

## **Independent auditors' report to the members of Noventa Limited**

We have audited the group financial statements of Noventa Limited for the year ended 31 December 2007 which comprise the Consolidated Income Statement, the Consolidated Balance Sheet, the Consolidated Cash Flow Statement, and the Consolidated Statement of Recognised Income and Expense and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Article 110 of the Companies (Jersey) Law 1991. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the Directors' report and the group financial statements in accordance with applicable law and International Financial Reporting Standards as adopted by the EU are set out in the Statement of Directors' Responsibilities on page 16.

Our responsibility is to audit the group financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the group financial statements give a true and fair view and whether the group financial statements have been properly prepared in accordance with the Companies (Jersey) Law 1991.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the group financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the group financial statements, and of whether the accounting policies are appropriate to the Group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the group financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the group financial statements.



## Opinion

In our opinion:

- the group financial statements give a true and fair view, in accordance with International Financial Reporting Standards as adopted by the EU, of the state of the Group's affairs as at 31 December 2007 and of its loss for the year then ended; and
- the group financial statements have been properly prepared in accordance with the Companies (Jersey) Law 1991.

### *Emphasis of matter – Going concern*

In forming our opinion on the financial statements, which is not qualified, we have considered the adequacy of the disclosures made on pages 26 and 27 of the financial statements concerning:

- the operational difficulties the Group has experienced in ramping up production at the Marropino mine and the possibility that, if targeted production levels are not met within 12 - 18 months of the date of this report, the Group will not have sufficient funds to continue in business without raising external funding for operational purposes; and
- the requirement to secure external funding to finance the Marropino hard rock processing facility.

There is no certainty that the Group will be able to secure sufficient funding which, together with the other conditions described on pages 26 and 27 indicates the existence of a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Group were unable to continue as a going concern.

*KPMG Audit Plc*

KPMG Audit Plc

*Chartered Accountants*

Registered Auditor

London

27 June 2008

