

Consolidated Income Statements

in thousands of US dollars

(unaudited)

	Six months ended Jun 30 2000	Three months ended Jun 30 2000	Post Reorganization Three months ended Jun 30 1999	Pre Reorganization Three months ended Mar 31 1999
Revenues	19,087	11,718	10,120	10,182
Cost of sales				
Operating costs	16,260	9,147	7,554	6,479
Depreciation, depletion and amortization	3,457	2,197	2,120	2,180
	19,717	11,344	9,674	8,659
	(630)	374	446	1,523
Expenses				
Amortization of deferred financing costs	-	-	-	115
Exploration	784	468	25	66
Foreign exchange loss(gain)	30	(216)	(187)	(109)
General and administrative	890	407	806	529
Interest expense	370	184	305	608
Interest income	(171)	(137)	(70)	(96)
	1,903	706	879	1,113
Net (loss) income for the period	(2,533)	(332)	(433)	410
Per share:				
Net (loss) earnings per share	\$ (0.02)	\$ (0.01)	\$ (0.02)	\$ (0.02)

Consolidated Balance Sheets

in thousands of US dollars

(unaudited)

	Jun 30	Dec 31
	2000	1999
	(unaudited)	(audited)
Assets		
Current assets		
Cash and cash equivalents	7,888	3,669
Restricted cash	-	1,667
Investments in marketable securities	171	175
Bullion settlements receivable	1,243	2,281
Other receivables	877	984
Inventories	17,416	9,058
	<u>27,595</u>	<u>17,834</u>
Reclamation Sinking Fund	2,118	-
Property, plant and equipment	39,846	26,847
Deferred stripping	4,300	3,800
Other assets	44	63
	<u>73,903</u>	<u>48,544</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	9,074	6,745
Operating line of credit	1,400	1,401
Bank loan	-	1,667
Capital lease obligation	1,495	1,495
Deferred revenue	269	-
	<u>12,238</u>	<u>11,308</u>
Loans Payable to a Related Party	1,849	-
Capital lease obligation	4,486	5,234
Accrued closure costs	6,122	2,123
	<u>12,457</u>	<u>7,357</u>
	<u>24,695</u>	<u>18,665</u>
Shareholders' Equity		
Common shares	53,794	31,932
Deficit	(4,586)	(2,053)
	<u>49,208</u>	<u>29,879</u>
	<u>73,903</u>	<u>48,544</u>

Consolidated Statements of Cash Flow

in thousands of US dollars

(unaudited)

	Six months ended Jun 30 2000	Three months ended Jun 30 2000	Post Reorganization Three months ended Jun 30 1999	Pre Reorganization Three months ended Mar 31 1999
Net income (loss) for the period	(2,533)	(332)	(433)	410
Depletion, depreciation and amortization	3,457	2,192	2,124	2,188
Foreign exchange loss(gain)	30	(216)	(187)	(109)
Administrative expenses settled by issuance of common stock	21	-	-	115
Amortization of deferred financing costs	-	-	-	115
Amortization of gold hedging contracts	-	-	1,218	-
Cash flow from operations	975	1,644	2,722	2,604
Bullion settlements receivable	1,038	(301)	539	(234)
Other receivables	209	74	94	114
Inventories	(2,989)	(2,480)	1,089	(4)
Accounts payable	555	64	(4,618)	(341)
Deferred revenue	269	(155)	-	-
Accrued closure costs	205	38	26	53
Cash flow provided by operating activities	262	(1,116)	(148)	2,192
INVESTING ACTIVITIES				
Purchases of property, plant and equipment	(580)	(461)	(207)	(339)
Deferred stripping	(500)	(250)	(1,100)	(1,400)
Other assets	10	249	(29)	44
Cash flow used for investing activities	(1,070)	(462)	(1,336)	(1,695)
FINANCING ACTIVITIES				
Issuance of special warrants (net of issue costs)	5,805	(54)	-	-
Restricted cash	1,667	5,959	-	10,857
Principal repayments of bank loan	(1,667)	-	(1,000)	(11,857)
Principal repayments of capital lease	(748)	(374)	(374)	(844)
Cash flow provided by (used for) financing activities	5,057	5,531	(1,374)	(1,844)
FOREIGN EXCHANGE	(30)	216	187	109
Net increase (decrease) in cash and cash equivalents	4,219	4,169	(2,671)	(1,238)
Cash and cash equivalents, beginning of period	3,669	3,719	6,562	7,800
Cash and cash equivalents, end of period	7,888	7,888	3,891	6,562

Supplemental Schedule of Non Cash Transactions

in thousands of US dollars

(unaudited)

The Company completed the acquisition of the Mirage Resources Corporation and the acquisition of a 49% interest in the Denton-Rawhide Mine on April 6,2000, effective as of April 1,2000. The fair values of assets acquired and liabilities assumed related to these transactions were as follows:

Mirage Resource Corporation

Cash and cash equivalents	1
Accounts Receivable	3
Mineral properties	<u>3,757</u>
Net assets acquired and value of shares issued to effect purchase	<u><u>3,761</u></u>

Denton-Rawhide Mine (49%)

Other current assets	5,374
Reclamation sinking fund	2,118
Property, plant and equipment	11,880
Current liabilities	(1,454)
Loans payable to a related party	(1,849)
Accrued closure costs (reclamation liabilities)	<u>(3,794)</u>
Net assets acquired and value of shares issued to effect purchase	<u><u>12,275</u></u>