Sxr Uranium One Inc - Financial Report

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sxr Uranium One Inc - Financial Report
sxr Uranium One Inc
(Formerly Southern Cross Resources Inc.)
(Incorporated in Canada)
(Registration number: 15096422420)
Share code on the JSE: SXR ISIN: CA87112P1062
Share code on the TSX: SXR ISIN: CA87112P1062
("Corporation")

sxr Uranium One Inc.
Consolidated Balance Sheets
as at December 31(in US Dollars)

		2005	2004
	Notes	US$'000	US$'000
ASSETS			
Current assets			
Cash		10,891	229
Accounts receivable	3	8,823	5,099
Inventories	4	681	197
Short term investments	7	-	-
		20,395	5,525
Non-current assets			
Property, plant and equipment	5	157,255	39,954
Asset retirement fund	6	1,275	1,597
Other investments	7	-	12,670
		158,530	54,221
Total assets		178,925	59,746
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	8	15,045	3,394
Current portion of lease obligations	9	1,452	2,794

Short term loan	10	993	8,862
		17,490	15,050
Non-current liabilities			
Asset retirement obligations	11	4,094	4,195
Lease obligations	9	1,560	2,063
Future taxation liability	17	21,156	-
		26,810	6,258
SHAREHOLDERS' EQUITY			
Share capital	12	216,123	80,736
Accumulated deficit		(114,399)	(72,659)
Contributed surplus	13	11,367	2,790
Currency translation adjustments		21,534	27,571
		134,625	38,438
Total equity and liabilities		178,925	59,746

See accompanying notes to the Consolidated Financial Statements, including:

- Basis of presentation (note 2.1)
- Commitments (notes 19 and 23)
- Subsequent events (note 24)

Approved on behalf of the Board of Directors

"Andrew Adams"
Director

"Neal Froneman"
Director

sxr Uranium One Inc.
Consolidated Statements of Operations and Deficit
for the years ended December 31
(in US Dollars)

		2005	2004
	Notes	US$'000	US$'000
Gold sales	14	2,730	1,892
Cost of sales	15	(7,221)	(8,302)

Gross loss		(4,491)	(6,410)
Sundry income	14	770	609
General and administrative expenditure		(5,539)	(2,225)
Share options expensed		(7,240)	(1,324)
Exploration expenditure	16	(11,019)	(996)
Other net income/(costs)		265	(1,055)
Operating loss		(27,254)	(11,401)
Interest received		1,065	251
Interest paid		(2,480)	(1,678)
Profit on disposal of investments		27	737
Fair value adjustment of short-term investments	7	(2,169)	(2,672)
Impairment of investments	7	(10,929)	-
Loss before income taxes		(41,740)	(14,763)
Provision for income taxes	17	-	-
Net loss		(41,740)	(14,763)
Accumulated deficit at the beginning of the year		(72,659)	(57,896)
Accumulated deficit at the end of the year		(114,399)	(72,659)
Basic loss per common share (cents)	18	(58.67)	(33.81)
Fully diluted loss per common share (cents)	18	(58.67)	(33.81)
Weighted average number of basic common shares outstanding	18	71,139,266	43,661,816
Fully diluted weighted average number of basic common shares outstanding	18	71,139,266	43,661,816

See accompanying notes to the Consolidated Financial Statements

sxr Uranium One Inc.
Consolidated Statements of Cash Flows
for the years ended December 31
(in US Dollars)

		2005	2004
	Notes	US$'000	US$'000
Loss before taxation		(41,740)	(14,763)
Add back: Net finance costs		1,415	1,427
Add back: Non-cash items:			
- Depreciation and amortization		767	179
- Write down of inventory		-	631
- Write down of heap leach and other inventory items		-	1,934
- Impairment of property, plant and equipment		-	2,984
- Expensing share options		7,240	1,324
- Profit on disposal of property, plant and equipment		(265)	(821)
- Provision for rehabilitation		-	468
- Finance charges on short term loan		-	966
- Profit on disposal of investments		(27)	(737)
- Fair value adjustment of listed investments		2,169	2,672
- Impairment of investments		10,929	-
		(19,512)	(3,736)
Movement in working capital:			
- Increase in inventories		(484)	(568)
- Increase in trade receivables and prepayments		(1,183)	(1,182)
- Increase/(decrease) in trade and other payables		8,978	(491)
- Increase in asset retirement obligations		(340)	-
Cash utilized by operations		(12,541)	(5,977)
Net finance costs paid		(1,415)	(1,360)
- Net finance costs per Income Statement		(1,415)	(1,427)
- Add back: Capitalized interest on short term loan		-	67

Cash flows from operating activities		(13,956)	(7,337)
Proceeds from disposal of property, plant and equipment		265	2,528
Cash taken over from Southern Cross	21	8,389	-
Additions to property, plant and equipment		(14,762)	(6,144)
Proceeds on disposal of investments		10,615	7,563
Increase in environmental trust and other investments		(8)	(207)
Cash flows from investing activities		4,499	3,740
Net proceeds from the issue of ordinary shares		29,288	6,399
(Decrease)/Increase in investment in debt redemption fund	7	970	(395)
Loan (repaid) / received during the year		(7,869)	7,174
Decrease in capital element of finance lease and other long term debt		(1,924)	(8,734)
(Decrease)/Increase in bank overdraft		(14)	14
Cash flows from financing activities		20,451	4,458
Effects of exchange rate changes on cash held in foreign currencies		(332)	(2,495)
Net (decrease)/increase in cash		10,662	(1,634)
Cash at the beginning of the year		229	1,863
Cash at the end of the year		10,891	229

See accompanying notes to the Consolidated Financial Statements

sxr Uranium One Inc.
Notes to the Consolidated Financial Statements
December 31, 2005

1 NATURE OF OPERATIONS

sxr Uranium One Inc. (the "Corporation") is a Canadian corporation engaged in the acquisition, exploration and development of properties for production of uranium in South Africa, Australia and Canada and gold in South Africa.

sxr Uranium One Inc. is a Canadian uranium and gold resource company with a primary listing on the Toronto Stock Exchange and a secondary listing on the JSE Limited (the Johannesburg stock exchange). The Corporation owns 100% of the Dominion uranium project in South Africa and the fully permitted Honeymoon uranium project in South Australia. Through a joint venture with Pitchstone Exploration Ltd., the Corporation is also engaged in uranium exploration activities in the Athabasca Basin of Saskatchewan. The Corporation's Aflease Gold and Uranium Resources Limited subsidiary owns the Modder East gold property and related gold assets in South Africa.

The exploration and development of mineral properties involves significant financial risk. In the event these properties are determined to be commercially viable, additional financing will be required.

1.1 Acquisition of Southern Cross Resources Inc.

The acquisition by Southern Cross Resources Inc. ("Southern Cross") of all of the issued and outstanding Aflease Gold and Uranium Resources Limited ("Aflease") shares pursuant to the Acquisition Agreement dated as of September 14, 2005 and the Scheme of Arrangement, was finalized on December 8, 2005, being the date that the last condition precedent was met.

The essence of the transaction was that Aflease shareholders were offered 0.9 new Southern Cross shares for each Aflease issued and outstanding share, resulting in Aflease eventually being wholly owned by Southern Cross. Subsequent to this issue, there were the following:

- The share consolidation: Southern Cross shareholders were offered 1 share for every 5 shares held;
- The name change, with Southern Cross being changed to sxr Uranium One Inc.; and
- The grant of the replacement options in consideration of the Aflease options.

For accounting purposes, the transaction is considered a reverse takeover whereby Aflease is considered the acquiring company as the shareholders of Aflease acquired more than 50% of the issued and outstanding shares of Southern Cross.

Note that the comparative information contained in the consolidated balance sheet as at December 31, 2004 and the consolidated statements of operations and deficit and cash flows for the year then ended therefore represent the financial position and results of operations of Aflease ("Corporation"). The results of operations of Southern Cross were included with effect from December 9, 2005. The consolidated balance sheet at December 31, 2005 represents the financial position of the entire Group.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of presentation

Consolidation
These consolidated financial statements have been prepared in accordance with Canadian GAAP. The consolidated financial statements include the amounts of the Corporation and all of its subsidiaries. All significant inter company balances and transactions are eliminated on consolidation.

2.2 Use of estimates

The preparation of these audited consolidated financial statements in accordance with Canadian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the audited consolidated financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those reported.

2.3 Foreign currency translation

Items included in the financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity ("the functional currency").

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies, are recognized in the statements of operations and deficit, except when deferred in equity as qualifying cash flow hedges.

The Group considers the United States ("US") Dollar to be the reporting currency and the South African Rand, Australian Dollar and Canadian Dollar to be the functional currencies. The translated amounts are of a foreign entity and as such, the translation to US Dollars was made using the current rate method, as follows: monetary assets and liabilities are translated at the exchange rate in effect at the balance sheet date; non-monetary assets and liabilities are translated at rates prevailing at the respective transaction dates; revenues and expenses are translated at either the exchange rate at the date of the transaction or the average exchange rate where it was impractical to establish the former rate. All resulting exchange differences are classified as equity and disclosed as currency translation adjustments in the balance sheet.

2.4 Financial Instruments

Financial assets and financial liabilities are recognized on the balance sheet when the Corporation has become party to the contractual provisions of the instruments.

Financial instruments recognized on the balance sheet include:

- Investments
  - Investment
  - Environmental Trust Fund
  - Investment – Debt Redemption Fund
  - Investment – Rehabilitation Cash Management Account
  - Investment in listed shares
- Receivables
- Cash and cash equivalents
- Long term debt
- Short term loans
- Trade payables

Measurement
Financial instruments are initially measured at cost, which includes transaction costs. Subsequent to initial recognition these instruments are measured as set out below:

Investments
Purchases and sales of investments are recognized on the trade date, which is the date that the Corporation commits to purchase or sell the asset. After initial recognition, investments, which include the Corporation's listed investments and which are designated as long term investments, are measured at the lesser of historic cost or net realizable value. Listed investments which are designated as short term investments are measured at fair value. Losses on long term investments and profits and losses on short term investments are recognized in the income statement.

Other long-term investments that are intended to be held to maturity are subsequently measured at amortized cost using the effective interest rate method. Amortized cost is calculated by taking into account any discount or premium on acquisition over the period to maturity. For investments carried at amortized cost, gains and losses are recognized in the income statement when the investments are derecognized or impaired, as well as through the amortization process.

Cash and cash equivalents
Cash and cash equivalents consist of cash on hand, bank balances, deposits held at call and certificate of deposits with a remaining maturity of three months or less. Bank and cash balances are reported separately from bank overdraft balances, which are included in accounts payable.

Accounts receivable
Accounts receivable are carried at original invoice amount unless a provision has been recorded for impairment of these receivables. A provision for impairment of accounts receivable is established when there is objective evidence that the Corporation will not be able to collect all amounts due according to the original terms of receivables.

Financial liabilities
After initial recognition, financial liabilities other than trading liabilities are subsequently measured at amortized cost using the effective interest rate method. Amortized cost is calculated by taking into account any transaction costs, and any discount or premium on settlement.

Accounts payable
Liabilities for trade and other payables which are normally settled on 30 to 90 day terms are carried at cost.

Impairment and uncollectability of financial assets
An assessment is made at each balance sheet date to determine whether there is objective evidence that a financial asset or group of financial assets may be impaired. If such evidence exists, the estimated recoverable amount of the asset is determined and an impairment loss is recognized for the difference between the recoverable amount and the carrying amount as follows: The carrying amount of the asset is reduced to its discounted estimated recoverable amount, either directly or through the use of an allowance account, and the resulting loss is recognized in the income statement for the period.

Loans payable
Loans payable are recognized initially at the proceeds received, net of transaction costs incurred. Loans payable are subsequently stated at amortized cost using the effective yield method; any difference between proceeds (net of transaction costs) and the

redemption value is recognized in the income statement over the period of the loan.

Offset
Where a legally enforceable right of offset exists for recognized financial assets and financial liabilities, and there is an intention to settle the liability and realize the asset simultaneously, or settle on a net basis, all related financial effects are offset.

Equity instruments
Equity instruments issued by the Corporation are recorded at the proceeds received, net of direct issue costs.

The carrying amounts for cash and cash equivalents, short-term investments, accounts receivable and accounts payable and accrued liabilities approximate fair value due to the short maturities of these instruments.

2.5 Property, plant and equipment

Mine development and infrastructure
Mining assets are initially recorded at cost and will include mine development and mine plant facilities. Costs include pre-production expenditure. Development costs incurred to evaluate and develop new ore bodies or to define mineralization in existing ore bodies or to establish or expand productive capacity are capitalized. Mine development costs in the ordinary course to maintain production are expensed as incurred. Initial development and pre-production costs relating to a new ore body are capitalized until the reef horizon is intersected and commercial levels of production are achieved, at which time the costs are amortized.

Mineral and surface rights
Mineral and surface rights are recorded at cost of acquisition. When there is little likelihood of a mineral right being exploited, or the value of mineral rights have diminished below cost, a write-down is effected against income in the period that such determination is made.

Mining exploration
Exploration costs are expensed as incurred. When a decision is made that commercial production on a mining property should commence, all further pre-production expenditures are capitalized. These costs include evaluation costs.

2.6 Capitalization of interest

Net interest costs incurred during the development, construction and start up phase of major projects are capitalized.

2.7 Other assets

The Company’s interest in process technology is carried at acquisition cost and is being amortized on a straight-line basis over a twenty year period.

2.8 Asset retirement obligations

On January 1, 2004, the Corporation adopted the new CICA accounting standard for asset retirement obligations. Under this new standard, the Corporation recognizes the fair value of a future asset retirement obligation as a liability in the year in which it incurs a legal obligation associated with the retirement of tangible long-lived assets that results from the acquisition, construction, development, and/or normal use of the assets. The Corporation concurrently recognizes a corresponding increase in the carrying amount of the related long-lived asset that is depreciated over the life of the asset. The fair value of the asset retirement obligation is estimated using the expected cash flow approach that reflects a range of possible outcomes discounted at credit adjusted risk-free interest rate. Provision is made in full for the estimated future costs of pollution control and rehabilitation, in accordance with statutory requirements. The fair value of asset retirement obligations is recognized and provided for in the financial statements and capitalized to mining assets when incurred.

Subsequent to the initial measurement, the asset retirement obligation is adjusted at the end of each year to reflect the passage of time and changes in the estimated future cash flows underlying the obligation.

Changes in the obligation due to the passage of time are recognized in income as an operating expense using the interest method. Changes in the obligation due to changes in estimated cash flows are recognized as an adjustment of the carrying amount of the long-lived asset that is depreciated over the remaining life of the asset. The impact of this change in accounting policy was not material.

Annual increases in the provision are accreted into income and consist of financing costs relating to the change in present value of the provision and inflationary increases in the provision estimate. The present value of additional environmental disturbances created are capitalized to mining assets against an increase in rehabilitation provision.

2.9 Impairment of long-lived assets

Where impairment is identified, the carrying value of the related property, plant and equipment is written down to fair value. Recoverability of the long-term assets of the Corporation, which includes development costs and undeveloped property costs, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable, based on future undiscounted cash flows. In preparing this evaluation, the Corporation compares the carrying amount of the asset to its fair value. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. To determine fair value, management makes its best estimates of the future cash inflows that will be obtained each year over the life of the asset and discounts the cash flows by a rate that is based on the time value of money, adjusted for the risk associated with the applicable asset.

Management's best estimate includes only those projections which it believes are reliable. These estimates are subject to risks and uncertainties including future metal prices. It is therefore reasonably possible that changes could occur which may affect the recoverability of the assets.

2.10 Future income and mining taxes

The Corporation utilizes the asset and liability method of accounting for income and mining taxes. Under the asset and liability method, future income and mining tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases reduced by a valuation allowance to reflect the recoverability of any future income tax asset. Future income and mining tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply when the asset is realized or the liability settled. The effect on future income and mining tax assets and liabilities of a change in tax rates is recognized in income in the year that enactment or substantive enactment occurs.

2.11 Stock-based compensation

The Corporation's stock-based compensation plan is described in note 13. The Corporation recognizes as an expense the fair value of employee share-stock compensation, including stock options. Any consideration paid upon the exercise of stock options, in addition to the fair value attributable to stock options granted is credited to share capital. The fair value attributable to stock options that expire unexercised is credited to contributed surplus.

2.12 Revenue recognition

Revenue from the sale of gold is recognized when significant risks and rewards of title and ownership of the goods are transferred upon delivery to the final refiner.

Interest income is recognized on a time proportion basis, taking account of the principal outstanding and the effective rate over the period to maturity, when it is determined that such income will accrue to the Company.

2.13 Leased assets

Leases of property, plant and equipment where the Corporation has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the instalment is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the useful life of the asset or the lease term.

2.14 Inventories

Inventories, which include gold in process and consumable stores are stated at the lower of cost or net realizable value. The related direct production costs associated with gold in process are deferred and charged to costs as the contained gold is recovered. Consumable stores are valued on the weighted average basis. Gold in process is identified and measured from the ore stockpiles up to and including the on-site refining plant.

2.15 Earnings or loss per share

Basic earnings or loss per share is computed by dividing earnings or loss available to common shareholders by the weighted average number of common shares outstanding during the year. The treasury stock method is used to calculate diluted earnings or loss per share. Diluted earnings or loss per share is similar to basic earnings or loss per share, except that the denominator is increased to include the number of additional common shares that would have been outstanding assuming that options and warrants with an average market price for the year greater than their exercise price are exercised and the proceeds used to repurchase common shares. As a result of the loss for each of the reporting years, the potential effect of exercising stock options and warrants has not been included in the calculation of diluted loss per share as to do so would be anti-dilutive.

2.16 Comparatives

Certain numbers in the comparative financial statements have been reclassified to conform to changes in presentation in the current year.

3 ACCOUNTS RECEIVABLE

	2005	2004
	US$'000	US$'000
Trade receivables	54	2,800
Value Added Tax and General Sales Tax	4,614	854
Prepayments and advances	3,803	-
Deposits and guarantees	93	94
Other receivables	259	1,351
	8,823	5,099

4 INVENTORIES

	2005	2004
	US$'000	US$'000
In-process metal	231	-
Spares and consumables	450	197
	681	197

Certain inventory items classified as spares and consumables were identified for sale and were placed on auction during the previous financial year. As part of the auction process, it was determined that the inventory items were over valued, and as such the inventory was written down by $1.9 million to its net realizable value.

5 PROPERTY, PLANT AND EQUIPMENT

		2005			2004	
		Accumulated			Accumulated	
	Cost	amortization	Net	Cost	amortization	Net
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Mine development costs and mine plant facilities	38,014	(3,676)	34,338	23,349	(1,337)	22,012
Undeveloped properties	122,639	–	122,639	17,725	–	17,725

Motor vehicles	433	(316)	117	255	(145)	110
Office equipment	544	(383)	161	291	(184)	107
	161,630	(4,375)	157,255	41,620	(1,666)	39,954
Owned assets			156,890			38,830
Leased assets			365			1,124
Total net carrying amount as at end of the year			157,255			39,954

	Mineral properties		Undeveloped properties	
	2005	2004	2005	2004
Undeveloped properties comprise:	US$'000	US$'000	US$'000	US$'000
New Kleinfontein	–	–	15,807	17 725
Honeymoon, Australia	6,016	–	28,670	–
Goulds Dam, Australia	–	–	24,921	–
Billeroo / Karkarook, Australia	–	–	43,170	–
Athabasca, Canada	1,281	–	1,427	–
Loan guarantees, Native title and project generation	–	–	1,347	–
	7,297	–	115,342	17,725

Impairment of property, plant and equipment

During 2004 management determined that assets directly related to suspended open-pit operations with a carrying value of $3.9 million were impaired and should be written down to a fair value of $0.9 million.

Native title claims
The Corporation's interests in the Honeymoon and Goulds Dam properties are subject to two Native Title claims. Agreements have been secured with both groups, whereby the Corporation pays annual administration fees to each claimant group.

6 ASSET RETIREMENT FUND

	2005	2004

	US$'000	US$'000
Investments in Environmental Trust Fund	1,171	1,488
- Opening balance	1,488	1 087
- Investment income	13	173
- Costs incurred	(168)	-
- Foreign exchange gain / (loss)	(162)	228
Rehabilitation Cash Management account	104	109
	1,275	1,597

The Environmental Trust Fund is a trust under the Corporation's control and is to be used to fund the rehabilitation liabilities. Funds in the trust consist of primarily cash held in interest bearing accounts, together with investments in South African equities.

The Rehabilitation Cash Management account is a money market fund investment. Interest is capitalized on a monthly basis.

7 OTHER INVESTMENTS

	2005	2004
	US$'000	US$'000
Debt Redemption Fund	-	970
Listed investment	-	11,700
	-	12,670
Designated short term investment	-	-
Designated long term investment	-	12,670
	-	12,670

The Debt Redemption Fund was used to fully settle a long term loan.

The Listed Investment classified as short term investments resulted from the share swap transaction with Randgold and Exploration Company Limited ("Randgold"). The Corporation acquired 9.4 million ordinary shares, fully paid up, in the issued share capital of Randgold against the allotment and issue to Randgold of 94.0 million ordinary shares, fully paid up, in the issued share capital of the Corporation. The terms of the transaction included the intention of the Corporation to dispose of the Randgold swap shares in a commercially prudent manner, in consultation with Randgold.

After disposing of some 3 million shares, the Corporation was left with 6 million Randgold shares on December 31, 2004. This investment was valued at $11.7 million on that date.

The Corporation subsequently sold 1,340,000 shares, where after it used a futures related structure to raise finance against this investment. To this end, Aflease bought futures representing a future obligation to purchase 5.866 million Randgold shares. Refer note 10.

The Corporation then entered into a further transaction acquiring 2.88 million futures in Randgold. In terms of the futures contract, the Corporation must purchase Randgold and Exploration Company shares at a price of $0.95 at some future date. The terms of the contract include a profit sharing arrangement whereby up to a share price of $1.58, the Corporation will only retain 30% of the profit arising out of the contract. This percentage increases to 70% for any profit beyond a price of $1.58 per share.

Fair value adjustments to the total investment (shares and futures) amounted to $2.2 million for the year (2004: $2.7 million).

In July 2005, Randgold shares were suspended on the JSE Limited (the Johannesburg stock exchange). Effective from September 21, 2005, the company was delisted from the NASDAQ. Since suspension, the share price has not traded and has not moved from the price of $1.39 per share. This has raised concerns of possible impairment of the Corporation's investment in Randgold. Due to uncertainty that still prevails however, management has resolved to write this investment down to a zero value. The impairment charge amounted to $8.2 million.

The underlying shares pertaining to the contractual commitment to acquire shares in Randgold in terms of the futures contract referred to above, were also impaired. A provision of $2.7 million has been recorded to recognize the Corporation's future obligation under the contractual commitment. Refer note 8.

8 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2005	2004
	US$'000	US$'000
Bank overdraft balances	-	14
Trade payables	6,651	1,398
Accruals	4,396	81
Provisions	3,998	1,901
- Provision for leave pay	79	136
- Provision for bonuses	1,238	454
- Provision for settlement of employee	-	795

taxes		
- Provision for diminution in value of shares	2,681	-
- Other provisions	-	516
	15,045	3,394

9 LEASE OBLIGATIONS

	2005	2004
	US$'000	US$'000
Present value of finance lease obligations payable within 1 year	1 452	2,794
Minimum lease payments	1,650	2,798
Finance charges	(198)	(4)
Present value of finance lease obligations payable within 2 to 5 years	1,560	2,063
Minimum lease payments	1,772	2,690
Finance charges	(212)	(627)
Payable in	3,422	5,488
- 2005	-	2,276
- 2006	1,650	1,492
- 2007	1,479	1,491
- 2008	246	229
- 2009	14	-
- 2010	14	
- Thereafter	19	-
Total debt	3,012	4,857
Short term portion of finance leases	1 452	2,794
Total long term debt	1,560	2,063

Finance leases were obtained for the purchase of equipment required for mining operations. Monthly instalments payable range from $0.6k (2004: $0.7k) to $35k (2004: $36k) and are repayable over various terms. Interest rates are linked to prime and range from prime less 2.5% to prime less 0.5%.

Included in the lease obligations are loans that are secured by a general notarial bond over all moveable assets..

10 SHORT TERM LOAN

	2005	2004
	US$'000	US$'000
Convertible short term loan	–	8 140
Value of share options	–	(151)
Nedbank loan	993	–
Foreign exchange loss	–	873
Total liability	993	8,862

The convertible loan facility of $8.9 million, which was purchased by Eastbourne Capital Management L.L.C. from the original financier, bore interest at a 1.5% margin above the South African prime rate. This loan was fully settled in September and October 2005 through:

a) Conversion of the loan balance to shares of Aflease at an issue price of $0.49 per share plus a 3 year option with an exercise of $0.62 per Aflease share. The shares and warrants have since been converted to the equivalent of the Corporation's shares and warrants. The warrants are exercisable within 3 years from the date of issue; and
b) Settlement of $157 thousand of the loan through cash.

The Nedcor loan represents draw-downs on a facility availed by Nedcor Securities on the back of Aflease's investment in Randgold shares. This loan attracts interest at a flat rate of 7.75% per annum. The loan has no fixed repayment terms.

11 ASSET RETIREMENT OBLIGATIONS

	Klerksdorp	New	TOTAL	TOTAL
	Operations	Kleinfontein	2005	2004
	US$'000	US$'000	US$'000	US$'000
Opening balance	4,004	182	4,186	3,076

- Incurred during the year	-	-	-	-
- Settled	-	-	-	-
- Accretion expense	344	16	360	-
- Revision	-	-	-	468
- Foreign exchange loss	(432)	(20)	(452)	642
Closing balance	3,916	178	4,094	4,186
Amount owing to AFL Rehabilitation Trust	-	-	-	9
Total obligations	3,916	178	4,094	4,195

The rehabilitation trusts have been set up as sinking funds for the purposes of the environmental rehabilitation and closure costs. The trust deed prohibits use of the funds for any other purpose.

The fair value of the restricted assets at year end is $1.3 million. Refer note 6.

During 2004 an extensive independent and internal review was performed of the rehabilitation obligations at the operations. As stated in the Competent Person's Report signed in March 2004, the preliminary closure cost estimate for the existing infrastructure at the Klerksdorp Operations amounts to $4.0 million. The provision was therefore increased by $0.5 million from $3.6 million (after foreign exchange loss) to $4.1 million as at the end of December 2004. The remainder of the obligation relates to the East Rand region.

The associated long lived assets are in the East Rand and Klerksdorp regions. The liability for the entire East Rand excluding the old plant and slimes dam entails the plugging of the shafts and cover with topsoil. The old plant will be demolished and the small slimes dam will be cleaned, and vegetated. The open pit of the Dominion operations will be landscaped and covered with topsoil, vegetated and monitored for organic growth. There are also shafts that will be plugged and covered with topsoil. The Corporation is in the process of compiling a rehabilitation programme for the two slimes dams at Dominion. The plant will also be demolished at the end of the life of mine. The demolished old plant might be used in future for additional plant facilities.

The above table provides a reconciliation of the present value of the liability at year end:

The following are the key assumptions used in the model:

(i) The total undiscounted and uninflated amount of the estimated

cash flows is $5.8 million
(ii) It is estimated that the liability in respect the Klerksdorp Operations will be payable 11 years hence and the New Kleinfontein Group liability, 5 years hence.
(iii) Inflation of 5% and a discount rate of 9.65% were used to discount nominal future liabilities.

AFL Rehabilitation Trust is a trust set up as a sinking fund for the Corporation's mine rehabilitation and closure costs.

12 SHARE CAPITAL

On December 8, 2005, sxr Uranium One Inc. was created through the reverse acquisition of Southern Cross Resources Inc. by Aflease Gold and Uranium Resources Limited ("Aflease"). See note 1.1 for the acquisition terms. Below is disclosure of the movement of the Corporation's share options as well as disclosure of the Corporation's shares in issue as at December 31, 2005.

	Number of shares		Value of shares	
	2005	2004	2005	2004
Ordinary Shares			US$'000	US$'000
Opening balance of common shares in issue	336,451,321	210,952,406	80,736	52,495
Common shares issued in public or private offering	50,325,405	31,675,250	35,508	9,836
Shares issued in settlement of Eastbourne Capital loan (refer note 10)	21,535,107	–	9,312	–
Shares bought back by subsidiary	–	(4,000,000)	–	(12)
Shares sold by subsidiary	–	4,000,000	–	12
Share swap issue (refer note 7)	–	94,000,000	–	19 154
Cancelled during the year	–	(300,000)	–	(296)
Exercise of stock options	998,288	123,665	634	–
Share issue costs			(6,220	(453)

			)	
Closing balance of issued and outstanding shares on December 8, 2005	409,31 0,121	336,45 1,321	119,97 0	80,736
Conversion of Aflease shares to sxr Uranium One Inc. shares at a ratio of 0.9	368,37 9,109		119,97 0	
Share consolidation: 1 share for every 5 shares held	73,675 ,822		119,97 0	
Acquisition of Southern Cross Resources Inc. (refer to note 21)	15,427 ,992		95,976	
Warrants issued after December 8, 2005			177	
Closing balance of issued and outstanding shares on December 31, 2005	89,103 ,814		216,12 3	

13 CONTRIBUTED SURPLUS

The following table details the movements of contributed surplus during the year:

	Warrants	Options	TOTAL	TOTAL
			2005	2004
	US$'000	US$'000	US$'000	US$'000
At the beginning of the year	217	2,573	2,790	1,276
Share options expensed	–	7,240	7,240	1,324
Share options exercised	–	(259)	(259)	(27)
Warrants issued to Eastbourne Capital L.L.C.	–	–	–	217
Warrants issued to BMO Nesbitt	1,773	–	1,773	–
Warrants exercised	(177)	–	(177)	–
At the end of the year	1,813	9,554	11,367	2,790

Options

Under the Corporation's Option plan, options granted are non-assignable and may be granted for a term not exceeding ten years. The plan is administered by the Board of Directors, which determines individual eligibility under the plan, number of shares reserved for optioning to each individual (not exceeding 50% of issued and outstanding shares to any one individual) and any vesting period which is generally one-third on grant date, one-third on the first anniversary of the grant date and the remainder on the second anniversary of the grant date. The maximum number of shares of the Corporation that are issuable pursuant to the plan is limited to 10% of issued and outstanding shares. On December 8, 2005, the Corporation issued replacement share options to Aflease's as well as to SXR Inc.'s employees. The replacement options were issued on the same basis as the replacement shares to shareholders. Below is disclosure of the movement of Aflease's share options as well as a reconciliation to the Corporation's share options outstanding on December 31, 2005.

The fair value of stock options used to calculate compensation expense has been estimated using the binomial option pricing model with the following assumptions:

	Dec 31, 2005	Dec 8, 2005	Dec 31, 2004
Risk free interest rate: Canadian rates (Dec 8 and 2004: South African rates)	3.70% – 4.12%	7.41% – 12.41%	13.42%
Expected dividend yield	0%	0%	0%
Expected volatility of the Company's share price	61%	41% – 176%	53% – 62%
Average expected life of option – for options with 5 years to expiry	3.88 years	4.20 years	3.04 years
Average expected life of option – for options with 1 year to expiry	0.95 years	–	–

Changes in the subjective input assumptions can materially affect the fair value estimate, and therefore, the existing models do not necessarily provide a reliable measure of the fair value of the Company's stock options.

The following is a summary of the Corporation's options granted under its stock-based compensation plan:

			Weighted Average
	Number of options		Exercise Price

	2005	2004	2005	2004
			US$	US$
At the beginning of the year	13,139,178	8,045,443	0.47	0.61
Granted during the year	12,759,147	9,575,239	0.46	0.27
Exercised during the year	(997,130)	(123,665)	0.40	0.29
Forfeiture of share options	(784,847)	(4,357,839)	0.36	0.51
At the end of the year	24,116,348	13,139,178	0.47	0.47
Replacement options issued to Aflease at a conversion rate of 0.18	4,340,943			
Southern Cross options converted at a rate of 0.20	927,667			
Outstanding options as at December 31, 2005	5,268,610		2.74	

The stock option compensation expense for 2005 was $7.2 million (2004: $1.3 million). As at December 31, 2005 the aggregate unexpensed fair value of unvested stock options granted amounted to $6.4 million (2004: $3.6 million).

The following table summarizes certain information about the Corporations stock options outstanding at December 31, 2005:

	Options outstanding Options exercisable				
Range of Exercise Prices US$	Number outstanding as at Dec 31, 2005	Weighted average remaining life years	Weighted average exercise price US$	Number exercisable as at Dec 31, 2005	Weighted average exercise price US$
1.15 to 1.73	2,232,903	4.85	1.46	1,282,327	1.45
2.19 to 2.68	333,445	4.88	2.32	221,741	2.32
3.15 to 3.98	1,788,744	4.17	3.55	1,373,081	3.57

4.05 to 4.32	699,803	4.07	4.16	409,702	4.18
5.06 to 5.52	213,715	2.93	5.31	164,359	5.26
	5,268,610	4.44	2.74	3,451,210	2.85

Options exercised during January 2004 resulted in 17,000 shares being issued at a price of $0.13; 53,333 shares at a price of $0.32 each and 6,667 shares at a price of $0.26 each.

Options exercised during April 2004 resulted in 46,665 shares being issued at a price of $0.28 each.

Options exercised during the first quarter 2005 resulted in 19 366 shares being issued at a price of $0.44.

88 620 options were exercised during the third quarter of the year resulting in that many shares being issued at an average price of $0.41.

Options exercised during the fourth quarter of the year resulted in 889 144 shares being issued at an average price of $0.23.

None of the replacement options were exercised in the 2005 financial year.

Warrants

					Average	
	Number of warrants		Allocated value		exercise price	
	2005	2004	2005	2004	2005	2004
			US$'000	US$'000	US$	US$
At the beginning of the year	3,876,319	–	217	–	2.73	
Issued to Eastbourne Capital L.L.C.	–	3,876,319	–	217	–	2.73
Issued to BMO Nesbitt	1,800,000	–	1,773	–	5.39	–
Warrants acquired	300,000	–	–	–	5.96	–
At the end of the year	5,976,319	3,876,319	1,990	217		

The fair value of the Eastbourne warrants was valued, for Canadian GAAP purposes, at $0.2 million on December 31, 2004. The warrants have a term of 3 years from the date of issue and expire on September 23, 2008.

The fair value of the BMO warrants was valued at $1.8 million on December 30, 2005 using the binomial option pricing model with the following assumptions: United States zero coupon rates of between 4.39% and 4.83%, expected dividend yield of nil, expected 90 day volatility of 51.5% and expected warrants term of 1.18 years.

The expiry date of the these warrants is the later of (i) March 5, 2007 and (ii) the expiry of 12 months from the date on which ordinary SXR shares become listed on Toronto Stock Exchange ("TSX").

Warrants acquired represent those acquired from Southern Cross through the reverse take over. These warrants expire on September 17, 2007 and the beneficiary is Pitchstone Exploration Ltd. Refer note 23.

14 REVENUE

	2005	2004
	US$'000	US$'000
Gold sales	2,730	1,892
Sundry income	770	609
- Royalties	-	543
- Sundry	770	66
	3,500	2,501

In the previous year, royalties were received from Petrex (Proprietary) Limited, for mining on property owned by New Kleinfontein Mining Company Limited, a wholly owned subsidiary of Aflease Gold and Uranium Resources Limited.

15 COST OF SALES

	2005	2004
	US$'000	US$'000
Cash operating costs	6,454	2,574
Depreciation and amortization	767	179
Write down of inventory	-	631
Write down of heap leach and other inventory items	-	1,934
Impairment of property, plant and equipment	-	2,984

	7,221	8,302

16 EXPLORATION EXPENDITURE

	2005	2004
	US$'000	US$'000
Exploration and pre-feasibility expenditure	(9,570)	(996)
Bankable feasibility	(1,449)	-
	(11,019)	(996)

17 INCOME TAXES

	2005	2004
	US$'000	US$'000
South African taxation - current	-	-
Future income taxes	-	-
A reconciliation between the average effective tax rate and the applicable tax rate is presented below:		
Income tax rate reconciliation		
	%	%
Statutory rate of taxation	34.12%	30.00%
Income not subject to tax	0.44%	(0.07%)
Expenses not deductible for tax purposes	(23.15%)	20.64%
Future taxes not provided	(2.17%)	(50.57%)
Adjustment due to different tax rate - Australia	(4.12%)	-
Adjustment due to different tax rate - South Africa	(5.12%)	-
Effective tax rate	-	-

Gold mining tax on mining income is determined by taking into account the taxable income, total mining income and capital expenditure from mining operations during the year. Various Group jurisdictions are regulated by their respective tax regimes. No mining tax was payable in 2005 as the Corporation has an estimated unredeemed capital expenditure balance of $44.1 million (2004: $40.0 million) and calculated tax losses balance of $77.2

million (2004: $34.3 million). This is made up as follows:

	Unredeemed capital expenditure		Tax losses	
	2005	2004	2005	2004
	US$'000	US$'000	US$'000	US$'000
South Africa	44,075	40,035	50,509	34,296
Canada	–	–	21,125	–
Australia	–	–	5,592	–
	44,075	40,035	77,226	34,296

The mining tax rates utilized as at December 31, 2005 were 34.12% in Canada, 30% in Australia and 29% in South Africa.

These future deductions are utilizable only against income generated from the Corporation's current mining operation and do not expire unless the mine ceases to trade.

Non-mining taxable income, which consists primarily of net interest received, was shielded against mining tax losses that were not ring-fenced for tax purposes. In South Africa, the Corporation is exempt from payment of secondary taxation on companies, having made an election to be taxed based on the "gold tax formula".

Except to the extent disclosed below, a net future tax asset arising from tax losses and unredeemed capital expenditure, has not been recognized in the current period as its recoverability is not more likely than not.

The Corporation's future income tax assets as at December 31, 2005 and 2004 are summarized below. These amounts incorporate the unredeemed capital expenditure as well as the tax loss balances referred to above multiplied by the applicable tax rates.

	2005	2004
	US$'000	US$'000
Mining Assets	(33,043)	(10,493)
Non-mining assets	(3,719)	(68)
Provisions	1,300	(1,456)
	(35,462)	(12,017)
Unredeemed capital expenditure	12,782	18,366

Taxation losses	22,893	15,778
Net future income tax asset	213	22,127
Adjustment due to different tax rates per various jurisdictions	386	-
Valuation adjustment	(21,755)	(22,127)
Net future income tax liability recognized	(21,156)	-

The Company has recorded a valuation allowance in the amount of $21.8 million as at December 31, 2005 (2004 - $22.1 million) because management believes that the future income tax assets are not more likely than not to be realized in the carry-forward period.

The revaluation of mining assets arose on the fair valuation of assets that formed part of the reverse take over of Southern Cross by Aflease. In compliance with accounting practice, a future tax liability on this revaluation was recognized to the extent that the ring-fenced future tax asset of $2.5 million was insufficient to off-set the full liability of $23.7 million.

18 BASIC LOSS PER SHARE AND FULLY DILUTED LOSS PER SHARE

	2005	2004
	US$'000	US$'000
Basic loss per share:		
Net loss ($'000)	(41,740)	(14,763)
Weighted average number of shares outstanding	71,139,266	43,661,816
Fully diluted loss per share:		
The calculation of fully diluted basic loss per share is based on net loss of the year of ($'000)	(41,740)	(14,763)
and a weighted average number of shares outstanding of	71,139,266	43,661,816

The dilutive effects of warrants and employee stock options were not taken into account during the current or prior financial year as the warrants and options bore no profit potential for the beneficiaries.

19 COMMITMENTS

	2005	2004
	US$'000	US$'000

Capital expenditure commitments contracted for	37,931	-
Capital expenditure commitment authorized by the Directors but not yet contracted for	113,857	150,230
	151,788	150,230
Payable in	151,788	150,230
- 2005		15,241
- 2006	151,788	134 989
- 2007	-	-
- 2008	-	-
- 2009	-	-
- 2010	-	
- Thereafter	-	-

The capital commitment relates to capital expenditure on the Bonanza and Modder East projects.

20 FINANCIAL INSTRUMENTS

Financial risk factors

The Corporation's activities expose it to a variety of financial risks, including the effects of changes in debt and equity market prices, foreign currency exchange rates and interest rates. The Corporation's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Corporation. The Corporation does not hedge its exposure to foreign currency exchange risk.

Risk management carried out by the Corporation is approved by the Board of Directors.

(i) Foreign exchange risk

The Corporation is exposed to foreign exchange risk arising predominantly from foreign currency denominated sales. The Corporation, however, does not hedge its exposure to foreign currency exchange risk.

(ii) Interest rate risk

The Corporation's income and operating cash flows are substantially independent of changes in market interest rates. The Corporation has no set policy on maintenance of a set proportion of borrowings in fixed rate instruments versus variable instruments. At the year end no debt was at fixed rates.

(iii) Credit risk

The Corporation has no significant concentrations of credit risk. The Corporation has policies in place to ensure that sales of products and services are made to customers with an appropriate credit history. The Corporation has policies that limit the amount of credit exposure to any one financial institution.

(iv) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

Fair value estimation

The fair value of publicly traded derivatives and trading securities is based on quoted market prices at the balance sheet date. In assessing the fair value of other financial instruments, the Corporation uses a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. Option pricing models and estimated discounted value of future cash flows, are used to determine fair value for the remaining financial instruments.

The face values less any estimated credit adjustments for financial assets and liabilities with a maturity of less than one year are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate available to the Corporation for similar financial instruments.

The actual disclosed values of the financial instruments all approximate the fair values of these instruments.

21 REVERSE TAKE OVER OF SOUTHERN CROSS RESOURCES INC.

The aggregate fair values of assets acquired and liabilities assumed on the purchase of Southern Cross Resources Inc. were as follows:

	US$’000
Property, plant and equipment	32,373
Undeveloped properties	76,490
Other assets	96
Receivables and prepayments	2,541
Cash	8,389
Interest bearing borrowings	(79)
Trade and other payables	(2,678)
Future taxation liability	(21,156)
Purchase price	95,976

Cash taken over	8,389
Shares consideration	(95,976)
Net Cash Flow	8,389

The terms of the purchase price were agreed between the parties in terms of an agreement of acquisition dated September 14, 2005. The effective date of the reverse take over was December 8, 2005.

22 NON-CASH TRANSACTIONS

In the current financial year the merger between Southern Cross and Aflease was accomplished through the issue of 0.9 new Southern Cross shares for each Aflease issued and outstanding share, as detailed in note 1.1.

During the previous financial year, the Corporation issued 94.0 million ordinary shares in exchange for 9.4 million Randgold and Exploration Company Limited ordinary shares by way of a share swap agreement, as detailed in note 7.

These transactions have been excluded from the cash flow statement as it did not result in an exchange of cash.

23 JOINT VENTURE AGREEMENT

On September 7, 2004, Southern Cross entered into a Letter Agreement, (the "Joint Venture") with Pitchstone Exploration Ltd. ("Pitchstone"). The Corporation has an option to earn a 50% interest in the five properties located in the Athabasca Basin of Northern Saskatchewan for $3.9 million over a period of 3 years.

The Company must invest $3.4 million in exploration on the properties and make cash payments to Pitchstone of $0.3 million to acquire the 50% interest. The Corporation will invest $2.6 million over the first 3 years with a maximum of one-third during the first year, a minimum of one-third in the second year and the balance in the third year. The remaining $0.8 million is expected to be spent during the third year but the Corporation and Pitchstone can negotiate and mutually agree on an extension. If the Corporation terminates the 50% option prior to exercising, it will be required to pay the balance of $2.6 million dollars less expenditures incurred to the date of termination.

The terms of the Joint Venture included the issuance of 1 million common shares and 1.5 million share purchase warrants, half upon TSX approval and the balance by January 10, 2005. Pitchstone is the operator of the Joint Venture and is responsible for managing exploration programs on the properties as jointly agreed. The Corporation has the right to become operator under a number of conditions including if its interest in the Joint Venture increases to over 50%. The first tranche of shares and warrants (500,000 and 750,000 warrants respectively) issued in relation to the Joint Venture were valued at $528 thousand and $408 thousand respectively. The second tranche of shares and warrants issued on January 4, 2005, were valued on the same basis as the first tranche.

As at December 31, 2005 the Company had incurred $1.4 million (2004 - $0.2 million) of qualifying exploration expenses in connection with the Joint Venture.

24 SUBSEQUENT EVENTS

Aflease Gold Limited
During January 2006, Sub Nigel Gold Mining Company Limited ("Sub Nigel") acquired all of the issued and outstanding ordinary shares of New Kleinfontein Mining Company Limited ("New Kleinfontein"), a wholly-owned subsidiary of Aflease, and all amounts due by New Kleinfontein to Aflease on loan account. The net assets so acquired had a carrying value of $15.0 million at December 31, 2005 and the purchase consideration was $54.6 million, settled by issuing 339,011,680 new Sub Nigel ordinary shares to Aflease at $0.16 per share. Sub Nigel subsequently changed its name to Aflease Gold Limited. Through this transaction, Aflease now owns 80% of Aflease Gold.

Capital raising
On February 17, 2006 the Corporation announced the closing of a private placement of 22,300,000 of its common shares, at a price of $6.64 per share for aggregate gross proceeds of $148 million.

Options
On February 22, 2006 the Corporation granted a further 1,746,530 options in terms of its stock-based compensation plan. The options were granted at an exercise price of $6.80 each.

25 SEGMENTED INFORMATION

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. The Corporation is managed according to the same segments.

For the year ended December 31, 2005:

	Total	Total	Total	2005
	South Africa	Australia	Canada	TOTAL
	US$'000	US$'000	US$'000	US$'000
Gold Sales	2,730	-	-	2,730
Cost of Sales		(180)	(2)	

	(7,039)			(7,221)
Gross loss	(4,309)	(180)	(2)	(4,491)
Sundry income	768	2	–	770
General and administrative expenditure	(5,584)	151	(106)	(5,539)
Share options expensed	(7,052)	–	(188)	(7,240)
Exploration expenditure	(10,342)	–	(677)	(11,019)
Other net income/(costs)	265	–	–	265
Operating loss	(26,254)	(27)	(973)	(27,254)
Interest received	1,054	–	11	1,065
Interest paid	(2,480)	–	–	(2,480)
Profit on disposal of investments	27	–	–	27
Fair value adjustment of short-term investments	(2,169)	–	–	(2,169)
Impairment of investments	(10,929)	–	–	(10,929)
Loss before income taxes	(40,751)	(27)	(962)	(41,740)
Provision for income taxes	–	–	–	–
Net loss	(40,751)	(27)	(962)	(41,740)

Total assets	34,189	69,700	75,036	178,925
Total liabilities	(20,178)	(1,040)	(23,082)	(44,300)
Other segment items				
Capital expenditure	14,688	74	–	14,762
Amortization and depreciation	752	13	2	767

For the year ended December 31, 2004

	Total	Total	2004
	South Africa	Rest of world	TOTAL
	US$'000	US$'000	US$'000
Gold Sales	1,892	-	1,892
Cost of Sales	(8,302)	-	(8,302)
Gross (loss)/profit	(6,410)	-	(6,410)
Sundry income	609	-	609
General and administrative expenditure	(2,225)	-	(2,225)
Share options expensed	(1,324)	-	(1,324)
Exploration expenditure	(996)	-	(996)
Other net income/(costs)	(1,055)	-	(1,055)
Operating (loss)/profit	(11,401)	-	(11,401)
Interest received	251	-	251
Interest paid	(1,678)	-	(1,678)
Profit on disposal of investments	737	-	737
Fair value adjustment of short-term investments	(2,672)	-	(2,672)
(Loss)/profit before income taxes	(14,763)	-	(14,763)
Provision for income taxes	-	-	-
Net (loss)/profit for the year	(14,763)	-	(14,763)
Total assets	59,746	-	59,746
Total liabilities	(21,308)	-	(21,308)
Other segment items			
Capital expenditure	6,144	-	6,144
Amortization and depreciation	179	-	179