OCEANAGOLD CORPORATION

INTERIM CONSOLIDATED FINANCIAL STATEMENTS

FIRST QUARTER REPORT

MARCH 31ST, 2008

UNAUDITED

UNAUDITED INTERIM CONSOLIDATED BALANCE SHEETS

As at Quarter ended March 31, 2008

(in thousands of United States dollars)	*Notes*	*March 31 2008 $'000*	*December 31 2007 $'000*
ASSETS			
Current assets			
Cash and cash equivalents		110 323	119 837
Accounts receivable and other receivables		6 774	3 426
Inventories	3	17 908	20 937
Prepayments		593	945
Future income tax assets	4	15 698	9 009
Derivatives	7	702	1 084
Total current assets		151 998	155 238
Non-current assets			
Accounts receivable and other receivables		7	-
Inventories	3	24 450	23 953
Property, plant and equipment	5	193 743	196 320
Mining assets	6	457 432	415 723
Future income tax assets	4	15 227	12 611
Derivatives	7	3 368	4 097
Total non-current assets		694 227	652 704
TOTAL ASSETS		846 225	807 942
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities			
Accounts payable and accrued liabilities		27 905	26 422
Asset retirement obligation		260	293
Derivatives	7	46 675	30 402
Employee benefits	8	2 096	2 291
Interest-bearing loans and borrowings	9	22 619	18 687
Total current liabilities		99 555	78 095
Non-current liabilities			
Other long term obligations		7 364	7 717
Employee benefits	8	76	-
Interest-bearing loans and borrowings	9	202 899	198 912
Future income tax liabilities	4	75 754	71 619
Asset retirement obligation		8 918	9 218
Derivatives	7	95 187	88 216
Total non-current liabilities		390 198	375 682
TOTAL LIABILITIES		489 753	453 777
SHAREHOLDERS' EQUITY			
Share capital	10	334 975	334 975
Accumulated deficit		(67 947)	(56 791)
Contributed surplus		33 008	32 379
Accumulated other comprehensive income	11	56 436	43 602
TOTAL SHAREHOLDERS' EQUITY		356 472	354 165
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		846 225	807 942

Contingencies (note 13)
Commitments (note 14)

On behalf of the Board of Directors:

(Signed) James E. Askew
Director

(Signed) J. Denham Shale
Director

The accompanying Notes to the Interim Consolidated Financial Statements are an integral part of these financial statements.

UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS

For the Quarter ended March 31, 2008

(in thousands of United States dollars except per share amounts)	*Notes*	*Three months ended March 31 2008 $'000*	*March 31 2007 $'000*
Revenue			
Gold sales		62 263	20 769
Release from other comprehensive income of deferred unrealised loss on designated hedges		157	(9 080)
		62 420	11 689
Cost of sales, excluding depreciation and amortisation		(33 000)	(13 432)
Depreciation and amortisation		(14 204)	(3 448)
General & administration		(3 908)	(1 783)
Operating profit / (loss)		**11 308**	**(6 974)**
Other expenses			
Interest expense		(5 897)	(3 544)
Foreign exchange loss		(3 697)	(190)
		(9 594)	(3 734)
Loss on fair value of undesignated hedges		(21 498)	(6 376)
Interest income		1 430	1 296
Other income		32	40
Loss before income taxes		(18 322)	(15 748)
Income taxes recovery		7 166	5 092
Net loss		(11 156)	(10 656)
Net loss per share:			
- basic	15	($0.07)	($0.08)
- diluted	15	($0.07)	($0.08)

UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF RETAINED EARNINGS/ (DEFICIT)

For the Quarter ended March 31, 2008

(in thousands of United States dollars)	*Notes*	*Three months ended March 31 2008 $'000*	*March 31 2007 $'000*
Retained earnings / (deficit) at beginning of period		(56 791)	11 768
Net loss		(11 156)	(10 656)
Other		-	296
Retained earnings / (deficit) at end of period		(67 947)	1 408

UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME/(LOSS)

For the Quarter ended March 31, 2008

	Notes	*Three months ended March 31 2008 $'000*	*March 31 2007 $'000*
Net earnings / (loss)		(11 156)	(10 656)
Other comprehensive income for the year, net of tax:			
Cash flow hedge gain / (loss)		(103)	5 443
Currency translation differences		12 937	5 851
		12 834	11 294
Comprehensive income / (loss)		**1 678**	**638**

The accompanying Notes to the Interim Consolidated Financial Statements are an integral part of these financial statements.

UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF CASHFLOWS

For Quarter ended March 31, 2008

(in thousands of United States dollars)	*Notes*	*Three months ended March 31 2008 $'000*	*March 31 2007 $'000*
Operating activities			
Net loss		(11 156)	(10 656)
Charges (credits) not affecting cash			
Depreciation and amortisation expense		14 204	3 448
Net (gain) on disposal of property, plant & equipment		(13)	(3)
Non-cash interest charges		2 435	-
Unrealised foreign exchange (gains) / losses		(341)	89
Stock based compensation charge		503	1 521
Non-cash derivative expenses		21 341	15 456
Future tax expense/(benefit)		(7 166)	(5 092)
Changes in non-cash working capital			
(Increase)/decrease in accounts receivable and other receivables		(3 265)	(258)
(Increase)/decrease in inventory		2 570	586
(Decrease)/increase in accounts payable		118	1 890
(Decrease)/increase in other working capital		502	1 324
Net cash provided by operating activities		19 732	8 305
Investing activities			
Proceeds from sale of property, plant and equipment		16	19
Payments for property, plant and equipment		(58)	(19 983)
Payments for mining assets: exploration and evaluation		(15 518)	(2 204)
Payments for mining assets: development		-	(3 139)
Payments for mining assets: in production		(16 378)	(11 419)
Net cash used for investing activities		(31 938)	(36 726)
Financing activities			
Payment of finance lease liabilities		(1 956)	(747)
Proceeds from finance leases		-	6 189
Proceeds / (repayments) from borrowings		(406)	18 710
Proceeds from convertible notes		-	23 175
Net cash provided by (used for) financing activities		(2 362)	47 327
Effect of exchange rates changes on cash		5 054	1 486
Net increase in cash and cash equivalents		(9 514)	20 392
Cash and cash equivalents at beginning of period		119 837	80 025
Cash and cash equivalents at end of period		110 323	100 417
Cash Interest Paid		(3 462)	(3 544)

The accompanying Notes to the Interim Consolidated Financial Statements are an integral part of these financial statements.

1 BASIS OF PRESENTATION

The unaudited interim consolidated financial statements have been prepared by the Company in accordance with Canadian generally accepted accounting principles ("Canadian GAAP"). The preparation of the financial statements is based on accounting policies and practices consistent with those used in the preparation of the audited annual consolidated financial statements. Where necessary, comparative information has been reclassified for consistency with current year disclosures.

The accompanying unaudited consolidated financial statements should be read in conjunction with the notes to the audited consolidated financial statements of OceanaGold Corporation (OceanaGold) for the year ended December 31, 2007, since they do not contain all disclosures required by Canadian GAAP for annual financial statements. These unaudited interim consolidated financial statements reflect all normal and recurring adjustments, which are, in the opinion of management, necessary for a fair presentation of the respective interim periods presented.

2 SEGMENT INFORMATION

The Group's operations are managed on a regional basis. The two reportable segments are New Zealand and the Philippines. Capital expenditure includes the cost of segment assets acquired by way of business combinations.

	New Zealand $'000	Philippines $'000	Total $'000
Quarter ended March 31, 2008			
Revenue			
Sales to external customers	62 263	-	62 263
Release from other comprehensive income of deferred unrealised losses on designated hedges	157	-	157
Total Segment Revenue	62 420	-	62 420
Result			
Segment result excluding unrealised hedge losses	14 614	(152)	14 462
Release from other comprehensive income of deferred unrealised losses on designated hedges	157	-	157
Loss on fair value of undesignated hedges	(21 498)	-	(21 498)
Total Segment result	(6 727)	(152)	(6 879)
Unallocated result			(5 546)
Loss before tax and finance costs			(12 425)
Interest expense			(5 897)
Loss before tax			(18 322)
Income tax recovery			7 166
Loss for the period			(11 156)
Assets			
Segment assets	416 493	340 975	757 468
Unallocated assets			103 443
Total assets			860 911

2 SEGMENT INFORMATION (continued)

Quarter ended March 31, 2007			
Revenue			
Sales to external customers	20 769	-	20 769
Release from other comprehensive income of deferred unrealised losses on designated hedges	(9 080)	-	(9 080)
Total Segment Revenue	11 689	-	11 689
Result			
Segment result excluding unrealised hedge losses	5 779	(236)	5 543
Release from other comprehensive income of deferred unrealised losses on designated hedges	(9 080)	-	(9 080)
Loss on fair value of undesignated hedges	(6 376)	-	(6 376)
Total Segment result	(9 677)	(236)	(9 913)
Unallocated result			(2 291)
Loss before tax and finance costs			(12 204)
Interest expense			(3 544)
Loss before tax			(15 748)
Income tax recovery			5 092
Loss for the period			(10 656)
Assets			
Segment assets	423 321	266 307	689 628
Unallocated assets			49 424
Total assets			739 052

3 INVENTORIES

	March 31 2008 $'000	*December 31 2007 $'000*
Current		
Gold in circuit	3 780	3 677
Gold on hand	-	2 828
Ore	1 372	2 275
Stores	12 756	12,157
	17 908	20 937
Non-Current		
Ore	24 450	23 953
Total inventories	42 358	44 890

4 FUTURE INCOME TAX

	March 31 2008 $'000	December 31 2007 $'000
Future income tax		
Future income tax at period end relates to the following:		
Future income tax assets		
Losses available for offset against future taxable income	68 410	66 840
Revaluations of hedge contracts to fair value	42 216	35 585
Provisions	3 961	3 509
Accrued expenses	8	4
Share issue costs	2 647	2 734
Other	862	677
Gross future income tax assets	118 104	109 349
Set-off future tax liabilities	(87 179)	(87 729)
	30 925	21 620
Less: current portion	(15 698)	(9 009)
Net non- current future tax assets	15 227	12 611
Future income tax liabilities		
Mining assets	(112 380)	(105 275)
Property, plant and equipment	(47 874)	(48 622)
Inventory	(1 178)	(1 278)
Interest Receivable	(472)	(449)
Accrued Revenue	-	(2 024)
Revaluations of hedge contracts to fair value	(878)	(1 554)
Other	(151)	(146)
Gross future income tax liabilities	(162 933)	(159 348)
Set-off future tax assets	87 179	87 729
	(75 754)	(71 619)
Less: current portion	-	-
Net non-current future tax liabilities	(75 754)	(71 619)

5 PROPERTY, PLANT AND EQUIPMENT

	March 31 2008 $'000	December 31 2007 $'000
Freehold land		
Cost	5 031	4 904
Buildings		
Cost	5 221	5 089
Accumulated depreciation	(2 338)	(2 216)
Net of accumulated depreciation	2 883	2 873
Plant and equipment		
Cost	199 783	196 958
Accumulated depreciation	(63 442)	(58 735)
Net of accumulated depreciation	136 341	138 223
Assets under capital lease		
Cost	89 961	87 686
Accumulated amortisation	(40 473)	(37 366)
Net of accumulated amortisation	49 488	50 320
Net book value of property, plant and equipment	193 743	196 320

6 MINING ASSETS

	March 31 2008 $'000	*December 31 2007 $'000*
Mining Assets: Exploration and evaluation phase		
Cost	349 239	319 993
Mining Assets: Development phase		
Cost	2 116	40 494
Mining Assets: In production		
Cost	172 897	112 691
Accumulated amortisation	(66 820)	(57 455)
Net of accumulated amortisation	106 077	55 236
Net book value of mining assets	457 432	415 723

The recovery of the costs deferred in respect of exploration and evaluation expenditure is dependent upon successful development and commercial exploitation of the respective area of interest.

7 DERIVATIVES

	March 31 2008 $'000	*December 31 2007 $'000*
Current Assets		
Gold put options	702	1 084
Non-current Assets		
Gold put options	3 368	4 097
Total Assets	4 070	5 181
Current Liabilities		
Gold forward sales contracts	46 675	30 402
Gold call options	-	-
	46 675	30 402
Non Current Liabilities		
Gold forward sales contracts	68 853	67 322
Gold call options	26 334	20 894
	95 187	88 216
Total Liabilities	141 862	118 618

Prices for the consolidated entity's primary commodity products (gold bullion) are determined on international markets and quoted in US dollars.

Metal prices and exchange rates are fixed using forward sale contracts and options. Derivative financial instruments are matched with future metal production.

Primary instruments are undesignated forward gold sales contracts for 319 788 ounces with an average price of NZ$773 (2007: 319 788 ounces), undesignated gold put options over 228,927 ounces (2007: 248 538 ounces) with an average exercise price of NZ$1,000 and undesignated gold call options over 104,024 ounces (2007: 104,024 ounces) of forecast 2010 production with an average exercise price of NZ$1,062. These derivative instruments are contracted with a consortium of banks under a hedging facility, secured by a pledge of assets of Oceana Gold (NZ) Ltd.

Between December 31, 2007 and March 31, 2008 the NZD gold price moved from approximately $834 per ounce to $916 contributing significantly to the increase in the gold derivative liabilities.

The forward sales programme is managed in accordance with policies approved by the Board. Performance under these policies is regularly reported to the Board.

The net gains and losses that relate to contracts not designated as specific hedges have been recognised in the statement of operations.

8 EMPLOYEE BENEFITS

(a) Employee benefit liability

	March 31 2008 $'000	*December 31 2007 $'000*
Aggregate employee benefit liability is comprised of:		
Accrued wages, salaries	283	331
Provisions current	2 096	2 291
Provisions non-current	76	-
	2 455	2 622

(b) Defined Contribution Plans

The company has defined contribution pension plans for certain groups of employees. The company's share of contributions to these plans is expensed in the year it is earned by the employee.

9 INTEREST-BEARING LOANS AND BORROWINGS

	Effective interest rate %	*Maturity*	*March 31 2008 $'000*	*December 31 2007 $'000*
Current				
Capital leases	10.64%	5/31/2014	8 679	8 153
Insurance Premium Loan (NZD)	10.55%	4/30/2008	185	575
Project debt facility (NZD)	11.40%	12/31/2010	13 755	9 959
			22 619	18 687
Non-current				
Capital leases	10.64%	5/31/2014	50 841	51 761
5.75% Convertible Notes (A$55m)	9.16%	12/22/2012	47 116	44 846
7.00% Convertible notes (A$70m)	10.13%	12/22/2013	61 212	57 255
7.00% Convertible notes (A$30m)	10.64%	3/22/2014	25 259	23 599
Project debt facility (NZD)	11.40%	12/31/2010	18 471	21 451
			202 899	198 912

5.75% Convertible Notes (Unsecured)

The Notes bear interest at 5.75% per annum payable semi-annually in arrears. The Notes are due for redemption at 109% of their principal amount in 2012 unless prior conversion to common shares at the option of the noteholder. The number of shares to be delivered upon conversion shall be determined by dividing the principal amount of the note by the conversion price of A$4.2435 (subject to adjustment for certain specified events).

7.00% Convertible Notes (Unsecured)

The Notes bear interest at 7.00% per annum payable semi-annually in arrears. Interest accrued in respect of the notes for the first two years is not payable but is instead capitalised into the redemption value of the notes. The Notes are due for redemption in 2013 at a value equal to the sum of their principal amount plus the capitalised interest amount, unless prior conversion to common shares at the option of the noteholder. The number of shares to be delivered upon conversion shall be determined by dividing the principal amount of the note by the conversion price. The conversion price is A$4.0950 (subject to adjustment for certain specified events).

On March 22, 2007 an additional A$30m (US$24.2m) in convertible notes was issued under the same terms and conditions as the 7% convertible notes. The conversion price is A$4.3000 (subject to adjustment for certain specified events) and the notes are due for redemption in 2014. Of the A$28.8m (US$23.2m) net proceeds of the issue A$24.9m (US$20.1m) was allocated to interest bearing liabilities and A$3.9m (US$3.1m) was allocated to equity.

10 SHARE CAPITAL

	No. shares Thousands	$'000
Movement in common shares on issue		
At 1 January 2007	132 761	246 146
Shares issued	28 774	94 392
Share issue costs	-	(9 264)
Tax effect of share issue costs	-	3 158
Exercise of options	100	543
At 31 December 2007	161 635	334 975
At 31 March 2008	161 635	334 975

There are also 30,321,702 listed options in issue. Each OceanaGold option entitles the holder to subscribe for one OceanaGold share at an exercise price of A$4.625. The OceanaGold options can only be exercised during the period from January 1, 2008 to January 1, 2009 (or earlier in the event of a successful takeover bid for OceanaGold). The options lapse on January 1, 2009 if not exercised before that date.

On the June 27, 2007 OceanaGold listed on the Toronto Stock Exchange (TSX). An initial public offering of 25,715,000 common shares at C$3.50 per common share was completed on July 5, 2007. The underwriters were also granted an over allotment of shares which were completed on July 25, 2007 where 3,060,000 common shares were issued at C$3.50 per common share. The gross proceeds from the offering were C$100,712,500 (US$94,392,519).

OceanaGold's listing on the Australian Stock Exchange (ASX) and the New Zealand Stock Exchange (NZX) was restructured in connection with the TSX listing. As a result of the restructure OceanaGold's shares were consolidated using 1:5 per common share basis, which has been reflected in the above number of shares.

11 ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS) ("OCI")

	March 31 2008 $'000	December 31 2007 $'000
Balance at the start of the period		
Deferred gain/(loss) on cash flow hedging activities	882	(8 975)
Currency translation adjustments	42 720	12 050
	43 602	3 075
OCI for the period:		
Effective portion of change in fair value of gold put options	(158)	(1 697)
Transfers of cash flow hedge (gains)/losses to earnings on recording hedged items in earnings	-	16 407
Currency translation differences	12 937	30 670
OCI before tax	12 779	45 380
Income tax recovery/(expense) on effective portion of change in fair value of gold put options	55	561
Income tax recovery/(expense) on transfers of cash flow hedge losses to earnings on recording hedged items in earnings.	-	(5 414)
OCI net of tax	12 834	40 527
Accumulated OCI at the end of the period		
Cash flow hedge gains (losses)	779	882
Currency translation adjustments	55 657	42 720
	56 436	43 602

12 STOCK-BASED COMPENSATION

(i) Stock Option movements
The following table reconciles the outstanding share options granted under the executive share option scheme at the beginning and the end of the period:

WAEP = weighted average exercise price

	March 31, 2008		*December 31, 2007*	
	No.	**WAEP**	**No.**	**WAEP**
Outstanding at the start of the period	2 600 000	A$3.81	1 300 000	A$5.35
Granted in the money	1 329 991	A$2.70	1 930 000	A$3.47
Granted out of the money	-	-	1 460 000	A$4.07
Forfeited	(30 000)	A$3.79	(1 050 000)	A$4.14
Exercised	-	-	(100 000)	A$3.75
Cancelled	**-**	**-**	(940 000)	A$5.27
Balance at the end of the period	**3 899 991**	**A$3.43**	**2 600 000**	**A$3.81**
Exercisable at the end of the period	716, 671	A$3.81	-	-

OceanaGold's listing on the Australian Stock Exchange (ASX) and the New Zealand Stock Exchange (NZX) was restructured in connection with the TSX listing. As a result of the restructure OceanaGold's shares were consolidated using 1:5 per common share basis, which has been reflected in the above number of shares.

(ii) Balance at end of the period

The share options at the end of the financial period had an exercise price of between A$2.703 and A$4.255 and a weighted average remaining contractual life of 4.93 years. The share options were restructured on a 1:5 basis for the TSX listing.

(iii) Contributed surplus movement

	March 31 2008 $'000	**December 31 2007 $'000**
Balance at start of period	32 379	28 171
Stock based compensation expense	629	1 884
Cancelled Options	-	(519)
Exercise of options	-	(230)
Issue of convertible notes – value of conversion rights	-	3 073
Balance at end of period	33 008	32 379

13 CONTINGENCIES

a. The company has issued bonds in favour of various New Zealand authorities (Ministry of Economic Development – Crown Minerals, Otago Regional Council, Waitaki District Council, West Coast Regional Council, Buller District Council, Timberlands West Coast Limited and Department of Conservation) as a condition for the grant of mining and exploration privileges, water rights and/or resource consents, and rights of access for the Macraes Gold Mine and the Globe Progress mine at the Reefton Gold Project which amount to approximately $14.3m (NZ$18.2m) (2007 $13.9m NZ$18.2m).

b. The company has provided a cash operating bond to the New Zealand Department of Conservation of $0.3m (NZ$0.4m) (2007 $0.3m NZ$0.4m) which is refundable at the end of the Globe Progress mine. This amount is included in the total referred to in (a) above.

c. In the course of normal operations the consolidated entity may receive from time to time claims and suits for damages including workers compensation claims, motor vehicle accidents or other items of similar nature. The consolidated entity maintains specific insurance policies to transfer the risk of such claims. No provision is included in the accounts unless the Directors believe that a liability has been crystallised. In those circumstances where such claims are of material effect, have merit and are not covered by insurance, their financial effect is provided for within the financial statements.

d. The company has provided a guarantee in respect of a capital lease agreement for certain mobile mining equipment entered into by a controlled entity. At March 31, 2008 the outstanding rental obligations under the capital lease are $59.5m (2007 $59.9m). Associated with this guarantee are certain financial compliance undertakings by the Group, including gearing covenants.

e. A third party has a contractual right to an 8% free carried interest in the operating company that will be formed to undertake the management, development, mining and processing of ore, and marketing of products as part of the Didipio project. This free carried interest is a right to 8% of the common share capital of the operating vehicle. At March 31, 2008 no such equity has been issued to the third party as the conditions precedent to such an issue have not yet been satisfied. As no liability has been crystallized and the fair value of the contingent liability is unable to be measured reliably as there is inherent uncertainty about the operating company's future dividend distribution policy after development expenditure has been recovered, no provision has been included in the accounts.

f. The Didipio Project is held under a Financial of Technical Assistance Agreement ("FTAA") granted by the Philippines Government in 1994. The FTAA grants title, exploration and mining rights with a fixed fiscal regime. Under the terms of the FTAA, after a period in which the company can recover development expenditure, capped at 5 years from the start of production, the Company is required to pay the Government of the Republic of the Philippines 60% of the "net revenue" earned from the Didipio Project. For the purposes of the FTAA, "net revenue" is generally the net revenues derived from mining operations, less deductions for, among other things, expenses relating to mining, processing, marketing, depreciation and certain specified overhead. In addition, all taxes paid to the Government shall be included as part of the 60% payable to the Government. The FTAA also contains a provision requiring the Company to divest 60% of its interest in the project (or such lesser percentage as may be imposed by law) to Filipino persons by the later of ten years after the recovery of pre-operating expenses or 20 years after the FTAA, in which case the revenue sharing arrangement described above will cease to apply; provided that as an alternative to divestment the Company may, at its option, enter into a mineral production sharing agreement with the Government.

14 COMMITMENTS

Capital commitments
At March 31, 2008, the consolidated entity has commitments of $63.7m (2007 $32.7m), principally relating to the development of mining facilities.

The commitments contracted for at reporting date, but not provided for:

	March 31 2008 $'000	*December 31 2007 $'000*
Within one year:		
- development of new mining facilities	59 048	29 746
After one year but not more than five years:		
- development of new mining facilities	4 630	2 951
	63 678	32 697

15 EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing net income/(loss) for the year attributable to common equity holders of the parent by the weighted average number of common shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net income attributable to common shareholders (after adding back interest on the convertible notes) by the weighted average number of common shares outstanding during the year (adjusted for the effects of dilutive options and dilutive convertible notes where the conversion of potential common shares would decrease earnings per share).

The following reflects the income and share data used in the total operations basic and diluted earnings per share computations:

	Three months ended March 31 2008 $'000	*March 31 2007 $'000*
Numerator:		
Net income/(loss) attributable to equity holders from continuing operations (used in calculation of basic earnings per share)	(11 156)	(10 656)
Interest on convertible notes*	-	-
Net income/(loss) attributable to equity holders from continuing operations (used in calculation of diluted earnings per share)*	(11 156)	(10 656)
	Thousands	*Thousands*
Denominator:		
Weighted average number of common shares (used in calculation of basic earnings per share)	161 635	132 761
Effect of dilution:		
Share options*	-	-
Convertible notes*	-	-
Adjusted weighted average number of common shares (used in calculation of diluted earnings per share)*	161 635	132 761
Net loss per share:		
- basic	($0.07)	($0.08)
- diluted	($0.07)	($0.08)

* For periods to March 31, 2008 and March 31, 2007 conversion of share options and convertible notes would decrease the loss per share and hence are non-dilutive. The change in the weighted average number of shares is due to restructure for the TSX listing. Shares were adjusted from the beginning of the period as per CICA 3500.
As described in Note 10, the company restructured its share capital during the period. The computation of basic and diluted EPS has been adjusted for all periods presented to reflect that change.