

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended June 30

Expressed in thousands of United States dollars

27

	2006	2005
OPERATING ACTIVITIES		
Net loss	\$ (35,596)	\$ (8,965)
Add (deduct) items not affecting cash:		
Depletion and depreciation	9,762	5,651
Amortisation of financing costs	1,215	813
Equity earnings from investment in Barberton Mines Limited (Note 5)	(831)	221
Gain on disposal of Seqi Olivine I/S (Note 8(e))	-	(9,686)
Gain on disposal of investment in Guinor Gold Corporation (Note 3(b))	(519)	-
Gain on disposals of other investments (Note 6)	(2,933)	(254)
Unrealized foreign exchange loss / (gain) on long-term debt	13,230	(356)
Stock option expense (Note 13(g))	1,805	326
Other	-	802
Non-controlling interest	(940)	(1,916)
Change in non-cash operating working capital items (Note 17 (a))	(14,740)	(1,943)
	<u>(29,547)</u>	<u>(15,307)</u>
FINANCING ACTIVITIES		
Net proceeds on other long-term debt	97,442	23,380
Net proceeds on convertible bonds	186,780	-
Net issuance of common shares for cash	232,674	22,306
Repayments of amount due from Metorex Limited	-	422
Capital lease payments	(343)	343
	<u>516,553</u>	<u>46,451</u>
INVESTING ACTIVITIES		
Proceeds on disposal of investment in Golden Star Resources (Note 6)	2,946	-
Proceeds on disposal of investment in Guinor Gold Corporation (Note 3(b))	2,552	-
Proceeds on disposal of investment in Metorex Limited	-	2,139
Proceeds on disposal of investment in Asia Pacific Resources Limited	-	66
Proceeds on disposal of Seqi Olivine I/S (Note 8 (e))	-	10,000
Acquisition of Apex Mining Company, net of cash acquired (Note 3 (a))	(6,570)	-
Acquisition of Guinor Gold Corporation, net of cash acquired (Note 3 (b))	(346,624)	-
Expenditures on Nalunaq mineral property, plant and equipment	(5,050)	(7,117)
Expenditures on Lefa mineral property, plant and equipment	(71,492)	-
Expenditures on Masara mineral property, plant and equipment	(13,217)	-
(Increases) / decrease in restricted cash	(6,194)	4
Expenditures on other mineral property interests	(1,561)	(312)
Dividends received	1,212	389
Other	264	(655)
	<u>(443,734)</u>	<u>4,514</u>
EFFECT OF FOREIGN EXCHANGE TRANSLATION ON CASH	<u>2,488</u>	<u>163</u>
NET CASH INFLOW	<u>45,760</u>	<u>35,821</u>
CASH, BEGINNING OF YEAR	<u>36,722</u>	<u>901</u>
CASH, END OF YEAR	<u>\$ 82,482</u>	<u>\$ 36,722</u>
SUPPLEMENTAL CASH FLOW INFORMATION (Note 17)		