

Statement of consolidated cash flows

— FOR THE YEAR ENDED 31 DECEMBER 2005 —

| US\$000 | Note | Group 31 Dec 2005 | Group 31 Dec 2004 |
|---|------|-------------------------|-------------------------|
| CASH FLOW FROM OPERATING ACTIVITIES | | | |
| Profit before income tax | | 45 222 | 18 793 |
| Net interest (received)/paid | | (203) | 590 |
| Depreciation and amortisation | | 11 910 | 8 738 |
| Transfer from/(to) deferred stripping | | 11 198 | (3 999) |
| Gain on forward gold sales | | (45) | (1 085) |
| Unwind of discount on provisions for environmental rehabilitation | | 254 | 177 |
| Share-based payment | | 2 247 | 1 321 |
| Profit on sale of Syama | | - | (7 070) |
| | | 70 583 | 17 465 |
| Effects of changes in operating working capital items: | | | |
| ■ receivables | | (12 101) | (9 369) |
| ■ inventories and ore stockpiles | | (42 963) | (7 487) |
| ■ accounts payable and accrued liabilities | | 14 404 | 4 272 |
| Cash generated from operations before interest | | 29 923 | 4 881 |
| Interest received | | 2 064 | 1 033 |
| Interest paid | | (1 861) | (1 623) |
| Income tax paid | | (390) | - |
| Net cash generated from operating activities | | 29 736 | 4 291 |
| CASH FLOW FROM INVESTING ACTIVITIES | | | |
| Additions to property, plant and equipment* | | (73 217) | (68 545) |
| Financing of contractors | 7 | (11 276) | (893) |
| Movement in restricted cash | | - | 3 882 |
| Disposal of Syama - net of cash disposed | 24 | - | 8 571 |
| Net cash used by investing activities | | (84 493) | (56 985) |
| CASH FLOW FROM FINANCING ACTIVITIES | | | |
| Ordinary shares issued | | 105 248 | 2 133 |
| Long term loans repaid | | (1 156) | (11 674) |
| Long term loans received* | | 24 877 | 35 000 |
| Cash generated from financing activities | | 128 969 | 25 459 |
| NET INCREASE/(DECREASE) IN CASH AND EQUIVALENTS | | 74 212 | (27 235) |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR | | 78 240 | 105 475 |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | | 152 452 | 78 240 |
| Cash at bank and in hand | | 15 353 | 9 611 |
| Short term bank deposits | | 137 099 | 68 629 |
| | | 152 452 | 78 240 |

The effective interest rate on short term bank deposits was 2.77% (2004: 1.28%). These deposits have an average maturity of thirty days.

* Excluded from these items is the Loulo power plant acquired under a finance lease agreement of US\$6.8 million.