding

As at 30 April 2005 there were no warrants outstanding.

5. Related Party Transactions

The Company is a subsidiary of Genetic Technologies Limited, which owns 3,918,499 shares of the Company representing 75.82% (2004 - 78.22%) of the Company's outstanding shares. There were no related party transactions during the year:

Gtech International Resources Limited

Notes to Financial Statements

April 30, 2005

6. Income Tax Benefits

For income tax purposes, unclaimed exploration and development expenses total approximately \$1.9 million. 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 \$223,085 (2004 - \$303,785) which are available to reduce future taxable income and which expire as follows:

	2005	2004
2005	\$ -	\$ 103,871
2006	73,476	73,476
2007	68,695	68,695
2008	-	-
2009	32,439	32,439
2010	25,304	25,304
2011	23,171	-
	<hr/> \$ 223,085	<hr/> \$ 303,785

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

There have been no significant events since the end of the financial period.

Gtech International Resources Limited

Annual Management Discussion and Analysis

(Form 51-102F1)

For the year ended April 30, 2005

The following discussion of the results and financial position of the Company for the year ended April 30, 2005 should be read in conjunction with the information provided in the audited financial statements of the Company for the financial years ended April 30, 2005 and 2004 and the material herein as of June 29, 2005.

Description of Business

The Company has previously announced that it had decided to focus the activities of the Company on seeking to find a new biotechnology opportunity to inject into the Company. The Company realised all its listed securities during the financial year ended April 30, 2004 and now holds the majority of its assets in cash deposits.

The Directors anticipate that once they have identified a suitable biotechnology project that they may call a Special Meeting of Shareholders to consider and vote on the change of business direction. It is likely that once a suitable biotechnology project identified and approved by shareholders that further placements will be made to raise additional funds for the project.

The Company still has a 1.5% net smelter royalty on the Aurex Property which StrataGold Corporation Limited may purchase at any time for C\$1m.

Selected Annual Information

The following table sets forth selected financial information of the Company as at the end of each of the last three financial years up to and including 30 April 2005. The financial information is derived from the Financial Statements of the Company which were audited by De Visser Gray, Chartered Accountants. Accounting policies are listed in Note 2 of the Financial Statements of the Company as at 30 April 2005. Financial information is prepared according to Canadian GAAP and is reported in Canadian \$.

	<u>2005</u>	<u>2004</u>	<u>2003</u>
		\$	\$
Total revenues	9,496	168,834	1,100
Income or loss before discontinued operations and extraordinary items	(23,171)	140,121	(28,554)
Net income or loss	(23,171)	140,121	(28,554)
Net income (loss) per share	(0.004)	0.03	(0.01)
Fully diluted net loss per share		0.03	(0.01)
Total assets	518,486	508,738	186,580
Working capital	518,486	505,501	183,380

	2005	2004	2003
Total long-term financial liabilities	Nil	Nil	Nil
Cash dividends declared per share for each class of share	Nil	Nil	Nil

Results of Operations

The Company reported a net loss for the fiscal year ended April 30, 2005 of \$23,171 compared to a net profit of \$140,121 for the fiscal year ended April 30, 2004. Total expenses for the fiscal year ended April 30, 2005 were \$32,667 compared to the fiscal year ended April 30, 2004 of \$28,713. There were costs of \$Nil in the fiscal ended April 30, 2005 compared to \$Nil incurred in the fiscal year ended April 30, 2004 in relation to seeking out biotechnology opportunities for the Company as stated in the Description of Business section in this report.

Revenue for the fiscal year ended April 30, 2005 consisted of interest received of \$9,496 compared to the fiscal year ended April 30, 2004 of \$6,036. In the fiscal year ended April 30, 2005 the company received \$Nil from the proceeds of sale of securities compared to \$246,798 in the fiscal year ended April 30, 2004.

Summary of Quarterly Results

The following table sets forth a comparison of revenue and earnings for the previous eight quarters ending with April 30, 2005. Financial information is prepared according to Canadian GAAP and is reported in Canadian \$.

<u>Quarter Ended</u>	<u>Total Revenues</u>	<u>Net Income (Loss)⁽¹⁾</u>	<u>Net income (loss) per share</u>
April 30, 2005	2,434	(5,053)	(0.0009)
January 31, 2005	2,441	(1,797)	(0.0003)
October 31, 2004	2,350	(10,499)	(0.0021)
July 31, 2004	2,271	(5,822)	(0.0091)
April 30, 2004	2,531	(5,798)	(0.0012)
January 31, 2004	110,016	110,810	0.0221
October 31, 2003	55,325	34,815	0.0069
July 31, 2003	961	294	0.0001

Note:

- (1) Income (loss) before discontinued operations and extraordinary items is the same as Net Income (Loss) as there are no discontinued operations or extraordinary items in 2003, 2004 and 2005. Fully diluted earnings (loss) per share are not presented as the exercise of warrants and stock options would be anti-dilutive.

Liquidity

As at April 30, 2005, the Company had cash on hand of \$518,486, which is sufficient to meet the ongoing obligations as they become due. These funds will be applied towards the investigation of biotechnology opportunities and general working capital.

The parent company, Genetic Technologies Limited has indicated its willingness to subscribe for additional shares in the capital of Gtech International Resources Limited should the need for additional capital be required.

Financings, Principal Purposes and Milestones

There were no financings during the fiscal years ended April 30, 2005 and 2004.

On June 4, 2001, the Company announced that it would be using the funds from the private placement to pursue new business opportunities in the field of biotechnology with the assistance of the parent company, Genetic Technologies Limited.

During the fiscal year ended April 30, 2005 the Company incurred expenses amounting to C\$Nil (April 30, 2004 - \$Nil) in relation to pursuing biotechnology business opportunities. None of the projects investigated to date have been suitable for the Company.

A table setting out the funds raised for biotechnology opportunities and the application of funds for that purpose is set out below.

	Fiscal year ended April 30, 2005	Fiscal year ended April 30, 2004
Balance of proceeds from May 2001 private placement	<u>27,062</u>	<u>27,062</u>
Amount applied towards seeking biotechnology opportunities during the period	<u>-</u>	<u>-</u>
Amount available to be applied towards biotechnology opportunities during future period	<u>27,062</u>	<u>27,062</u>
Anticipated amount to be spent during the fiscal year ended April 30, 2005 on seeking biotechnology opportunities	<u>27,062</u>	<u>27,062</u>

Directors and Officers

Dr Mervyn Jacobson	Chairman, Director and CEO
Ian A Dennis	Director, President, Secretary and CFO
Fred Bart	Director
Elizabeth Sy	Director (Appointed 2 July 2004)
Arthur James McFaull	Director (Resigned 2 July 2004)

The Company is dependent on a small number of key directors and officers. Loss of any of those persons could have an adverse affect on the Company. The Company does not maintain "key-man" insurance with respect to any of its management.

Transactions with Related Parties

Genetic Technologies Limited owns 3,918,499 shares in the Company representing 75.82% (2004 - 78.22%) of the Company's outstanding shares. Dr Mervyn Jacobson and Fred Bart are directors of both Gtech International Resources Limited and Genetic Technologies Limited. Ian Dennis is a director of Gtech International Resources Limited and Company Secretary of Genetic Technologies Limited. On February 3, 2005 Ian Dennis exercised 120,000 options at 20 cents each by paying C\$24,000 and Fred Bart exercised 38,500 options at 20 cents each by paying C\$7,700.

Fourth Quarter

Revenue for the quarter ended April 30, 2005 consisted of interest received of \$2,434 (2004 - \$2,531). The net loss for the quarter ended April 30, 2005 was \$5,053 (2004 - \$5,798).

As at April 30, 2005, the Company had cash at bank of \$518,486 (2003 - \$508,469) which is being held for possible future acquisitions in the biotechnology field.

Other Information

No external investor relations activities were carried out during the quarter.

The company maintains a web site at <http://www.gtechinternational.com>, which gives shareholders the opportunity to review quarterly reports, news releases, corporate profiles, project details and other information. Other information relating to the Company may be found on SEDAR at www.sedar.com.

Outstanding Share Data as at date of the Report

Authorized

Unlimited number of common shares without nominal or par value.

Issued and outstanding

	<u>Number of Shares</u>	<u>Amount</u>
Balance, April 30, 2004	5,009,667	\$4,820,710
Add		
Exercise of directors options on February 3, 2005 at C\$0.20 each	158,500	31,700
Balance, April 30, 2005	5,168,167	\$4,852,410

Summary of options outstanding:

<u>Type</u>	<u>Number Outstanding</u>	<u>Exercise Price \$</u>	<u>Expiry Date</u>
Options	<u>130,000</u>	0.38	May 22, 2006

As at the date of this report there are no warrants or other convertible securities outstanding.

Forward Looking Statements

This discussion includes certain statements that may be deemed “forward-looking statements”. All statements in this discussion, other than statements of historical facts, that address future activities and events or developments that the Company expects, are forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in forward-looking statements include market prices, continued availability of capital and financing, and general economic, market or business conditions. Investors are cautioned that any such statements are not guarantees of future performance and that actual results or developments may differ materially from those projected in forward-looking statements.

BY ORDER OF THE BOARD

“Ian A Dennis”

Ian A Dennis
President, Director and CFO

“Dr Mervyn Jacobson”

Dr Mervyn Jacobson
Chairman, Director and CEO