

**UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTHS ENDED
SEPTEMBER 30, 2006**

**KATANGA MINING LIMITED
(Formerly *Balloch Resources Ltd.*)
(A DEVELOPMENT STAGE ENTITY)**

Responsibility for Financial Statements

The accompanying consolidated financial statements for Katanga Mining Limited have been prepared by management in accordance with Canadian generally accepted accounting principles consistently applied. The most significant of these accounting principles have been set out in the December 31, 2005 audited financial statements. Only changes in accounting information have been disclosed in these financial statements. These statements are presented on the accrual basis of accounting. Accordingly, a precise determination of many assets and liabilities is dependent upon future events. Therefore, estimates and approximations have been made using careful judgment. Recognizing that the Company is responsible for both the integrity and objectivity of the consolidated financial statements, management is satisfied that these consolidated financial statements have been fairly presented. These consolidated financial statements have been reviewed by the audit committee and approved by the Board of Directors of the Company.

KATANGA MINING LIMITED
(Formerly Balloch Resources Ltd.)
 (A DEVELOPMENT STAGE ENTITY)

CONSOLIDATED BALANCE SHEETS
 (EXPRESSED IN UNITED STATES DOLLARS)

	September 30, 2006 (Unaudited)	December 31, 2005 (Note 1)
Assets		
Current		
Cash and cash equivalents	\$ 122,729,429	\$ 944,737
Prepaid expenses and other current assets	3,435,212	862
	126,164,641	945,599
Mineral interests (Notes 3 and 6)	18,959,585	2,383,932
Advances to related party	-	110,000
Investment in Kamoto Copper Company SARL	-	150,000
	\$ 145,124,226	\$ 3,589,531
Liabilities		
Current		
Accounts payable and accrued liabilities (Note 5)	\$ 3,699,731	\$ 1,008,584
Due to related party (Note 6)	240,917	-
Due to shareholders (Note 7)	37,500	80,000
	3,978,148	1,088,584
Shareholders' Equity		
Capital stock (Note 4)	7,814,080	10,000
Contributed surplus (Note 4)	136,000,970	2,510,694
Deficit	(2,668,972)	(19,747)
	141,146,078	2,500,947
	\$ 145,124,226	\$ 3,589,531

Signed by
"Arthur Ditto"
Director

Signed by
"Robert G. Wardell"
Director

KATANGA MINING LIMITED
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STATEMENTS OF OPERATIONS AND DEFICIT

(EXPRESSED IN UNITED STATES DOLLARS)

(UNAUDITED)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2006	2005 (Note 1)	2006	2005 (Note 1)
Administrative expenses				
General and administrative	\$ 978,493	\$ 15	\$ 978,493	\$ 2,336
Professional fees and consulting	3,228,517	-	3,228,517	4,392
Foreign exchange gain	(669,759)	-	(669,759)	-
	3,537,251	15	3,537,251	6,728
(Loss) income for the period before the following:	(3,537,251)	(15)	(3,537,251)	(6,728)
Interest income	888,026	36	888,026	36
Net (loss) income for the period	(2,649,225)	21	(2,649,225)	(6,692)
DEFICIT, beginning of period	(19,747)	(19,768)	(19,747)	(13,055)
DEFICIT, end of period	\$ (2,668,972)	\$ (19,747)	\$ (2,668,972)	\$ (19,747)
Basic and fully diluted loss per share	\$ (0.03)	\$ 0.00	\$ (0.06)	\$ 0.00
Weighted average number of common shares outstanding	77,131,986	35,001,500	40,810,052	35,001,500

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CONSOLIDATED STATEMENTS OF CASH FLOWS

(EXPRESSED IN UNITED STATES DOLLARS)

(UNAUDITED)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2006	2005	2006	2005
Cash (used in) provided by:				
OPERATING ACTIVITIES				
Net (loss) income for the period	\$ (2,649,225)	\$ 21	\$ (2,649,225)	\$ (6,692)
Items not affecting cash:				
Stock-based compensation	1,770,676	-	1,770,676	-
Changes in non-cash working capital				
Prepaid expenses and other current assets	(3,333,150)	-	(3,424,350)	-
Accounts payable and accrued liabilities	1,686,314	(18,699)	1,109,123	(11,872)
Due to related party (Note 6)	240,917	-	240,917	-
Due to shareholders	(42,500)	17,500	(42,500)	30,000
	(2,326,968)	(1,178)	(2,995,359)	11,436
INVESTING ACTIVITIES				
Capital contributions from Katanga Mining Limited	-	-	3,708,675	-
Mineral interests	(6,758,631)	(277,780)	(10,534,071)	(329,739)
Advances to related party	-	339,396	-	339,396
Net cash acquired in RTO transaction (Note 2)	-	-	1,846,478	-
	(6,758,631)	61,616	(4,978,918)	9,657
FINANCING ACTIVITIES				
Issue of common shares, net of issue costs	351,127	-	129,758,969	-
	351,127	-	129,758,969	-
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(8,734,472)	60,438	121,784,692	21,093
CASH AND CASH EQUIVALENTS, beginning of period	131,463,901	20,745	944,737	60,090
CASH AND CASH EQUIVALENTS, end of period	\$122,729,429	\$ 81,183	\$122,729,429	\$ 81,183

KATANGA MINING LIMITED
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(EXPRESSED IN UNITED STATES DOLLARS)

Nine Months Ended September 30, 2006 and 2005

(UNAUDITED)

1. NATURE OF BUSINESS AND BASIS OF PRESENTATION

Katanga Mining Limited ("Katanga" or the "Company") was incorporated under the laws of Bermuda on October 7, 1996 and is engaged in the acquisition, and development of mineral properties. The Company is considered to be in the development stage. On July 8, 2004, the Company changed its name from New Inca Gold Ltd. to Balloch Resources Ltd. and consolidated its common shares on a ten for one basis. On November 30, 2005, the Company changed its name to Katanga Mining Limited.

The consolidated financial statements include the Company's wholly owned subsidiaries and its 75% interest in Kamoto Copper Company SARL.

On December 22, 2005, Katanga purchased a 23.33 percent ownership interest in Kinross Forrest Limited ("KFL") from Kinross Gold Corporation for CDN\$5.45 million.

On June 27, 2006, the Company acquired the remaining shares, 76.67 %, of KFL which it did not own by issuing 35,001,500 Katanga shares to the shareholders of KFL and the payment of cash of \$800,000. As more fully described in Note 2, as a result of this transaction, the former shareholders of KFL acquired control of Katanga and this transaction has been accounted for as a reverse takeover. Under this basis of accounting, KFL has been deemed to be the acquirer and, accordingly, the Company is considered to be a continuation of KFL with the net assets of Katanga as of June 27, 2006 deemed to have been acquired by KFL. In addition, the comparative balance sheet at December 31, 2005 and the results of operations for the three and nine months ended September 30, 2005, and for the period from January 1, 2006 to June 27, 2006 are those of KFL. KFL incurred no expenses during the period prior to June 27, 2006 as all general and administrative expenses prior to the RTO transaction (see Note 2) were borne by Katanga.

The unaudited consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles for interim financial information. Accordingly, they do not include all of the information and notes to the financial statements required by Canadian generally accepted accounting principles for annual financial statements, and therefore should be read in conjunction with the Company's annual financial statements and notes thereto. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three and nine month periods ended September 30, 2006 are not indicative of the results that may be expected for the year ending December 31, 2006.

New Accounting Pronouncements

In January 2005, the Canadian Institute of Chartered Accountants issued four new accounting standards: Handbook Section 1530, Comprehensive Income, Handbook Section 3251, Equity, Handbook Section 3855, Financial Instruments - Recognition and Measurement, and Handbook Section 3865, Hedges. These standards are effective for interim and annual financial statements for companies fiscal years beginning October 1, 2006.

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(UNAUDITED)

2. REVERSE TAKEOVER ACCOUNTING

On December 12, 2005, Katanga acquired a 23.33% ownership in KFL for \$4,711,232.

Pursuant to an option agreement dated July 29, 2005, as amended by agreements dated November 9, 2005 and March 15, 2006 (the "Option Agreement") KFL granted an option to Katanga to purchase the 76.67% of the outstanding shares of KFL it did not already own, in exchange for 35,001,500 common shares of Katanga and the payment of cash of \$800,000 (the "RTO Transaction"). The option was exercised and the share exchange occurred on June 27, 2006. The RTO Transaction resulted in the former shareholders of KFL, other than Katanga, owning 67.01% of Katanga before the Katanga financing referred to in Note 4. Accordingly, the exchange of shares has been accounted for as an acquisition of Katanga by KFL, referred to as a "reverse takeover" ("RTO"). The agreement closed on June 27, 2006. Application of RTO accounting results in the following:

- (a) KFL is deemed to be the acquirer for accounting purposes; its assets and liabilities are included in the balance sheet at their carrying values.
- (b) The balance sheet combines the Katanga assets and liabilities acquired as follows:

Net book value of assets and liabilities of Katanga at June 27, 2006

Cash	\$	1,846,478
Prepaid expenses and other current assets		10,000
Initial investment in KFL		4,711,232
Investment in KFL with respect to feasibility study costs		6,369,369
Accounts payable and accrued liabilities		(661,674)
	\$	<u>12,275,405</u>

The fair value of Katanga's assets and liabilities other than its investment in KFL with respect to feasibility study costs approximates their net book value. No value has been ascribed to the investment in KFL with respect to feasibility study costs as the actual feasibility expenditures made by KFL are already included in mineral interests.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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(UNAUDITED)

3. MINERAL INTERESTS

Mineral interests comprise the following:

	September 30, 2006	December 31, 2005
Feasibility study costs of KFL	\$ 5,533,217	\$ 2,383,932
Development costs of KCC (Note 6)	8,715,136	-
Initial investment in KFL	<u>4,711,232</u>	<u>-</u>
	<u>\$ 18,959,585</u>	<u>\$ 2,383,932</u>

In February 2004, KFL entered into a joint venture agreement (the "Kamoto Joint Venture Agreement") with La Générale des Carrières et des Mines ("Gécamines"), the state owned and operated mining enterprise of the Democratic Republic of Congo (the "DRC") to rehabilitate the Kamoto Joint Venture assets, which include exploration and mining properties, the Kamoto concentrator, the Luilu metallurgical plant, the Kamoto underground mine and various oxide open pit resources in the Kolwezi district of the DRC (the "Kamoto Joint Venture Assets"). The Kamoto Joint Venture received the approval of the Conseil des Ministres du Gouvernement de Transition of the DRC (the Congolese Government) on July 15, 2005 and was publicly ratified by presidential decree No. 05070 issued on August 4, 2005. The Kamoto Joint Venture is owned 75% by KFL and 25% by Gécamines.

The Kamoto Joint Venture Agreement required that a feasibility study be delivered by KFL to Gécamines. On April 17, 2006 a feasibility study was delivered to Gécamines by KFL in accordance with the terms of the Kamoto Joint Venture Agreement.

KFL and Gécamines are utilizing a DRC incorporated and organized company, Kamoto Copper Company SARL ("KCC"), owned 75% by KFL and 25% by Gécamines, to hold, redevelop, rehabilitate and operate the Kamoto Joint Venture Assets. KCC has a six person board, four members of which are nominees of KFL. Under the terms of the Kamoto Joint Venture, Gécamines has granted to KCC exclusive rights to take possession of and use all of the real and personal property constituting the Kamoto Joint Venture Assets. KFL must contribute the technical expertise and the necessary capital for the expansion of the Kamoto Joint Venture Assets. It is expected that the necessary capital will be provided through interest bearing advances to KCC. It is anticipated that KFL will receive repayment of the capital and interest thereon on a preferential basis. Also, KCC must make lease payments to Gécamines equal to 2% of the net sales proceeds realized during the first three annual periods and 1.5% of the net sales proceeds realized during each annual period thereafter.

On June 27, 2006 an official signing ceremony was held at the Kamoto mine site to commemorate the formation of the Kamoto Joint Venture and transfer the Kamoto Joint Venture assets from Gécamines to KCC.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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(UNAUDITED)

4. CAPITAL STOCK AND CONTRIBUTED SURPLUS

(a) AUTHORIZED

1,000 common shares, par value \$12.00 each
 100,000,000 common shares, par value \$0.10 each

(b) COMMON SHARES ISSUED

	NUMBER OF SHARES	CAPITAL STOCK	CONTRIBUTED SURPLUS
Balance at September 30, 2005	5,750,975	\$ 586,998	\$ 1,864,923
Issued for cash, net of issue costs (1)	14,000,000	1,400,000	12,616,178
Issued for cash, net of issue costs (2)	21,000,000	2,100,000	127,307,842
Exercise of warrants	2,144,320	214,432	981,005
Exercise of options	125,000	12,500	440,652
Black-Scholes valuation of options granted during the period	-	-	2,249,951
Common share adjustment	1	-	-
Issued in RTO transaction	35,001,500	3,500,150	2,405,886
Adjustment to give effect to RTO accounting	-	-	(11,865,467)
Balance at September 30, 2006	78,021,796	\$ 7,814,080	\$ 136,000,970

- (1) On December 13, 2005, the Company received aggregate gross proceeds from its brokered private placement of CDN\$17,500,000. A total of 14,000,000 subscription receipts were issued at a price of CDN\$1.25 per subscription receipt. Each subscription receipt entitled the holder to acquire one Katanga common share without payment of further consideration. The Company paid the agents a commission equal to 6% of the gross proceeds of the offering and issued the agents compensation warrants to buy 560,000 Katanga common shares. The exercise price of the warrants is CDN\$1.45 per share. All of the warrants were exercised prior to the expiration date of October 18, 2006.
- (2) On May 2, 2006, the Company closed a financing and the underwriters' option was exercised. The Company received aggregate gross proceeds of CDN\$152,250,000. A total of 21,000,000 subscription receipts were issued at a price of CDN\$7.25 per subscription receipt. Each subscription receipt entitled the holder to acquire one Katanga common share without payment of further consideration. The gross proceeds of the offering less the estimated out-of-pocket costs and expenses of the underwriters were held in escrow and were released to the Company on June 27, 2006 upon satisfaction of certain escrow release conditions. The Company paid the agents a commission equal to 5% of the gross proceeds of the offering.

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4. CAPITAL STOCK AND CONTRIBUTED SURPLUS (Continued)

(b) COMMON SHARES ISSUED (Continued)

For financial reporting purposes, the changes in capital stock and contributed surplus during the nine months ended September 30, 2006 are as follows:

	CAPITAL STOCK	CONTRIBUTED SURPLUS	TOTAL
Balance at December 31, 2005 (i)	\$ 10,000	\$ 2,510,694	\$ 2,520,694
Additional contributions of capital during the period (ii)	-	3,858,675	3,858,675
Shares issued in RTO Transaction (iii)	3,500,150	2,405,886	5,906,036
Shares issued in private placement (iv)	2,100,000	127,307,842	129,407,842
Reclassification to reflect par value of shares outstanding (v)	2,095,180	(2,095,180)	-
Warrants exercised during the period	108,750	242,377	351,127
Options granted during the period	-	1,770,676	1,770,676
Balance at September 30, 2006	\$ 7,814,080	\$ 136,000,970	\$ 143,815,050

- (i) The capital stock and contributed surplus amounts at December 31, 2005 are the amounts reported by KFL, the continuing entity under reverse takeover accounting described in Note 2. KFL issued 10,000 common shares with a par value of \$1 per share in 2004. Contributed surplus of \$2,510,694 arose as a result of cash advances to KFL by Katanga. Pursuant to the terms of the Option Agreement, Katanga advanced funds to KFL to fund the feasibility study and other mineral property expenditures on the Kamoto Joint Venture Assets.
- (ii) Additional cash advances between January 1, 2006 and June 27, 2006 (the date of the RTO Transaction) were made to KFL by Katanga to fund the completion of the feasibility study.
- (iii) The value ascribed to the 35,001,500 common shares issued in the RTO Transaction is the fair value of Katanga's net assets (excluding advances to KFL to fund feasibility costs referred to in (i) and (ii) above) on June 27, 2006, the date of the RTO Transaction, as described more fully in Note 2.
- (iv) Following completion of the RTO Transaction, the Company received net proceeds in the amount of \$129,407,842, previously held in escrow upon the issuance of 21,000,000 subscription receipts in May 2006.
- (v) The stated value of the Company's capital stock has been increased and contributed surplus decreased by an equivalent amount to present capital stock at the actual par value of the common shares outstanding on June 27, 2006, the date of the RTO Transaction.

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(UNAUDITED)

4. CAPITAL STOCK AND CONTRIBUTED SURPLUS (Continued)

(c) WARRANTS

The following table reflects the number of warrants and compensation warrants issued by the Company.

Expiry date	Exercise price (1)	Outstanding September 30, 2005	Issued during the period	Exercised during the period	Outstanding September 30, 2006
October 6, 2006 (2)	\$0.35	1,837,500	-	(1,187,500)	650,000
October 18, 2006 (3)	1.45	<u>560,000</u>	<u>-</u>	<u>(544,320)</u>	<u>15,680</u>
		<u>2,397,500</u>	<u>-</u>	<u>(1,731,820)</u>	<u>665,680</u>

(1) Denominated in Canadian dollars.

(2) Fair market value assigned to outstanding warrants using the Black-Scholes valuation model is \$39,011.

(3) Fair market value assigned to outstanding compensation warrants using the Black-Scholes valuation model is \$35,377.

(d) STOCK OPTIONS

The following table reflects the continuity of stock options for the period:

	Number of Stock Options	Weighted Exercise Price per share(1)
Balance outstanding at September 30, 2005	-	\$nil
Granted during the period	1,640,000	6.52
Exercised during the period	(125,000)	4.10
Balance outstanding at September 30, 2006	1,515,000	\$6.72

(1) Denominated in Canadian dollars.

(2) In April 2006, 850,000 options were granted with an exercise price of CDN\$7.40. The value assigned to these options was calculated using the Black-Scholes valuation model with the following assumptions: dividend yield 0%, expected volatility 83%, risk-free rate of return 4.23% and expected maturity of 5 years. The fair value of each stock option granted averaged CDN\$5.05 per option. The total fair value assigned to these options was \$3,824,390. These options vest at a rate of 33.33% on each of January 1, 2007, 2008 and 2009, respectively.

(3) In January 2006, 205,000 options were granted with an exercise price of CDN\$4.10. The value assigned to these options was calculated using the Black-Scholes valuation model with the following assumptions: dividend yield 0%, expected volatility 80%, risk-free rate of return 3.84% and expected maturity of 5 years. The fair value of each stock option granted averaged CDN\$2.72 per option. The total fair value assigned to these options was \$479,275. These options vested upon issuance.

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(UNAUDITED)

4. CAPITAL STOCK AND CONTRIBUTED SURPLUS (Continued)

(d) STOCK OPTIONS (Continued)

- (4) In July 2006, 400,000 options were granted with an exercise price of CDN\$6.15. The value assigned to these options was calculated using the Black-Scholes valuation model with the following assumptions: dividend yield 0%, expected volatility 80%, risk-free rate of return 4.38% and expected maturity of 5 years. The fair value of each stock option granted averaged CDN\$4.11 per option. The total fair value assigned to these options was \$1,465,081. These options vest at a rate of 33.33% on each of July 7, 2007, 2008 and 2009, respectively.
- (5) In July 2006, 185,000 options were granted with an exercise price of CDN\$6.00. The value assigned to these options was calculated using the Black-Scholes valuation model with the following assumptions: dividend yield 0%, expected volatility 80%, risk-free rate of return 4.36% and expected maturity of 5 years. The fair value of each stock option granted averaged CDN\$4.01 per option. The total fair value assigned to these options was \$660,902. These options vest at a rate of 33.33% on each of July 10, 2007, 2008 and 2009, respectively.

The following table summarizes the stock options outstanding at September 30, 2006:

Exercise Price per Share (1)	Expiry Date	Outstanding Options
\$4.10	January 17, 2011	80,000
\$7.40	April 19, 2011	850,000
\$6.15	July 6, 2011	400,000
\$6.00	July 9, 2011	185,000
		1,515,000

(1) Denominated in Canadian dollars.

5. RESTRICTED SHARE UNITS

In April 2006, 195,000 Restricted Share Units ("RSUs") were granted. Each unit entitles the holder to one share of the Company's common stock upon vesting. The RSUs vest at a rate of 33.33 % upon each of January 1, 2007, 2008 and 2009, respectively. In July 2006, 50,000 RSUs were granted, entitling the holder to one share of the Company's common stock upon vesting. These RSUs vest at a rate of 33.33% upon each of July 10, 2007, 2008, and 2009. Upon vesting, the Company is obligated to provide a trustee with the necessary funds to enable the trustee to acquire the Company's common stock in the marketplace for the benefit of the holder. The holders of the RSUs have no rights of ownership associated with the common shares until the RSUs have vested and the common shares have been transferred to the participant. Included on the Company's September 30, 2006 balance sheet is a payable of \$632,740 related to the issuance of the RSUs.

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6. RELATED PARTY TRANSACTIONS

Katanga entered into the Option Agreement and the Option Amendment Agreement and has exercised the Option Amendment Agreement (upon approval of the shareholders of Katanga) and had other transactions with KFL during the first six months of 2006, as described herein, prior to acquiring all the shares of KFL. The majority of the previous shareholders of KFL are also shareholders of Katanga. In December 2005, these shareholders also became officers and/or directors of Katanga.

Kamoto Operating Limited ("KOL"), a company incorporated pursuant to the laws of the DRC, has been appointed to act as the operator of the project pursuant to the Kamoto Joint Venture Agreement and an operating agreement ("Operating Agreement") which was executed by KOL and KCC on November 2, 2005. Current shareholders and directors of the Corporation are the owners of KOL. The Operating Agreement establishes the terms and conditions pursuant to which KOL as operator will provide services to KCC in the planning and conduct of exploration, development, mining, processing and related operations with respect to the Kamoto Joint Venture Assets, including a management fee to be provided to KOL. During the three and nine months ended September 30, 2006, management fees totaling \$240,917 (three and nine months ended September 30, 2005 - \$nil) were incurred and accrued to KOL. These fees have been capitalized to mineral interests.

During the three and nine months ended September 30, 2006, the Company engaged an entity owned by one of its directors for the sourcing and provision of goods and services including airplanes, construction and resources. The total paid for these services was \$1,037,864 (three and nine months ended September 30, 2005 - \$nil). In addition, a financing fee of \$47,045 was paid to this company on advances previously provided (three and nine months ended September 30, 2005 - \$nil).

KOL, on behalf of KCC, entered into an agreement for the mining of one of its open pit ore bodies with an entity owned by one of its directors. The mining is expected to commence in April 2007 and continue through 2011. No expenditures were incurred during the three and nine months ended September 30, 2006; however, a prepayment in the form of a mobilization fee of \$2,520,000 was paid in October 2006. The terms of the agreement are competitive to terms available from other qualified contractors.

A portion of the commission and compensation warrants related to the CDN\$17.5 million private placement completed in December 2005 were paid to a limited market dealer subsidiary of a company, two directors of whom are also directors of Katanga.

The above-noted transactions were in the normal course of business and were measured at the exchange amounts, as agreed by the related parties involved.

7. OTHER

During the period, the Company changed its fiscal year end from September 30 to December 31 to align with KFL. (see Note 2)

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8. COMMITMENTS

The Company is obligated under the terms of an operating lease for minimum annual rental payments of \$955,000 for a period of five years, commencing September 19, 2006, with an option to renew for a further five years.

9. SUBSEQUENT EVENT

In November 2006, the Company filed with the securities regulatory authorities in Ontario, British Columbia and Alberta a preliminary short form prospectus with respect to a proposed offering of 100,000 units ("Units"). Each Unit will consist of a CDN\$1,000 unsecured subordinated note ("Notes") and 40 common share purchase warrants ("Warrants"). The Notes will bear interest at the rate of 14% per annum, payable semi-annually in arrears in equal installments on January 1 and July 1 of each year, with interest payable from the closing date to June 30, 2007 capitalized and cash interest payments commencing January 1, 2008. The notes will mature on November 30, 2013. Each Warrant entitle the holder to purchase one common share of the Company anytime within five years from the closing date at CDN\$8.50 per share. The Units will not trade and will separate into Notes and Warrants immediately upon issue. The offering is scheduled to close on or about November 20, 2006, subject to regulatory approval.

The Company intends to use the net proceeds of the offering to continue the refurbishment and development of the Kamoto Joint Venture Assets in the Democratic Republic of Congo and for general corporate purposes including working capital.