



(PREVIOUSLY ANOORAQ RESOURCES CORPORATION)

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

THREE AND SIX MONTHS ENDED 30 JUNE 2012

(Unaudited)

(Expressed in Canadian Dollars unless otherwise stated)

ATLATSA RESOURCES CORPORATION (PREVIOUSLY ANOORAQ RESOURCES CORPORATION)

Condensed Consolidated Interim Statements of Financial Position

As at 30 June 2012

(Unaudited - Expressed in Canadian Dollars, unless otherwise stated)

			<u>Audited</u>
	<u>Note</u>	<u>30 June 2012</u>	<u>31 December 2011</u>
Assets			
Non-current assets			
Property, plant and equipment	5	788,589,343	798,924,420
Capital work-in-progress	6	24,972,665	20,826,290
Intangible assets	7	1,364,099	1,895,205
Mineral property interests		8,234,097	8,268,783
Goodwill		10,880,593	10,994,115
Platinum producers' environmental trust		3,177,578	2,927,591
Other non-current assets		336,849	367,825
Total non-current assets		837,555,224	844,204,229
Current assets			
Assets classified as held for sale		4,066,630	4,101,654
Inventories		762,116	787,084
Trade and other receivables		28,576,337	27,048,591
Current tax receivable		134,704	136,109
Cash and cash equivalents		14,895,733	15,945,008
Restricted cash		557,620	786,291
Total current assets		48,993,140	48,804,737
Total assets		886,548,364	893,008,966
Equity and Liabilities			
Equity			
Share capital		71,967,083	71,967,083
Treasury shares		(4,991,726)	(4,991,726)
Convertible preference shares		162,910,000	162,910,000
Foreign currency translation reserve		(10,398,512)	(11,238,333)
Share-based payment reserve		24,521,752	24,042,711
Accumulated loss		(288,054,751)	(245,448,316)
Total equity attributable to equity holders of the Group		(44,046,154)	(2,758,581)
Non-controlling interest		(63,459,449)	(25,326,683)
Total equity		(107,505,603)	(28,085,264)
Liabilities			
Non-current liabilities			
Loans and borrowings	8	820,839,980	744,456,487
Deferred taxation		137,365,875	144,032,213
Provisions		8,640,406	8,383,708
Total non-current liabilities		966,846,261	896,872,408
Current liabilities			
Trade and other payables		26,322,629	23,125,587
Short-term portion of loans and borrowings		885,077	1,096,235
Total current liabilities		27,207,706	24,221,822
Total liabilities		994,053,967	921,094,230
Total equity and liabilities		886,548,364	893,008,966

Approved by the Board of Directors on 14 August 2012

/s/ Harold Motaung

Harold Motaung (Director)

/s/ Patrick Cooke

Patrick Cooke (Director)

ATLATSA RESOURCES CORPORATION (PREVIOUSLY ANOORAQ RESOURCES CORPORATION)

Condensed Consolidated Interim Statements of Comprehensive Loss

For the periods ended 30 June 2012

(Unaudited - Expressed in Canadian Dollars)

	<u>Note</u>	<u>Three months ended 30 June</u>		<u>Six months ended 30 June</u>	
		2012	2011	2012	2011
Revenue		38,732,962	35,916,397	72,811,584	66,614,625
Cost of sales		(52,399,218)	(56,212,465)	(105,821,365)	(103,764,020)
Gross loss		(13,666,256)	(20,296,068)	(33,009,781)	(37,149,395)
Administrative expenses		(4,102,789)	(10,294,361)	(8,181,714)	(14,599,479)
Other income		-	3,947	59,381	54,238
Operating loss		(17,769,045)	(30,586,482)	(41,132,114)	(51,694,636)
Finance income		120,650	233,652	260,001	427,820
Finance expense		(23,227,212)	(25,078,380)	(46,048,448)	(48,331,003)
Net finance expense		(23,106,562)	(24,844,728)	(45,788,447)	(47,903,183)
Loss before income tax		(40,875,607)	(55,431,210)	(86,920,561)	(99,597,819)
Income tax		464,434	9,285,054	5,241,927	17,375,230
Loss for the period		(40,411,173)	(46,146,156)	(81,678,634)	(82,222,589)
Other comprehensive income/(loss)					
Foreign currency translation differences for foreign operations		3,418,133	(853,472)	1,764,794	(7,007,453)
Effective portion of changes in fair value of cash flow hedges		-	9,054	-	1,602,501
Reclassification to profit or loss on settlement of cash flow hedge		-	2,521,654	-	2,521,654
Other comprehensive income/(loss) for the period, net of income tax		3,418,133	1,677,236	1,764,794	(2,883,298)
Total comprehensive loss for the period		(36,993,040)	(44,468,920)	(79,913,840)	(85,105,887)
Loss attributable to:					
Owners of the Company		(21,068,853)	(28,244,686)	(42,606,435)	(46,889,058)
Non-controlling interest		(19,342,320)	(17,901,470)	(39,072,199)	(35,333,531)
Loss for the period		(40,411,173)	(46,146,156)	(81,678,634)	(82,222,589)
Total comprehensive loss attributable to:					
Owners of the Company		(19,678,645)	(26,386,888)	(41,781,074)	(47,167,056)
Non-controlling interest		(17,314,395)	(18,082,032)	(38,132,766)	(37,938,831)
Total comprehensive loss for the period		(36,993,040)	(44,468,920)	(79,913,840)	(85,105,887)

ATLATSA RESOURCES CORPORATION (PREVIOUSLY ANOORAQ RESOURCES CORPORATION)

Condensed Consolidated Interim Statements of Changes in Equity

For the period ended 30 June 2012

(Unaudited - Expressed in Canadian Dollars)

	Attributable to equity holders of the Company							Total	Non-controlling interest	Total
	Share Capital	Treasury Shares	Convertible preference shares	Foreign currency translation reserve	Share-based payment reserve	Hedging reserve	Accumulated loss			
For the period ended 30 June 2011										
Balance at 1 January 2011	71,852,588	(4,991,726)	162,910,000	(5,197,843)	22,032,571	(4,124,155)	(163,519,502)	78,961,933	42,404,014	121,365,947
Total comprehensive income/(loss) for the period										
Loss for the period	-	-	-	-	-	-	(46,889,058)	(46,889,058)	(35,333,531)	(82,222,589)
Other comprehensive income/(loss)										
Foreign currency translation differences	-	-	-	(4,407,702)	5,549	-	-	(4,402,153)	(2,605,300)	(7,007,453)
Effective portion of changes in fair value of cash flow hedges, net of tax	-	-	-	-	-	1,602,501	-	1,602,501	-	1,602,501
Reclassification to profit or loss on settlement of cash flow hedge	-	-	-	-	-	2,521,654	-	2,521,654	-	2,521,654
Total other comprehensive loss	-	-	-	(4,407,702)	5,549	4,124,155	-	(277,998)	(2,605,300)	(2,883,298)
Total comprehensive loss for the period	-	-	-	(4,407,702)	5,549	4,124,155	(46,889,058)	(47,167,056)	(37,938,831)	(85,105,887)
Transactions with owners, recorded directly in equity										
Contributions by and distributions to owners										
Common shares issued	114,495	-	-	-	(51,495)	-	-	63,000	-	63,000
Share-based payment transactions	-	-	-	-	1,640,996	-	-	1,640,996	-	1,640,996
Total contributions by and distributions to owners	114,495	-	-	-	1,589,501	-	-	1,703,996	-	1,703,996
Balance at 30 June 2011	71,967,083	(4,991,726)	162,910,000	(9,605,545)	23,627,621	-	(210,408,560)	33,498,873	4,465,183	37,964,056
For the period ended 30 June 2012										
Balance at 1 January 2012	71,967,083	(4,991,726)	162,910,000	(11,238,333)	24,042,711	-	(245,448,316)	(2,758,581)	(25,326,683)	(28,085,264)
Total comprehensive income/(loss) for the period										
Loss for the period	-	-	-	-	-	-	(42,606,435)	(42,606,435)	(39,072,199)	(81,678,634)
Other comprehensive income/(loss)										
Foreign currency translation differences	-	-	-	839,821	(14,460)	-	-	825,361	939,433	1,764,794
Total comprehensive income/(loss) for the period	-	-	-	839,821	(14,460)	-	(42,606,435)	(41,781,074)	(38,132,766)	(79,913,840)
Transactions with owners, recorded directly in equity										
Contributions by and distributions to owners										
Share-based payment transactions	-	-	-	-	493,501	-	-	493,501	-	493,501
Total contributions by and distributions to owners	-	-	-	-	493,501	-	-	493,501	-	493,501
Balance at 30 June 2012	71,967,083	(4,991,726)	162,910,000	(10,398,512)	24,521,752	-	(288,054,751)	(44,046,154)	(63,459,449)	(107,505,603)

ATLATSA RESOURCES CORPORATION (PREVIOUSLY ANOORAQ RESOURCES CORPORATION)

Condensed Consolidated Interim Statements of Cash Flows

For the periods ended 30 June 2012

(Unaudited - Expressed in Canadian Dollars)

	<u>Note</u>	<u>Three months ended 30 June</u>		<u>Six months ended 30 June</u>	
		2012	2011	2012	2011
Cash flows from operating activities					
Cash utilised by operations	9	(11,516,713)	(19,797,449)	(19,133,465)	(21,590,854)
Interest received		67,469	186,561	150,935	331,442
Interest paid		(39)	(3,030)	(84)	(528,340)
Taxation paid		(34,604)	-	(34,604)	-
Cash utilised by operating activities		(11,483,887)	(19,613,918)	(19,017,218)	(21,787,752)
Cash flows from investing activities					
Acquisition of property, plant and equipment	5	-	-	(2,664)	-
Acquisition of capital-work-in-progress	6	(12,640,335)	(6,714,422)	(19,635,545)	(14,488,974)
Acquisition of intangible assets	7	-	(244,595)	-	(244,595)
Investment in environmental trusts		(117,691)	(300,028)	(239,923)	(300,028)
Cash utilised by investing activities		(12,758,026)	(7,259,045)	(19,878,132)	(15,033,597)
Cash flows from financing activities					
Settlement of interest rate swap	8	-	(3,691,604)	-	(3,691,604)
Funding loan raised – RPM	8	-	3,691,604	-	3,691,604
Long term borrowings raised – OCSF		23,370,857	23,722,587	38,636,594	31,981,790
Repayment of other loans		(436,082)	(492,311)	(655,670)	(492,311)
Common shares issued		-	-	-	63,000
Cash generated from financing activities		22,934,775	23,230,276	37,980,924	31,552,479
Effect of foreign currency translation		(641,576)	91,474	(134,849)	(1,255,694)
Net decrease in cash and cash equivalents		(1,948,714)	(3,551,213)	(1,049,275)	(6,524,564)
Cash and cash equivalents, beginning of period		16,844,447	22,791,239	15,945,008	25,764,590
Cash and cash equivalents, end of period		14,895,733	19,240,026	14,895,733	19,240,026

1. REPORTING ENTITY

Atlatsa Resources Corporation (the "Company" or "Atlatsa") is incorporated in the Province of British Columbia, Canada. The condensed consolidated interim financial statements of the Company as at and for the three and six months ended 30 June 2012 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities") and the Group's interests in associates and jointly controlled entities.

2. GOING CONCERN

The condensed consolidated interim financial statements are prepared on the basis that the Group will continue as a going concern which contemplates the realisation of assets and settlement of liabilities in the normal course of operations as they become due.

As a result of the acquisition of the operating mine in 2009, the Group secured various funding arrangements including securing a long-term credit facility, the Operating Cash Flow Shortfall Facility ("OCSF"), with Rustenburg Platinum Mines Limited ("RPM") for an amount of \$183.2 million (ZAR 1,470 million). The facility is used to fund operating cash and capital requirements for an initial period of three years. As at 30 June 2012, the Group utilised \$177.1 million (ZAR 1,421 million), excluding interest, thereof to fund operating requirements from 1 July 2009 as the mining operations are not currently generating sufficient cash flows to fund operations and operational projects. In addition, RPM has extended the terms of the OCSF facility to fund cash shortfalls up to 31 August 2013. The Group has no obligation to repay significant interest and capital on its outstanding loans and borrowings during the next 12 months.

As a result of securing the financial resources and the terms of the long-term funding, the directors expect that cash flows from mining operations and the extended OCSF will be sufficient to meet immediate ongoing operating and capital cash requirements of the Group, and accordingly the financial statements have been prepared on a going concern basis.

The Company is in the process of completing a proposed refinancing and restructuring transaction. The proposed transaction will among others significantly reduce and restructure the total debt of the Group and thereby significantly improve its financial position as well as providing new debt facilities to fund operations and capital projects.

3. STATEMENT OF COMPLIANCE

These condensed consolidated interim financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting* and the AC 500 Standards as issued by the Accounting Practices Board or its successor. They do not include all of the information required for full annual financial statements, and should be read in conjunction with the consolidated financial statements of the Group as at and for the year ended 31 December 2011. The consolidated financial statements of the Group as at and for the year ended 31 December 2011 are available upon request from the Company's registered office at 82 Grayston Drive, Sandton, South Africa or at www.sedar.com.

4. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated financial statements as at and for the year ended 31 December 2011, except for the following standards and interpretations adopted in the current financial year:

- Amendments to IAS12, *Deferred Tax: Recovery of underlying assets*

There was no significant impact on these condensed consolidated interim financial statements as a result of adopting these standards and interpretations.

Standards and interpretations issued but not yet effective and applicable to the Group:

- Amendments to IAS 1, *Presentation of Financial Statements: Presentation of Items of Other Comprehensive Income* (1 July 2012)
- Amendments to IAS 19, *Employee benefits: Defined benefit plans* (effective 1 January 2013)
- IAS 27, *Separate Financial Statements* (effective 1 January 2013)
- IAS 28, *Investment in Associates and Joint ventures* (effective 1 January 2013)
- IAS 32, *Offsetting Financial Assets and Financial Liabilities* (1 January 2014)
- Amendments to IFRS 7, *Disclosures – Offsetting Financial Assets and Financial Liabilities* (1 January 2013)
- IFRS 9, *Financial Instruments* (effective 1 January 2015)
- IFRS 9, *Additions to IFRS 9 Financial instruments* (effective 1 January 2015)
- IFRS 10, *Consolidated Financial Statements* (effective 1 January 2013)
- IFRS 11, *Joint Arrangements* (effective 1 January 2013)
- IFRS 12, *Disclosure of Interests in Other Entities* (effective 1 January 2013)
- IFRS 13, *Fair Value Measurement* (effective 1 January 2013)
- IFRIC 20, *Stripping costs in the Production Phase of a Surface Mine* (effective 1 January 2013)

ATLATSA RESOURCES CORPORATION (PREVIOUSLY ANOORAQ RESOURCES CORPORATION)
Notes to the Condensed Consolidated Interim Financial Statements
For the periods ended 30 June 2012
(Unaudited - Expressed in Canadian Dollars)

	<u>Six months</u> <u>ended 30 June</u> <u>2012</u>	<u>Year ended 31</u> <u>December</u> <u>2011</u>
5. PROPERTY, PLANT AND EQUIPMENT		
Summary		
Cost		
Balance at beginning of period	876,764,628	1,032,647,854
Additions	2,664	2,238
Transferred from capital work-in-progress	16,866,368	17,168,350
Disposals	-	(1,087,212)
Adjustment to rehabilitation assets	-	1,050,670
Effect of translation	(9,345,849)	(173,017,272)
Balance at end of period	<u>884,287,811</u>	<u>876,764,628</u>
Accumulated depreciation and impairment losses		
Balance beginning of period	77,840,208	47,741,321
Depreciation for the period	18,991,514	42,075,759
Disposals	-	(748,144)
Effect of translation	(1,133,254)	(11,228,728)
Balance at end of period	<u>95,698,468</u>	<u>77,840,208</u>
Carrying value	<u>788,589,343</u>	<u>798,924,420</u>

6. CAPITAL WORK-IN-PROGRESS

Capital work-in-progress consists of mine development and infrastructure costs relating to the Bokoni mine and will be transferred to property, plant and equipment when the relevant projects are commissioned.

Balance at beginning of period	20,826,290	10,311,973
Additions	19,635,545	28,678,042
Transfer to property, plant and equipment	(16,866,368)	(17,168,350)
Capitalisation of borrowing costs	1,669,250	1,777,431
Effect of translation	(292,052)	(2,772,806)
Balance at end of period	<u>24,972,665</u>	<u>20,826,290</u>

Capital work-in-progress is funded through cash generated from operations and available loan facilities.

7. INTANGIBLE ASSETS

Cost		
Balance at beginning of period	3,113,175	3,473,000
Additions	-	236,304
Effect of translation	(32,145)	(596,129)
Balance at end of period	<u>3,081,030</u>	<u>3,113,175</u>
Accumulated amortisation and impairment losses		
Balance beginning of period	1,217,970	192,944
Amortisation for the period	520,569	1,148,618
Effect of translation	(21,608)	(123,592)
Balance at end of period	<u>1,716,931</u>	<u>1,217,970</u>
Carrying value	<u>1,364,099</u>	<u>1,895,205</u>

ATLATS A RESOURCES CORPORATION (PREVIOUSLY ANOORAQ RESOURCES CORPORATION)

Notes to the Condensed Consolidated Interim Financial Statements

For the periods ended 30 June 2012

(Unaudited - Expressed in Canadian Dollars)

	<u>Six months ended 30 June 2012</u>	<u>Year ended 31 December 2011</u>
8. LOANS AND BORROWINGS		
Redeemable "A" preference shares (related party)	410,635,347	392,191,315
Rustenburg Platinum Mines – Funding loans (related party)	179,139,216	172,650,283
Rustenburg Platinum Mines – OCSF (related party)	224,744,969	172,991,980
Rustenburg Platinum Mines – Interest free loan (related party)	3,602,316	3,639,900
Rustenburg Platinum Mines – commitment fees (related party)	1,360,569	1,298,865
Other	2,242,640	2,780,379
	821,725,057	745,552,722
<i>Short-term portion</i>		
Other	(885,077)	(1,096,235)
	(885,077)	(1,096,235)
<i>Non-current liabilities</i>	820,839,980	744,456,487

The carrying value of the Group's loans and borrowings changed during the period as follows:

Balance at beginning of the period	745,552,722	716,936,362
Rustenburg Platinum Mine – OCSF	38,636,594	64,851,418
Loans repaid - other	(648,104)	(716,317)
Commitment fee capitalised	(76,446)	(394,063)
Finance expenses accrued	47,368,285	88,648,310
Funding loan raised – Rustenburg Platinum Mine (related party)	-	3,691,604
Capitalisation transaction costs written-off	-	3,834,378
Commitment fee liability	76,442	394,063
Interest rate swap adjustment	-	355,852
Other	-	86,937
Effect of translation	(9,184,436)	(132,135,822)
Balance at end of the period	821,725,057	745,552,722
<i>Short-term portion</i>		
Other	(885,077)	(1,096,235)
	(885,077)	(1,096,235)
<i>Non-current portion</i>	820,839,980	744,456,487

Senior Term Loan Facility

RPM has waived the loan covenants on the debt as of 30 June 2012 and until 31 August 2013.

Rustenburg Platinum Mines – OCSF

Under the Operating Cash Flow Shortfall Facility ("OCSF"), if funds are requested by Bokoni (and authorised by Bokoni Holdco), RPM shall advance such funds directly to Bokoni. At 30 June 2012 \$177.1 million (ZAR 1,421 million) of the original available \$185 million (ZAR 1,470 million) has been advanced by RPM. The remaining facility may be utilised only for purposes of operating or capital expenditure cash shortfalls at Bokoni. In addition, RPM has extended the terms of the OCSF facility to fund cash shortfalls up to 31 August 2013 by extending the facility to \$268.8 million (ZAR 2,157 million).

ATLATSA RESOURCES CORPORATION (PREVIOUSLY ANOORAQ RESOURCES CORPORATION)

Notes to the Condensed Consolidated Interim Financial Statements

For the periods ended 30 June 2012

(Unaudited - Expressed in Canadian Dollars)

	<u>Three months ended 30 June</u>		<u>Six months ended 30 June</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
9. CASH UTILISED BY OPERATIONS				
Loss before income tax	(40,875,607)	(55,431,210)	(86,920,561)	(99,597,819)
Adjustments for:				
Finance expense	23,227,212	25,078,380	46,048,448	48,331,003
Finance income	(120,650)	(233,652)	(260,001)	(427,820)
Non-cash items:				
Depreciation and amortisation	9,750,128	10,849,330	19,512,084	22,367,253
Equity settled share-based compensation	235,018	665,401	493,500	1,640,996
Loss on disposal of property, plant and equipment	-	17,929	-	17,929
Profit and loss impact of cash flow hedge	-	2,673,963	-	2,640,465
Cash utilised before ESOP transactions	(7,783,899)	(16,379,859)	(21,126,530)	(25,027,993)
ESOP cash transactions (restricted cash)	83,089	-	178,184	-
Cash utilised before working capital changes	(7,700,810)	(16,379,859)	(20,948,046)	(25,027,993)
Working capital changes				
(Increase)/decrease in trade and other receivables	(3,524,140)	(5,701,111)	(1,823,822)	6,314,527
Increase /(decrease) in trade and other payables	80,113	1,528,988	3,621,565	(2,561,386)
(Increase)/decrease in inventories	(371,876)	754,533	17,138	(316,002)
Cash utilised by operations	(11,516,713)	(19,797,449)	(19,133,465)	(21,590,854)

10. SEGMENT INFORMATION

The Group has two reportable segments as described below. These segments are managed separately based on the nature of operations. For each of the segments, the Group's CEO (the Group's chief operating decision maker) reviews internal management reports monthly. The following summary describes the operations in each of the Group's reportable segments:

- Bokoni Mine - Mining of PGM's.
- Projects - Mining exploration in Boikgantsho, Kwanda, and Ga-Phasha exploration projects.

The majority of operations and functions are performed in South Africa. An insignificant portion of administrative functions are performed in the Company's country of domicile.

The CEO considers earnings before net finance expense, income tax, depreciation and amortisation ("EBITDA") to be an appropriate measure of each segment's performance. Accordingly, the EBITDA for each segment is included in the segment information. All external revenue is generated by the Bokoni Mine segment.

	<u>Six months ended 30 June</u>						
	<u>2012</u>			<u>2011</u>			
	<u>Bokoni Mine</u>	<u>Projects</u>	<u>Total</u>	<u>Bokoni Mine</u>	<u>Projects</u>	<u>Total</u>	<u>Note</u>
EBITDA	(20,211,223)	(30,936)	(20,242,159)	(22,432,972)	(546,032)	(22,979,004)	(i)
Total Assets	897,648,528	9,617,379	907,265,907	1,021,896,632	11,002,363	1,032,898,995	(ii)
	<u>Three months ended 30 June</u>						
	<u>2012</u>			<u>2011</u>			
	<u>Bokoni Mine</u>	<u>Projects</u>	<u>Total</u>	<u>Bokoni Mine</u>	<u>Projects</u>	<u>Total</u>	<u>Note</u>
EBITDA	(7,348,065)	16,389	(7,331,676)	(13,976,27)	(261,456)	(14,237,732)	(i)

ATL TSA RESOURCES CORPORATION (PREVIOUSLY ANOORAQ RESOURCES CORPORATION)

Notes to the Condensed Consolidated Interim Financial Statements

For the periods ended 30 June 2012

(Unaudited - Expressed in Canadian Dollars)

	<u>2012</u>	<u>2011</u>
(i) EBITDA – six months ended		
EBITDA for reportable segments	(20,242,159)	(22,979,004)
Net finance expense	(45,788,447)	(47,903,183)
Depreciation and amortisation	(19,512,083)	(22,367,253)
Corporate and consolidation adjustments	(1,377,872)	(6,348,379)
Consolidated loss before income tax	(86,920,561)	(99,597,819)
EBITDA - three months ended		
EBITDA for reportable segments	(7,331,676)	(14,237,732)
Net finance expense	(23,106,562)	(24,844,728)
Depreciation and amortisation	(9,750,127)	(10,849,330)
Corporate and consolidation adjustments	(687,242)	(5,499,420)
Consolidated loss before income tax	(40,875,607)	(55,431,210)
(ii) Total assets		
Assets for reportable segments	907,265,907	1,032,898,995
Corporate and consolidation adjustments	(20,717,543)	(17,447,436)
Consolidated total assets	886,548,364	1,015,451,559

11. EARNINGS PER SHARE

The basic and diluted loss per share for the three and six months ended 30 June 2012 was 5 cents (2011: 7 cents) and 10 cents (2011: 11 cents) respectively.

The calculation of basic loss per share for the three months ended 30 June 2012 of 5 cents (2011: 7 cents) is based on the loss attributable to owners of the Company of \$21,068,853 (2011: \$28,244,686) and a weighted average number of shares of 424,791,411 (2011: 424,745,795).

The calculation of basic loss per share for the six months ended 30 June 2012 of 10 cents (2011: 11 cents) is based on the loss attributable to owners of the Company of \$42,606,435 (2011: \$46,889,058) and a weighted average number of shares of 424,791,411 (2010: 424,745,795).

Share options were excluded in determining diluted weighted average number of common shares as their effect would have been anti-dilutive.

12. SUBSEQUENT EVENTS

There have been no events that have occurred after the reporting date that would have a material impact on the reported results.