

Consolidated Statements of (Loss) Earnings and Deficit

(Expressed in thousands of United States dollars, except per share amounts)

| | Year ended December 31, 2007 | Six months ended December 31, 2006 | Year ended June 30, 2006 |
|---|------------------------------------|--|--------------------------------|
| MINERAL SALES | 39,562 | 39,461 | 37,953 |
| DIRECT COSTS OF MINERAL SALES | (35,186) | (38,681) | (28,050) |
| MINE SITE ADMINISTRATION COSTS | (7,613) | (6,855) | (8,342) |
| DEPLETION AND DEPRECIATION | (8,704) | (6,657) | (9,762) |
| | (11,941) | (12,732) | (8,201) |
| EXPENSES | | | |
| Administration, office and general | (16,461) | (8,786) | (5,982) |
| Exploration | (137) | (1,379) | (353) |
| Professional fees | (1,122) | (1,419) | (1,437) |
| Stock compensation expense (Note 14(g)) | (7,249) | (1,972) | (1,805) |
| | (24,969) | (13,556) | (9,577) |
| OTHER INCOME (EXPENSES) | | | |
| Equity earnings from investment in Barberton Mines Limited | - | 153 | 831 |
| Equity loss from investment in Intex Resources ASA | (404) | - | - |
| Gain on disposals of other investments | - | 6,664 | 2,824 |
| Gain on disposal of Golden Star Resources (Note 7) | 505 | 597 | 628 |
| Gain on disposal / dilution of investment in Intex Resources ASA (Note 5) | 72,231 | 35,205 | - |
| Realized (loss) / gain on future / forward obligation contracts (Note 5) | (7,574) | 63 | 214 |
| Unrealized loss on forward obligation contract (Note 5) | (358) | - | - |
| Interest - Convertible bonds and other long-term loans | (16,010) | (7,367) | (8,993) |
| Other finance charges - Convertible bonds and other long-term loans | (5,552) | (2,730) | (2,945) |
| Foreign exchange loss | (38,874) | (644) | (12,859) |
| Interest and other income - net | 1,088 | 647 | 708 |
| | 5,052 | 32,588 | (19,592) |
| (LOSS) EARNINGS BEFORE PROVISION FOR INCOME TAXES AND NON-CONTROLLING INTEREST | (31,858) | 6,300 | (37,370) |
| RECOVERY OF INCOME TAXES (Note 13) | 135 | 945 | 834 |
| (LOSS) EARNINGS BEFORE NON-CONTROLLING INTEREST NON-CONTROLLING INTEREST | (31,723) | 7,245 | (36,536) |
| | 462 | 31 | 940 |
| NET (LOSS) EARNINGS | (31,261) | 7,276 | (35,596) |
| DEFICIT, BEGINNING OF PERIOD | (109,390) | (116,666) | (81,070) |
| DEFICIT, END OF PERIOD | (140,651) | (109,390) | (116,666) |
| (LOSS) EARNINGS PER SHARE - BASIC | \$ (0,07) | \$ 0.02 | \$ (0.13) |
| (LOSS) EARNINGS PER SHARE - DILUTED | \$ (0,07) | \$ 0.02 | \$ (0.13) |
| WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING - BASIC | 434,147,546 | 394,561,832 | 281,543,480 |
| WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING - DILUTED | 434,147,546 | 397,896,557 | 281,543,480 |

See accompanying notes to the consolidated financial statements