Unaudited Financial Statements for the nine months ending 31 Dec 2008 for the third quarter of Fiscal Year 2009

Registered No (Gibraltar) 60527

PROFIT AND LOSS ACCOUNT

For the nine months ended 31 December 2008

	31 December 2008 \$	31 December 2007 \$
Income - see schedule below	196,845	16,628,078
Expenditure and write downs - see schedule below	(6,560,397)	(5,300,744)
Profit (Loss) for the period	(6,363,552)	11,327,334
Dividends paid		(4,189,510)
Retained Income (Accumulated Loss) for the period	(6,363,552)	7,137,824
Retained Income (Accumulated Loss) at 1 April 2008	(2,298,289)	(3,403,550)
Accumulated Loss 30 September 2008	\$(8,661,841)	\$3,734,274
Schedule of Income		
Interest received	269	2,876
Joint Venture Income	186,982	16,501,015
Profit on disposal of Fixed Assets Profit on disposal of Marketable Securities	9,594	124,187
Trone on disposar of maniemore securities	\$196,845	\$16,628,078
Schedule of Expenditure and write downs		
Administrative Expenditure	512,832	5,183,051
Professional fees and commissions	160,867	117,693
Write down of Marketable Securities	5,886,698 \$6,560,397	\$5,300,744
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BALANCE SHEET at 31 December 2008

## 1 December 2000	31 December 2008 \$	31 December 2007
Fixed Assets		
Mining Resources	20,359,658	11,818,224
Investment Property	20,500	20,500
Tangible Movable Fixed Assets	<u>-</u>	
Total Fixed Assets	20,380,158	11,838,724
Marketable Securities	23,225	10,394,387
	20,403,383	22,233,111
Investment in Subsidiary Company	4,000	-
Current Assets		
Cash at Bank	3,890	14,772
Accounts receivable	1,420,062	167,944
Total Current Assets	1,423,952	182,716
Current Liabilities		
Accounts Payable - falling due within the year	(917,867)	(564,607)
Net Current Liabilities (Liabilities)	506,085	(381,891)
Total Net Assets	\$20,913,468	\$21,851,220
Capital and Reserves		
Called up Share Capital	73,483	72,580
Share Premium Account	14,994,598	12,662,441
	15,068,081	12,735,021
Non Distributable Reserve	14,507,228	5,381,925
Profit and Loss account	(8,661,841)	3,734,274
Total Shareholders' Funds	\$20,913,468	\$21,851,220

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CASHFLOW STATEMENT

for the nine months ended 31 December 2008

	31 December 2008 \$	31 December 2007 \$
Net cash outflow from operating activities	(1,196,330)	6,546,757
Returns on investments and servicing of finance Interest received	\$269	\$2,876
Capital expenditure and financial investment		
Formation of Subsidiary Company - Fraser Bay plc	(4,000)	-
Acquisition of Marketable Securities	-	(10,394,387)
Proceeds of disposal of Fixed Assets	-	267,000
Proceeds of disposal of Marketable Securities	431,873	-
Warrants converted	(59,850)	-
Development cost of mining resource	-	(102,440)
Lease costs of mining resource	(15,543)	(15,010)
Net cash outflow from capital expenditure and financial investment	\$352,480	\$(10,244,837)
Financing activities		
Shares issued for services	750,300	3,545,340
Net cash inflow from financing	\$750,300	\$3,545,340
Net increase (decrease) in cash resources	\$(93,281)	\$(149,864)

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CASHFLOW STATEMENT (Continued) for the nine months ended 31 December 2008

for the nine months ended 31 December 2008	31 December 2008 \$	31 December 2007 \$		
RECONCILIATION OF OPERATING LOSS TO NET CASH OUTFLOW FROM OPERATING ACTIVITIES				
Operating profit (loss) for the year	(6,363,552)	7,137,824		
Interest received Depreciation of tangible fixed assets Unrealised loss on marketable securities Profit on sale of fixed assets Profit on sale of marketable securities Decrease (Increase) in accounts receivable Increase (Decrease) in accounts payable Net cash outflow from operating activities	(269) - 5,886,698 - (9,594) 72,001 (781,614) \$(1,196,330)	(2,876) 13,942 - (124,187) - (119,349) (358,597) \$6,546,757		
MOVEMENT IN CASH AND ANALYSIS OF CASH BALANCES				
Changes in net cash At 1 April 2008 Increase (Decrease) in cash in the year At 31 December 2008	97,171 (93,281) \$3,890	164,636 (149,864) \$14,772		
Analysis of cash balances Cash at bank	\$3,890	\$14,772		