

CONSOLIDATED BALANCE SHEETS

As at June 30, 2010 and December 31, 2009

(unaudited, in thousands of U.S. dollars)

	June 30, 2010	December 31, 2009
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 82,832	\$ 30,769
Short-term investments	17,868	44,796
Accounts receivable and other assets	25,671	27,670
Inventories	31,565	30,600
Total Current Assets	157,936	133,835
Investments at fair value	68,482	34,403
Restricted cash	9,735	9,258
Other long-term assets	503	10,118
Property, plant and equipment	366,965	331,198
Assets held for sale	27,985	15,788
Future income tax assets	2,764	818
Total Assets	\$ 634,370	\$ 535,418
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 24,631	\$ 22,426
Current portion of long-term debt, reclamation and other long-term liabilities	8,885	8,193
Total Current Liabilities	33,516	30,619
Long-term Liabilities		
Long-term debt	16,322	12,837
Reclamation and other long-term liabilities	49,504	30,930
Long-term compensation	2,282	1,633
Future income tax liabilities	5,847	7,357
Total Long-term Liabilities	73,955	52,757
SHAREHOLDERS' EQUITY		
Share capital	370,172	283,231
Warrants	14,117	14,117
Contributed surplus	11,416	10,624
Retained earnings	67,862	99,667
Accumulated other comprehensive income	63,332	44,403
Total Shareholders' Equity	526,899	452,042
Total Liabilities and Shareholders' Equity	\$ 634,370	\$ 535,418

CONSOLIDATED STATEMENTS OF EARNINGS (LOSS)

For the three months and six months ended June 30, 2010 and 2009

(unaudited, in thousands of U.S. dollars, except per share amounts)

	Three months ended June 30,		Six months ended June 30,	
	2010	2009	2010	2009
Mining and processing operations				
Mining and processing net revenue	\$ 60,898	\$ 27,844	\$ 81,373	\$ 49,544
Cost of sales	42,826	19,785	64,732	38,618
Gross profit	18,072	8,059	16,641	10,926
Investment and other income (expense)				
Interest and other income	376	322	687	810
Loss on LDC settlement	(1,577)	-	(1,577)	-
Net impairment provisions	(14)	-	(50,646)	(248)
Net realized gain (loss) on sale of investments	34	-	34	(38)
Unrealized gain on financial instrument investments	11,091	-	14,043	-
Gain on sale of exploration property	-	625	-	625
Impaired investments written down to market value	-	-	-	(894)
Investment and other income (expense)	9,910	947	(37,459)	255
Earnings (loss) before undernoted items	27,982	9,006	(20,818)	11,181
Expenses				
Administrative and other expenses	4,175	3,403	7,047	6,638
Stock based compensation expense	1,295	248	1,470	506
Exploration expense	509	1,010	1,198	2,273
Amortization of property, plant and equipment	207	496	410	939
Financing and other costs	1,350	551	2,202	814
Foreign exchange loss	2,179	210	2,096	2,348
Total expenses	9,715	5,918	14,423	13,518
Earnings (loss) before income taxes	18,267	3,088	(35,241)	(2,337)
Provision for (recovery of) income taxes				
Current	4	698	55	972
Future	1,814	(375)	(3,491)	(1,192)
Total provision for (recovery of) income taxes	1,818	323	(3,436)	(220)
Net income (loss) for the period	\$ 16,449	\$ 2,765	\$ (31,805)	\$ (2,117)
Basic net earnings (loss) per share	\$ 0.13	\$ 0.03	\$ (0.28)	\$ (0.02)
Diluted net earnings (loss) per share	\$ 0.13	\$ 0.03	\$ (0.28)	\$ (0.02)

CONSOLIDATED STATEMENTS OF CASH FLOW

For the three months and six months ended June 30, 2010 and 2009

(unaudited, in thousands of U.S. dollars)

	Three months ended		Six months ended	
	June 30,		June 30,	
	2010	2009	2010	2009
OPERATING ACTIVITIES				
Net earnings (loss) for the period	\$ 16,449	\$ 2,765	\$ (31,805)	\$ (2,117)
Non-cash charges (credits) to earnings:				
Amortization of property, plant and equipment	5,796	4,075	9,944	7,747
Stock based compensation expense	1,295	248	1,470	506
Gain on sale of exploration property	-	(625)	-	(625)
Unrealized gain on financial instrument investments	(11,091)	-	(14,043)	-
Net realized loss (gain) on sale of investments	(34)	-	(34)	38
Impaired investments written down to market value	-	-	-	894
Unrealized loss on fair value of debt	-	156	678	26
Loss on LDC settlement	1,577	-	1,577	-
Future income tax expense (recovery)	1,814	(375)	(3,491)	(1,192)
Accretion expense	551	350	946	667
Impairment of property, plant and equipment	14	-	54,063	248
Other non-cash credits	(2,333)	(1,773)	(3,210)	(1,059)
Changes in non-cash working capital:				
(Increase) decrease in accounts receivable and other assets	(1,447)	(3,360)	4,594	(6,208)
(Increase) decrease in inventories	3,326	(3,540)	554	(4,491)
(Increase) decrease in other receivables and advances	2,151	541	2,238	(418)
Settlement of metals exposure liability	(2,031)	-	(2,031)	-
Increase (decrease) in accounts payable	3,630	(2,307)	(463)	(10,019)
Increase (decrease) in deferred revenue	(7,845)	(304)	-	1,521
Increase (decrease) in other liabilities	(35)	2,499	(4,205)	2,659
Net cash provided by (used in) operating activities	11,787	(1,650)	16,782	(11,823)
INVESTING ACTIVITIES				
Purchase of Namibia Custom Smelters (Pty) Ltd. (net of cash acquired of \$1,013)	-	-	(16,987)	-
Proceeds on sale of exploration property	-	6,211	-	6,211
Proceeds on sale of investments at fair value	593	-	593	1,873
Proceeds on sale/(purchase) of short-term investments	(2,600)	30,219	26,928	25,819
Loan advances	-	(972)	(3,000)	(4,000)
Purchase of investments at fair value	(1,666)	-	(1,666)	-
Acquisition of property, plant and equipment	(18,440)	(6,615)	(29,090)	(13,431)
Proceeds on sale of property, plant and equipment	-	36	-	111
Net cash provided by (used in) investing activities	(22,113)	28,879	(23,222)	16,583
FINANCING ACTIVITIES				
Issue of common shares on exercise of stock options	98	-	98	-
Net proceeds of equity financing	-	-	61,981	-
Repayment of debt	(1,250)	(1,250)	(1,813)	(1,813)
Repayment of leases	(920)	(179)	(1,716)	(345)
Redemption of deferred share units	(47)	-	(47)	-
Net cash provided by (used in) financing activities	(2,119)	(1,429)	58,503	(2,158)
Increase (decrease) in cash and cash equivalents	(12,445)	25,800	52,063	2,602
Cash and cash equivalents at beginning of period	95,277	17,714	30,769	42,169
Change due to conversion to U.S. dollar reporting	-	698	-	(559)
Cash and cash equivalents at end of period	\$ 82,832	\$ 44,212	\$ 82,832	\$ 44,212