

# CONSOLIDATED BALANCE SHEETS

As at December 31, 2010 and 2009

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

	December 31, 2010	December 31, 2009
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 96,225	\$ 30,769
Short-term investments	13,155	44,796
Accounts receivable and other assets	33,490	27,670
Inventories	39,485	30,600
<b>Total Current Assets</b>	<b>182,355</b>	133,835
<b>Investments at fair value</b>	<b>174,534</b>	34,403
<b>Restricted cash</b>	<b>23,369</b>	9,258
<b>Other long-term assets</b>	<b>1,207</b>	10,118
<b>Property, plant and equipment</b>	<b>370,439</b>	319,828
<b>Intangible assets</b>	<b>32,730</b>	-
<b>Assets held for sale</b>	<b>25,757</b>	27,158
<b>Future income tax assets</b>	<b>2,961</b>	818
<b>Total Assets</b>	<b>\$ 813,352</b>	<b>\$ 535,418</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities	\$ 35,624	\$ 22,426
Current portion of long-term debt, reclamation and other long-term liabilities	7,087	8,193
<b>Total Current Liabilities</b>	<b>42,711</b>	30,619
<b>Long-term Liabilities</b>		
Long-term debt	46,354	12,837
Reclamation and other long-term liabilities	51,747	30,930
Long-term compensation	5,170	1,633
Future income tax liabilities	10,364	7,357
<b>Total Long-term Liabilities</b>	<b>113,635</b>	52,757
<b>EQUITY</b>		
Share capital	370,727	283,231
Warrants	14,116	14,117
Contributed surplus	15,668	10,624
Retained earnings	123,163	99,667
Accumulated other comprehensive earnings	120,932	44,403
<b>Total Equity attributable to the shareholders of the Company</b>	<b>644,606</b>	452,042
Non-controlling interest	12,400	-
<b>Total Equity</b>	<b>657,006</b>	452,042
<b>Total Liabilities and Equity</b>	<b>\$ 813,352</b>	<b>\$ 535,418</b>

# CONSOLIDATED STATEMENTS OF EARNINGS

For the three and twelve months ended December 31, 2010 and 2009

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

	Three months ended December 31,		Twelve months ended December 31,	
	2010	2009	2010	2009
<b>Mining and processing operations</b>				
Mining and processing net revenue	\$ 61,453	\$ 42,085	\$ 201,795	\$ 137,573
Cost of sales	43,826	29,499	150,155	96,844
<b>Gross profit</b>	<b>17,627</b>	<b>12,586</b>	<b>51,640</b>	<b>40,729</b>
<b>Expenses</b>				
Administrative and other expenses	5,117	4,549	15,703	15,392
Stock based compensation expense	2,419	505	5,825	1,940
Exploration expense	3,214	1,305	7,287	4,792
Amortization of property, plant, equipment and other	2,210	673	3,237	2,181
Financing and other (credits) costs	(300)	279	3,519	1,491
Foreign exchange (gain) loss	(330)	(1,114)	1,899	2,616
Total expenses	12,330	6,197	37,470	28,412
<b>Earnings before undernoted items</b>	<b>5,297</b>	<b>6,389</b>	<b>14,170</b>	<b>12,317</b>
<b>Investment and other income (expenses)</b>				
Interest and other income	714	326	2,425	1,403
Net impairment provisions	(3,605)	(300)	(54,579)	(4,441)
Unrealized gain on financial instrument investments	11,104	-	49,732	-
Other income (expenses)	810	81	(733)	(37)
Investment and other income (expenses)	9,023	107	(3,155)	(3,075)
<b>Earnings before income taxes</b>	<b>14,320</b>	<b>6,496</b>	<b>11,015</b>	<b>9,242</b>
<b>Provision for (recovery of) income taxes</b>				
Current	(32)	1,303	362	3,611
Future	(5,118)	1,663	(9,870)	505
Total (recovery of) provision for income taxes	(5,150)	2,966	(9,508)	4,116
<b>Net earnings for the period</b>	<b>\$ 19,470</b>	<b>\$ 3,530</b>	<b>\$ 20,523</b>	<b>\$ 5,126</b>
<b>Attributable to:</b>				
Non-controlling interest	\$ (1,452)	\$ -	\$ (2,973)	\$ -
Equity shareholders of the Company	20,922	3,530	23,496	5,126
<b>Net earnings for the period</b>	<b>\$ 19,470</b>	<b>\$ 3,530</b>	<b>\$ 20,523</b>	<b>\$ 5,126</b>
<b>Basic net earnings per share</b>	<b>\$ 0.17</b>	<b>\$ 0.04</b>	<b>\$ 0.20</b>	<b>\$ 0.05</b>
<b>Diluted net earnings per share</b>	<b>\$ 0.15</b>	<b>\$ 0.04</b>	<b>\$ 0.19</b>	<b>\$ 0.05</b>

# CONSOLIDATED STATEMENTS OF CASH FLOW

For the three and twelve months ended December 31, 2010 and 2009

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

	Three months ended December 31,		Twelve months ended December 31,	
	2010	2009	2010	2009
<b>OPERATING ACTIVITIES</b>				
Net earnings	\$ 19,470	\$ 3,530	\$ 20,523	\$ 5,126
Items not affecting cash	354	7,644	34,560	22,821
Changes in non-cash working capital	8,997	11,151	(4,796)	(6,714)
<b>Net cash provided by operating activities</b>	<b>28,821</b>	<b>22,325</b>	<b>50,287</b>	<b>21,233</b>
<b>INVESTING ACTIVITIES</b>				
Purchase of additional interest in Vattrin Investment Ltd.	(1,500)	-	(1,500)	-
Purchase of Namibia Custom Smelters (Pty) Ltd. (net of cash acquired of \$1,013)	-	-	(16,987)	-
Proceeds on sale of exploration property	-	-	-	6,211
Proceeds on sale of investments at fair value	937	-	1,530	2,155
(Purchase of) proceeds on sale of short-term investments	(496)	(7,955)	31,641	3,755
Increase in restricted cash	(15,097)	(3,131)	(15,097)	(3,131)
Loans and advances	-	-	(3,000)	(4,000)
Purchase of investments	(66)	(24)	(5,693)	(2,000)
Acquisition of property, plant and equipment	(27,116)	(12,416)	(79,730)	(34,771)
Proceeds on sale of property, plant and equipment	5	4	111	142
<b>Net cash used in investing activities</b>	<b>(43,333)</b>	<b>(23,522)</b>	<b>(88,725)</b>	<b>(31,639)</b>
<b>FINANCING ACTIVITIES</b>				
Issue of common shares on exercise of stock options and warrants	40	-	147	-
Net proceeds of equity financing	-	-	61,981	-
Proceeds on sale of interest in Dundee Plemeniti Metali d.o.o (net of cash acquired of \$1,123)	-	-	20,866	-
Redemption of deferred share units	-	(28)	(45)	(28)
Proceeds of debt financing	27,090	-	27,090	-
Repayment of debt	-	(1,250)	(2,375)	(3,626)
Repayment of leases	(1,066)	(353)	(3,770)	(1,087)
<b>Net cash provided by (used in) financing activities</b>	<b>26,064</b>	<b>(1,631)</b>	<b>103,894</b>	<b>(4,741)</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>11,552</b>	<b>(2,828)</b>	<b>65,456</b>	<b>(15,147)</b>
<b>Cash and equivalents at beginning of year</b>	<b>84,673</b>	<b>33,034</b>	<b>30,769</b>	<b>42,169</b>
<b>Change due to conversion to U.S. dollar reporting</b>	<b>-</b>	<b>563</b>	<b>-</b>	<b>3,747</b>
<b>Cash and cash equivalents at end of year</b>	<b>\$ 96,225</b>	<b>\$ 30,769</b>	<b>\$ 96,225</b>	<b>\$ 30,769</b>